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SECTION 6 - NON UTILITY GENERATION

- 6.1 Applicability - to the installation of non-utility generation that will be interconnected to SaskPower's grid system.
- 6.2 Net Metering – net metering is available to all metered, non seasonal customer classes for qualified, non utility, environmentally preferred generation up to and including a total of 100 kW of name plate generation per service, that is installed for the purpose of offsetting the customer's load and banking excess energy. There will be no limit on the number of net metering customers allowed on SaskPower's system.
- 6.2.1 Policy Intent – the intent of the net metering policy is to provide for the safe installation of generation by customers for the purpose of netting off energy that is produced by the customer against the energy, which that customer has consumed over a specific fixed time period. The generation technology that is eligible for net metering is limited to environmentally preferred technologies, which are made up of wind power, low impact hydro, biomass, flare gas, solar and heat recovery systems.
- 6.2.2 Corporation Investment – the corporation will make no investment towards any of the costs associated with interconnecting a net metering customer's generating facility to the electrical grid system.
- 6.2.3 Net Metering Customer Responsibilities - prior to the interconnection of any generating facility to SaskPower's electrical grid system, the following requirements must be met by the net metering customer:
- a) the generating facility must meet SaskPower's interconnection requirements for safety, protection, and power quality as outlined in the *Non Utility Generation Interconnection Requirements at Voltages 34.5 kV and Below*.
 - b) the generating facility's design and equipment must meet all requirements of the *Electric Service Requirements*, as well as any and all other standards, approvals and certifications and it will be subject to inspection by the Electrical Inspection Branch including all necessary inspection permits and charges.
 - c) the net metering customer will be responsible for all interconnection costs including interconnection studies, appropriate metering to record the energy flow in both directions and any facilities that SaskPower may have to provide or install, as well as any upgrades necessary to allow the interconnection of the generating unit.

- d) it will be necessary for the net metering customer to enter into the *Interconnection Agreement for Small Generators (100 kW max)* contract with SaskPower
- e) an operating agreement will be required with SaskPower.
- f) it will be necessary for the net metering customer to supply the excess energy at one of SaskPower's standard supply voltages.
- g) Net metered accounts cannot be on the consolidated billing plan.
- h) Any emissions credits would be granted to SaskPower.

6.2.4 SaskPower Responsibilities - the following requirements apply to SaskPower in terms of the interconnection of a net metering non-utility generation:

- a) SaskPower will allow all excess energy generated and delivered to the grid system to be banked and used to offset energy that was consumed on the same account which the generation is installed. Banked energy cannot be transferred to another account. Accounts that go out of billing will forfeit any banked energy.
- b) excess energy may be banked for up to a specified fixed period of time. After the specified fixed period of time any excess energy that is not netted off against consumption will be forfeited to SaskPower and the customer will be allowed to begin banking excess energy for the next specified fixed period of time. Any excess energy that is banked will be netted off on the next or subsequent billing periods from the energy consumed by that customer on the account on which the generator is installed. The applicable published rate for the account will be used for net metering accounts.
- c) if necessary, SaskPower will extend and/or upgrade its electrical system, at the expense of the net metering customer, to allow for the interconnection of the non-utility generation

6.3 Small Power Producers - small power producers are considered to be customers that install generating units up to and including 100 kW in size for the purpose of offsetting their load and selling any excess energy to SaskPower.

6.3.1 Policy Intent - the intent of the small power producer's policy is to provide for the safe installation of generation by customers to offset their existing

electrical requirements and to sell any of their excess generation to SaskPower

- 6.3.2 Corporation Investment - the Corporation will make no investment towards any of the costs associated with interconnecting a small power producer's generating facility to the electrical grid system.
- 6.3.3 Small Power Producer Responsibilities - prior to the interconnection of any generating facility to SaskPower's electrical grid system, the following requirements must be met by the small power producer:
- a) the generating facility must meet SaskPower's interconnection requirements for safety, protection, and power quality as outlined in the *Non Utility Generation Interconnection Requirements at Voltages 34.5 kV and Below*.
 - b) the generating facility's design and equipment must meet CSA standards, and will be subject to inspection by the Electrical Inspection Branch including all necessary inspection permits and charges.
 - c) the small power producer will be responsible for all interconnection costs including any lines or facilities that SaskPower may have to provide or install, or any upgrades necessary to allow the interconnection of the generating unit.
 - d) the small power producer will be responsible for the metering and billing of any excess energy provided to SaskPower's electrical grid. At the customer's option and expense, SaskPower will supply the necessary metering.
 - e) it will be necessary for the small power producer to enter into the *Interconnection Agreement for Small Generators (100 kW max)* contract with SaskPower
 - f) an operating agreement will be required with SaskPower.
 - g) it will be necessary to supply the energy at one of SaskPower's standard supply voltages.
- 6.3.4 SaskPower Responsibilities - the following requirements apply to SaskPower in terms of the interconnection of small non-utility generation:
- a) SaskPower will purchase all excess energy generated and delivered to SaskPower by the small power producer at a fixed annual price.

- b) the excess energy purchase price will be reviewed on an annual basis and will be determined using the corporation's marginal cost of electricity from all sources.
- c) if necessary, SaskPower will extend and/or upgrade its electrical system, at the expense of the small power producer, to allow for the interconnection of the non-utility generation.
- d) banking of any of the excess energy will not be permitted.
- e) standby service, if required, will be separately negotiated

6.4 Non Utility Generation of 100 kW to 10 MW in Size

6.4.1 Policy Intent - this policy is intended to provide for the safe installation of generation projects, in excess of 100 kW up to and including 10 MW that will be interconnected to the SaskPower electrical grid system. These projects may consist of self generation, which is used to offset all or a portion of the customer's existing electrical requirements with any excess energy being sold to SaskPower, or projects in which the electrical generation is solely dedicated for sale to SaskPower and does not involve offsetting any of the customer's load. This policy is intended to facilitate the development of low cost energy supplies in areas of need throughout the province, and the decision to purchase power from any project will be analyzed on the basis of its own merits and in relation to other energy supply option costs. All projects must have an overall net benefit to SaskPower in order to be approved and any or all projects may not necessarily be approved. Annual power purchases under this policy will be limited to a total of 20 MW, or half of the forecasted average yearly load growth over the next five years, whichever is less. The purchase price that will be paid for power shall not exceed the price available from large generating facilities.

6.4.2 Corporation Investment - the Corporation will make no investment towards any of the costs associated with interconnecting a non-utility generating facility to the electrical grid system.

6.4.3 Non Utility Generator Responsibilities - prior to the interconnection of any generating facility to SaskPower's electrical grid system, the following requirements must be met by the non utility generator:

- a) the generating facility must meet SaskPower's interconnection requirements for safety, protection, and power quality as outlined in the *Non Utility Generation Interconnection Requirements at Voltages 34.5 kV and Below*, or the *Non Utility Generation*

Interconnection Requirements at Voltages 72 kV and Above, as applicable.

- b) the generating facility's design and equipment must meet CSA standards, and will be subject to inspection by the Electrical Inspection Branch including all necessary inspection permits and charges.
- c) the non-utility generator will be responsible for all interconnection costs including any lines or facilities that SaskPower may have to provide or install, or any upgrades necessary to allow the interconnection of the generating unit.
- d) the non-utility generator will be responsible for the metering and billing of any excess energy delivered to SaskPower's electrical grid. At the customer's option and expense SaskPower will supply the necessary metering.
- e) it will be necessary for the non-utility generator to enter into a service and supply contract with SaskPower.
- f) an operating agreement will be required with SaskPower.
- g) SaskPower will specify the interconnection voltage and the point of delivery for energy delivered to SaskPower's electrical grid.

6.4.4 SaskPower Responsibilities - the following requirements apply to SaskPower in terms of the interconnection of non-utility generation:

- a) SaskPower will analyze each project individually, and any decision to purchase power will be based on that project's merits and in relation to other energy supply costs; however, all projects may not necessarily be approved.
- b) if necessary, SaskPower will extend and/or upgrade its electrical system, at the expense of the non-utility generator, to allow for the interconnection of the non-utility generation.
- c) SaskPower will negotiate to purchase up to 10 MW of excess energy generated by the non-utility generator, but is under no obligation to proceed with any deal. Purchase negotiations will be conducted by SaskPower's Bulk Power Management and Trading division.
- d) banking of any excess energy will not be allowed.

- e) standby service, if required, will be separately negotiated.
- f) all non-utility generation projects must receive Executive approval.

6.5 Non Utility Generation Greater than 10 MW in Size

6.5.1 Policy Intent - this policy is intended to provide for the safe installation of generation projects greater than 10MW in size that will be interconnected to the SaskPower electrical grid system. These projects may consist of self generation, which is used to offset all or a portion of the customer's existing electrical requirements with any excess energy being sold to SaskPower, or projects in which the electrical generation is solely dedicated for sale to SaskPower and does not involve offsetting any of the customer's load. This policy is intended to facilitate the development of low cost energy supplies in areas of need throughout the province as required to meet the expected long term electricity demand. The decision to purchase power from any project will be analyzed on the basis of its own merits and in relation to other energy supply option costs and any or all projects may not necessarily be approved.

6.5.2 Corporation Investment - the corporation will make no investment towards any of the costs associated with interconnecting a non utility generating facility to the electrical grid system for projects installed for the purpose of self generation. The corporation may, at its discretion, make an investment towards any of the costs associated with interconnecting a non utility generating facility to the electrical grid system for projects installed for the purpose of producing electricity for sale to SaskPower, in whole or in part.

6.5.3 Non Utility Generator Responsibilities - prior to the interconnection of any generating facility to SaskPower's electrical grid system, the following requirements must be met by the non utility generator:

- a) the generating facility must meet SaskPower's interconnection requirements for safety, protection and power quality as outlined in the *Non Utility Generation Interconnection Requirements at Voltages 72 kV and Above*.
- b) the generating facility's design and equipment must meet CSA standards and will be subject to inspection by the Electrical Inspection Branch including all necessary inspection permits and charges.
- c) the non utility generator will be responsible for the interconnection costs including any lines or facilities that SaskPower may provide or install, or any upgrades necessary to allow the interconnection of the

generating unit, unless SaskPower, at its discretion, invests towards those costs.

- d) provisions for the metering and billing of energy delivered to SaskPower's electrical grid are negotiable.
- e) it will be necessary for the non-utility generator to enter into a service and supply contract with SaskPower.
- f) an operating agreement will be required with SaskPower.
- g) SaskPower will specify the interconnection voltage and point of delivery for energy delivered to SaskPower's electrical grid.

6.5.4 SaskPower Responsibilities - the following requirements apply to SaskPower in terms of the interconnection of non utility generation:

- a) SaskPower will analyze each project individually, and any decision to purchase power will be based on that project's merits, and in relation to other energy supply costs; however all projects may not necessarily be approved.
- b) if necessary, SaskPower will extend and/or upgrade its electrical system, at the expense of the non-utility generator, to allow for the interconnection of the non-utility generation, unless SaskPower at its discretion invests in those costs.
- c) SaskPower may, at its discretion, negotiate to purchase energy generated by the non utility generator, but is under no obligation proceed with any deal. Negotiations may include provisions for SaskPower to participate in the project through SaskPower International.
- d) Standby rate, if required, will be separately negotiated.
- e) All non-utility generation projects must receive Executive approval.

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