

**RULES AND REGULATIONS  
ELECTRIC (E)  
RULE E-5  
INTERCONNECTION - CONNECTION WITH COGENERATION  
AND SMALL POWER PRODUCERS**

**E-5.01      GENERAL**

The purpose of this rule is to provide for the purchase of energy from customers of the Utility meeting the interconnection requirements for Qualifying Facilities.

All interconnections with the electric distribution system require prior written approval by the Utility department of Engineering, the completion of the Interconnection Agreement (see Appendix I) and the payment of all applicable fees.

**E-5.02      DEFINITIONS**

As used in this rule, unless otherwise specified:

- A. "Qualifying Facility" means a cogeneration or a small power production facility which ~~has a design capacity of 10 kW or less and~~ meets the criteria for qualification contained in 18 C.F.R. Section 292.203, or such other criteria as may be reasonably prescribed by rule by the Utility.
- B. "Customer" means a customer of Utility who owns or operates a Qualifying Facility.

**E-5.03      PURCHASES OF ENERGY FROM CUSTOMER-OWNED QUALIFYING FACILITIES**

Utility may purchase up to ~~62~~000 kW of capacity, in the aggregate, of solar, wind, or other renewable energy from customer-owned Qualifying Facilities within the service area of Utility. The maximum purchase from ~~any residential~~ any residential customer is limited to the ~~lesser of level of current consumption of the~~ residence up to 10 kW DC, ~~or, if the capacity available on the transformer serving the customer is sufficient. Upgrade of transformer capacity will be at the customer's expense.~~ The maximum purchase from ~~all other commercial~~ commercial customers is limited ~~to the level of current consumption of the~~ customer up to 100 kW DC, ~~if the capacity available on the transformer serving the customer is sufficient. For commercial customers Upgrade of transformer capacity will be at the customer's expense. a lesser of 100KW or the capacity of the transformer serving that customer.~~

**E-5.04      PROCEDURE FOR INTERCONNECTION**

- A. General. Unless otherwise specifically provided for in a special interconnection agreement negotiated with the Utility, the procedures for standard interconnection agreements and interconnections set forth in this rule shall be followed.
- B. Conditions of interconnection. Utility shall interconnect with any Qualifying Facility which:
  - 1) is covered by a signed standard or special interconnection agreement between the customer and Utility, which is consistent with the approved form of agreement set forth in this rule;
  - 2) is capable of operating safely and commencing the delivery of power into the Electric Utility's system, including but not limited to protection from over currents, fault currents, frequency disturbances, and voltage differentials;
  - 3) has met all applicable safety and performance standards established by local and national electrical codes, including the most recent National Electrical Code (NEC), the most recent National Electrical Safety Code (NESC), the Institute of Electrical and Electronics Engineers (IEEE), and Underwriters Laboratories, as well as all applicable safety and performance standards adopted by rule of the Utility that are necessary to protect public safety and system reliability;

- 4) was constructed in accordance with a design that has been submitted to and approved by the Utility;
  - 5) has been installed by a licensed electrician who has obtained all required permits and inspections.
- C. Isolation transformers and disconnection switches. Utility shall not require an isolation transformer for interconnection of single phase photovoltaic Facilities meeting the requirements of Subsection B of this section. If Utility determines that an isolation transformer is required for other types of Qualifying Facilities, the Utility may require the transformer by providing written notice to the Customer at the time of application. The customer shall have installed and maintained in proper operating condition, at Customer's sole expense, a separate load break disconnect switch as a visible means of disconnection, unless the customer and Utility shall agree in writing to the use of the meter as a visible means of disconnecting single-phase photovoltaic facilities.
- D. Meters. A single reversible meter shall be used unless an alternate metering arrangement is agreed to by the customer and Utility. The register shall be used to measure the amount of energy delivered by the Utility to the customer and will reverse enabling measurement of the amount of energy which is produced by the Qualifying Facility and delivered to Utility. The customer shall be required to pay the cost of the required metering equipment with the exception of the meter. Within twenty (20) days of receiving notification from the customer of the intent to interconnect, the Utility will notify the customer of any metering costs. Charges for special metering costs shall be paid by the customer, or arrangements for payment agreed to between the customer and Utility, prior to the Utility authorizing interconnected operation.
- E. Liability insurance. Customers are urged to obtain adequate liability insurance to cover risks, liabilities, and consequences, which may arise as a result of interconnection with a utility system. For good cause shown, the Utility may require a customer to obtain general liability insurance.
- F. Provision of interconnection agreement. The Utility shall provide a standard interconnection agreement within ten (10) days of a request for such form. When a customer enters into an interconnection agreement pursuant to this rule, the Utility shall provide the customer with a copy of that interconnection agreement. Utility shall provide a blank form of application for interconnection within ten (10) days of a written request for such form. The Utility shall maintain a file of each interconnection agreement entered into by the Utility.

#### **E-5.05 METERING CALCULATION**

Utility shall calculate each customer's bill for the billing period using the standards and conditions stated in this section.

- A. Applicable rate. Customers shall be billed for service in accordance with the rate structure and monthly charges that the customer would be assigned if the customer had not interconnected a Facility with Utility's system, plus any incremental cost of required metering equipment. Energy produced or consumed on a monthly basis shall be measured in accordance with standard net metering practice. Power supplied to the customer will be billed at the customer's applicable rate under Utility's current rate schedule.
- B. Credit for excess energy. If electricity generated by the customer exceeds the electricity supplied by the Utility during a billing period, the Utility shall credit the customer through a balancing account for the excess kilowatt-hours generated, by crediting the customer for the net energy supplied to the Utility. The rate paid or credited to the Customer will be the Utility's average cost for capacity and energy from the Los Alamos County Resource Pool for the previous year. The Customers balancing account shall be closed out annually and any funds owing to the Customer will be paid within 30 days.

#### **E-5.06 COMPLAINTS AND INVESTIGATIONS**

Any disputes over the implementation of this rule shall be addressed in accordance with dispute resolution procedures set forth in the rules governing service from Utility.

#### **E-5.07 SEVERABILITY**

If any part of this rule or any application thereof is held invalid, the remainder of this rule or its application to other situations or persons shall not be affected.

#### **E-5.08 EXEMPTION OR VARIANCE**

- A. Any interested person may file an application for an exemption or a variance from the requirements of this rule. Such application shall:
- 1) describe the situation which necessitates the exemption or variance;
  - 2) set forth the effect of complying with this rule on the utility and its customers if the exemption or variance is not granted;
  - 3) identify the Section of this rule for which the exemption or variance is requested;
  - 4) describe the result which the request will have if granted;
  - 5) state how the exemption or variance will promote the achievement of the purposes of this rule; and,
  - 6) state why no other reasonable alternative is available.
- B. If the Utility determines that the exemption or variance is consistent with the purposes of this rule, the exemption or variance may be granted. The Utility may, at its option, require an informal conference or formal evidentiary hearing prior to the granting of the variance. All exemption or variance requests will be considered on an individual basis and the customer shall be responsible for all necessary system upgrade costs as determined by the utility.

#### **E-5.09 REQUEST FOR STAY PENDING AMENDMENT, EXEMPTION, OR VARIANCE**

A request for an amendment, exemption, or a variance from the requirements of this rule may include a request that the Utility stay the application of the affected portion of this rule for the transaction specified in the motion. Utility has the sole discretion to determine whether to grant a request for an amendment, exemption or variance or an accompanying request for a stay. In reviewing such request, Utility will not act unreasonably.

#### **E-5.10 CUSTOMER INFORMATION**

Utility will provide information to all customers regarding this rule, including, but not limited to, contact persons and a description of terms and conditions for purchases from Qualifying Facilities.