

SIoux VALLEY ENERGY

Colman, South Dakota

BOARD OPERATING GUIDE – 3-1

NET METERING/BILLING

I. OBJECTIVE:

To establish standards and direction for the interconnection of member owned distributed generation to Sioux Valley Energy existing electric facilities.

The Public Utility Regulatory Policies Act of 1978 (PURPA) declared purpose is to encourage co-generation and small power production. PURPA authorizes the Federal Energy Regulatory Commission (FERC) to issue rules to implement Sections 201 and 210 of the Act. FERC has issued such final rules to implement Sections 201 and 210 of the Act.

This policy provides the manner in which Sioux Valley Energy will implement Subpart C (arrangements between Electric Utilities and Qualifying Co-generation and Small Power Production Facilities under Section 210 of the Public Utility Regulatory Policies Act of 1978, PURPA) other than Section 292.302 thereof, of the regulations set forth in Part 292, Chapter I, Title 18, Code of Federal Regulations.

Sioux Valley Energy is a member of East River Electric Power Cooperative, Inc. (East River) Madison, South Dakota and L&O Power Cooperative (L&O Power) Rock Rapids, Iowa. It is legally obligated by contract to obtain all its requirements for electric energy and capacity from East River and L&O Power-with the exception of territory acquired from Alliant for a period of 10 (ten) years starting July 31, 2015.

With the exception of territory acquired from Alliant Energy for a period of 10 (ten) years starting July 31, 2015, Sioux Valley Energy is contractually obligated to obtain all its requirements for electric energy from East River predominately in South Dakota and from L&O Power predominately in Minnesota. This is the rule but there are instances where L&O Power is the power provider for customers in South Dakota and conversely where East River is the power provider for customers in Minnesota. All customers need to check with Sioux Valley Energy prior to starting any project to ensure which power provider is actually serving their premise.

East River and L&O Power has have contracted with the United States Department of Energy-Western Area Power Administration (WAPA) for the purchase of electric energy and capacity. Electric energy and capacity in excess of the amount of energy and capacity furnished by WAPA is furnished to East River and L&O Power pursuant to contract with Basin Electric Power Cooperative, Bismarck, North Dakota.

II. CONTENT:

- A. Availability – The interconnection of member owned distributed generation will be open to all members, in good standing, of Sioux Valley Energy.
- B. Interconnection Terms – The Cooperative shall establish and maintain interconnection agreements that are required by any regulatory body within the service territory of Sioux Valley Energy. The Cooperative may establish and maintain an alternative interconnection agreement in any jurisdiction that does not require such agreement.
- C. Standards and Specifications - All electric interconnections shall be designed and installed to meet the requirements and specifications of the applicable codes and approved design standards of the Cooperative.
- D. Reconfiguration of Facilities - When requested, the Cooperative shall make changes in the configuration of existing facilities to facilitate the interconnection of distributed generation based upon the Cooperative's policies in relation to Contribution in Aid of Construction.

III. RESPONSIBILITY:

The Engineering and Operations Department is responsible for making recommendations regarding the appropriate agreements for the interconnection of distributed generation.

The General Manager is responsible for the overall administration of this policy.

ATTEST: Rodney Dement
Secretary

Date Adopted: 12-17-2013

ATTEST: Allan Kooima
Secretary

Date Revised: 10-13-2015