

COGENERATION AND SMALL POWER PRODUCTION TARIFF

TARIFF

Pursuant to its Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities, Elk River Municipal Utilities (“Utility”) establishes and/or updates its Cogeneration and Small Power Production Tariff (“Tariff”) for billing and sales transactions following the date of Tariff approval as follows.

The Tariff shall consist of the following three schedules.

SCHEDULE 1.

Calculation of average retail utility energy rates for each utility customer class.

SCHEDULE 2.

Rates at which Utility purchases energy and capacity from the wholesale supplier from which purchases may first be avoided.

SCHEDULE 3.

Utility's adopted interconnection process, or “distributed generation tariff” adopted in compliance with Minnesota Statutes Section 216B.1611, subd. 3(2), including standard contract forms to be used with customers interconnecting qualifying facilities as well as general technical interconnection and interoperability requirements.

SCHEDULE 1 - AVERAGE RETAIL UTILITY ENERGY RATE

Average Retail Utility Energy Rate: Available to any Qualifying Facility of less than 40 kW capacity that does not select either Roll Over Credits, Simultaneous Purchase and Sale Billing or Time of Day rates.

Utility shall bill Qualifying Facilities for any excess of energy supplied by Utility above energy supplied by the Qualifying Facility during each billing period according to Utility's applicable rate schedule. Utility shall pay the customer for the energy generated by the Qualifying Facility that exceeds that supplied by Utility during a billing period at the "average retail utility energy rate." "Average retail utility energy rate" means, for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. Data from the most recent 12-month period available shall be used in the computation.

"Average retail utility energy rates" are as follows:

Customer Class	2023 Average Retail Utility Energy Rate
Residential	\$0.1346 /kWh
Commercial Non-Demand	\$0.1220 /kWh
Commercial Demand	\$0.0776 /kWh
Large Industrial Demand	\$0.0771 /kWh

SCHEDULE 2 – WHOLESALE SUPPLY RATES

Wholesale Supply Rates: A “non-generating utility” must list the rates at which it purchases energy and capacity. If the utility has more than one wholesale supplier, the rates listed are of that supplier from which purchases may first be avoided.

Utility purchases energy and capacity from Minnesota Municipal Power Agency. Last year, the average energy rate paid by Utility was \$0.02204 per kilowatt-hour. The average capacity rate paid by Utility was \$0.05890 per kilowatt-hour.

These rates are used to calculate Utility’s “avoided costs” for purposes of calculating compensation to customers whose Qualifying Facilities are not eligible for compensation at Utility’s average retail utility energy rate or who elect compensation at another rate.

SCHEDULE 3 – INTERCONNECTION PROCESS

Interconnection Process: In order to provide for coordinated interconnection of customer-owned distributed energy resources and comply with Minnesota Statutes Section 216B.1611, subd. 3(2), Utility has adopted the “Minnesota Municipal Interconnection Process (M-MIP) 2022” as recognized by the Minnesota Municipal Utilities Association Board of Directors at its February 9, 2022, meeting and made publicly available at mmua.org.

General technical requirements may be found in the [Minnesota Technical Interconnection and Interoperability Requirements \(TIIR\)](#) as adopted by the Minnesota Public Utilities Commission on January 22, 2020 as part of DOCKET NO. E-999/CI-16-521.

For utility-specific safety standards, required operating procedures for interconnected operations, and the functions to be performed by any control and protective apparatus, please contact Utility for its Technical Specifications Manual (TSM).

SCHEDULE 4 - AVERAGE INCREMENTAL ENERGY COSTS

2023 MMPA Distributed Generation Payment Rates			
Summer Months (Jun - Sep)	Energy (\$/kWh)	Capacity (\$/kWh)	REC (\$/kWh)
On Peak	0.0526	0	0
Off Peak	0.0347	0	0
All Hours	0.0430	0	0
Winter Months (Oct - May)			
On Peak	0.0438	0	0
Off Peak	0.0343	0	0
All Hours	0.0387	0	0
Annual (Jan - Dec)	0.0401	0	0