KIT CARSON ELECTRIC COOPERATIVE, INC.
A Touchstone Energy® Cooperative
The power of human connections®
(575) 758-2258 • (800) 688-6780 • Fax: (575) 758-4890 or (575) 758-4611 • www.kitcarson.com
118 Cruz Alta Road • P.O. Box 578 • Taos, New Mexico 87571-0578

Dear Kit Carson Electric Cooperative Member:

Thank you for your interest in interconnecting a small power producer / qualifying facility to Kit Carson Electric Cooperative, Inc. (K.C.E.C.).

Enclosed you will find a procedure checklist for a Qualifying Facility (QF) Standard Interconnection Agreement. The checklist outlines the steps to interconnect a QF of 10 kW or less to the Kit Carson Electric Cooperative system. As you will note, the first step is the completion of the enclosed Application for Interconnection and the Standard Interconnection Agreement. Once you have completed these tasks, you will need to contact Kit Carson Electric Cooperative, Inc., in order to schedule a meeting to review the completed application and agreement.

There are attachments in the QF Standard Interconnection Agreement. These attachments are extremely important to the agreement and must be completed in order for the application to be approved. QF MUST provide a meter base for the "REC METER" (on the QF side). K.C.E.C. will provide and install the "REC METER".

If an existing QF is upgrading their generating capacity (kW), the contractor or QF/consumer MUST contact Richard Martinez, COO/System Engineer at K.C.E.C., for evaluation of system and approval of upgrade.

If you have any questions concerning the requirements, please contact Kit Carson Electric Cooperative.

Sincerely,

Richard Martinez
COO / System Engineer
Kit Carson Electric Cooperative
(575) 758-2258 ext. 136

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Qualifying Facility
Interconnection Procedures Checklist

Kit Carson Electric Cooperative, Inc.

Name of QF: _____

Name of Utility: **Kit Carson Electric Cooperative, Inc.**

STEP 1
QF contacts the Utility.

STEP 2
The Utility system then refers QF to the contact person.

STEP 3
Utility sends QF a letter with Application for Interconnection and Standard Interconnection Agreement with all attachments. Utility opens file to hold copies of QF correspondence and any related documents.

STEP 4
QF completes both the Application and Agreement (including all attachments) and submits completed documents to the Utility, which includes the following:

Engineering Drawings and/or Schematics of Interconnection

Note: The drawings and/or schematics of the QF must be in sufficient detail to allow for the determination, confirmation, and verification of the requirements identified in the Interconnect and Safety Standards for Interconnection. QF **must** provide a meter base for the "REC METER" (on the QF side). K.C.E.C. will provide and install the "REC METER".

STEP 5
Utility and QF then finalize and execute agreement. Owner pays to the Utility the full amount of estimated costs incurred by the Utility for applicable interconnection.

STEP 6
QF constructs the facility, and the Utility constructs the necessary interconnection facilities.

STEP 7
Once the small QF is constructed, an onsite review meeting with the Utility will be scheduled.

STEP 8
Written authorization to operate the QF is provided by the Utility.

Interconnection and Safety Standards for Qualifying Facilities

A. Interconnection Standards - Qualifying Facilities (QF) will meet the interconnection and safety requirements and standards as specified in NMPRC Rule 571, 17 NMAC 10.571 and as follows.

B. Protection Requirements - The QF as a minimum will provide the following protection for the interconnected operation.

1. Disconnect Switch - QF is to install a disconnect switch of sufficient rating such that when the switch is open there is a visible opening of the circuit at the point of connection to the Utility's system.
2. Back-Feed Protection - to insure the QF does not energize the Utility's facilities during Utility system disturbances.
3. Synchronization Protection - to insure the QF system is synchronized with the Utility prior to coming on line so that the QF will not cause disturbances to be seen by other Utility consumers.
4. Frequency Protection - to be provided to maintain the frequency output of the QF within acceptable limits as prescribed by Institute of Electrical and Electronics Engineers (IEEE) limits.
5. Fault Protection - to prevent short circuits of the QF system from causing system disturbances from being seen by other Utility consumers.
6. Overload Protection - to protect operating personnel from the QF back feeding into a fault on the Utility's system.
7. Lighting Protection - to prevent lighting problems from causing damage to the Utility's equipment.
8. Harmonics Correction - the QF is to prevent harmonic levels from causing problems for other Utility consumers.
9. Communication Interference Correction - if the QF causes any communication interference they will be required to install equipment to correct the problem.

C. Schematic Requirement - The schematic or drawing will be reviewed to insure that the devices listed in section B, above, and their ratings have been addressed for the proposed QF.

D. Code Requirements - the QF will be required to meet all applicable safety and performance standards, including these established by the National Electric Code, National Electric Safety Code, the IEEE, Underwriters Laboratories, local and state codes, and all additional safety and performance standards of the Utility or adopted by the NMPRC pursuant to NMPRC Rule 571, 17 NMAC 10.571, that are necessary to protect public safety and system reliability.

E. Permit Requirements - a permit issued by the State of New Mexico Construction Industries Division shall be turned in to the Utility before the QF is connected to the Utility's system.

F. Notification of Initial Testing - the QF shall notify the Utility ten (10) working days prior to putting the QF on line so that the Utility's representative may be present during initial testing. This test is to be conducted during normal business hours for the Utility or the QF may be charged for overtime charges incurred by the Utility.

G. Access Requirements - the QF will be required to provide access and Right-of-Way to the Utility, so that they may inspect the facility at any time. The QF will be required to supply the Utility with all combinations to locks or allow the Utility to install their own locks so that the Utility will have access to the facility.

H. Limitations - the Utility may develop additional provisions for case-by-case requirements and standards for certain facilities based on their size and location. The Rural Utility Service may require additional conditions for its borrowers. A QF is responsible for identifying and furnishing the Utility with other standards, which the contract should contain, because of any unique characteristics of the QF or of potential effects from the QF operation, which the QF should reasonably know. Nothing in this statement shall preclude the Utility from evaluating each request for interconnection on its own merits, subject to NMPRC Rule 571, 17 NMAC 10.571.

KIT CARSON ELECTRIC COOPERATIVE, INC.

STANDARD INTERCONNECTION AGREEMENT FOR QUALIFYING FACILITIES 10 kW OR LESS

_____ **(Customer) and Kit Carson Electric Cooperative, Inc. (Utility),** referred to collectively as parties and individually as party, agree as follows:

1. QUALIFYING FACILITY 10 kW OR LESS:

Customer's electric service account number _____

Type of generating facility (solar, wind, etc) _____

Rated generating capacity _____

Customer and facility address _____

_____

_____

Facility will be ready for operation on or about
_____ (date)

Operating option:

Customer has elected to operate its Qualifying Facility (QF) in parallel with Utility's system.

Customer understands that if this agreement is accepted, connection and operation of customer's QF must meet, at all times, all applicable, safety and performance standards, including those established by the National Electric Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, and all additional safety and performance standards of Utility or adopted by the Commission pursuant to this rule that are necessary to protect public safety and system reliability.

Customer shall be subject to the terms and conditions set forth in 17 NMAC 10.571, a copy of which is attached to this agreement, Customer, hereby acknowledges, that Customer has read 17 NMAC 10.571.

2. CREDIT FOR NET ENERGY: Credit for net energy shall be in accordance with 17 NMAC 10.571.11.

3. INTERRUPTION OR REDUCTION OF DELIVERIES:

Utility shall not be obligated to accept or pay for and may require Customer to interrupt or reduce deliveries of available energy:

When necessary, in order to construct, install, maintain, repair, replace, remove, investigate or inspect any of its equipment or part of its system; or if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, forced majeure, or compliance with prudent electrical practices.

Whenever possible, Utility shall give Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required.

Notwithstanding any other provision of this agreement, if at any time, Utility reasonably determines that either:

The facility may endanger Utility personnel or other persons or property, or

The continued operation of Customer's facility may endanger the integrity or safety of Utility's electric system,

Utility shall have the right to disconnect and lock out Customer's facility from Utility's electric system. Customer's facility shall remain disconnected until such time as Utility is reasonably satisfied that the conditions referenced, in this section, have been corrected.

4. INTERCONNECTION:

Customer shall deliver the as-available energy to Utility at the Utility's meter.

Customer shall pay for designing, installing, operating, and maintaining the electric generating facility in accordance with all applicable laws and regulations.

Utility shall furnish and install a standard kilowatt-hour meter. Customer shall provide and install a meter socket and any related interconnection equipment per Utility's requirements.

Utility may meter the customer's usage, using two meters for measurement of energy flows, in each direction, at the point of delivery. Additional metering shall be at the expense of the party choosing to install additional meters, unless net metering cannot be accomplished otherwise; provided, however, that Customer's and Utility's responsibility for metering costs will be in accordance with the provisions of 17 NMAC 10.571.10.6.

Customer shall provide a clearly understandable sketch or one-line diagram showing the Qualifying Facility, the interconnection equipment, breaker panel(s), disconnect switches, and metering; attached to this agreement.

Customer shall not commence parallel operation of the generating facility until written approval of the interconnection facilities has been given by Utility. Such approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Utility approval to operate Customer's Qualifying Facility in parallel with Utility's electrical system should not be construed as an endorsement, confirmation, warranty, guarantee or representation concerning the safety, operating characteristics, durability, or reliability of Customer's Qualifying Facility. Utility shall have the right to have its representatives present at the initial testing of Customer's protective apparatus.

5. **MAINTENANCE AND PERMITS:** Customer shall:

Maintain the generating facility and interconnection facilities in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to, Utility's interconnection requirements as set out in Appendix A to this agreement, and

Obtain any governmental authorizations and permits required for the construction and operation of the electric generating facility and interconnection facilities.

6. **ACCESS TO PREMISES:** Utility may enter Customer's premises:

To inspect at all reasonable hours Customer's protective devices and read or test meter, and

To disconnect, without notice, the interconnection facilities if Utility reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, or Utility's facilities or property of others, from damage or interference caused by Customer's facilities or lack of properly operating protective devices.

7. **INDEMNITY AND LIABILITY:**

Each party shall indemnify the other party, its directors, officers, agents and employees against all loss, damages, expense and liability to third persons for injury to, or death of persons or injury to property caused by the indemnifying party's engineering design, construction, ownership or operations of, or the making of replacements, additions or betterment to, or by failure of, any such party's works or facilities used in connection with this agreement by reason of omission or negligence, whether, active or passive. The indemnifying party shall, on the other party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs that may be incurred by the other partying enforcing this indemnity. It is the intent of the parties hereto that, where negligence is determined to have been contributory, principles of comparative negligence will be followed and each party shall bear the proportionate cost of any loss, damage, expense and liability attributable to that party's negligence.

Nothing in this agreement shall be construed to create any duty to any standard of care, with reference to or any liability, to any person not to a party to this agreement. Neither, Utility, its officers, agents, or employees shall be liable for any claims, demands, costs, losses, causes of action, or any other liability of any nature or kind, arising out of the engineering, design, construction, ownership, maintenance or operation of, or making of replacements, additions or betterment to customer's facilities, by customer or any other person or entity.

Neither, Utility, its officers, agents or employees, shall be liable for damages to the electrical generating equipment caused by an electrical disturbance on the Utility system or on the system of another, whether or not the electrical disturbance results from the negligence of Utility.

8. **GOVERNING LAW:**

This agreement shall be interpreted, governed, and construed under the laws of the state of New Mexico as executed and to be performed wholly within the state of New Mexico.

9. **AMENDMENT, MODIFICATIONS OR WAIVER:**

Any amendments or modifications to this agreement shall be in writing and agreed to, by

both parties. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of the breach of any term or covenant contained in this agreement, whether by conduct or otherwise, shall be deemed to be construed as a further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.

10. NOTICES: All written notices shall be directed as follows:

Attention: Kit Carson Electric Cooperative

Kit Carson Electric Cooperative
118 Cruz Alta Road
P.O. Box 578
Taos, N.M. 87571

Attention: CUSTOMER

Name: _____
Address: _____
City: _____

Customer notices to Utility pursuant to section 10 of this agreement shall refer to the Customer's electric service account number set forth in section one (1) of this agreement.

11. TERM OF AGREEMENT:

This agreement shall be in effect when signed by the Customer and Utility and shall remain in effect thereafter month to month unless terminated by either party on thirty (30) days prior written notice in accordance with section nine (9).

12. ASSIGNMENT:

This agreement and all provisions, hereof, shall inure to and be binding upon the respective parties hereto, their personal representatives, heirs, successors, and assigns. Customer shall not assign this agreement or any part hereof without the prior written consent of Utility, and such unauthorized assignment may result in the termination of this agreement in accordance with section ten (10).

13. APPENDICES:

This agreement includes the following appendices or attachments, as labeled and incorporated herein by reference:

Utility's Interconnection Standards for Qualifying Facilities: 10 kW or less.

Customer's written request to Utility of intent to interconnect Qualifying Facility.

Customer's sketch or one line diagram, onsite drawing, and generation and protection equipment specifications.

Utility's Written Authorization to Interconnect.

IN WITNESS WHEREOF, the parties have caused two originals of this agreement to be executed by their duly authorized representatives. This agreement is effective as of the last date set forth below.

CUSTOMER:

By: _____

Name: _____

Title: _____

Date: _____

UTILITY:

By: _____

Name: _____

Title: _____

Date: _____

This rule was filed as 17 NMAC 10.571.

TITLE 17 PUBLIC UTILITIES AND UTILITY SERVICES
CHAPTER 9 ELECTRIC SERVICES
PART 571 NET METERING OF CUSTOMER-OWNED QUALIFYING FACILITIES OF 10KW OR SMALLER

17.9.571.1 ISSUING AGENCY: New Mexico Public Regulation Commission, 224 East Palace Avenue, Santa Fe, NM 87501-2013.
[9-30-99; Recompiled 12/31/01]

17.9.571.2 SCOPE: This rule applies to every electric utility operating in New Mexico that is subject to the jurisdiction of the New Mexico Public Regulation Commission as provided by law.
[9-30-99; Recompiled 12/31/01]

17.9.571.3 STATUTORY AUTHORITY: The New Mexico Constitution, art. II, 2, 8-8-4 NMSA, the Public Regulation Commission Act, NMSA 1978, Sections 8-8-1 et seq., in particular NMSA 1978, Section 8-8-15, the New Mexico Public Utility Act, NMSA 1978 Sections 62-3-1 et seq., in particular NMSA 1978 Sections 62-6-1, 62-6-4, 62-6-19, 62-6-20 and 62-6-24, and regulations of the Federal Energy Regulatory Commission, 18 C.F.R. Section 292, promulgated pursuant to the Public Utility Regulatory Policies Act of 1978, Pub. L. No. 95-617, 92 Stat. 3117 (codified as amended starting at 16 U.S.C. Section 824).
[9-30-99; Recompiled 12/31/01]

17.9.571.4 DURATION: Permanent.
[9-30-99; Recompiled 12/31/01]

17.9.571.5 EFFECTIVE DATE: September 30, 1999, unless a later date is cited at the end of a Section or Paragraph.
[9-30-99; Recompiled 12/31/01]

17.9.571.6 OBJECTIVE: The purpose of this rule is to simplify the interconnection requirements for Qualifying Facilities of 10kW or smaller and encourage the use of small-scale customer-owned renewable or alternative energy resources in recognition of the beneficial effects the development of such resources will have on the environment of New Mexico.
[9-30-99; Recompiled 12/31/01]

17.9.571.7 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 10kW or smaller and meets the criteria for qualification contained in 18 C.F.R. Section 292.203.

B. **"customer"** means a customer of an electric utility who owns and/or operates a qualifying facility.

C. **"net metering"** means measurement of the difference between the electricity that is supplied by an electric utility and the electricity that is generated by a Qualifying Facility and fed back to the utility over a billing period.

D. [Reserved.]

E. [Reserved.]

[9-30-99; Recompiled 12/31/01]

17.9.571.8 LIBERAL CONSTRUCTION: This rule shall be liberally construed to carry out its intended purposes.
[9-30-99; Recompiled 12/31/01]

17.9.571.9 RELATIONSHIPTO OTHER COMMISSION RULES: This rule is intended to supplement NMPRC Rule 570 [17.9.570 NMAC]. In the case of any conflict between this rule and NMPRC 570, the provisions of this rule shall apply.
[9-30-99; Recompiled 12/31/01]

17.9.571.10 PROCEDURE FOR INTERCONNECTION

A. General. Unless otherwise specifically provided for in the standard interconnection agreement in 17 NMAC 10.571.17 [now 17.9.571.17 NMAC], the procedures in 17 NMAC 10.571.10.2 [now Subsection B of 17.9.571.10 NMAC] for standard interconnection agreements and interconnections shall be followed.

B. Conditions of interconnection. A utility shall interconnect with any Qualifying Facility which:

(1) is covered by a signed standard interconnection agreement between the customer and the utility which is consistent with the Commission approved form of agreement set forth in 17 NMAC 10.571.17 [now 17.9.571.17 NMAC]. A

17.9.571.12 COMPLAINTS AND INVESTIGATIONS: The procedures set forth in NMSA 1978 Sections 62-8-7 and 62-10-1, and the complaint and investigation provisions of the NMPRC Utility Division Rules of Procedure, 17 NMAC 1.2 [now 17.1.2 NMAC], shall be applicable for the resolution of complaints and investigations arising out of the implementation and conduct of this rule. The customer and utility are encouraged to use alternative dispute resolution mechanisms as provided in 17 NMAC 1.2 [now 17.1.2 NMAC].
[9-30-99; Recompiled 12/31/01]

17.9.571.13 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.
[9-30-99; Recompiled 12/31/01]

17.9.571.14 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 out 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) define 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;

(6) state why no other reasonable alternative is available.

B. If the Commission determines that the exemption or variance is consistent with the purposes of this rule, the exemption or variance may be granted. The Commission may at its option require an informal conference or formal evidentiary hearing prior to the granting of the variance.
[9-30-99; Recompiled 12/31/01]

17.9.571.15 MOTION FOR STAY PENDING AMENDMENT, EXEMPTION, OR VARIANCE: An application for an amendment, exemption, or a variance may include a motion that the Commission stay the application of the affected portion of this rule for the transaction specified in the motion.
[9-30-99; Recompiled 12/31/01]

17.9.571.16 CUSTOMER INFORMATION: The utility shall provide clear and concise information to all customers regarding this rule, including, but not limited to, contact persons and a description of net metering. The information shall be provided in a bill insert or separate mailing and at the following intervals:

A. the first month following the effective date of this rule and substantive amendments to this rule; and

B. at least every year thereafter.
[9-30-99; Recompiled 12/31/01]