

WESTERN ILLINOIS ELECTRICAL COOP.

POLICY NUMBER 527QF

SUBJECT: Qualifying Facilities Interconnection of and Service under Public Utility Regulatory Policies Act (PURPA)

OBJECTIVE

To provide, through joint integrated implementation with Prairie Power, Inc. (PPI) and other Members of PPI, for interconnection of and service to a Qualifying Facility located in Western Illinois Electrical Coop. (Cooperative) service territory under the Public Utility Regulatory Policies Act, consistent with the Waiver approved by the Federal Energy Regulatory Commission (FERC). This Policy is complementary to PPI Policy #509, dated October 16, 2019, and any revisions incorporated thereafter.

DEFINITIONS

“PURPA” means Sections 201 and 210 of the Public Utility Regulatory Policies Act codified at 16 U.S. Code §796 and §824a-3, as it has been or may hereafter be amended, together with all rules or regulations promulgated thereunder as it relates to Qualifying Facilities (e.g., Code of Federal Regulations, Title 18, Part 292).

“Qualifying Facility” or “QF” means a cogeneration facility or a small power production facility that meets the operational, efficiency, ownership and other standards set forth in PURPA and that has been certified by FERC as a qualifying facility.

“Cogeneration facility” means a facility that produces electric energy and steam or forms of useful energy (such as heat) which are used for industrial, commercial, heating, or cooling purposes, but not including an electric generator that produces only a small token amount of useful thermal energy.

“Small power production facility” means a facility that produces electric energy using biomass, waste, renewable resources, including wind, solar energy, and water, or which together with other facilities at the same site have a generating capacity equal to or less than 80 megawatts.

“Waiver” means the waiver of Cooperative’s obligation to purchase electricity from a QF and the waiver of the PPI’s obligation to provide supplementary, back-up, maintenance, and interruptible power to a QF as approved by the Federal Energy Regulatory Commission (FERC) in the Order Granting Petition for Waiver, dated February 5, 1990, in FERC Docket No. IR-168-001.

“Prairie Power, Inc.” or **“PPI”** means Prairie Power, Inc., an Illinois not-for-profit corporation, or its successors in interest, which is an electric generation and transmission cooperative of which WIEC is a member and from which, by contract, WIEC obtains its wholesale supply of electricity.

“Interconnector” means a member Member of the Cooperative that chooses to own, interconnect, and operate a Qualifying Facility in the Cooperative’s service territory, whether connected directly to the Cooperative’s electric distribution system or PPI’s electric transmission system.

“Nameplate Rating” means the maximum alternating current electric energy production capability of a generator, deliverable to the effective metering point.

“Avoided costs” means the incremental costs to PPI of electric energy or capacity or both which, but for the purchase from the eligible renewable electrical facility, the Cooperative would generate itself or purchase from another source, averaged over the billing period.

“Generator Interconnection Agreement” or **“GIA”** means an agreement and any associated procedures and processes governing the design, engineering, materials procurement, facility upgrades, construction, installation, ownership, safe and reliable operation, maintenance, protection, metering, costs and cost recovery, and any other matters related to the interconnection of an electric generation facility to the electric distribution or transmission system consistent with industry standards.

I. APPLICABILITY

This policy applies to Interconnectors who choose to own, interconnect, and operate a Qualifying Facility in the Cooperative’s service territory, whether to the Cooperative’s electric distribution system or PPI’s electric transmission system.

This policy does not apply to the delivery of electric energy by a Member to the Cooperative from an eligible renewable electric generation facility (EREGF) where the Member has been approved to deliver such electric energy under the Cooperative’s Policy 527NM – (Net Metering and Cooperative Credit for Excess Member-Generated Electric Energy) or Policy 527NB – (Net Billing and Cooperative Credit for Excess Member-Generated Electric Energy).

II. EVIDENCE OF QUALIFICATION:

The Qualifying Facility is required to provide the Cooperative evidence of status of the existing or proposed facility, demonstrated in accordance with the provisions of PURPA and the requirement to concurrently serve a copy of any filing on the electric utility with which the QF expects to interconnect, transmit or sell electric energy to, or purchase supplementary, standby, back-up or maintenance power from. Required evidence should consist of either:

A. Self-certification by the Interconnector, or its representative, by properly completing Federal Energy Regulatory Commission (FERC) Form No. 556 and – if required - filing that form with FERC; or

B. In lieu of self-certification, the Interconnector, or its representative may obtain FERC certification that the facility is a Qualifying Facility

III. PROVISIONS

A. Consistent with the Waiver:

- a. The Cooperative and PPI agree to interconnect with any QF requesting interconnection.
- b. The Cooperative shall make available to the QF, upon request, supplementary, back-up, maintenance, and interruptible power at rates that are nondiscriminatory, just, and reasonable, and in the public interest.
- c. PPI maintains the obligation to purchase power from a QF which the Cooperative would otherwise be required to purchase. The QF will not be subject to duplicate interconnection charges or additional fees as a result of PPI's purchase of power; and,
- d. A QF interconnecting directly to the Cooperative's electric distribution system will not be subject to charges for wheeling power to PPI across such distribution lines.

B. Interconnection:

- a. The Interconnector must be or become a Member of the Cooperative.
- b. If a QF of any Nameplate Capacity is to be interconnected with the Cooperative's electric system, the Interconnector and the QF shall at all times comply with the provisions, obligations, and requirements of the Cooperative's Regulation No. 27 (Interconnection and Parallel Operation of Distributed Generation).
- c. If the QF has a Nameplate Capacity of more than 100 kilowatts and is to be interconnected with the Cooperative's electric system, the Cooperative shall facilitate communications between the Interconnector and PPI to enable the Interconnector to enter into an additional interconnection agreement with PPI.
- d. If a QF of any Nameplate Capacity is to be interconnected with PPI's electric system, the Cooperative shall facilitate communications between the Interconnector and PPI.
- e. With any interconnection, system impacts to the Cooperative's electric system, PPI's electric system, and other electric systems or facilities will be considered. The

results of such system impact studies may cause the Interconnector to become subject to additional requirements and costs.

C: Purchases from the Qualifying Facility

- a. PPI and/or the Cooperative may assess a monthly service and administration charge, and a monthly operation and maintenance charge to the Interconnector, as set forth in the applicable interconnection agreement.
- b. The purchase of electric energy and electric capacity (if any) from the Interconnector, or its representative, shall be:
 1. limited to those who have executed an agreement (Service Contract) with PPI.
 2. made in accordance with PPI's Policy #509, which may be amended from time to time, and shall be made available by the Cooperative upon request; and
 3. in relation to the Interconnector's option provided herein, based on the avoided cost of the PPI system calculated at the time of delivery, unless paid pursuant to a legally enforceable obligation for the delivery of energy or capacity as provided for in PURPA, federal regulation 18 CFR 292.304(d).
- c. In the absence of alternative payment arrangements between PPI and the Interconnector, or its representative, compensation for the delivery of electric energy and capacity from the QF will be, at the Interconnector's sole option, either:
 1. **Standard QF**: Payment of avoided cost, coupled with an assessment for monthly metering service, administration, operation, and maintenance charges by PPI; or,
 2. **Waived QF**: No payment of avoided cost, nor an assessment of monthly metering service, administration, operation, and maintenance charges by PPI; available only to QFs with a Nameplate Capacity of 100 kilowatts or less.

Any service, administration, operation, and maintenance charges levied by PPI shall be the direct responsibility of the Interconnector.

D. Provision of Service to the Qualifying Facility

- a. The Cooperative will make available electrical service throughout its service territory in the form of supplementary, back-up, maintenance, or interruptible power at the rate(s) applicable to the Interconnector, or its representative.
- b. The Interconnector, or its representative, may be subject to the provisions, obligations, and requirements of the Cooperative's regulation online Extension to the extent facilities are not adequate or available at the location of the Qualifying Facility interconnection.

- c. Members who have service under an incentive rate (i.e., geothermal, electric heat, etc.) shall not be eligible under this policy. Members may choose this policy in lieu of any incentive rates. This policy and incentive rates cannot be used in conjunction with each other.

ADOPTED: 8-3-17

AMENDED: 6-21-22

ATTEST: _____
Secretary

APPROVED: _____
President

ATTACHMENT A

Western Illinois Electrical Coop.

Owner Certification of Qualifying Facility Under Public Utility Regulatory Policies Act (PURPA)

The undersigned Owner desires to interconnect an electric generating facility under Prairie Power, Inc.'s Policy #509 - Interconnection Policy for Congenators and Small Power Producers under Public Utility Regulatory Policies Act (PURPA) and, if applicable, the interconnection policy of a member electric distribution cooperative of Prairie Power, Inc. With regard to such electric generating facility, the Owner makes the following certifications.

1. The electric generating facility is a Qualifying Facility under Section 201 and 210 of the Public Utility Regulatory Policies Act (16 U.S. Code §796 and §824a-3) and the rules and regulations promulgated thereunder, including the provisions of the Code of Federal Regulations, Title 18, Part 292 (collectively "PURPA").
2. The electric generating facility is the following type of Qualifying Facility within the meaning of, and definitions under, PURPA:

_____ Cogeneration facility.

_____ Small power production facility

3. The electric generating facility:

_____ Is exempt from certification under PURPA. A true and complete copy of FERC Form 556 (which has not been filed with FERC) is attached to this Owner certification.

_____ Meets the requirements for self-certification under PURPA and the Owner has on _____, 20__ filed with FERC a notice of self-certification as a Qualifying Facility. A true and complete copy of the FERC Form 556 filed with FERC is attached to this Owner certification.

_____ Has been approved by FERC as a Qualifying Facility under PURPA. True and complete copies of the FERC Form 556 submitted with the application to FERC and the FERC approval certifying the electric generating facility as a Qualifying Facility are attached to this Owner Certification.

This Owner certification is executed and delivered by the Owner or the Owner's duly authorized officer on the date indicated.

Date: _____, 20__ _____ (Owner)

(Signature of Owner/Owner's officer)

(Title of Owner's officer)

ATTACHMENT B

Western Illinois Electrical Coop.

Standard or Waived QF Optionality Agreement

Standard QF (initial appropriate box)

TERMS OF SERVICE FOR A STANDARD QF

1. **Rates and Charges:**
 - a. **Energy and Capacity Rate**

Energy - Unless otherwise required or otherwise agreed, PPI's reference for determining the avoided cost of electric energy delivered from the Standard QF to PPI shall be at the Point of Change of Ownership and shall be equal to the Locational Marginal Price (LMP) of electric energy (whether positive or negative) established by the MISO Real-Time Energy and Operating Reserves Market at the applicable time applying to PPI's commercial pricing node and adjusted for losses. When the LMP is positive, PPI will pay the Seller for the electric energy delivered, less any applicable charges. When the LMP is negative, the Seller will pay PPI for the electric energy delivered.

Capacity – Unless other lower cost capacity resources are available to PPI, PPI's reference for determining the avoided cost of electric capacity delivered from the owner of the QF to PPI shall be at the Point of Change of Ownership, and shall be the Zonal Resource Credit (ZRC) price for MISO Local Resource Zone 4 for the type of generating

resource as established by the Planning Resource Auction (PRA) for the applicable Planning Year coinciding with the delivery with the delivery of electric capacity, as may be affected by losses and the availability and intermittent nature of the electric capacity provided by the Standard QF.

Delivery – All energy and all capacity shall be delivered at the Point of Change of Ownership. In the event the Metering Point is not located at the Point of Change of Ownership, an adjustment shall be applied to correct the values measured from the Metering Point to the Point of Change of Ownership.

b. Other Charges

PPI Meter Charge – Charge for PPI meter shall be:

\$8500.00, estimated and to be billed and paid upfront before meter installation commences with any over or under recovery to be refunded or billed after installation is complete. At the time of meter replacement, Seller shall pay actual replacement cost.

Operation, Maintenance, Service, and Administration Charge – Operation, Maintenance, Service, and Administration charges shall be:

\$85.00 per month (estimated)

Interconnection Costs – Nothing in this rate schedule eliminates or reduces any payment by the Seller of applicable cost for interconnection as set forth in an applicable interconnection agreement.

Station Power – Station Power shall be pursuant to separate contract with the applicable Member.

2. Payments:

Energy – Energy payments to the Seller shall be based on the product of the actual electric energy delivered to PPI at the Point of Change of Ownership and the Energy Rate as set forth in this rate schedule.

Capacity – Capacity payments, if any, to the Seller shall be based on the product of (1) the demonstrated alternating current (AC) electric power production capability of the Standard QF at the Point of Change of Ownership, (2) a factor representing the availability and intermittent nature of the electric capacity provided by the Standard QF, (3) the Capacity Rate as set forth in this rate schedule, and (4) the number of days in the billing month.

3. Timing and Method of Payments:

By the 15th calendar day of each calendar month, PPI shall calculate the sum of the following amounts for the previous calendar month: (1) the avoided cost value of energy delivered from each Standard QF, (2) the avoided cost value of capacity for the calendar

month for each Standard QF, (3) PPI's monthly service and administration charges, and (4) PPI's monthly operation and maintenance charges, and PPI shall provide and aggregate charge or credit to the owner of each respective Standard QF. PPI shall, then as applicable, pay or collect such sum from each owner of the respective Standard QF as a remittance or invoice to the owner of the Standard QF, the timing of which will occur coincident with PPI billing cycle, but no later than the last calendar day of the month.

4. Miscellaneous:

It shall be the Seller's responsibility to inform PPI of any change in the Standard QF's electric generation capacity. PPI shall determine specifications, own, install, test, maintain, and operate the metering equipment necessary for recording and billing electricity flows out of the Standard QF. Data shall be captured as required for MISO Real-Time Energy and Operating Reserves Market settlements, and the metering system shall be time-synced via GPS clock. The applicable Member shall determine specifications, own, test, install, maintain, and operate the metering equipment necessary for recording the billing, Station Power.

REVISION OF RATE

The terms and conditions of this rate may be adjusted or changed at the sole discretion of PPI based upon projected future LMP's for electric energy, projected ZRC's and the projected prices therefor for electric capacity, and other factors influencing PPI's costs avoided as a result of purchases from QF's.

Standard QF (initial appropriate box)

TERMS OF SERVICE FOR A STANDARD QF

1. Delivery of Energy and Capacity:

All electric energy and electricity capacity produced by the Seller that is not otherwise consumed by the Seller on site, shall be delivered to PPI and in accordance with this contract.

2. Interconnection Costs:

Nothing in this rate schedule eliminates or reduces any payments by the Seller of applicable costs for interconnection as set forth in an applicable interconnection agreement.

3. Payments and Charges:

In exchange for PPI not assessing monthly service, administration, operation, maintenance charges, the Seller waives the payment of the avoided cost value of electric energy and electric capacity delivered from the Seller to PPI.

4. Miscellaneous:

It shall be the Seller's responsibility to inform PPI of any change in the Waived QF's electric generation capacity. The applicable Member shall own, test, maintain, and operate the metering equipment necessary for recording net electricity flows out of the Waived QF. The applicable Member shall determine specifications, own, test, install, maintain, and operate the metering equipment necessary for recording and billing Station Power.

REVISION OF RATE

The terms and conditions of this rate may be adjusted or changed at the sole discretion of PPI based upon projected future LMP's for electric energy, projected ZRC's and the projected prices therefor for electric capacity, and other factors influencing PPI's costs avoided as a result of purchases from QF's.

Avoided Cost for Energy

5-minute RTLMP X 5-minute meter reading in MWH adjusted for losses = 5 minute avoided cost, then

5 minute avoided cost + rest of 5 minute avoided cost values for rest of month = total payment

If total payment is positive, payment will be made to Seller.

If total payment is negative, payment will be made to PPI.

Avoided Cost for Capacity

Nameplate rating of QF x loss factor from Point of Change of Ownership to AMIL.PPI x MISO resource adequacy capacity accreditation factor x number of days in month x Zonal Resource Credit price for MISO Zone 4 = payment to Seller.