

Board of Public Utilities
Administrative Distributed Generation Policy
Effective December 16, 2019

1. INTRODUCTION

The provisions of this Distributed Generation policy shall apply to Board of Public Utilities (BPU) customers with Distributed Generation Resources.

2. DISTRIBUTED GENERATION GENERAL PROVISIONS:

- a. The BPU shall offer the provision of Distributed Generation to its Customers that wish to generate electricity on the Customer's side of the meter
- b. Distributed Generation shall be sized to supply energy for the customers own energy requirements and shall be at a phase and voltage that is available from BPU.
- c. The BPU shall make Distributed Generation available to eligible Customer Generators within its service area on a first-come, first-served basis. The maximum total rated capacity in kW of customer generation that will be allowed on the BPU's system shall be restricted to not more than 10 percent of the capacity of the primary line serving the customer.
- d. Customer Generators shall be equipped with properly approved BPU metering equipment that can measure the flow of electricity in both directions at the same rate, typically through use of a single bi-directional meter. Necessary metering will be supplied and installed by the BPU.
- e. Whenever the amount of electricity delivered by an eligible Customer Generator in a billing period exceeds the electricity supplied by the BPU in such billing period, the BPU shall settle with the Customer Generator for the excess kilowatt-hours (kWh) in accordance with the billing practices described in this policy.
- f. If a Customer Generator formally terminates its Distributed Generation, the BPU shall treat the end of the service period as if it were the end of the billing period and, if applicable, settle with the Customer Generator according to the appropriate billing practices.
- g. Nothing in this Policy shall abrogate any Customer's obligation to comply with all applicable Federal, State, or local laws, codes, or ordinances; nor with the Standards, Service Regulations, and policies of the BPU.
- h. The Customer shall furnish, install, operate and maintain in good order and repair without cost to the BPU such relays, locks and seals, breakers, automatic synchronizers, disconnecting devices, and other control and protective devices as shall be designated

by the BPU as being required as suitable for the operation of the generator in parallel with the BPU's system.

- i. The Customer shall install and maintain a visible, manual disconnect switch. This manual switch must have the capability to be locked out by BPU personnel to isolate the BPU's facilities in the event of an electrical outage on the BPU's transmission and distribution facilities serving the Customer.
- j. If harmonics, voltage fluctuations, or other disruptive problems on the utility's system are, in BPU's opinion, attributable to the operation of the Customer's system, such problem(s) shall be corrected at the Customer's expense or the generation shall be disconnected from the BPU system.
- k. No Customer-Owned Generating Facility system shall damage the BPU's system or equipment or present an undue hazard to BPU personnel. The BPU shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a Distributed Generation facility or for the acts or omissions of a Customer Generator that cause loss or injury, including death, to any third party. The Customer Generator agrees to hold the BPU harmless from injury or property damage incurred by any person and arising out of the ownership, operation, maintenance, or use of the Customer-Owned Generating Facility and to indemnify the BPU against all liability and expense related thereto.

3. INTERCONNECTION STANDARDS

To qualify for a Distributed Generation, Customer Generators must be installed in a fashion that will protect utility employees from harm under all operating conditions and meet all NEC, NESC, the Institute of Electrical and Electronics Engineers, Underwriter Laboratories, the Federal Energy Regulatory Commission, and any other applicable standard having jurisdiction.

4. REQUEST

The Customer Generator shall make a request by completing the documents titled "Application for Distributed Generation" and if necessary "Application for Permanent Meter Service." In general, the installation shall follow figure 1. The Customer will supply BPU with a one-line of the proposed installation and details of all proposed control and protection equipment for the customer's generator. Generation of electricity cannot begin until the entire installation has been inspected and accepted by the BPU. The BPU may require additional information or clarifications as needed to properly evaluate the application.

5. BILLING PRACTICE

The Customer shall be charged in accordance to the applicable BPU Electric Service Schedule, current version.

6. **ELIGIBILITY:**
Interconnection to the electric system shall be granted only to new or existing customers, in good standing, under the BPU's electric service schedules. All agreements hereunder shall be between the Customer Generator and the BPU and will not include third parties.

7. **SYSTEM EFFECTS:**
The BPU will analyze the overall impact of the proposed generating facility on the transmission and distribution system. Such analyses will be based on Good Utility Practice to determine thermal effects, voltage ranges, power quality, system stability, etc.

8. **SYSTEM UPGRADES:**
As a result of the above analysis, the BPU will provide the Customer Generator with a cost estimate and projected timeframe for any system upgrades, to be paid for by the Customer Generator, which may be necessary to accommodate the generating facility. The Customer Generator will be responsible for all costs associated with preparing a cost estimate.

9. **CODES AND PERMITS:**
 - a. The Customer Generator shall be responsible for procuring all building, operating and environmental permits that are required by any Governmental Authority having jurisdiction for the type of generating facility and for the necessary ancillary structures to be installed.
 - b. The construction and facilities shall meet all local building and electrical codes.

10. **FINAL INSPECTION:**
Upon completion of the generating facility and prior to normal operation, the Customer Generator shall notify BPU so a final inspection of the installation can be performed.

11. **NORMAL OPERATION:**
The Customer Generator may begin normal operation of the generating facility upon completion of all documentation, inspection by, and receipt of written approval from the BPU.

12. **DEFINITIONS:**
All capitalized terms and phrases throughout this set of standards shall be defined as indicated in the attached Glossary of Terms.

Glossary of Terms

Customer – Any entity interconnected with the BPU’s distribution system for the purpose of receiving retail electric power service from the BPU’s distribution system.

Customer Generator – The owner or operator of a generation facility which:

- 1) is located on a premises owned, operated, leased or otherwise controlled by the Customer Generator;
- 2) is interconnected and operates in parallel phase and synchronization with the BPU and is in compliance with the standards established by the BPU;
- 3) is intended primarily to offset part or all of the Customer Generator’s own electrical energy requirements;
- 4) contains a mechanism, approved by the BPU, which automatically disables the unit and interrupts the flow of electricity back onto the supplier’s electric lines in the event that service from the supplier to the Customer Generator is interrupted.

Customer-Owned Generating Facility – The Customer’s equipment for the production of electricity identified in the Application for Distributed Generation.

Distribution System – The BPU’s facilities and equipment used to transmit electricity to ultimate usage points including residential, commercial and industrial facilities directly from nearby generation points or from interchanges with higher voltage transmission networks which transport bulk power over longer distances.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Customer or any Affiliate thereof.

Application for Distributed Generation – The Customer’s request to interconnect a new Customer-Owned Generating Facility, or to increase the capacity of, or make a material modification to the operating characteristics of, an existing Customer-Owned Generating Facility that is interconnected with the BPU’s electrical system.

Distributed Generation – A generation resource that is owned and operated by the Customer. This resource is connected to the BPU electrical system through one (1) point of interconnection (i.e. single, bi-directional meter).

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

System Upgrades – The additions, modifications, and upgrades to the BPU's Distribution System at or beyond the point of interconnection to facilitate interconnection of the Customer-Owned Generating Facility.