

## Lamar Light and Power

### Net Metering Policy

Residential, commercial, and industrial customers of Lamar Light and Power may now install small generation systems and interconnect with the electric grid using a bi-directional meter. This means that if a small customer-owned generation system produces more electric power in a given month than the customer consumes at that meter, Lamar Light and Power will credit the excess electrical power to subsequent monthly power bills. At the end of the year, if a customer's system has produced more power than the customer used during that year, that customer will also be eligible to sell that excess power to Lamar Light & Power. Rates paid for excess power sold back to the system on an annual basis will be determined periodically by the Lamar Utilities Board (LUB), and may vary to reflect such factors including, but not limited to, average bus bar cost for power produced at the Lamar Light Plant and average wholesale power costs Lamar Light and Power and/or the Arkansas River Power Authority have paid to other outside suppliers for purchased power in the previous year (Avoided Cost).

Such small generator interconnections allow a customer to install a small generation system in a home or business, and to remain connected to the electrical grid so that electrical power will be available even at times that the customer's system may not be producing power, which is generally the case with solar and wind systems. This eliminates the need for the customer to install costly backup systems, such as a battery system or gasoline or diesel generator.

Interconnects are available for up to 10kW for residential systems and up to 25 kW for commercial and industrial systems which meet design criteria and applicable insurance and safety requirements that are designed to protect Lamar Light and Power employees and equipment, to protect the general public, and to assure that Lamar Light and Power will be able to maintain safe and reliable service to all of its customers. Systems within those size limitations which meet the necessary design, safety, and insurance requirements will be classified as a Qualifying Facility, which means they will be eligible to proceed with the interconnection process.

In order to assist customers in designing and connecting small generation systems, and to protect its employees, equipment, and reliability of service for all customers, Lamar Light and Power has adopted formal Interconnection and Cogeneration Procedures. Customers who are considering installing a small generation system should pick up an application packet from Lamar Light and Power which will guide them through the process.

### Net Metering Details

1. One electric bi-directional meter and one production meter per location.
2. Customer's generation must be intended to offset part or all of their electrical energy needs at that location.
3. Net excess energy carried over from one month to the next.
4. If credit exists at the end of the year, a check or bill credit is issued.
5. For residential renewable systems of not more than 10 kilowatts.
6. For commercial/industrial renewable systems of not more than 25 kilowatts.

## Summary of Interconnection Procedures

1. A customer considering installation of a small generation system (a potential qualifying facility) picks up an application for interconnection packet from Lamar Light and Power.
2. The potential qualifying facility submits the application to Lamar Light and Power. If the facility's nameplate capacity is greater than 25kW, a Power Purchase Agreement (PPA) has to be executed with ARPA. Qualifying Facility Design Data Requirements are also required for 10kW and 25kW systems.
3. Lamar Light and Power evaluates the application for completeness and notifies the customer within ten business days of receipt if the application is complete. If an application is not complete, Lamar Light and Power will advise the customer what material is missing.
4. Within 15 business days, Lamar Light and Power conducts preliminary engineering studies to determine the effect the Potential Qualifying Facility might have on existing Lamar Light and Power customers and equipment.
5. Provided all criteria in the Interconnection Standards for Cogenerators and Small Power Producers are met, unless Lamar Light and Power determines that the small generation facility cannot be connected safely and reliably, Lamar Light and Power executes the Application and returns it to the customer.
6. The customer provides a certificate of insurance (documentation that the customer has been approved for the required insurance coverage). Any customer considering a small cogeneration system should investigate the cost and available of insurance early in the planning process to assure that the insurance will be available at a cost-effective rate.
7. Lamar Light and Power designs and constructs the interconnection and modifies the existing Lamar Light and Power network as necessary to accept the small generation facility.
8. After installation of the small generating system, the customer returns the Certificate of Completion to Lamar Light and Power. Lamar Light and Power will then inspect the qualifying Facility for compliance with standards within ten business days of the receipt of the Certificate of Inspection. Lamar Light and Power will inspect the facility for compliance with standards and may schedule appropriate metering replacement, if necessary.
9. Lamar Light and Power notifies the customer that interconnection of the Qualifying Facility is authorized. If the witness test is not satisfactory, Lamar Light and Power has the right to disconnect the Qualifying Facility. The customer has no right to operate in parallel until a witness test has been performed.

**Lamar Light and Power  
Interconnect Application  
For Qualifying Facilities 25 KW or smaller**

System Owner Information

Name: \_\_\_\_\_  
Mailing address: \_\_\_\_\_  
City: State: Zip Code: \_\_\_\_\_  
Service address: \_\_\_\_\_  
Phone: Email: \_\_\_\_\_  
Account No. (from City of Lamar Utilities Bill): \_\_\_\_\_

System Information

Location: \_\_\_\_\_  
Designed Capacity: Solar \_\_\_\_\_ Wind \_\_\_\_\_ Other \_\_\_\_\_  
Tracker Description (if applicable): \_\_\_\_\_  
Battery Bank Size (if applicable): \_\_\_\_\_  
Inverter Manufacturer: \_\_\_\_\_ Inverter Model: \_\_\_\_\_  
Inverter Nameplate Rating: \_\_\_\_\_ Check one:  Single Phase  Three Phase  
 DC Disconnect Switch  AC disconnect Switch  
Disconnect Location \_\_\_\_\_  
Energy Source:  Solar  Wind turbine  Other (describe) \_\_\_\_\_  
Prime Mover:  Photovoltaic  Turbine  Reciprocating engine  Fuel Cell  
 Other (describe) \_\_\_\_\_  
Is the equipment UL1741 listed?  Yes  No  
Estimated Install Date: \_\_\_\_\_ Estimated In-Service Date: \_\_\_\_\_  
Interconnection Customer Acknowledgement

I certify that, to the best of my knowledge, the information provided in this application is true and correct. I agree to abide by the Interconnection Standards for Cogenerators and Small Power Producers and return the Certificate of Completion when the Qualifying Facility has been installed.

Signed (system owner): \_\_\_\_\_ Date: \_\_\_\_\_

Utility Approval

Interconnection of Qualifying Facility described herein is approved contingent upon the Interconnection Standards for Cogenerators and small Power Producers, the return of Certificate of Completion, Lamar Light and Power Inspection, and return of documentation of proof of insurance coverage.

Signed (Lamar Light and Power Rep.) \_\_\_\_\_ Date: \_\_\_\_\_

Application ID number: \_\_\_\_\_

## Liability Insurance Requirements

In accordance with the Colorado Public Utilities Commission rules governing small power production and cogeneration facilities, a qualifying facility operating in parallel with an investor owned utility in Colorado must maintain in effect at all times comprehensive bodily injury and property damage insurance coverage. This insurance is required in order to protect the public and the electrical power company from damage attributable to a small power production and cogeneration facility. Lamar Light and Power has adopted insurance requirements for small power production and cogeneration facilities which are modeled after those designed by the PUC.

For systems of 10kW or less, the small power producer, at its own expense, shall secure and maintain in effect while interconnected liability insurance with a combined single limit for bodily injury and property damage of not less than \$300,000 for each occurrence. For systems above 10 kW and up to 25 KW, the small power producer, at its own expense, shall secure and maintain in effect during the term of the Agreement liability insurance with a combined single limit for bodily injury and property damage of not less than \$2,000,000 for each occurrence. Insurance coverage and viability of interconnection agreements for systems larger than 25 kW shall be determined on a case-by-case basis by Lamar Light and Power and shall reflect the size of the installation and the potential for system damage.

Except for qualifying facilities installed on a residential premise which have a design capacity of 10kW or less, Lamar Light and Power shall be named as an additional insured by endorsement to the insurance policy and the policy shall provide that written notice be given to Lamar Light and Power at least thirty (30) days prior to any cancellation or reduction of any coverage. Such liability insurance shall provide, by endorsement to the policy, that Lamar Light and Power shall not be reason of its inclusion as an additional insured, incur liability to the insurance carrier for the payment of premium of such insurance. For all qualifying facilities, the liability insurance shall not exclude coverage for any incident related to the subject generator or its operation.

Certificates of Insurance evidencing the requisite coverage and provision(s) shall be furnished to Lamar Light and Power prior to the date of interconnection of the small power generating system. Lamar Light and Power shall be permitted to periodically obtain proof of current insurance coverage from the generating customer in order to verify proper liability insurance coverage. The qualifying facility will not be allowed to commence or continue interconnected operations unless evidence is provided that satisfactory insurance coverage is in effect at all times.

The cost of the required insurance may be a factor in a qualifying facility's decision to become a power producer and, if so, whether to sell its power to Lamar Light and Power or produce solely for its own use. Lamar Light and Power recommends that the qualifying facility consult its insurance agent at an early stage in its planning so that this cost may be properly incorporated into that planning.

### No Warranty

Any inspections, reviews of plans, specifications and/or sites and any approvals, written or oral, are conducted or provided solely for the use and purposes of Lamar Light and Power; Lamar Light and Power makes no warranty, direct or indirect, and provides no assurances, direct or indirect, as to the adequacy or safety of any plans, specifications, sites, installations, or other characteristic of the qualifying facility. The owners of the qualifying facility are solely responsible for determining and ensuring the adequacy and safety of all plans, specifications, sites, installations and other characteristics of the qualifying facility.