

# CAPE HATTERAS ELECTRIC COOPERATIVE

## SCHEDULE QF

### POWER PURCHASES FROM COGENERATION AND SMALL POWER PRODUCTION QUALIFYING FACILITIES

#### **Applicability:**

This schedule is applicable to any qualifying Cogenerator or Small Power Producer (Qualifying Facility) that has generating facilities designated as new capacity that will provide under contract no more than a total of 25 kW of capacity. Under this schedule, a qualifying facility (QF), which requests payment for deliveries, must enter into a contract with Cape Hatteras EC. A QF electing a contract length of five (5) or more years shall renew for subsequent term(s), at the Cooperative's option, based on substantially the same terms and provisions and at a rate either (1) mutually agreed upon by the parties negotiating in good faith and taking into consideration the Cooperative's then avoided cost rates and other relevant factors or (2) set by arbitration.

#### **Monthly Billing to the QF:**

All sales to the QF will be in accordance with the Cooperative's applicable filed rate schedule. In addition, where the QF contracts for sales to the Cooperative, the QF will be billed a monthly charge equal to the following to cover the cost of meter reading, billing, customer service, and processing:

Administration Fee	\$3.75 per month
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#### **Contract Options for Designating Mode of Operations:**

The QF shall designate under contract its Mode of Operation from the following options, each of which determines the Cooperative's method of payment.

- A. The QF may contract for the delivery of energy to the cooperative without reimbursement, designated as the Non-Reimbursement Mode of Operations; or
- B. Where the QF's generation facilities have an aggregate nameplate rating of 25 kW or less, the QF may contract for the delivery of non-firm energy to the Cooperative (no payment for capacity).

#### **Payment for Cooperative Purchases of Non-Firm Energy:**

The QF may contract to receive payment for non-firm energy at rates to be determined with each revision of this schedule. These rates will be based upon the QF's Mode of Operation as described below. Payment shall be made quarterly, within two weeks of the normal reading date.

- A. Non-Reimbursement Mode of Operation: Where the QF designates the Non-Reimbursement Mode of Operation, no payment will be made for energy delivered.
- B. Non-firm, Non-time-differentiated Mode of Operation: Where the QF's generation facilities have an aggregate nameplate rating of 25 kW or less, the rate of 3.44 cents per kWh, shall be used for the initial contract period, not to exceed five years.

## SCHEDULE QF

### POWER PURCHASES FROM COGENERATION AND SMALL POWER PRODUCTION QUALIFYING FACILITIES (continued)

#### **Provisions for Cooperative Purchase of the QF Generation:**

- A. The QF shall own and be fully responsible for the costs and performance of the QF's:
1. Generating facility in accordance with all applicable laws and governmental agencies having jurisdiction;
  2. Control and protective devices as required by the Cooperative on the QF's side of the meter.
- B. The Cooperative shall own and install any interconnection facilities on the Cooperative side of the meter required by the QF to sell power to the Cooperative. The costs associated with these facilities will be borne by the QF. These costs may include, but are not limited to, the costs of connection, switching, metering, transmission, distribution, safety provisions, telephone lines, and administrative costs incurred by the Cooperative which are directly related to the installation and maintenance of the facilities necessary to permit interconnected operations with the QF. The QF shall pay for these interconnection costs by either of the following methods:
1. A one-time lump-sum payment equal to an estimate of the installed cost of all interconnection facilities provided by the Cooperative.
  2. A continuous monthly charge as described in the contract, which is designed to recover over time, the estimated installed cost of all new interconnection facilities and their related operating expenses.
- The QF will also be responsible for payment to the Cooperative for the cost of removing the interconnection facilities at the conclusion of the QF's Agreement for the Sale of Electrical Output. Payment for these costs shall be in the same manner as the Cooperative charges its other customers for similar work.
- C. In addition to the costs in Paragraph B. above, the actual costs associated with relocating and/or rearranging existing facilities to allow interconnected operation will also be borne by the QF. A monthly charge shall not apply to these costs. Payment for these costs shall be in the same manner as the Cooperative charges its other customers for similar work.
- D. The QF shall have equipment specifications and plans for control devices, interconnection facilities, and protective devices approved by the Cooperative in advance of energizing the facility.
- E. The relays and protective equipment shall be subject, at all reasonable times, to inspection by the Cooperative's authorized representative.
- F. Upon request by the Cooperative, the Cogenerator or Small Power Producer must demonstrate that the facility is a Qualifying Facility as defined by PURPA.
- G. To monitor the output and to permit dispatching of the QF, the Cooperative may require the installation of telemetering equipment. The costs of such telemetering equipment will be borne by the QF.

**Modification of Rates and Other Provisions Hereunder:**

The provisions of this schedule including the rates for purchase of electricity by the Cooperative, are subject to modification at any time in the manner prescribed by law, and when so modified, shall supersede the rates and provisions hereof.

**Term of Contract:**

The term of contract shall be such as may be mutually agreed upon but for not less than one year.