



Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities

Revised March 2022

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SECTION 1: DEFINITIONS

Applicability

For purposes of these rules, the following terms have the meanings given them below.

Average retail utility energy rate

"Average retail utility energy rate" means, for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. For purposes of determining the "average retail utility energy rate," the utility may consider a retail demand rate as a fixed charge and may exclude such annual revenue from the calculation. The computation shall use data from the most recent 12- month period available.

Backup power

"Backup power" means electric energy or capacity supplied by the utility to replace energy ordinarily generated by a qualifying facility's own generation equipment during an unscheduled outage of the facility.

Capacity

"Capacity" means the capability to produce, transmit, or deliver electric energy and is determined using the aggregate nameplate ratings of all qualifying systems located on the customer side of the point of common coupling. The nameplate ratings of each qualifying system are the maximum alternating current capacity values at the point of DER coupling that could be measured in a 15-minute interval period.

Capacity costs

"Capacity costs" means the costs associated with providing the capability to deliver energy. The utility's capacity costs consist of the capital costs of facilities from the utility and the utility's wholesale provider used to generate, transmit, and distribute electricity and the fixed operating and maintenance costs of these facilities.

Customer

"Customer" means the person or entity named on the utility electric bill for the premises.

Energy

"Energy" means electric energy, measured in kilowatt-hours.

Energy costs

"Energy costs" means the variable costs associated with the production of electric energy. They consist of

fuel costs and variable operating and maintenance expenses.

Firm power

"Firm power" means energy delivered by the qualifying facility to the utility with at least a 65 percent on-peak capacity factor in the month. The capacity factor is based upon the qualifying facility's maximum metered capacity delivered to the utility during the on-peak hours for the month.

Governing body

"Governing body" means the Princeton Public Utilities Commission

Interconnection costs

"Interconnection costs" means the reasonable costs of connecting, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by the utility that are directly related to installing and maintaining the physical facilities necessary to permit interconnected operations with a qualifying facility. Costs are considered interconnection costs only to the extent that they exceed the costs the utility would incur in selling electricity to the customer as a non-generating customer.

Interruptible power

"Interruptible power" means electric energy or capacity supplied by the utility to a customer subject to interruption under the provisions of the utility's tariff applicable to the retail class of customers to which the customer would belong irrespective of their ability to generate electricity.

Maintenance power

"Maintenance power" means electric energy or capacity supplied by the utility during scheduled outages of a qualifying facility.

On-peak hours

"On-peak hours" means either those hours formally designated by the utility as on-peak for ratemaking purposes or those hours for which its typical loads are at least 85 percent of its average maximum monthly loads.

Point of common coupling

"Point of common coupling" means the point where a qualifying facility's generation system, including the point of generator output, is connected to the utility's electric power grid.

Point of distributed energy resource connection

"Point of distributed energy resource connection" means the point where a qualifying facility's generation system, including the point of generator output, is connected to the customer's electric system and meets the current definition of IEEE 1547.

Purchase

"Purchase" means the purchase by the utility of electric energy or capacity or both from a customer with a qualifying facility.

Qualifying facility

"Qualifying facility" means a cogeneration or small power production facility which satisfies the conditions established in Code of Federal Regulations, title 18, part 292. The initial operation date or initial installation date of a cogeneration or small power production facility must not prevent the facility from being considered a qualifying facility for the purposes of this chapter if it otherwise satisfies all stated conditions.

Sale

"Sale" means the sale of electric energy or capacity or both by the utility to a customer with a qualifying facility.

Standby charge

"Standby charge" means the charge imposed by the utility upon a customer with a qualifying facility for the recovery of costs for the provision of standby services necessary to make electricity service available to the customer.

Standby service

"Standby service" means supplemental or backup electric service or power provided by the utility that provides reliability to customers who generate all or a portion of their electricity needs from a qualifying facility greater than 40 kW when the customer's own ability to generate will not be sufficient to meet the customer's need while the customer remains connected to the distribution system.

Supplementary power

"Supplementary power" means electric energy or capacity supplied by the utility which is regularly used by a customer with a qualifying facility in addition to that which the facility generates itself.

System emergency

"System emergency" means a condition on the utility's system which is imminently likely to result in

significant disruption of service to customers or to endanger life or property.

Utility

“Utility” means Princeton Public Utilities.

SECTION 2: SCOPE AND PURPOSE

The purpose of these rules is to implement certain provisions of Minnesota Statutes Section 216B.164; the Public Utility Regulatory Policies Act of 1978, United States Code, title 16, §824a-3; and the Federal Energy Regulatory Commission regulations, Code of Federal Regulations, title 18, part 292. These rules shall be applied in accordance with their intent to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the utility’s ratepayers and the public.

SECTION 3: FILING REQUIREMENTS

The utility shall file for annual review and approval by the governing body, a cogeneration and small power production tariff containing schedules 1 – 3.

Schedule 1

Schedule 1 shall contain the calculation of the average retail utility energy rates for each utility customer class.

Schedule 2

Schedule 2 shall contain the rates at which the utility purchases energy and capacity. If the utility has more than one wholesale supplier, schedule 2 shall contain the rates of that supplier from which purchases may first be avoided.

Schedule 3

Schedule 3 shall contain or indicate by reference to a publicly available document the utility's interconnection process, or “distributed generation tariff” adopted in compliance with Minnesota Statutes Section 216B.1611, subd. 3(2), including standard contract forms to be used with customers interconnecting qualifying facilities as well as general technical interconnection and interoperability requirements.

The utility shall also adopt technical specifications with utility-specific safety standards, technical requirements for distributed energy resource systems, required operating procedures for interconnected operations, and the functions to be performed by any control and protective apparatus.

SECTION 4: AVAILABILITY OF FILINGS

All filings shall be maintained at the utility's general office and any other offices of the utility where rate tariffs are kept. The filings shall be made available for public inspection during normal business hours. The utility shall supply the current year's distributed generation rates, interconnection procedures and application form on the utility website, if practicable, or at the utility office.

SECTION 5: REPORTING REQUIREMENTS

The utility shall report to the governing body for its review and approval an annual report including information in subparts 1-3. The utility shall also comply with other federal and state reporting of distributed generation to federal and state agencies expressly required by statute.

Summary of average retail utility energy rate

A summary of the qualifying facilities that are currently served under average retail utility energy rate.

Other qualifying facilities

A summary of the qualifying facilities that are not currently served under average retail utility energy rate.

Wheeling

A summary of the wheeling undertaken with respect to qualifying facilities.

SECTION 6: PURCHASE AND CONTRACT REQUIREMENTS

Requirement to purchase

The utility shall purchase energy and capacity from any customer who offer to sell energy and capacity from a qualifying facility to the utility and agrees to the conditions in these rules.

Written contract

A written contract shall be executed between a customer seeking to interconnect a qualifying facility and the utility.

SECTION 7: EXCLUSIVE SERVICE RIGHT RETAINED

The utility reserves its right to be the exclusive provider of electric service to all present and future customers in its service area as provided for in Minnesota Statutes, Sections 216B.40-44. The utility, therefore, refuses permission to interconnect or to continue to purchase energy produced from a facility not owned or leased at a fixed periodic payment amount by the electric utility account holder for the

premise upon which the facility is located, unless that right is explicitly waived in writing by the utility for the specified facility.

SECTION 8: ELECTRICAL CODE COMPLIANCE

Compliance; standards

The interconnection between the qualifying facility and the utility must comply with the requirements in the most recently published edition of the National Electrical Safety Code issued by the Institute of Electrical and Electronics Engineers. The interconnection is subject to subparts 2 and 3.

Interconnection

A customer with a qualifying facility is responsible for complying with all applicable local, state, and federal codes, including building codes, the National Electrical Code (NEC), the National Electrical Safety Code (NESC), and noise and emissions standards. The utility shall require proof that the qualifying facility is in compliance with the NEC before the interconnection is made. The customer seeking to interconnect a qualifying facility must obtain installation approval from an electrical inspector recognized by the Minnesota State Board of Electricity.

Generation system

A qualifying facility's generation system and installation must comply with the American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) standards applicable to the installation.

SECTION 9: RESPONSIBILITY FOR APPARATUS

A customer seeking to interconnect a qualifying facility, without cost to the utility, must furnish, install, operate, and maintain in good order and repair any apparatus the qualifying facility needs in order to operate in accordance with schedule 3.

SECTION 10: TYPES OF POWER TO BE OFFERED; STANDBY SERVICE

Service to be offered

The utility shall offer maintenance, interruptible, supplementary, and backup power to a customer seeking to interconnect a qualifying facility upon request.

Standby service

The utility shall offer a customer seeking to interconnect a qualifying facility standby power or service at the utility's applicable standby rate schedule.

SECTION 11: DISCONTINUING SALES DURING EMERGENCY

The utility may discontinue sales to a customer with an interconnected qualifying facility during a system emergency if the discontinuance and recommencement of service is not discriminatory.

SECTION 12: RATES FOR UTILITY SALES TO A CUSTOMER WITH AN INTERCONNECTED QUALIFYING FACILITY

Rates for sales to a customer with a qualifying facility are governed by the applicable tariff for the class of electric utility customers to which the customer belongs or would belong were they not a customer with an interconnected qualifying facility. Such rates are not guaranteed and may change from time to time at the discretion of the utility.

SECTION 13: STANDARD RATES FOR PURCHASES FROM QUALIFYING FACILITIES

Qualifying facilities with 100-kilowatt capacity or less

For qualifying facilities with capacity of 100 kilowatts or less, standard purchase rates apply. The utility shall make available four types of standard rates, described in parts M, N, O, and P. A customer interconnecting a qualifying facility with a capacity of 100 kilowatts or less must choose interconnection under one of these rates, and must specify their choice in the written contract required in part V. Any net credit to a customer for their qualifying facility must, at their option, be credited to their account with the utility or returned by check or comparable electronic payment service within 15 days of the billing date. The option chosen must be specified in the written contract required in part V. A customer with an interconnected qualifying facility remains responsible for any monthly service charges and demand charges specified in the tariff under which they consume electricity from the utility.

Qualifying facilities over 100-kilowatt capacity

A customer interconnecting a qualifying facility with more than 100-kilowatt capacity has the option to negotiate a contract with the utility or, if they commit to provide firm power, be compensated under standard rates.

Grid access charge

A customer with an interconnected qualifying facility shall be assessed a monthly grid access charge to recover the fixed costs not already paid by the customer through the customer's existing billing arrangement. The additional charge shall be reasonable and appropriate for the class of customer based on the most recent cost of service study defining the grid access charge. The cost-of-service study for the grid

access charge shall be made available for review by the customer of the utility upon request.

SECTION 14: AVERAGE RETAIL UTILITY ENERGY RATE

Applicability

The average retail utility energy rate is available only to customers interconnecting qualifying facilities with capacity of less than 40 kilowatts who choose not to offer electric power for sale on either a time-of-day basis, a simultaneous purchase and sale basis or roll-over credit basis.

Method of billing

The utility shall bill the customer with an interconnected qualifying facility for the excess of energy supplied by the utility above energy supplied by the qualifying facility during each billing period according to the utility's applicable retail rate schedule.

Additional calculations for billing

When the energy generated by the qualifying facility exceeds that supplied by the utility to the customer at the same site during the same billing period, the utility shall compensate the customer for the excess energy at the average retail utility energy rate.

SECTION 15: SIMULTANEOUS PURCHASE AND SALE BILLING RATE

Applicability

The simultaneous purchase and sale rate is available only to customers with qualifying facilities with capacity of less than 40 kilowatts who choose not to offer electric power for sale on average retail utility energy rate basis, time-of-day basis or roll-over credit basis.

Method of billing

A customer with a qualifying facility must be billed for all energy and capacity they consume during a billing period according to the utility's applicable retail rate schedule.

Compensation to a customer with a qualifying facility; energy purchase

The utility shall purchase all energy which is made available to it by the qualifying facility. At the option of the customer, the qualifying facility's entire generation may be deemed to be made available to the utility. Compensation to the customer must be the energy rate shown on schedule 4.

Compensation to a customer with a qualifying facility; capacity purchase

If a customer with a qualifying facility provides firm power to the utility, the capacity component must be

the utility's net annual avoided capacity cost per kilowatt-hour averaged over all hours shown on schedule 4, divided by the number of hours in the billing period. If the qualifying facility does not provide firm power to the utility, no capacity component may be included in the compensation paid to the customer.

SECTION 16: TIME-OF-DAY PURCHASE RATES

Applicability

Time-of-day rates are required for customers interconnecting qualifying facilities with capacity of 40 kilowatts or more and less than or equal to 100 kilowatts, and they are optional for customers interconnecting qualifying facilities with capacity less than 40 kilowatts. Time-of-day rates are also optional for customers interconnecting qualifying facilities with capacity greater than 100 kilowatts if these qualifying facilities provide firm power.

Method of billing

The interconnecting customer must be billed for all energy and capacity they consume during each billing period according to the utility's applicable retail rate schedule.

Compensation to qualifying facility; energy purchases

The utility shall purchase all energy which is made available to it by the qualifying facility. Compensation to the interconnecting customer must be the energy rate shown on schedule 4.

Compensation to qualifying facility; capacity purchases

If the qualifying facility provides firm power to the utility, the capacity component must be the capacity cost per kilowatt shown on schedule 4 divided by the number of on-peak hours in the billing period. The capacity component applies only to deliveries during on-peak hours. If the qualifying facility does not provide firm power to the utility, no capacity component may be included in the compensation paid to the interconnecting customer.

SECTION 17: ROLL-OVER CREDIT PURCHASE RATES

Applicability

The roll-over credit rate is available only to interconnecting customers with qualifying facilities with capacity of less than 40 kilowatts who choose not to offer electric power for sale on average retail utility energy rate basis, time-of-day basis or simultaneous purchase and sale basis.

Method of billing

The utility shall bill the interconnecting customer for the excess of energy supplied by the utility above

energy supplied by the qualifying facility during each billing period according to the utility's applicable retail rate schedule.

Additional calculations for billing

When the energy generated by the qualifying facility exceeds that supplied by the utility during a billing period, the utility shall apply the excess kilowatt hours as a credit to the next billing period kilowatt hour usage. Excess kilowatt hours that are not offset in the next billing period shall continue to be rolled over to the next consecutive billing period. Any excess kilowatt hours rolled over that are remaining at the end of each calendar year shall cancel with no additional compensation.

SECTION 18: CONTRACTS NEGOTIATED BY CUSTOMER

An interconnecting customer with a qualifying facility with capacity greater than 100 kilowatts must negotiate a contract with the utility setting the applicable rates for payments to the customer of avoided capacity and energy costs.

Amount of capacity payments

The interconnecting customer who negotiates a contract under part Q must be entitled to the full avoided capacity costs of the utility. The amount of capacity payments will be determined by the utility and the utility's wholesale power provider.

Full avoided energy costs

The interconnecting customer who negotiates a contract under part Q must be entitled to the full avoided energy costs of the utility. The costs must be adjusted as appropriate to reflect line losses.

SECTION 19: WHEELING

Interconnecting customers with qualifying facilities with capacity of 30 kilowatts or greater that are interconnected to the utility's distribution system who choose to sell the output of the qualifying facility to any other utility, must pay any appropriate wheeling charges to the utility. Within 15 days of receiving payment from the utility ultimately receiving the qualifying facility's output, the utility shall pay the interconnecting customer the payment less the charges it has incurred and its own reasonable wheeling costs.

SECTION 20: NOTIFICATION TO CUSTOMERS

Contents of written notice

Following each annual review and approval by the utility of the cogeneration rate tariffs the utility shall furnish in the monthly newsletter or similar mailing, written notice to each of its customers that the utility

is obligated to interconnect with and purchase electricity from cogenerators and small power producers.

Availability of information

The utility shall make available to all interested persons upon request, the interconnection process and requirements adopted by the utility, pertinent rate schedules and sample contractual agreements.

SECTION 21: DISPUTE RESOLUTION

In case of a dispute between a utility and a customer interconnecting a qualifying facility or an impasse in negotiations between them, either party may petition the governing body to determine the issue.

SECTION 22: INTERCONNECTION CONTRACTS

Interconnection standards

The utility shall provide a customer applying for interconnection with a copy of, or electronic link to, the utility's adopted interconnection process and requirements.

Existing contracts

Any existing interconnection contract executed between the utility and a customer interconnecting a qualifying facility with capacity of less than 40 kilowatts remains in force until terminated by mutual agreement of the parties or as otherwise specified in the contract. The governing body has assumed all dispute responsibilities as listed in existing interconnection contracts. Disputes are resolved in accordance with Part T.

Renewable energy credits; ownership

Generators own all renewable energy credits unless other ownership is expressly provided for by a contract between a generator and the utility.

SECTION 23: UNIFORM CONTRACT

The form for uniform contract form shown in Appendix A shall be used between the utility and a qualifying facility having less than 40 kilowatts of capacity.

APPENDIX A: SAMPLE SCHEDULES

SCHEDULE 1 – Average Retail Utility Energy Rates

Available to any Qualifying Facility of less than 40 kW capacity that does not select either Roll Over Credits, Simultaneous Purchase and Sale Billing or Time of Day rates.

Utility shall bill Qualifying Facilities for any excess of energy supplied by Utility above energy supplied by the Qualifying Facility during each billing period according to Utility's applicable rate schedule. Utility shall pay the customer for the energy generated by the Qualifying Facility that exceeds that supplied by Utility during a billing period at the "average retail utility energy rate." "Average retail utility energy rate" means, for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. Data from the most recent 12-month period available shall be used in the computation.

"Average retail utility energy rates" are as follows:

Customer Class	Average Retail Utility Energy Rate

SCHEDULE 2 – Wholesale Supply Rates

A “non-generating utility” must list the rates at which it purchases energy and capacity. If the utility has more than one wholesale supplier, the rates listed are of that supplier from which purchases may first be avoided.

Princeton Public Utilities purchases energy and capacity from Southern Minnesota Municipal Power Agency (SMMPA).

These rates are used to calculate Utility’s “avoided costs” for purposes of calculating compensation to customers whose Qualifying Facilities are not eligible for compensation at Utility’s average retail utility energy rate or who elect compensation at another rate.

A sample Schedule 2 – Wholesale Supply is as follows. Princeton Public Utilities may update and modify as needed.

Estimated Marginal Energy Costs (\$/MWh)						
		2022	2023	2024	2025	2026
Summer	On Peak	44.87	37.74	38.48	36.08	35.93
	Off Peak	31.40	24.37	25.77	25.64	26.58
	All Hours	37.59	30.52	31.62	30.44	30.88
Winter	On Peak	56.22	43.99	42.68	42.67	42.19
	Off Peak	41.15	31.89	32.10	30.87	31.78
	All Hours	48.08	37.46	36.96	36.30	36.57
Annual	On Peak	50.54	40.87	40.58	39.37	39.06
	Off Peak	36.27	28.13	28.94	28.26	29.18
	All Hours	42.84	33.99	34.29	33.37	33.73
Annual # hours on-peak:						

Description of season and on-peak and off-peak periods	
Summer:	April through September
Winter:	October through March
On-peak period:	6 am to 10 pm Monday through Friday except holiday (New Years, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day)
Off-peak period:	All other hours

Estimated Marginal Energy Costs

The estimated system average incremental energy costs are calculated by seasonal peak and off-peak periods for each of the next five years. For each seasonal period, system incremental energy costs are averaged during system daily peak hours, system daily off-peak hours, and all hours in the season. The energy costs are increased by a factor equal to 50 percent of the line losses.

The energy needs of Princeton Public Utilities are served through its membership in Southern Minnesota Municipal Power Agency (SMMPA). SMMPA, in turn, is a member of the Midcontinent ISO (MISO). As a result, the municipal's incremental energy cost is equivalent to the MISO hourly Locational Marginal Price (LMP). Actual hourly LMP will vary significantly based on several parameters such as weather, energy demand, and generation availability. The table above represents a forecast of the MISO hourly LMP values averaged over each specific time period at the MISO Minnesota Hub.

Capacity Costs

SMMPA, Princeton Public Utilities' wholesale supplier, has neither planned generating facility additions nor planned additional capacity purchases, other than from qualifying facilities, during the ensuing ten years, thus SMMPA and Princeton Public Utilities are deemed to have no avoidable capacity costs.

SCHEDULE 3 – Interconnection Process

In order to provide for coordinated interconnection of customer-owned distributed energy resources and comply with Minnesota Statutes Section 216B.1611, subd. 3(2), Utility has adopted the “Minnesota Municipal Interconnection Process (M-MIP) 2022” as recognized by the Minnesota Municipal Utilities Association Board of Directors at its February 9, 2022, meeting and made publicly available at mmua.org.

General technical requirements may be found in the [Minnesota Technical Interconnection and Interoperability Requirements \(TIIR\)](#) as adopted by the Minnesota Public Utilities Commission on January 22, 2020 as part of DOCKET NO. E-999/CI-16-521.

For utility-specific safety standards, required operating procedures for interconnected operations, and the functions to be performed by any control and protective apparatus, please contact Utility for its Technical Specifications Manual (TSM).

APPENDIX B: UNIFORM CONTRACT FOR COGENERATION AND SMALL
POWER PRODUCTION FACILITIES



PRINCETON PUBLIC UTILITIES

Electricity — Water

907 FIRST STREET / PO BOX 218 / PRINCETON, MN 55371-0218
TEL: 763-389-2252 / FAX: 763-389-2273

**CONTRACT FOR COGENERATION AND SMALL POWER PRODUCTION
FACILITIES**

THIS CONTRACT (“Contract”) is made this _____ day of _____, 20__, by and between (customer first name) _____ (customer last name) _____ (the “Customer”) and Princeton Public Utilities, a Minnesota municipal utility located at 907 1st Street, Princeton Minnesota 55371 (the “Utility”) (each a “Party” and collectively the “Parties”).

RECITALS

The Customer has installed electric generating facilities, consisting of _____ (description of facilities) _____, rated at _____ kilowatts AC of electricity, on property located at _____.

The Customer is an electric service recipient named on a service account of the Utility.

The Customer is prepared to generate electricity in parallel with the Utility.

The Customer's electric generating facilities meet the requirements of the Rules Governing Cogeneration and Small Power Production Facilities adopted by the Utility and any technical standards for interconnection the Utility has established that are authorized by those rules.

The Utility is obligated under federal and Minnesota law to accommodate interconnection with the Customer's facilities and to purchase electricity offered for sale by the Customer from those facilities.

A contract between the Customer and the Utility is required for operation of facilities interconnected with the Utility system.

AGREEMENTS

The Customer and the Utility agree:

- a. The Utility will sell electricity to the Customer under the rate schedule in force for the class of customer to which the Customer belongs.
- b. The Utility will buy electricity from the Customer under the current rate schedule filed with the Princeton Public Utilities Commission. The Customer elects the rate schedule category hereinafter indicated:

___ Average retail utility energy rate (Facilities capacity must be less than 40 kW)

___ Simultaneous purchase and sale billing rate (Facilities capacity must be less than 40 kW)

___ Roll-over credits (Facilities capacity must be less than 40 kW)

___ Time-of-day purchase rates. (Facilities capacity must be 40 kW or more and less than or equal to 100 kW)

- c. A copy of the presently approved rate schedule is attached to this contract.
- d. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions of the Utility or the State of Minnesota, and the Customer and the Utility agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.
- e. The Utility will compute the charges and payments for purchases and sales for each billing period. Any net credit to the Customer, other than kilowatt-hour credits under clause 2(c), will be made under one of the following options as chosen by the Customer.

___ Credit to the Customer's account with the Utility.

___ Paid by check or electronic payment service to the Customer within fifteen (15) days of the billing date.

- f. Renewable energy credits associated with generation from the facility are owned by:

_____.

- g. The Customer must operate their electric generating facilities within any rules, regulations, and policies adopted by the Utility not prohibited by the rules governing cogeneration and small power production facilities on the Utility's system which provide reasonable technical connection and operating specifications for the facilities and are consistent with the Minnesota Public Utilities Commission's rules adopted under Minnesota Statutes §216B.164, subdivision 6.
- h. The Customer will not enter into an arrangement whereby electricity from the generating

facilities will be sold to an end user in violation of the Utility's exclusive right to provide electric service in its service area under Minnesota Statutes, Section 216B.37-44.

- i. The Customer will operate their electric generating facilities so that they conform to the national, state, and local electric and safety codes, and the Customer will be responsible for the costs of conformance.
- j. The Customer is responsible for the actual, reasonable costs of interconnection which are estimated to be \$_____. The Customer will pay the Utility in this way:
_____.
- k. The Customer will give the Utility reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from the Utility's side of the interconnection. If the Utility enters the Customer's property, the Utility will remain responsible for its personnel.
- l. The Utility may stop providing electricity to the Customer during a system emergency. The Utility will not discriminate against the Customer when it stops providing electricity or when it resumes providing electricity.
- m. The Utility may stop purchasing electricity from the Customer when necessary for the Utility to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. The Utility may stop purchasing electricity from the Customer in the event the generating facilities listed in this contract are documented to be causing power quality, safety or reliability issues to the Utility's electric distribution system.
- n. The Utility will notify the Customer in this way before it stops purchasing electricity:
_____.
- o. The Customer will keep in force general liability insurance against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be \$_____. (The amount must be consistent with requirements for like-sized facilities under the interconnection process or distributed generation tariff adopted by the Utility pursuant to Minnesota Statutes §216B.1611, subdivision 3, clause 2.)
- p. The Customer and the Utility agree to attempt to resolve all disputes arising hereunder promptly and in a good faith manner.
- q. The Princeton Public Utilities Commission has authority to consider and determine disputes, if any, that arise under this contract in accordance with procedures in the rules it adopts implementing Minnesota Statutes Section 216B.164, pursuant to subdivision 9 thereunder.
- r. This contract becomes effective as soon as it is signed by the Customer and the Utility. This contract will remain in force until either the Customer or the Utility gives written notice to the other that the contract is canceled. This contract will be canceled thirty (30) days after

notice is given. If the listed electric generating facilities are not interconnected to the Utility's distribution system within twelve months of the contract being signed by the Customer and the Utility, the contract terminates. The Customer and the Utility may delay termination by mutual agreement.

- s. Neither of the Parties will be considered in default as to any obligation if either of the Parties are prevented from fulfilling the obligation due to an act of nature, labor disturbance, act of public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, an order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or other cause beyond the Party's control. However, the Party whose performance under this contract is hindered by such an event shall make all reasonable efforts to perform its obligations.
- t. This contract can only be amended or modified by mutual agreement in writing signed by the Parties.
- u. The Customer must notify the Utility prior to any change in the electric generating facilities' capacity size or generating technology according to the interconnection process adopted by the Utility.
- v. Termination of this contract is allowed
 - (i) by the Customer at any time without restriction;
 - (ii) by Mutual Agreement between the Parties;
 - (iii) upon abandonment or removal of electric generating facilities by the Customer;
 - (iv) by the Utility if the electric generating facilities are continuously non-operational for any twelve (12) consecutive month period;
 - (v) by the Utility if the Customer fails to comply with applicable interconnection design requirements or fails to remedy a violation of the interconnection process; or
 - (vi) by the Utility upon breach of this contract by the Customer unless cured with notice of cure received by the Utility prior to termination.
- w. In the event this contract is terminated, the Utility shall have the rights to disconnect its facilities or direct the Customer to disconnect its generating facilities.
- x. This contract shall continue in effect after termination to the extent necessary to allow either of the Parties to fulfill rights or obligations that arose under the contract.
- y. Transfer of ownership of the generating facilities shall require the new owners and the Utility to execute a new contract. Upon the execution of a new contract with the new owners this contract shall be terminated.
- z. The Parties shall at all times indemnify, defend, and save each other harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, costs and expenses, reasonable attorneys' fees and court costs, arising out of or resulting from the Customer's or the Utility's performance of its obligations

under this contract, except to the extent that such damages, losses or claims were caused by the negligence or intentional acts of the Customer or the Utility.

- aa. The Parties will each be responsible for their own acts or omissions and the results thereof to the extent authorized by law and shall not be responsible for the acts or omissions of any others and the results thereof.
- bb. The Parties' liability to each other for failure to perform their obligations under this contract shall be limited to the amount of direct damage actually occurred. In no event, shall the Customer or the Utility be liable to each other for any punitive, incidental, indirect, special, or consequential damages of any kind whatsoever, including for loss of business opportunity or profits, regardless of whether such damages were foreseen.
- cc. The Utility does not give any warranty, expressed or implied, to the adequacy, safety, or other characteristics of the Customer's interconnected system.
- dd. This contract contains all the agreements made between the Parties. The Parties are not responsible for any agreements other than those stated in this contract.

THE PARTIES HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW.

CUSTOMER

By: _____

Printed Name: _____

PRINCETON PUBLIC UTILITIES

By: _____

Printed Name: _____

Its: _____