

## Glossary of Terms

**20 kW Inverter Process** - The procedure for evaluating an Interconnection Request for a certified inverter-based Generating Facility no larger than 20 kW that uses the Section 3 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request Application Form, simplified procedures, and a brief set of Terms and Conditions. (See Attachment 6)

**Affected System** - An electric system other than the Cooperative's System that may be affected by the proposed interconnection. The owner of an Affected System might be a Party to the Interconnection Agreement or other study agreements needed to interconnect the Generating Facility.

**Applicable Laws and Regulations** - All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

**Auxiliary Load** – The term “Auxiliary Load” will mean power used to operate auxiliary equipment in the facility necessary for power generation (such as pumps, blowers, fuel preparation machinery, exciters, etc.)

**Business Day** - Monday through Friday, excluding State Holidays.

**Calendar Days** – Sunday through Saturday, including all holidays.

**Cooperative** - The entity that owns, controls, or operates facilities used for providing electric service in North Carolina.

**Commission** - The North Carolina Utilities Commission. It should be noted that the Commission does not have regulatory authority over Cooperatives regarding Interconnection Agreements, Procedures and Forms. The Cooperative is governed by its Board of Directors, which approves Cooperative policies, service rules, regulations, procedures, and rates.

**Default** - The failure of a breaching Party to cure its breach under the Interconnection Agreement.

**Detailed Estimated Interconnection Facilities Charge** - The estimated charge for Interconnection Facilities that is based on field visits and detailed engineering cost calculations and is presented in the Facility Study report and Final Interconnection Agreement. This charge is not final.

**Detailed Estimated Upgrade Charge** - The estimated charge for Upgrades that is based on field visits and detailed engineering cost calculations and is

presented in the Facility Study report and Final Interconnection Agreement. This charge is not final.

**Distribution System** - The Cooperative's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

**Distribution Upgrades** - The additions, modifications, and upgrades to the Cooperative's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the service necessary to allow the Generating Facility to operate in parallel with the Cooperative and to inject electricity onto the Cooperative's System. Distribution Upgrades do not include Interconnection Facilities.

**Fast Track Process** - The procedure for evaluating an Interconnection Request for a certified Generating Facility no larger than 2 MW that meets the eligibility requirements of Section 3.1, customer options meeting, and optional supplemental review.

**Final Interconnection Agreement** – The Interconnection Agreement that specifies the Detailed Estimated Upgrade Charges, Interconnection Facility Charge, mutually agreed upon Milestones, etc. and terminates and replaces the Interim Interconnection Agreement.

**Financial Security** – A letter of credit or other financial arrangement that is reasonably acceptable to the Cooperative and is consistent with the Uniform Commercial Code of North Carolina that is sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Cooperative's Interconnection Facilities and Upgrades. Where appropriate, the Cooperative may deem Financial Security to exist where its credit policies show that the financial risks involved are de minimus, or where the Cooperative's policies allow the acceptance of an alternative showing of credit-worthiness from the Interconnection Customer.

**Generating Facility** - The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but will not include the Interconnection Customer's Interconnection Facilities.

**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 Interconnection Customer, the Cooperative, or any affiliate thereof.

**In-Service Date** – The date upon which the construction of the Cooperative’s facilities is completed and the facilities are capable of being placed into service.

**Interconnection Customer** - Any valid legal entity, including the Cooperative that proposes to interconnect its Generating Facility with the Cooperative’s System.

**Interconnection Facilities** – Collectively, the Cooperative's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Cooperative's System. Interconnection Facilities are sole use facilities and will not include Upgrades.

**Interconnection Facilities Delivery Date** – The Interconnection Facilities Delivery Date will be the date upon which the Cooperative’s Interconnection Facilities are first made operational for the purposes of receiving power from the Interconnection Customer.

**Interconnection Request** - The Interconnection Customer's request, in accordance with these procedures, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to, an existing Generating Facility that is interconnected with the Cooperative's System.

**Interdependent Customer (or Interdependent Project)** means an Interconnection Customer (or Project) whose Upgrade or Interconnection Facilities requirements are impacted by another Generating Facility, as determined by the Cooperative.

**Interim Interconnection Agreement** – The Interconnection Agreement that specifies the Preliminary Estimated Upgrade Charges, excludes Milestones, and must be cancelled and replaced with a Final Interconnection Agreement.

**“Material Modification”** means a modification to machine data or equipment configuration or to the interconnection site of the Generating Facility that has a material impact on the cost, timing or design of any Interconnection Facilities or Upgrades. Material Modifications include project revisions proposed at any time after receiving notification by the Cooperative of a complete Interconnection Request pursuant to Section 1.4.3 that 1) alters the size or output characteristics of the Generating Facility from its Cooperative-approved Interconnection Request submission; or 2) may adversely impact other Interdependent Interconnection Requests with higher Queue Numbers.

Indicia of a Material Modification, include, but are not limited to:

- A change in Point of Interconnection (POI) to a new location, unless the change in a POI is on the same circuit less than two (2) poles away from the original location, and the new POI is within the same protection zone as the original location;
- A change or replacement of generating equipment such as generator(s), inverter(s), transformers, relaying, controls, etc. that is not a like-kind substitution in size, ratings, impedances, efficiencies or capabilities of the equipment specified in the original or preceding Interconnection Request;
- A change from certified to non-certified devices (“certified” means certified by an OSHA recognized Nationally Recognized Test Laboratory (NRTL), to relevant UL and IEEE standards, authorized to perform tests to such standards);
- A change of transformer connection(s) or grounding from that originally proposed;
- A change to certified inverters with different specifications or different inverter control specifications or set-up than originally proposed;
- An increase of the AC output of a Generating Facility; or
- A change reducing the AC output of the generating facility by more than 10%.

The following are not indicia of a Material Modification:

- A change in ownership of a Generating Facility; the new owner, however, will be required to execute a new Interconnection Agreement and Study agreement(s) for any Study which has not been completed and the Report issued by the Cooperative.
- A change or replacement of generating equipment such as generator(s), inverter(s), solar panel(s), transformers, relaying, controls, etc. that is a like-kind substitution in size, ratings,

impedances, efficiencies or capabilities of the equipment specified in the original or preceding Interconnection Request;

- An increase in the DC/AC ratio that does not increase the maximum AC output capability of the generating facility;
- A decrease in the DC/AC ratio that does not reduce the AC output capability of the generating facility by more than 10%.

**Month** – The term “Month” means the period intervening between readings for the purpose of routine billing, such readings usually being taken once per month.

**Nameplate Capacity** – The term “Nameplate Capacity” will mean the manufacturer’s nameplate rated output capability of the generator. For multi-unit generator facilities, the “Nameplate Capacity” of the facility will be the sum of the individual manufacturer’s nameplate rated output capabilities of the generators.

**Net Capacity** – The term “Net Capacity” will mean the Nameplate Capacity of the Customer’s generating facilities, less the portion of that capacity needed to serve the Generating Facility’s Auxiliary Load.

**Net Power** - The term "Net Power" will mean the total amount of electric power produced by the Customer's Generating Facility less the portion of that power used to supply the Generating Facility's Auxiliary Load.

**Network Upgrades** - Additions, modifications, and upgrades to the Cooperative's System required to accommodate the interconnection of the Generating Facility to the Cooperative's System. Network Upgrades do not include Distribution Upgrades.

**Operating Requirements** - Any operating and technical requirements that may be applicable due to Regional Reliability Organization, Independent System Operator, control area, or the Cooperative's requirements, including those set forth in the Interconnection Agreement.

**Party or Parties** - The Cooperative, Interconnection Customer, and possibly the owner of an Affected System, or any combination of the above.

**Point of Interconnection** - The point where the Interconnection Facilities connect with the Cooperative's System.

**Preliminary Estimated Interconnection Facilities Charge** - The estimated charge for Interconnection Facilities that is developed using unit costs and is presented in the System Impact Study report and Interim Interconnection Agreement. This charge is not based on field visits and detailed engineering cost calculations.

**Preliminary Estimated Upgrade Charge** - The estimated charge for Upgrades that is developed using unit costs and is presented in the System Impact Study report and Interim Interconnection Agreement. This charge is not based on field visits and detailed engineering cost calculations.

**Project A** - An Interconnection Customer that submitted its Interconnection Request before Interdependent Project B.

**Project B** - An Interconnection Customer that submitted its Interconnection Request after Interdependent Project A.

**Queue Number** – The number assigned by the Cooperative that establishes a Customer's Interconnection Request's position in the study queue relative to all other valid Interconnection Requests. A lower Queue Number will be studied prior to a higher Queue Number, except in the case of Interdependent Projects Queue Number of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection.

**Queue Position** - The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, based on Queue Number.

**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.

**Study Process** - The procedure for evaluating an Interconnection Request that includes the Section 4 scoping meeting, system impact study, and facilities study.

**System** - The facilities owned, controlled or operated by the Cooperative that are used to provide electric service in North Carolina.

**Upgrades** - The required additions and modifications to the Cooperative's System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.