

SCHEDULE 60  
RIDER FOR STANDBY SERVICE

**Application**

The Rider for Standby Service is applicable to any member who uses a distributed generation system that serves all or a portion of the member's electric energy requirements and where the member chooses to use the Cooperative's electric system to serve that load when the distributed generation system is either partly or wholly unavailable. When the member uses electric service from the Cooperative, such service will be provided under one of the Cooperative's firm retail electric rate schedules to which this Rider is attached.

The member must enter into a contract with Cooperative for the interconnection and operation of an on-site distributed generation system. The distributed generation system at the member site shall not operate in parallel with the Cooperative's system until the installation has been inspected by an authorized Cooperative representative and final written approval is received from the Cooperative to commence parallel operation.

The minimum term of service taken under this Rider shall be one (1) year or such longer period as may be required under an Electric Service Agreement. Following this initial minimum term, a member receiving standby service may terminate standby service and establish service under a firm service tariff schedule within the same time frame as would be required of a new member with a similar firm service load.

Exceptions to this Application include:

- A. Any member taking service under Cooperative's Rider for Parallel Generation as established under Minnesota Rules 7835 shall not be required to take service under this Rider for standby services required to temporarily back up distributed generation systems rated at less than 40 kW;
- B. Any member taking service under Cooperative's Rider for Distributed Generation Service shall not be required to pay for service under this Rider for standby services required to temporarily back up distributed generation systems rated at 60 kW or less. For any member with distributed generation systems rated at 60 kW or less, standby service will be available to members through their base rates;
- C. Any member, in lieu of service under this Rider, may provide physical assurance to ensure that standby service is not taken. A member requesting physical assurance shall agree to furnish and install an approved load limiting device which shall be set and sealed by Cooperative so that member's use of service will not exceed member's contracted demand. The installed cost of the load limiting device shall be paid by member.
- D. Any member using on-site distributed generation to participate in Interruptible Service (Schedules 70 and 71) and generation installed for emergency backup during utility outages.

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**Definitions**

Contracted Standby Demand is the quantity specified in the member's Electric Service Agreement as the maximum amount of firm or non-firm standby service the Cooperative is obligated to supply and will not exceed the capacity of the member's distributed generation system.

Firm Service refers to a utility's most reliable, constant electric service. A utility would interrupt the supply of electricity to a firm service customer only as a last resort.

Non-Firm Service, also called interruptible service, refers to electric service that a utility provides only to the extent that it has capacity not being used to meet the needs of firm-service members at the moment.

All other definitions shall be as described in Cooperative's *Distributed Generation Interconnection Requirements* and *Interconnection Process for Distributed Generation Systems*.

**Charges for Service**

The following Reservation Fees, Communication Fee, Usage Fees, and Wheeling Fees will be assessed as applicable in addition to all charges for service being taken under Cooperative's base rate schedule:

Reservation Fees

Charges as specified below for the reservation of either Firm or Non-Firm generation, transmission and distribution service per Month per kW will each be applied to the member's Contracted Standby Demand as specified in member's Electric Service Agreement with Cooperative:

|                                   | Firm Service<br>(\$ per kW) | Non-Firm Service<br>(\$ per kW) |
|-----------------------------------|-----------------------------|---------------------------------|
| Generation                        | *                           | **                              |
| Transmission                      | *                           | **                              |
| Distribution - Secondary Service  | \$3.51                      | \$3.51                          |
| Distribution - Primary Service    | \$3.28                      | \$3.28                          |
| Distribution - Substation Service | \$0.90                      | \$0.90                          |

\* Firm Standby Service generation and transmission Reservation Fees will be billed under the rates, terms and conditions of the Cooperative's wholesale power supplier (Great River Energy), which is available on GRE's Web site; [greatriverenergy.com](http://greatriverenergy.com) and DEA's Web site; [dakotaelectric.com](http://dakotaelectric.com).

\*\*Generation and transmission Reservation Fees are not applied for Non-Firm Service. However, members will be responsible for all costs associated with wholesale power supply during any times of usage.

Interim Rate Adjustment

A 3.0% Interim Rate Adjustment will be applied as specified in the Interim Rate Adjustment Rider effective for service rendered on and after November 18, 2019.

Communication Fee

A monthly Communication Fee will be applied to cover the cost of transmitting data through the use of digital cellular equipment. The monthly Communication Fee is applied to each required meter with cellular data capabilities.

Communication Fee      \$8.70 per meter

Usage Fees

*Demand Charge*

If the member registers electrical usage from Cooperative during a billing month then such usage will result in demand charges which may vary between members contracting for Firm Standby Service or Non-Firm Standby Service.

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If a firm standby member has usage in a billing month, then the demand of such usage will be charged at the demand rate as contained in the base tariff to which this Rider is attached. If the usage demand exceeds the Contracted Standby Demand level, the member's Contracted Standby Demand will be adjusted upward as specified in the Billing Demand clause of this Rider. If the member registers electrical usage that coincides with the Cooperative's wholesale power supplier's applicable billing peak, then additional demand charges may be applied by Cooperative to ensure that the member fully compensates Cooperative for such wholesale power costs.

If there is usage by a non-firm standby member, then the demand of such usage will be charged at no less than the demand rate as contained in the base tariff to which this Rider is attached. (Any higher demand charges for non-firm demand use will reflect higher wholesale demand costs incurred to provide such service.) If the usage demand exceeds the Contracted Standby Demand level, the member's Contracted Standby Demand will be adjusted upward as specified in the Billing Demand clause of this Rider. If the member registers electric use that coincides with the Cooperative's wholesale power supplier's applicable billing peak, then additional demand charges may be applied by Cooperative to ensure that the member fully compensates Cooperative for such wholesale power costs. If additional costs are incurred to provide wholesale power during any time of usage by a non-firm standby member, then the non-firm standby member will be responsible for all such costs.

*Energy Charge*

Energy consumed by a standby member under this Rider will be charged at the same energy rate contained in the base tariff to which this Rider is attached.

Wheeling Fee

Members requiring delivery of energy over the Cooperative's distribution system to a third party will be charged each month, when such distribution wheeling service is available and provided, at a rate equal to the applicable distribution standby reservation fee specified in this rider. If firm wheeling service is required, then arrangements will be made to ensure that distribution system facilities are adequate to provide such firm wheeling service. The cost of any required system modifications will be the responsibility of the entity requesting the firm wheeling service.

**Rate Adjustments**

Bills shall be subject to all adjustments applicable to consumption under the base schedule to which this Rider is attached.

**Billing Demand**

The member shall contract for a specific kilowatt demand of standby service with the maximum being the amount of load served by the member's distributed generation system. In the event the Contracted Standby Demand is exceeded in any month, such higher demand shall be considered the new Contracted Standby Demand. Such adjustment of the Contracted Standby Demand applicable to Reservation Fees will recognize circumstances where on-going utility firm service is being provided in addition to standby service.

The billing demand for applying Distribution Reservation Fees for standby service to on-site distributed generation will be determined by subtracting the billing demand for usage supplied by the Cooperative during the same time period as the highest total member electrical demand in the billing month (supplied by the Cooperative and the member's distributed generation system). The billing demand for applying Distribution Reservation Fees for standby service to wholesale generation will be determined by subtracting the billing demand for usage supplied by the Cooperative from the Contracted Standby Demand. The billing demand for applying Generation and Transmission Reservation Fees will be determined according to the terms and conditions of the Cooperative's wholesale power supplier.

The billing demand(s) for usage will be determined and applied as specified in the base tariff to which this rider is attached.

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**Stranded Investment**

Any member who installs load limiting equipment to ensure that standby service is not taken (physical assurance) and does not intend to deliver power into the distribution system will have the option of making a lump sum payment to Cooperative for stranded distribution investment. Dakota Electric shall provide support for the one-time charge to recover stranded distribution investments to physical assurance members before it begins collecting the charge. If such lump sum payment is not made, then the member will be subject to distribution standby charges based on the member's typical demands incurred prior to requesting physical assurance status.

**Billing and Terms of Payment**

Billing and terms of payment shall be governed as set forth in the Cooperative's applicable base rate schedule.

**Terms and Conditions of Service**

1. The member shall execute an Electric Service Agreement with the Cooperative which shall specify:
  - a. Standard rate schedule (to which this Rider is attached);
  - b. Contracted Standby Demand;
  - c. Generator Nameplate Rating; and
  - d. Type of Standby Service (firm or non-firm).
2. Service hereunder is subject to Cooperative's *Interconnection Process for Distributed Generation Systems* and *Distributed Generation Interconnection Requirements* as may be modified from time-to-time. Current documents are available on DEA's Web site at [dakotaelectric.com](http://dakotaelectric.com).
3. Cooperative will install all metering equipment necessary to monitor services provided to ensure adequate measurements are obtained to support necessary application of charges. The member will be charged an up-front lump sum for the installed cost of such metering equipment.
4. The member shall make provision for on-site metering. All energy received from and delivered to the Cooperative shall be separately metered. The Cooperative may require metering of the generation output.
5. The member shall pay for all interconnection costs incurred by the Cooperative made necessary by the installation of the distributed generation system.
6. The Cooperative reserves the right to disconnect the member's generator from the distribution system if it interferes with the operation of the Cooperative's equipment or with the equipment of other Cooperative members.
7. The Cooperative shall not be obligated to supply standby service for a member's load in excess of the capacity for which the member has contracted.
8. The member shall be liable for all damages or costs caused by member's use of power in excess of contracted for capacity.
9. Cooperative may require the member to furnish and install an approved load limiting device which shall be set and sealed by Cooperative so that the member's use of service will not exceed the number of kilowatts contracted for by member.
10. The member shall furnish updated documentation to the Cooperative if there are changes to the maximum capacity and reliability of the power source for which the member requires Standby Service.
11. Cooperative and the member will coordinate the planning and determining of a schedule for performance of periodic maintenance of the member's facilities, such maintenance shall be scheduled to avoid wholesale power billing peaks or as agreed upon in the contract. Cooperative will require the member to provide reasonable notice of its proposed schedule for maintenance. The duration of the agreed maintenance schedule may thereafter be extended only with the consent of the Cooperative in response to the member's request received prior to the end of the maintenance period.

DAKOTA ELECTRIC ASSOCIATION  
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Farmington, Minnesota 55024

SECTION: V  
SHEET: 31.4  
REVISION: 3

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12. The Cooperative reserves the right to establish a minimum charge in order to recover the costs of facilities required to serve such load. Said charge shall be specified in the Electric Service Agreement.
13. Cooperative may be reimbursed by the member for costs which are incurred, or which have been previously incurred, in providing facilities which are used principally or exclusively in supplying service for any portion of the member's requirements which are to be normally supplied from a source of power other than the Cooperative's electric system.
14. All electricity delivered shall be for the exclusive use of the member and shall not be resold.
15. Member shall indemnify Cooperative against all liability which may result from any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, or operation of the co-generation facility or by any related act or omission of the member, its employees, agents, contractors or subcontractors.