

1.1 **Public Utilities Commission**

1.2 **Adopted Permanent Rules Relating to Cogeneration and Small Power Production**

1.3 **7835.0100 DEFINITIONS.**

1.4 [For text of subps 1 to 3, see M.R.]

1.5 Subp. 4. **Capacity.** "Capacity" means the capability to produce, transmit, or deliver
1.6 electric energy, and is measured by the number of megawatts alternating current at the
1.7 point of common coupling between a qualifying facility and a utility's electric system.

1.8 Subp. 5. **Capacity costs.** "Capacity costs" means the costs associated with
1.9 providing the capability to deliver energy. The utility capital costs consist of the costs
1.10 of facilities used to generate, transmit, and distribute electricity and the fixed operating
1.11 and maintenance costs of these facilities.

1.12 [For text of subp 6, see M.R.]

1.13 Subp. 6a. **Customer.** "Customer" means the person named on the utility electric
1.14 bill for the premises.

1.15 [For text of subps 7 to 15, see M.R.]

1.16 Subp. 15a. **Net metered facility.** "Net metered facility" means an electric generation
1.17 facility constructed for the purpose of offsetting energy use through the use of renewable
1.18 energy or high-efficiency distributed generation sources.

1.19 [For text of subps 16 and 17, see M.R.]

1.20 Subp. 17a. **Point of common coupling.** "Point of common coupling" means the
1.21 point where the qualifying facility's generation system, including the point of generator
1.22 output, is connected to the utility's electric power grid.

1.23 Subp. ~~17a~~ 17b. **Public utility.** "Public utility" has the meaning given in Minnesota
1.24 Statutes, section 216B.02, subdivision 4.

2.1 [For text of subp 18, see M.R.]

2.2 Subp. 19. **Qualifying facility.** "Qualifying facility" means a cogeneration or small
 2.3 power production facility which satisfies the conditions established in Code of Federal
 2.4 Regulations, title 18, part 292. The initial operation date or initial installation date of a
 2.5 cogeneration or small power production facility must not prevent the facility from being
 2.6 considered a qualifying facility for the purposes of this chapter if it otherwise satisfies
 2.7 all stated conditions.

2.8 [For text of subp 20, see M.R.]

2.9 Subp. 20a. **Standby charge.** "Standby charge" means the rate or fee a utility charges
 2.10 for the recovery of costs for the provision of standby service or standby power.

2.11 Subp. 20b. **Standby service.** "Standby service" means:

2.12 A. for public utilities, service or power that includes backup, or maintenance,
 2.13 ~~and related services necessary to make electricity service available to the facility,~~ as
 2.14 described in the public utility's commission-approved standby tariff, necessary to make
 2.15 electricity service available to the distributed generation facility; and

2.16 B. for a utility not subject to the commission's rate authority, the service
 2.17 associated with the applicable tariff in effect under Minnesota Statutes, section 216B.1611,
 2.18 subdivision 3, clause (2).

2.19 [For text of subps 21 to ~~24~~ 23, see M.R.]

2.20 Subp. 24. **Utility.** "Utility" means:

2.21 [For text of item A, see M.R.]

2.22 B. for the purposes of parts 7835.0200 to 7835.1200, 7835.1900 to 7835.4400,
 2.23 7835.4600 to 7835.6100, ~~and 7835.9910,~~ and 7835.9920, any public utility, including
 2.24 municipally owned electric utilities and cooperative electric associations, that sells

3.1 electricity at retail in Minnesota, except those municipally owned electric utilities that
3.2 have adopted and have in effect rules consistent with this chapter.

3.3 **7835.0200 SCOPE AND PURPOSE.**

3.4 The purpose of this chapter is to implement certain provisions of Minnesota Statutes,
3.5 section 216B.164; the Public Utility Regulatory Policies Act of 1978, United States Code,
3.6 title 16, section 824a-3; and the Federal Energy Regulatory Commission regulations,
3.7 Code of Federal Regulations, title 18, part 292. Nothing in this chapter excuses any utility
3.8 from carrying out its responsibilities under these provisions of state and federal law. This
3.9 chapter must at all times be applied in accordance with its intent to give the maximum
3.10 possible encouragement to cogeneration and small power production consistent with
3.11 protection of the ratepayers and the public.

3.12 **7835.0400 FILING OPTION.**

3.13 If, after the January 1, 2015, filing, schedule C is the only change in the cogeneration
3.14 and small power production tariff to be filed in a subsequent year, the utility may notify
3.15 the commission in writing, by the date the tariff is due, that there is no other change in the
3.16 tariff. This notification and new schedule C will serve as a substitute for the refile of
3.17 the complete tariff in that year.

3.18 **7835.0800 SCHEDULE E.**

3.19 Schedule E must contain the utility's safety standards, required operating procedures
3.20 for interconnected operations, and the functions to be performed by any control and
3.21 protective apparatus. These standards and procedures must not be more restrictive than
3.22 the standards contained in the electrical code under part 7835.2100 or the interconnection
3.23 standards distributed to customers under part 7835.4750. The utility may include in
3.24 schedule E suggested types of equipment to perform the specified functions. No standard
3.25 or procedure may be established to discourage cogeneration or small power production.

4.1 **7835.1200 AVAILABILITY OF FILINGS.**

4.2 All filings required by parts 7835.0300 to 7835.1100 must be filed in the commission's
4.3 electronic filing system and be maintained at the utility's general office and any other
4.4 offices of the utility where rate case filings are kept. These filings must be available for
4.5 public inspection at the commission and at the utility offices during normal business hours.

4.6 **7835.1300 GENERAL REPORTING REQUIREMENTS.**

4.7 Each utility interconnected with a qualifying facility must provide the commission
4.8 with the information in parts 7835.1400 to 7835.1800 annually on or before March 1, and
4.9 in such form as the commission may require.

4.10 **7835.1400 NET AVERAGE RETAIL UTILITY ENERGY BILLED QUALIFYING**
4.11 **FACILITIES.**

4.12 For qualifying facilities under net average retail utility energy billing, the utility must
4.13 provide the commission with the following information:

4.14 [For text of item A, see M.R.]

4.15 B. for each qualifying facility type, the total kilowatt-hours delivered per month
4.16 to the utility by all net average retail utility energy billed rate qualifying facilities;

4.17 C. for each qualifying facility type, the total kilowatt-hours delivered per month
4.18 by the utility to all net average retail utility energy billed rate qualifying facilities; and

4.19 D. for each qualifying facility type, the total net energy delivered per month to
4.20 the utility by net average retail utility energy billed rate qualifying facilities.

4.21 **7835.1500 OTHER QUALIFYING FACILITIES.**

4.22 For all qualifying facilities not under net average retail utility energy billing, the
4.23 utility must provide the commission with the following information:

4.24 [For text of items A and B, see M.R.]

5.1 **7835.2100 ELECTRICAL CODE COMPLIANCE.**

5.2 Subpart 1. **Compliance; standards.** The interconnection between the qualifying
5.3 facility and the utility must comply with the requirements in the most recently published
5.4 edition of the National Electrical Safety Code issued by the Institute of Electrical and
5.5 Electronics Engineers. The interconnection is subject to subparts 2 and 3.

5.6 Subp. 2. **Interconnection.** The ~~interconnection customer~~ qualifying facility is
5.7 responsible for complying with all applicable local, state, and federal codes, including
5.8 building codes, the National ~~Electric~~ Electrical Code (NEC), the National ~~Electric~~
5.9 Electrical Safety Code (NESC), and noise and emissions standards. The ~~Area Electric~~
5.10 ~~Power System will~~ utility must require proof ~~of complying~~ that the qualifying facility is
5.11 in compliance with the NEC before the interconnection is made. The ~~interconnection~~
5.12 ~~customer~~ qualifying facility must obtain installation approval from an electrical inspector
5.13 recognized by the Minnesota State Board of Electricity.

5.14 Subp. 3. **Generation system.** The ~~interconnection customer's~~ qualifying facility's
5.15 generation system and installation must comply with the American National Standards
5.16 Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) standards
5.17 applicable to the installation.

5.18 **7835.2600 TYPES OF POWER TO BE OFFERED; STANDBY SERVICE.**

5.19 Subpart 1. **Service to be offered.** The utility must offer maintenance, interruptible,
5.20 supplementary, and backup power to the qualifying facility upon request.

5.21 Subp. 2. **Standby service; public utility.** A public utility may not impose a standby
5.22 charge for standby service on a qualifying facility having 100 kilowatt capacity or less. A
5.23 utility imposing rates on a qualifying facility having more than 100 kilowatt capacity must
5.24 comply with an order of the commission establishing allowable costs.

6.1 Subp. 3. **Standby service; cooperative or municipality.** A cooperative electric
6.2 association or municipal utility must offer a qualifying facility standby power or service
6.3 consistent with its applicable tariff for such service adopted under Minnesota Statutes,
6.4 section 216B.1611, subdivision 3, clause (2).

6.5 **7835.3000 RATES FOR UTILITY SALES TO A QUALIFYING FACILITY TO**
6.6 **BE GOVERNED BY TARIFF.**

6.7 Except as otherwise provided in part 7835.3100, rates for sales to a qualifying facility
6.8 must be governed by the applicable tariff for the class of electric utility customers to
6.9 which the qualifying facility belongs or would belong were it not a qualifying facility.

6.10 **7835.3150 INTERCONNECTION WITH COOPERATIVE ELECTRIC**
6.11 **ASSOCIATION OR MUNICIPAL UTILITY.**

6.12 Parts 7835.3200 to 7835.4000 apply to interconnections between a qualifying facility
6.13 and a cooperative electric association or municipal utility.

6.14 **7835.3200 STANDARD RATES FOR PURCHASES BY COOPERATIVE**
6.15 **ELECTRIC ASSOCIATIONS AND MUNICIPAL UTILITIES FROM**
6.16 **QUALIFYING FACILITIES.**

6.17 Subpart 1. **Qualifying facilities with 100 kilowatt capacity or less.** For qualifying
6.18 facilities with capacity of 100 kilowatts or less, standard purchase rates apply. The utility
6.19 must make available three types of standard rates, described in parts 7835.3300, 7835.3400,
6.20 and 7835.3500. The qualifying facility with a capacity of 100 kilowatts or less must
6.21 choose interconnection under one of these rates, and must specify its choice in the written
6.22 contract required in part 7835.2000. Any net credit to the qualifying facility must, at its
6.23 option, be credited to its account with the utility or returned by check within 15 days of the
6.24 billing date. The option chosen must be specified in the written contract required in part
6.25 7835.2000. Qualifying facilities remain responsible for any monthly service charges and
6.26 demand charges specified in the tariff under which they consume electricity from the utility.

7.1 Subp. 2. **Qualifying facilities over 100 kilowatt capacity.** A qualifying facility with
7.2 more than 100 kilowatt capacity has the option to negotiate a contract with a utility or, if it
7.3 commits to provide firm power, be compensated under standard rates.

7.4 **7835.3300 NET AVERAGE RETAIL UTILITY ENERGY BILLING RATE.**

7.5 Subpart 1. **Applicability.** The net average retail utility energy billing rate is available
7.6 only to qualifying facilities with capacity of less than 40 kilowatts which choose not to
7.7 offer electric power for sale on either a time-of-day basis or a simultaneous purchase
7.8 and sale basis.

7.9 [For text of subps 2 and 3, see M.R.]

7.10 **7835.4010 INTERCONNECTION WITH PUBLIC UTILITY.**

7.11 Parts 7835.4011 to 7835.4023 apply to interconnections between a qualifying facility
7.12 and a public utility.

7.13 **7835.4011 STANDARD RATES FOR PURCHASES BY PUBLIC UTILITIES**
7.14 **FROM QUALIFYING FACILITIES.**

7.15 Subpart 1. **Standard rates.** For qualifying facilities with less than 1,000 kilowatt
7.16 capacity, standard rates apply. The utility must make available the types of standard rates
7.17 described in parts 7835.4012 to 7835.4015. Qualifying facilities remain responsible for
7.18 any monthly service charges and demand charges specified in the tariff under which
7.19 they consume electricity from the utility.

7.20 Subp. 2. **Negotiated rates.** A qualifying facility with 1,000 kilowatt capacity or
7.21 more has the option to negotiate a contract with a utility or, if it commits to provide firm
7.22 power, be compensated under standard rates.

7.23 **7835.4012 COMPENSATION.**

7.24 Subpart 1. **Facilities with less than 40 kilowatt capacity.** A qualifying facility
7.25 with less than 40 kilowatt capacity has the option to be compensated at the net average

8.1 retail utility energy billing rate, the simultaneous purchase and sale billing rate, or the
8.2 time-of-day billing rate.

8.3 Subp. 2. **Facilities with at least 40 kilowatt capacity but less than 1,000 kilowatt**
8.4 **capacity.** A qualifying facility with at least 40 kilowatt capacity but less than 1,000
8.5 kilowatt capacity has the option to be billed at the simultaneous purchase and sale billing
8.6 rate, or at the time-of-day billing rate.

8.7 **7835.4013 AVERAGE RETAIL ENERGY RATE.**

8.8 Subpart 1. **Method of billing.** The utility must bill the qualifying facility for the
8.9 energy supplied by the utility that exceeds the amount of energy supplied by the qualifying
8.10 facility during each billing period according to the utility's applicable retail rate schedule.

8.11 Subp. 2. **Additional calculations for billing.** When the energy generated by the
8.12 qualifying facility exceeds that supplied by the utility during a billing period, the utility
8.13 must compensate the qualifying facility for the excess energy at the average retail utility
8.14 energy rate.

8.15 **7835.4014 SIMULTANEOUS PURCHASE AND SALE BILLING RATE.**

8.16 Subpart 1. **Method of billing.** The qualifying facility must be billed for all energy
8.17 and capacity it consumes during a billing period according to the utility's applicable retail
8.18 rate schedule.

8.19 Subp. 2. **Compensation to qualifying facility.** The utility must purchase all energy
8.20 and capacity which is made available to it by the qualifying facility. At the option of the
8.21 qualifying facility, its entire generation must be deemed to be made available to the utility.
8.22 Compensation to the qualifying facility must be the sum of items A and B.

8.23 A. The energy component must be the appropriate system average incremental
8.24 energy costs shown on schedule A; or if the generating utility has not filed schedule A,
8.25 the energy component must be the energy rate of the retail rate schedule applicable to the

9.1 qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has
9.2 not filed schedule A, the energy component must be the energy rate shown on schedule H.

9.3 B. If the qualifying facility provides firm power to the utility, the capacity
9.4 component must be the utility's net annual avoided capacity cost per kilowatt-hour
9.5 averaged over all hours shown on schedule B; or if the generating utility has not filed
9.6 schedule B, the capacity component must be the demand charge per kilowatt, if any, of the
9.7 retail rate schedule applicable to the qualifying facility, filed in lieu of schedules A and B,
9.8 divided by the number of hours in the billing period; or if the nongenerating utility has not
9.9 filed schedule B, the capacity component must be the capacity cost per kilowatt shown on
9.10 schedule H, divided by the number of hours in the billing period. If the qualifying facility
9.11 does not provide firm power to the utility, no capacity component may be included in the
9.12 compensation paid to the qualifying facility.

9.13 **7835.4015 TIME-OF-DAY PURCHASE RATES.**

9.14 Subpart 1. **Method of billing.** The qualifying facility must be billed for all
9.15 energy and capacity it consumes during each billing period according to the utility's
9.16 applicable retail rate schedule. Any utility rate-regulated by the commission may propose
9.17 time-of-day retail rate tariffs which require qualifying facilities that choose to sell power
9.18 on a time-of-day basis to also purchase power on a time-of-day basis.

9.19 Subp. 2. **Compensation to qualifying facility.** The utility must purchase all energy
9.20 and capacity which is made available to it by the qualifying facility. Compensation to the
9.21 qualifying facility must be the sum of items A and B.

9.22 A. The energy component must be the appropriate on-peak and off-peak system
9.23 incremental costs shown on schedule A; or if the generating utility has not filed schedule
9.24 A, the energy component must be the energy rate of the retail rate schedule applicable to
9.25 the qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has
9.26 not filed schedule A, the energy component must be the energy rate shown on schedule H.

10.1 B. If the qualifying facility provides firm power to the utility, the capacity
10.2 component must be the utility's net annual avoided capacity cost per kilowatt-hour
10.3 averaged over the on-peak hours as shown on schedule B; or if the generating utility has
10.4 not filed schedule B, the capacity component must be the demand charge per kilowatt,
10.5 if any, of the retail rate schedule applicable to the qualifying facility, filed in lieu of
10.6 schedules A and B, divided by the number of on-peak hours in the billing period; or if
10.7 the nongenerating utility has not filed schedule B, the capacity component must be the
10.8 capacity cost per kilowatt shown on schedule H, divided by the number of on-peak hours
10.9 in the billing period. The capacity component applies only to deliveries during on-peak
10.10 hours. If the qualifying facility does not provide firm power to the utility, no capacity
10.11 component may be included in the compensation paid to the qualifying facility.

10.12 **7835.4016 INDIVIDUAL SYSTEM CAPACITY LIMITS.**

10.13 Subpart 1. **Applicability.** Individual system capacity limits are subject to the
10.14 requirements in Minnesota Statutes, section 216B.164, subdivision 4c.

10.15 Subp. 2. **Usage history.** A facility subject to capacity limits with less than 12 calendar
10.16 months of actual electric usage or no demand metering available is subject to limits based
10.17 on data for similarly situated customers combined with any actual data for the facility.

10.18 **7835.4017 NET METERED FACILITY; BILL CREDITS.**

10.19 Subpart 1. **Kilowatt-hour credit.** A customer with a net metered facility can elect
10.20 to be compensated for net input into the utility's system in the form of a kilowatt-hour
10.21 credit on the customer's bill, subject to Minnesota Statutes, section 216B.164, subdivision
10.22 3a, and the following conditions:

10.23 A. the customer is not receiving a value of solar rate under Minnesota Statutes,
10.24 section 216B.164, subdivision 10;

10.25 B. the customer is interconnected with a public utility; and

11.1 C. the net metered facility has a capacity of at least 40 kilowatt capacity but
11.2 less than 1,000 kilowatt capacity.

11.3 Subp. 2. **Notification to customer.** A public utility must notify the customer of the
11.4 option to be compensated for net input in the form of a kilowatt-hour credit under subpart
11.5 1. The public utility must inform the customer that if the customer does not elect to be
11.6 compensated for net input in the form of a kilowatt-hour credit on the bill, the customer
11.7 will be compensated for the net input at the utility's avoided cost rate, as described in
11.8 the utility's tariff for that customer class.

11.9 Subp. 3. **End-of-year net input.** A public utility must compensate the customer, in
11.10 the form of a payment, for any net input remaining at the end of the calendar year at the
11.11 utility's avoided cost rate, as described in the utility's tariff for that class of customer.

11.12 **7835.4018 AGGREGATION OF METERS.**

11.13 A public utility must aggregate meters at the request of a customer as described in
11.14 Minnesota Statutes, section 216B.164, subdivision 4a.

11.15 **7835.4019 QUALIFYING FACILITIES OF 1,000 KILOWATT CAPACITY OR**
11.16 **MORE.**

11.17 A qualifying facility with capacity of 1,000 kilowatt capacity or more must negotiate
11.18 a contract with the public utility to set the applicable rates for payments to the customer of
11.19 avoided capacity and energy costs. Nothing in parts 7835.4010 to 7835.4015 prevents
11.20 a utility from connecting qualifying facilities of greater than 1,000 kilowatt capacity
11.21 under its avoided cost rates.

11.22 **7835.4020 AMOUNT OF CAPACITY PAYMENTS; CONSIDERATIONS.**

11.23 The qualifying facility which negotiates a contract under part 7835.4019 must be
11.24 entitled to the full avoided capacity costs of the utility. The amount of capacity payments
11.25 must be determined through consideration of:

11.26 A. the capacity factor of the qualifying facility;

- 12.1 B. the cost of the utility's avoidable capacity;
- 12.2 C. the length of the contract term;
- 12.3 D. reasonable scheduling of maintenance;
- 12.4 E. the willingness and ability of the qualifying facility to provide firm power
- 12.5 during system emergencies;
- 12.6 F. the willingness and ability of the qualifying facility to allow the utility to
- 12.7 dispatch its generated energy;
- 12.8 G. the willingness and ability of the qualifying facility to provide firm capacity
- 12.9 during system peaks;
- 12.10 H. the sanctions for noncompliance with any contract term; and
- 12.11 I. the smaller capacity increments and the shorter lead times available when
- 12.12 capacity is added from qualifying facilities.

12.13 **7835.4021 UTILITY TREATMENT OF COSTS.**

12.14 All purchases from qualifying facilities with capacity of less than 40 kilowatts and

12.15 purchases of energy from qualifying facilities with capacity of 40 kilowatts or more must

12.16 be considered an energy cost in calculating a utility's fuel adjustment clause.

12.17 **7835.4022 LIMITING CUMULATIVE GENERATION.**

12.18 A public utility requesting that the commission limit cumulative generation of net

12.19 metered facilities under Minnesota Statutes, section 216B.164, subdivision 4b, must file

12.20 its request with the commission under chapter 7829.

12.21 **7835.4023 ALTERNATIVE TARIFF FOR VALUE OF SOLAR.**

12.22 If a public utility has received commission approval of an alternative tariff for the

12.23 value of solar under Minnesota Statutes, section 216B.164, subdivision 10, the tariff

12.24 applies to new solar photovoltaic interconnections effective after the tariff approval date.

13.1 **7835.4750 INTERCONNECTION STANDARDS.**

13.2 ~~Prior to signing~~ Before a customer signs the uniform statewide contract, a utility
 13.3 must distribute to ~~each~~ that customer a copy of, or electronic link to, the commission's
 13.4 order establishing interconnection standards dated September 28, 2004, in docket number
 13.5 E-999/CI-01-1023, or to currently effective interconnection standards established by
 13.6 subsequent commission order. ~~The utility must provide each customer a copy of, or~~
 13.7 ~~electronic link to, subsequent changes made by the commission to any of those standards.~~

13.8 **7835.5900 EXISTING CONTRACTS.**

13.9 Any existing interconnection contract executed between a utility and a qualifying
 13.10 facility with capacity of less than 40 kilowatts remains in force until terminated by mutual
 13.11 agreement of the parties or as otherwise specified in the contract.

13.12 **7835.5950 RENEWABLE ENERGY CREDIT; OWNERSHIP.**

13.13 ~~A qualifying facility owns~~ Generators own all renewable energy credits unless:

13.14 A. other ownership is expressly provided for ~~in the~~ by a contract between the
 13.15 ~~qualifying facility a generator~~ and a utility ~~under part 7835.9910.~~;

13.16 B. state law specifies a different outcome; or

13.17 C. specific commission orders or rules specify a different outcome.

13.18 **7835.9910 UNIFORM STATEWIDE CONTRACT; FORM.**

13.19 The form for the uniform statewide contract must be applied to all new and existing
 13.20 interconnections between a utility and cogeneration and small power production facilities
 13.21 having less than 1,000 kilowatts of capacity, except as described in part 7835.5900.

13.22 **UNIFORM STATEWIDE CONTRACT FOR COGENERATION AND SMALL POWER**
 13.23 **PRODUCTION FACILITIES**

13.24 THIS CONTRACT is entered into _____, _____, by
 13.25 _____ (hereafter called "Utility") and

14.1 _____
14.2 (hereafter called "QF").

14.3 **RECITALS**

14.4 The QF has installed electric generating facilities, consisting
14.5 of _____

14.6 _____

14.7 _____ (Description of facilities),

14.8 rated at ____ kilowatts of electricity, on property located at

14.9 _____

14.10 _____.

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

14.12 The QF's electric generating facilities meet the requirements of the Minnesota
14.13 Public Utilities Commission (hereafter called "Commission") rules on Cogeneration and
14.14 Small Power Production and any technical standards for interconnection the Utility has
14.15 established that are authorized by those rules.

14.16 The Utility is obligated under federal and Minnesota law to interconnect with the QF
14.17 and to purchase electricity offered for sale by the QF.

14.18 A contract between the QF and the Utility is required by the Commission's rules.

14.19 **AGREEMENTS**

14.20 The QF and the Utility agree:

14.21 1. The Utility will sell electricity to the QF under the rate schedule in force for the
14.22 class of customer to which the QF belongs.

14.23 2. The Cooperative Electric Association or Municipally Owned Electric Utility will
14.24 buy electricity from the QF under the current rate schedule filed with the Commission.

14.25 The QF elects the rate schedule category hereinafter indicated:

14.26 ____ a. Net Average retail utility energy billing rate under part 7835.3300.

14.27 ____ b. Simultaneous purchase and sale billing rate under part 7835.3400.

15.1 ____ c. Time-of-day purchase rates under part 7835.3500.

15.2 A copy of the presently filed rate schedule is attached to this contract.

15.3 3. The Public Utility will buy electricity from the QF under the current rate schedule
15.4 filed with the Commission. If the QF has less than 40 kilowatts capacity, the QF elects the
15.5 rate schedule category hereinafter indicated:

15.6 ____ a. Net Average retail utility energy billing rate under part 7835.4013.

15.7 ____ b. Simultaneous purchase and sale billing rate under part 7835.4014.

15.8 ____ c. Time-of-day purchase rates under part 7835.4015.

15.9 A copy of the presently filed rate schedule is attached to this contract.

15.10 4. The Public Utility will buy electricity from the QF under the current rate schedule
15.11 filed with the Commission. If the QF is not a net metered facility and has at least 40
15.12 kilowatts capacity but less than 1,000 kilowatt capacity, the QF elects the rate schedule
15.13 category hereinafter indicated:

15.14 ____ a. Simultaneous purchase and sale billing rate under part 7835.4014.

15.15 ____ b. Time-of-day purchase rates under part 7835.4015.

15.16 A copy of the presently filed rate schedule is attached to this contract.

15.17 5. The Public Utility will buy electricity from a net metered facility under the current
15.18 rate schedule filed with the Commission or will compensate the facility in the form of a
15.19 kilowatt-hour credit on the facility's energy bill. If the net metered facility has at least 40
15.20 kilowatts capacity but less than 1,000 kilowatts capacity, the QF elects the rate schedule
15.21 category hereinafter indicated:

15.22 ____ a. Kilowatt-hour energy credit on the customer's energy bill, carried forward
15.23 and applied to subsequent energy bills, with an annual true-up under part 7835.4017.

15.24 ____ b. Simultaneous purchase and sale billing rate under part 7835.4014.

15.25 ____ c. Time-of-day purchase rates under part 7835.4015.

15.26 A copy of the presently filed rate schedule is attached to this contract.

16.1 ~~5~~ 6. The rates for sales and purchases of electricity may change over the time this
16.2 contract is in force, due to actions of the Utility or of the Commission, and the QF and the
16.3 Utility agree that sales and purchases will be made under the rates in effect each month
16.4 during the time this contract is in force.

16.5 ~~6~~ 7. The Public Utility, Cooperative Electric Association, or Municipally Owned
16.6 Electric Utility will compute the charges and payments for purchases and sales for each
16.7 billing period. Any net credit to the QF, other than kilowatt-hour credits under clause 5,
16.8 will be made under one of the following options as chosen by the QF:

16.9 ___ ~~1~~ a. Credit to the QF's account with the Utility.

16.10 ___ ~~2~~ b. Paid by check to the QF within 15 days of the billing date.

16.11 ~~7~~ 8. Renewable energy credits associated with generation from the facility are
16.12 owned by:

16.13 _____

16.14 ~~8~~ 9. The QF must operate its electric generating facilities within any rules,
16.15 regulations, and policies adopted by the Utility not prohibited by the Commission's
16.16 rules on Cogeneration and Small Power Production which provide reasonable technical
16.17 connection and operating specifications for the QF. This agreement does not waive the
16.18 QF's right to bring a dispute before the Commission as authorized by Minnesota Rules,
16.19 part 7835.4500, and any other provision of the Commission's rules on Cogeneration and
16.20 Small Power Production authorizing Commission resolution of a dispute.

16.21 ~~9~~ 10. The Utility's rules, regulations, and policies must conform to the Commission's
16.22 rules on Cogeneration and Small Power Production.

16.23 ~~10~~ 11. The QF will operate its electric generating facilities so that they conform to
16.24 the national, state, and local electric and safety codes, and will be responsible for the
16.25 costs of conformance.

16.26 ~~11~~ 12. The QF is responsible for the actual, reasonable costs of interconnection
16.27 which are estimated to be \$_____. The QF will pay the Utility in this

17.1 way: _____

17.2 _____.

17.3 ~~12~~ 13. The QF will give the Utility reasonable access to its property and electric
17.4 generating facilities if the configuration of those facilities does not permit disconnection
17.5 or testing from the Utility's side of the interconnection. If the Utility enters the QF's
17.6 property, the Utility will remain responsible for its personnel.

17.7 ~~13~~ 14. The Utility may stop providing electricity to the QF during a system
17.8 emergency. The Utility will not discriminate against the QF when it stops providing
17.9 electricity or when it resumes providing electricity.

17.10 ~~14~~ 15. The Utility may stop purchasing electricity from the QF when
17.11 necessary for the Utility to construct, install, maintain, repair, replace, remove,
17.12 investigate, or inspect any equipment or facilities within its electric system.
17.13 The Utility will notify the QF before it stops purchasing electricity in this
17.14 way: _____

17.15 _____.

17.16 ~~15~~ 16. The QF will keep in force liability insurance against personal or property
17.17 damage due to the installation, interconnection, and operation of its electric generating
17.18 facilities. The amount of insurance coverage will be \$_____ (The amount
17.19 must be consistent with the Commission's interconnection standards under Minnesota
17.20 Rules, part 7835.4750).

17.21 ~~16~~ 17. This contract becomes effective as soon as it is signed by the QF and the
17.22 Utility. This contract will remain in force until either the QF or the Utility gives written
17.23 notice to the other that the contract is canceled. This contract will be canceled 30 days
17.24 after notice is given.

17.25 ~~17~~ 18. This contract contains all the agreements made between the QF and the Utility
17.26 except that this contract shall at all times be subject to all rules and orders issued by
17.27 the Public Utilities Commission or other government agency having jurisdiction over

18.1 the subject matter of this contract. The QF and the Utility are not responsible for any
18.2 agreements other than those stated in this contract.

18.3 THE QF AND THE UTILITY HAVE READ THIS CONTRACT AND AGREE
18.4 TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY
18.5 HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE WRITTEN AT
18.6 THE BEGINNING OF THIS CONTRACT.

18.7 _____

18.8 QF

18.9 By: _____

18.10 _____

18.11 _____

18.12 UTILITY

18.13 By: _____

18.14 _____

18.15 (Title)

18.16 **7835.9920 NONSTANDARD PROVISIONS.**

18.17 A utility intending to implement provisions other than those included in the uniform
18.18 statewide form of contract must file a request for authorization with the commission. The
18.19 filing must conform with chapter 7829 and must identify all provisions the utility intends
18.20 to use in the contract with a qualifying facility.

18.21 **REPEALER.** Minnesota Rules, parts 7835.2300; 7835.2500; 7835.2700; 7835.2900;
18.22 7835.4800; 7835.4900; 7835.5000; 7835.5100; 7835.5200; 7835.5300; 7835.5400;
18.23 7835.5500; 7835.5600; 7835.5700; and 7835.5800, are repealed.