

Parallel Generation Rider

DEFINITIONS

Appropriate Size

Member's generation unit shall be sized so that the sum of the maximum AC output capacity shall not exceed an amount as calculated with the following formula:

Divide 50% of Member's historic electric consumption in kilowatt-hours (kWh) for the previous 12-month period by 8,760 (hours/year) and divide the quotient by a capacity factor of 20% for a solar energy resource or 25% for a wind energy resource. If DSO does not have adequate historic electric consumption data for Member's location, then the historic consumption shall be 7.15 kWh per square foot of above grade conditioned space.

The capacity factor for an energy resource other than solar or wind shall be a generally accepted industry standard capacity factor, as determined by DSO, for the specific energy resource being utilized.

Avoided Cost

As defined in K.S.A. 66-1,184 et seq., the incremental cost to a utility of electric energy that such utility would generate itself or purchase from another source and as such term is interpreted by the Federal Energy Regulatory Commission from time to time. The Avoided Cost of energy delivered by the Member to the Cooperative from the Distributed Energy System shall be: (i) KEPCo Members: the monthly energy-weighted variable cost per kWh of energy assessed by KEPCo's load-following power supply resources to meet KEPCo's load obligation for the period in which energy was delivered to the Cooperative; or (ii) the Locational Marginal Price as defined herein. DSO shall have the discretion to determine which of the foregoing methods to apply.

Delivered Electric Energy

Electric energy supplied by DSO through Member's billing meter.

Distributed Energy System

As defined in K.S.A. 66-1,184 et seq., any device or assembly of devices and supporting facilities that are capable of feeding excess electric power generated by a Member's energy producing system into the utility's system, such that all energy output and all other services will be fully consumed by the Member or the utility.

Excess (Received) Electric Energy

Electric energy produced by the generation unit in excess of the instantaneous consumption requirements of Member and received by DSO.

Export

As defined in K.S.A. 66-1,184 et seq., power that flows from a Member's electrical system through such Member's billing meter and onto the utility's electricity lines. Export includes the sum of power on all phase conductors.

Locational Marginal Price

As provided in K.S.A. 66-1,184 et seq., the day-ahead hourly locational marginal price of alternating current energy per kilowatt hour in the Southwest Power Pool Integrated Marketplace established at the locational marginal pricing node of Cooperative's wholesale power provider and matched to the hourly energy exported by the Distributed Energy System, as calculated by Cooperative's wholesale power provider.

Member

A Member/pending Member of DSO that owns/will own or operates/will operate a qualified electric energy generation unit (generation unit) and meets all the following requirements:

- (a) is powered by a Renewable Energy Resource as defined below,
- (b) is located on a premises owned, operated, leased, or otherwise controlled by Member,
- (c) is interconnected and operates in parallel phase and synchronization with DSO's system,
- (d) is intended primarily to offset part of Member's own electrical energy requirements,
- (e) meets all applicable rules, regulations, statutes and other laws and safety, performance, interconnection, and reliability standards established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, or any jurisdictional governing authorities, and
- (f) contains a mechanism that automatically disables the generation unit and interrupts the flow of electricity onto DSO's electric lines in the event that service to Member is interrupted.

A generation unit owned or operated by Member cannot be connected in common with any other meter or deemed to be for the purpose of serving the load connected to any other meter. To the extent that Member controls the generation unit and meets the requirements and accepts all the obligations of this Parallel Generation Rider (PG Rider), Member is not required to own the generating facilities.

Net Metering

A bi-directional metering process using equipment sufficient to measure the difference between the electrical energy delivered to Member by DSO and the electrical energy supplied by Member and received by DSO over an applicable billing period.

Operational Date of Member's Generation Unit

The date at which DSO has given Member permission to operate the generation unit at the approved maximum AC output capacity.

LIMITED AVAILABILITY

Service is available under this PG Rider at points on the DSO's delivery system for Members that desire to interconnect a Distributed Energy System owned by Member to DSO's delivery and metering system for the purpose of exporting excess electrical power generated by Member's Distributed Energy System to DSO's system. This device will be installed on Member's secondary system behind Member's active retail electric meter.

DSO shall make parallel generation service under this PG Rider available to Members on a first-come, first-served basis until DSO's aggregate Export capacity from all Distributed Energy Systems, including systems that are subject to this PG Rider and systems that are subject to DSO's Net Metering Rider (NM Rider), equals or exceeds the following: one percent (1%) of DSO's peak retail load in the state for the previous calendar year; or until the total AC output capacity of parallel generation and net metering interconnections equals seven percent (7%) of DSO's peak retail load in the state during the previous calendar year. Upon reaching any of the above-described limits, no further service shall be available under this PG Rider.

Historic retail peak demand for the purpose of this PG Rider and the NM Rider shall not include additional demand of any new or expanded facility of an industrial, commercial or data center Member that receives electric service at a voltage of 34.5 kilovolts (kV) or higher and commences service on or after July 1, 2025.

This rider shall not be available for any electric service schedule allowing for resale.

Members may not change between the NM Rider and PG Rider without the prior written approval of DSO, and such elections shall not be for periods less than one year.

APPLICABILITY

This PG Rider is applicable to Distributed Energy Systems with a DSO-approved and signed interconnection agreement where Member is in good standing with DSO and taking service under one of DSO's normal rate schedules; provided, however, this PG Rider shall not be applicable to any Member who has a new or expanded facility that receives electric service at a voltage of 34.5 kV or higher and commences service on or after October 1, 2026, unless approved by DSO.

The Export capacity of Member's Distributed Energy System shall be appropriately sized to Member's anticipated electric load, as calculated in DSO's Small Generator Interconnection Procedures.

Regardless of appropriate sizing, the maximum AC Output Capacity cannot exceed 10 kilowatts (kW) for residential Members or 100 kW for commercial, industrial, school, religious institution, local government, state government, federal government, and agricultural Members.

All Members with distributed energy systems that include battery energy storage shall be served under this PG Rider.

CHARACTER OF SERVICE

Alternating current, 60 cycles, at the voltage and phase of DSO's established secondary distribution system immediately adjacent to the service location.

BILLING AND PAYMENT

DSO shall render a bill for consumption at approximately 30-day intervals during DSO's normal billing process. Billing by DSO to Member shall be in accordance with DSO's applicable rate schedule. For electrical energy delivered by Member to DSO from the Distributed Energy System, DSO shall pay per kilowatt hour 100% of DSO's Avoided Cost of energy as a credit to Member's electric bill. If DSO utilizes the Locational Marginal Price method to determine its Avoided Cost, then DSO may credit Member's bill on an annual basis. In no case shall DSO issue an invoice to Member for the energy exported to DSO by Member's Distributed Energy System.

TERMS AND CONDITIONS

- 1. Metering.** DSO shall supply, own, and maintain at its expense all necessary meters and associated equipment utilized for billing, but may charge Member for the cost of any additional metering necessary to accommodate Member's generation unit. Member shall supply, at no expense to DSO, a suitable location for meters and associated equipment. Such equipment shall always be accessible to utility personnel.
- 2. Export Limit.** DSO shall have the right to require Member, at certain times and as electric operating conditions warrant, to limit the production of electric energy from the generation unit to an amount no greater than the load at Member's facility of which the generation unit is a part.
- 3. Protective Equipment.** Member shall furnish, install, operate, and maintain in good order and repair without cost to DSO such relays, locks and seals, breakers, automatic synchronizers, disconnecting devices, and other control and protective devices as shall be designated by DSO as being required as suitable for the operation of the generation unit in parallel with DSO's system.
- 4. Manual Disconnect.** Member shall install and maintain a visible, manual disconnect switch. This manual switch must have the capability to be locked out by DSO personnel to isolate DSO's facilities in the event of an electrical outage on DSO's transmission and distribution facilities serving Member. This isolating device shall also serve as a means of isolation for Member's equipment during any Member maintenance activities, routine outages, or emergencies.

DSO shall give notice to Member before a manual switch is locked or an isolating device used, if possible; and otherwise shall give notice as soon as practicable after locking or isolating Member's facilities.

5. Production Meter. The Member shall be responsible for providing, installing, and maintaining a second meter can at the solar installation site for the purpose of accommodating a production meter. The Member shall also be responsible for reimbursing DSO for all costs associated with providing and installing the production meter.

6. Disconnect by DSO. To protect DSO's utility scale solar generation units providing electricity to all DSO Members from being tripped off due to low native load on certain lines for certain substations, DSO may need to disconnect (automatically or manually) Member's generation unit, which would switch Member's power source solely to power provided by DSO over DSO's distribution system.

Aside from an addendum to this rider or a separate PG Rider, DSO shall give notice to Member before Member's generation unit is disconnected, if possible; and otherwise shall give notice as soon as practicable after disconnecting Member's generation unit.

7. System Upgrades. Member may be required to reimburse DSO for any equipment, facilities, protective equipment, or upgrades necessary to accommodate the installation by Member of a generation unit in parallel with DSO's system.

8. Initial Energizing. Member shall notify DSO prior to the initial energizing and startup testing of Member's generation unit, and DSO shall have the right to have a representative present at said test (witness test) to measure or verify settings, operational condition, or other requirements or system aspects.

9. Power Quality. If harmonics, voltage fluctuations, or other disruptive problems on DSO's system are directly attributable to the operation of Member's generation unit, then such problem(s) shall be corrected immediately at Member's expense.

10. Indemnification. Member's generation unit shall not damage DSO's or equipment or present an undue hazard to DSO personnel. DSO shall not be liable, directly or indirectly, for permitting or continuing to allow an attachment of a generation unit or for the acts or omissions of Member that causes loss or injury, including death, to any third party. Member agrees to hold DSO harmless from injuries or property damage incurred by any person and arising out of the ownership, operation, maintenance, or use of Member's generation unit and to indemnify DSO against all liability and expense related thereto.

11. Interconnection Agreement. Prior to installing and interconnecting a generation unit, Member shall enter into an interconnection agreement with DSO setting forth the conditions related to technical and safety aspects of parallel generation.

12. Rules & Regulations. Service under this PG Rider is subject to DSO's Rules and Regulations in place at the time the interconnection agreement is entered into and any subsequent modifications to the Rules and Regulations, as may be applicable.

13. Insurance. Member shall, at their own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities

given the size and nature of the generation unit being interconnected, the interconnection itself, and the characteristics of the generation unit to which the interconnection is made.

For a generation unit having a maximum nameplate generating capacity of 10 kW or less, Member whose generation unit meets the standards specified in (e) in Member definition above shall not be required to install additional controls, perform or pay for additional tests or distribution equipment, or purchase additional liability insurance other than such general liability insurance.

For a generation unit having a maximum nameplate generating capacity greater than 10 kW, Member whose generation unit meets the standards specified in (e) in Member definition above may be required to install additional controls, perform or pay for additional tests or distribution equipment, or purchase additional liability insurance other than such general liability insurance.

14. Application for Interconnection. Applications by Member for interconnection of the generation unit to the distribution system shall be accompanied by the plan for Member's generation unit, including, but not limited to, a wiring diagram and specifications for the generation unit showing the configuration of all equipment, current and potential circuits, and protection and control schemes. Any diagrams or drawings shall use industry standard symbols.

If the maximum AC output capacity of the generation unit exceeds 50 kW, then a one-line diagram must be signed and stamped by a licensed professional engineer.

Applications shall be reviewed and responded to by DSO within 30 days after receipt for systems of 10 kW or less and within 90 days after receipt for all other systems.

Prior to the interconnection of the generation unit to DSO's system, Member shall furnish DSO a certification from a qualified professional electrician or engineer that the installation meets the requirements of (e) in Member definition above. If the application for interconnection is approved by DSO and Member does not complete the interconnection within one year after receipt of notice of the approval, then the approval shall expire, and Member shall be responsible for filing a new application.

Before an approved generation unit is modified or changed, Member shall submit a new application under this section.

Upon the change in ownership of a generation unit, the new Member shall be responsible for filing a new application under this section.

15. Renewable Energy Credits or Attributes. Ownership of all renewable energy credits, greenhouse gas emission credits, and any other renewable energy attributes related to any electric energy produced by an eligible generation unit shall be retained by Member.

Service under this PG Rider is subject to and rendered pursuant to DSO's Small Generator Interconnection Procedures, the terms and conditions of the Interconnection Agreement between DSO and Member, DSO's Rules and Regulations, and K.S.A. 66-1,184 et seq.