

Upper Peninsula Power Company  
**Pre-Application Report Request Form**  
**REQUIRED for Level 4 and 5 Distributed Energy Resource**  
**OPTIONAL for Level 1 – 3 Distributed Energy Resource**

Requests for an Interconnection Pre-Application Report shall include the information identified in MI RULE 460.930 (Rule 30) of the Michigan Administrative Rules for Interconnection and Distributed Generation Standards (MIXDG) (and as provided in the fields below) to clearly and sufficiently identify the location of the proposed Point of Common Coupling and relevant project details.

Additionally, a non-refundable processing fee of \_\_\_\_\_ (not to exceed \$300) is required as specified in MI RULE 460.926 (Rule 26) of the MIXDG.

Upon receipt of a complete Pre-Application Report Request Form (including site aerial map) and processing fee, Upper Peninsula Power Company shall provide a report containing the information set forth in MI RULE 460.932 (Rule 32), to the extent the information exist and is readily available. As provided in MI RULE 460.932(6), Upper Peninsula Power Company shall provide the data required in the pre-application report to the applicant within 30 business days of receipt of the completed request form and payment of the fee. The pre-application report produced by the electric utility is non-binding and does not confer any rights on the applicant.

1. Requestor Contact Information:

Name: \_\_\_\_\_  
Company Name (if applicable): \_\_\_\_\_  
Street Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

2. Project Information:

a) Project Name: \_\_\_\_\_

b) Planned Equipment:

DER Type (Solar, Wind, Cogeneration, Storage, Solar with storage or Other): \_\_\_\_\_  
Capacity of DER \_\_\_\_\_ kW and kVA  
Storage Capacity \_\_\_\_\_ kWh  
DER Nameplate Rating: \_\_\_\_\_ kWac  
DER Type: Inverter based or Other \_\_\_\_\_  
DER Number of Phases: Single Three \_\_\_\_\_  
Service Voltage (120/240 V, 277/480 V, etc.): \_\_\_\_\_ V  
Stand-alone Generator (no onsite load)? Yes No  
Existing DER? Yes No  
List of any current and/or future known onsite energy usage:

Would DER be included on an existing electric service Yes/No  
Location of Existing DER (include county):

c) Proposed Point of Common Coupling:

Note: The proposed Point of Common Coupling shall be defined by all or some combination of the below information, enough to clearly identify the location of the Point of Common Coupling.

Street Address: \_\_\_\_\_

City/State/Zip Code: \_\_\_\_\_

County: \_\_\_\_\_

Cross streets: \_\_\_\_\_

Latitude (in degrees/minutes/seconds or 6 decimal places):

Global Positioning System (GPS) coordinates: \_\_\_\_\_

Longitude: \_\_\_\_\_

Meter number: \_\_\_\_\_

Utility equipment structure number (e.g. pole number): \_\_\_\_\_

Coupling between generator and storage (AC or DC): \_\_\_\_\_

Will separate invertors be used: \_\_\_\_\_

Other identifying information: \_\_\_\_\_

\_\_\_\_\_

d) An attached Site Map is required that shows the following:

- True north
- Proposed project location, including general area of project
- Proposed service point location
- Major roads, streets and/or highways

3. Requestor Signature:

Name (type or print): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

# Michigan Interconnection Application Form

## INSTRUCTIONS

SUBMIT THIS FORM DIRECTLY TO YOUR ELECTRIC PROVIDER

This application form is for interconnection to the electric distribution system of distributed generation systems and associated equipment in compliance with Michigan Public Service Commission rules and regulations.

If a distributed generation system already has an interconnection agreement but has simply changed ownership, do not fill out this form. Fill out Form, "Change of Ownership Form for Distributed Generation Equipment."

This form is for generation systems that will operate in parallel with the distribution grid. *If the system you are considering will operate only in isolation from the electric distribution grid, you do not need to fill out this form.*

If this generation system is planned in conjunction with construction of a new building, provide the current owner/builder's information as the Applicant, and have the new home/building purchaser fill out a "Change of Ownership" Form upon completion of sale.

FEES*				
Level	Generation Capacity (AC)	Application Fee	System Impact Study Fee	Facilities Study Fee
1	20 kW or less	\$100 + \$1/kWac	None	None
2	Greater than 20 kW to 150 kW	\$100 + \$1/kWac	None	None
3	Greater than 150 kW to 550 kW	\$100 + \$1/kWac	\$1,000	\$5,000 + \$2/kWac**
4	Greater than 550 kW to 1 MW	\$100 + \$1/kWac	\$2,000	\$5,000 + \$2/kWac**
5	Greater than 1 MW	\$100 + \$1/kWac	\$4,000	\$5,000 + \$2/kWac**

\*Application fee may be \$2/kWac for non-certified

\*Customer may request a Scoping Meeting included in the Facility Study Track fee

\*\* +10% for each application in queue (Max \$15,000)

An applicant seeking to interconnect a distributed generation facility to the distribution system of a public utility shall maintain liability insurance equal to or greater than the amounts stipulated below, per occurrence, or prove financial responsibility by another means mutually agreeable to the applicant and the public utility.

INSURANCE REQUIREMENTS		
Level	Generation Capacity (AC)	Minimum Liability Insurance Coverage
1	20 kW or less	\$0
2	Greater than 20 kW to 150 kW	\$0
3	Greater than 150 kW to 550 kW	\$1,000,000
4	Greater than 550 kW to 1 MW	\$2,000,000
5	Greater than 1 MW	\$3,000,000

## NAME AND ADDRESS OF ELECTRIC SERVICE PROVIDER

NAME		EMAIL		
MAILING ADDRESS		CITY	STATE	ZIP CODE

## SIZE CATEGORY APPLICABLE TO THIS APPLICATION

Level 1 (20 kW or less)
  Level 2 (Greater than 20 kW to 150 kW)
  Level 3 (Greater than 150 kW to 550 kW)
  Level 4 (Greater than 550 kW to 1 MW)
  Level 5 (Greater than 1 MW)

# Michigan Interconnection Application Form

## APPLICANT CONTACT INFORMATION

Under MI DG Rule 460.901 et seq, "Applicant" means the legally responsible person applying to a public utility to interconnect a distributed generation facility to the public utility's distribution system. The applicant is typically the holder of the Electric Service Account.

LAST NAME	FIRST NAME	MIDDLE NAME	
COMPANY (IF APPLICABLE)	REPRESENTATIVE (IF APPLICABLE)	TITLE	
STREET ADDRESS	CITY	STATE	COUNTY
PRIMARY PHONE NUMBER	EMAIL ADDRESS	TOWNSHIP	

## LOCATION OF THE GENERATION SYSTEM

SAME AS APPLICANT ADDRESS ABOVE

STREET ADDRESS (IF DIFFERENT)	CITY	STATE	ZIP CODE
PRIMARY PHONE NUMBER	ELECTRIC SERVICE ACCOUNT NUMBER	METER NUMBER	
LATITUDE – LONGITUDE (OPTIONAL)	COUNTY	TOWNSHIP	

Does this application relate to a change or modification of an existing system?  Yes, this is a modification  No, there is no generation currently at this point of interconnection  
If there is already generation at the point of interconnection, this is a modification.

## CUSTOMER APPLICATION

Fast Track  Non-Export  Pre-Application, \$300 (Required for Level 4 and 5)

## CUSTOMER TYPE

Residential  Farm  Commercial  Industrial  Independent Power Producer  
 Other \_\_\_\_\_

## APPLICANT'S OWNERSHIP INTEREST IN THE GENERATION SYSTEM

Owner  Co-owner  Lease  
 Other \_\_\_\_\_

## TYPE OF GENERATION SYSTEM

Solar PV  Wind  Hydropower  Biomass  Storage  
 Other \_\_\_\_\_

Fill out appropriate technology-based attachment.

# Michigan Interconnection Application Form

## PRIMARY INTENTION OF GENERATION SYSTEM

- Net Metering    Certified Qualifying Facility under PURPA (Public Utility Regulatory Policies Act of 1978)    Offset load, non-export of power  
 Other on-site use or sale of power (describe) \_\_\_\_\_

## TYPE OF INTERCONNECTION

- Parallel Operation (operation for more than 100 milliseconds while connected to the distribution system)  
 Momentary parallel operation (less than or equal to 100 millisecond connection), or isolated operation / open transition  
\*Per Instructions on page 1, an application is not needed if the connection to the utility system is less than or equal to 100 milliseconds

## ELECTRICITY USE, PRODUCTION, AND PURCHASES

- a. Anticipated annual electricity consumption of the facility or site: \_\_\_\_\_ kWh/yr  
b. Anticipated annual electricity production of the generation system: \_\_\_\_\_ kWh/yr  
c. Anticipated annual electricity purchases from electric utility (a – b): \_\_\_\_\_ kWh/yr\*

## SYSTEM CAPACITY OF DER

\_\_\_\_\_ kWac   \_\_\_\_\_ kWdc   \_\_\_\_\_ kVA   \_\_\_\_\_ kWh (for storage only)  
 Single Phase    Three Phase    AC Coupled    DC Coupled

## PROJECT DESIGN AND ENGINEERING

COMPANY

REPRESENTATIVE

EMAIL ADDRESS

TITLE

PHONE NUMBER

## INSTALLING CONTRACTOR INFORMATION (IF KNOWN)

SAME AS PROJECT DESIGN & ENGINEERING ABOVE

COMPANY

REPRESENTATIVE

EMAIL ADDRESS

ELECTRICAL CONTRACTOR'S LICENSE NUMBER

TITLE

PHONE NUMBER

## ESTIMATED CONSTRUCTION START DATE

MM / DD / YYYY

## REQUESTED IN-SERVICE DATE

MM / DD / YYYY

# Michigan Interconnection Application Form

## LIABILITY INSURANCE - LEVELS 3 THROUGH 5

\_\_\_\_\_  
CARRIER

\_\_\_\_\_  
LIMITS

\_\_\_\_\_  
AGENT NAME

\_\_\_\_\_  
PHONE NUMBER

\_\_\_\_\_  
EMAIL ADDRESS

Self-insured (e.g., if a local unit of government)

Other form of financial responsibility (please describe) \_\_\_\_\_

Note: Applicant must also provide proof of insurance as an attachment.

Note: See Minimum Coverage under MI DG Rule 460.901 et seq

Note: If this is new construction, provide the current owner/builder's insurance information, and have the new home/building purchaser fill out a "Change of Ownership" Form upon completion of sale.

## DESIGN REQUIREMENTS

a) Has the proposed paralleling equipment (such as an inverter) been certified by a nationally recognized testing laboratory (e.g. UL 1741)  Yes  No

b) If certified, list the applicable certifications (e.g. UL 1741) \_\_\_\_\_  Not Applicable

c) If not certified, does the proposed distributed generator meet the requirements defined in MI DG Rule 460.901 et seq  Yes  No

## REQUIRED ATTACHMENTS

- a) Technology-based attachment(s) and related manufacturer specification data sheets
- b) One-line Schematic Diagram of the System that includes the distributed generation equipment, interconnection disconnect switch (if required), point of interconnection, meter(s), protection equipment and associated instrumentations
- c) Site plan showing major equipment, electric service entrance, electric meter(s), location of distributed generation and interface equipment, protection equipment, location of disconnect switch (if required), adjoining street name, and street address of the distributed generation system.
- d) Proof of insurance per Section 12
- e) If required, proof of equipment certification or other compliance with requirements described in Section 13
- f) Complete supplement forms for applicable types of generation systems.
- g) Aerial map with location marked (required for pre-application)

## APPLICANT AND DESIGNER/ENGINEER SIGNATURE

To the best of my knowledge, all the information provided in this Application Form is complete and correct.

\_\_\_\_\_  
APPLICANT SIGNATURE (LISTED IN SECTION 1)

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PROJECT DESIGNER/ENGINEER SIGNATURE

\_\_\_\_\_  
DATE

Procedures for the  
Interconnection of Distributed  
Energy Resources to the Upper  
Peninsula Power Company  
Distribution System

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## 1. Introduction

These procedures for the interconnection of Distributed Energy Resources (DER) to the Upper Peninsula Power Company Distribution System

- Explain the basic process used to interconnect a DER
- Provides information on the technical requirements for a DER and the potential system impact a DER may have when interconnecting to the Upper Peninsula Power Company Distribution System

For specific rules for the interconnection of DERs please refer to the Department of Licensing and Regulatory Affairs Public Service Commission Interconnection and Distributed Generation Standards filed with the secretary of State on [DATE], 2022.

The DER interconnection process is intended to efficiently:

- Determine if the proposed DER is compatible with the electric power system at the proposed interconnection point, and
- Identify and make any additions or modifications to the electric power system or modifications to the proposed DER installation necessary for compatibility.

These procedures for the interconnection of DER to the Upper Peninsula Power Company Distribution System are available at [www.upppo.com/](http://www.upppo.com/) pursuant to MI Rule 460.922 (Rule 22) available at <https://ars.apps.lara.state.mi.us/AdminCode/DownloadAdminCodeFile?FileName=R%20460.901a%20to%20R%20460.1026.pdf..>

## 2. Applicability

This document provides guidance on the interconnection of a DER to the Upper Peninsula Power Company Distribution System. A DER includes both generators and energy storage devices capable of exporting active power to a distribution system.

The rules covering the interconnection of a DER to the Upper Peninsula Power Company Distribution System are governed by the Department of Licensing and Regulatory Affairs Public Service Commission Interconnection and Distributed Generation Standards. For further information on the specific rules and tariffs covering the use of DERs or other generators please see Upper Peninsula Power Company's website at [www.upppo.com](http://www.upppo.com).

A generator used in an automatic or manual transfer scheme in which electrical load is transferred between the Upper Peninsula Power Company Distribution System and the generator, but never paralleled with the Upper Peninsula Power Company Distribution System is not considered to be a DER. Such a generator must have an approved transfer switch installed by a qualified electrician so that the generator and Upper Peninsula Power Company's service conductors cannot be paralleled.

These procedures cover the issues directly relating to the interconnection of a DER. It does not cover other issues a customer will need to consider when planning to install a DER, such as the terms and conditions relating to any purchase or sale of electric energy, environmental permitting, local ordinances, and fuel supply. Arrangement for purchase or sale of electric energy are handled separately from interconnection. The interconnection process only provides for the safe interconnection of the proposed DER without degradation in the power quality or reliability of the Upper Peninsula Power Company Distribution System. Interconnection with the Upper Peninsula Power Company Distribution System does not provide an Interconnection Customer any rights to utilize Upper Peninsula Power Company's Distribution System for the transmission, distribution or wheeling of electric power, nor does it limit those rights.

These procedures do not cover self-protection of the DER or all operating requirements for the DER. Upper Peninsula Power Company's review and authorization for parallel operation shall not be construed as confirming or endorsing the Interconnection Customer's design or as warranting the DER and interconnection systems' safety, durability or reliability. Upper Peninsula Power Company shall not, by reason of such review or lack of review, be responsible for the strength, adequacy or capacity of such equipment.

### **3. Definitions**

Definitions as used in these procedures for the interconnection of DER are provided in accordance with MI Rule 460.901a and b. Any definition not included will conform with the MI Rule.

Upper Peninsula Power Company Distribution System – Facilities owned, leased or controlled by Upper Peninsula Power Company that deliver electric power.

Accepted Date – Date which Upper Peninsula Power Company has determined the customers application, site diagram, l-line diagram and application fee and complete and conforming

Application Date – Date which Upper Peninsula Power Company has received the customers application, site diagram, l-line diagram and application fee

Business Day(s) – Monday through Friday, starting at 12:00:00 a.m. and ending at 11:59:59 p.m., excluding holidays (New Years Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas Eve, Christmas Day), and any day in which electric service is interrupted for 10% or more of an electric utility's customers.

Certified – An inverter-based system that has met acceptable safety and reliability standards by a nationally recognized testing laboratory in conformance with IEEE 1547.1-2020 and the UL 1741 September 28, 2021 edition except that prior to commercial availability, inverter-based systems which conform to the UL 1741SA September 7, 2016 edition are acceptable.

Commission – Michigan Public Service Commission

Distributed Energy Resource or DER – A source of electric power and its associated facilities that is connected to a distribution system. DER includes both generators and energy storage devices capable of exporting active power to a distribution system.

Distributed Generation Tariff – Upper Peninsula Power Company’s Commission approved tariff distributed generation customers

Distribution System – Structures, equipment, and facilities owned and operated by Upper Peninsula Power Company to deliver electricity to end users, not including transmission and generation facilities that are subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC)

Fast Track Review – Procedure used for evaluating a proposed interconnection as defined in Section 12

High Voltage Distribution System – The part of Upper Peninsula Power Company Distribution System that operates at 3-phase 33kV or 34.5kV, in a grounded wye configuration.

Interconnection Customer – The person or entity, which may include the electric utility, responsible for ensuring a DER is operated and maintained in compliance with all local, state, and federal laws, as well as with all rules, standards, and interconnection procedures.

Level 1 – Certified project of 20 kWac or less

Level 2 – Certified project of greater than 20 kWac and not more than 150 kWac

Level 3 – A project of 150 kWac or less that is not certified, or a project greater than 150 kWac and not more than 550 kWac.

Level 4 – A project of greater than 550 kWac and not more than 1 MWac

Level 5 – A project of greater than 1 MWac.

Low Voltage Distribution System - The part of Upper Peninsula Power Company Distribution System that operates at primary service level at 7.2/12.47kV.

Non-Export Track Review – Procedure for evaluating a proposed interconnection that will not inject electric energy into the Upper Peninsula Power Company Distribution System as defined in Section 11

Study Track Review – Procedure for evaluating a proposed interconnection as defined in Section 13

#### **4. Overview of the Interconnection Process**

Upper Peninsula Power Company is committed to providing safe reliable service to our customers at the lowest practical cost. This means that Upper Peninsula Power Company will perform as efficiently as practical the work necessary and appropriate to ensure the continued safety of its employees and the public and continued reliable electric service to our customers.

Improper connection and operation of any source of electrical power, such as a DER, in parallel with the Upper Peninsula Power Company Distribution System could jeopardize the safety of Upper Peninsula Power Company employees and the public and could degrade the reliability and quality of the electric service to our customers. Therefore, no source of electrical power shall be operated in parallel with the Upper Peninsula Power Company Distribution System without the express written approval of Upper Peninsula Power Company.

DER projects are separated into the following levels depending on the kWac rating:

- Level 1 – 20 kWac or less
- Level 2 – More than 20 kWac and not more than 150 kWac
- Level 3 – More than 150 kWac and not more than 550 kWac
- Level 4 – More than 550 kWac and not more than 1 MWac
- Level 5 – More than 1 MWac

The project review track will vary depending on the project level and type and the tracks are listed below:

- Non-Export Track review
- Fast Track review
- Study Track review

## 5. Fixed Fees and Fee Caps

Applicants for interconnection to the Distribution System will be required to pay the fixed fees up to the listed fee caps as applicable in accordance with the following table:

Type/Description	Fee
Pre-application report fee	\$300
Distributed Generation Program Application Fee	\$50
Non-Export Track Fee for Certified DERs	\$100 + \$1/kWac
Non-Export Track Fee for Non-Certified DERs	\$100 + \$2/kWac
Fast Track Initial Review for Certified DERs	\$100 + \$1/kWac
Fast Track Initial Review for Non-Certified DERs	\$100 + \$2/kWac
Scoping Meeting Fee	\$300
Fast Track Supplemental Review	Actual Cost up to \$5,000
Study Track Review and Scoping Meeting Fee	\$300
System Impact Study Fee	Actual Cost up to \$30,000
Facilities Study Fee	Actual Cost up to \$30,000

Upper Peninsula Power Company reserves the right to file a request for a waiver pursuant to R 460.910 (Rule 10) if expected costs exceed those listed in Section 5.

Upper Peninsula Power Company reserves the right to update the Fixed Fees and Fee Caps as provided under MI Rule 460.928 (Rule 28).

## 6. Voltage Ranges

The following voltage ranges and configurations, as required by MI Rule 460.920 (c) (Rule 20(c)) are available on Upper Peninsula Power Company's Distribution System for interconnection applications:

<b>Upper Peninsula Power Company Voltage Ranges</b>		
<b>Type</b>	<b>Voltage</b>	<b>Configuration</b>
Secondary	120/240V	1 Phase, Center Tapped Neutral
Secondary	120/208V or 277/480V	3 Phase, Grounded Wye
Low Voltage Distribution Primary	702/12.47 kV	3 Phase, Grounded Wye
High Voltage Distribution	33kV or 34.5kV	3 Phase, Grounded Wye

## 7. Pre-Application Report Request Procedure

A pre-application report request form is required for all Level 4 or Level 5 DER projects prior to submitting an Interconnection Application pursuant to MI Rule 460.930 (Rule 30). A Level 1, 2, or 3 DER project may, but is not required, to submit a Pre-Application Report Request Form.

The pre-application report request form is available on the Upper Peninsula Power Company website at ([www.UPPCO.com](http://www.UPPCO.com)) and must include all of the following information:

1. Project contact information, including name, address, phone number and email address.
2. Project location, as accurately as can be identified, which may be given by any of the following:
  - a. Street address with nearby cross streets and town
  - b. An aerial map with location clearly marked
  - c. GPS coordinates
3. Account number, meter number, pole number, or other equivalent information identifying the proposed point of common coupling, if available.
4. Whether the DER is any of the following:
  - a. Solar
  - b. Wind
  - c. Cogeneration
  - d. Storage
  - e. Solar with storage
  - f. Other type of DER
  - g. Capacity of the DER types in alternating current kW and kVA, and kWh for storage.

- h. Whether the DER configuration is single phase or three-phase
- i. Whether the DER will be a stand-alone generator, meaning no onsite load other than station service.
- j. Whether the DER will be certified.
- k. Whether new service is requested. If there is existing service, the customer account number and site minimum and maximum current or proposed electric loads in kW, if available, must be included, and how the load is expected to change must be specified.
- l. Whether the location is new construction.

If it is not complete and conforming Upper Peninsula Power Company will notify the applicant and include a written list of all deficiencies.

Once the applicant has been notified the pre-application report request is complete and conforming Upper Peninsula Power Company will provide a pre-application report within 30 business days that includes the following information pursuant to MI Rule 460.932 (Rule 32):

- 1. The substation bus, bank, or circuit most likely to serve the point of common coupling.
- 2. Total capacity, in MW, of substation bus, bank, or circuit based on normal or operating limits likely to serve the proposed point of common coupling.
- 3. Existing aggregate capacity, in MW, interconnected to a substation bus, bank, or circuit likely to serve the proposed point of common coupling.
- 4. Aggregate capacity, in MW, of generation not yet built but found in previously accepted interconnection applications, for a substation bus, bank, or circuit likely to serve the proposed point of common coupling.
- 5. Available capacity, in MW, of substation bus, bank, or circuit likely to serve the proposed point of common coupling.
- 6. Substation nominal distribution voltage.
- 7. Nominal distribution circuit voltage at the proposed point of common coupling.
- 8. Name and circuit number of the distribution circuit on which the proposed point of common coupling is located.
- 9. Approximate circuit distance between the proposed point of common coupling and the substation.
- 10. The actual or estimated peak load and minimum load data at any relevant line section or sections, including daytime minimum load and absolute minimum load, when available. If not readily available, the report must indicate whether the generator is expected to exceed minimum load on the circuit.
- 11. Whether the point of common coupling is located behind a line voltage regulator and whether the substation has a load tap changer.
- 12. Limiting conductor ratings from the proposed point of common coupling to the distribution substation.

13. Number of phases available at the primary voltage level at the proposed point of common coupling, and, if a single phase, distance from the 3-phase circuit.
14. Whether the point of common coupling is located on a spot network, area network, grid network, radial supply, or secondary network.
15. Based on the proposed point of common coupling, the report must indicate whether power quality issues may be present on the circuit.
16. Whether or not the area has been identified as having a prior affected system.
17. Whether or not the site will require a system impact study for high voltage distribution based on size, location, and existing system configuration

Upper Peninsula Power Company intends to treat multiple DERs with a common point of coupling as a single application. An applicant may request additional pre-application reports if information about multiple points of common coupling are requested. No more than 10 pre-application report requests may be submitted by an applicant and its affiliates during a 1-week period. Upper Peninsula Power Company may reject additional pre-application report requests.

The pre-application report produced by Upper Peninsula Power Company is non-binding and does not confer any rights on the applicant.

## **8. Interconnection Application Procedure**

The interconnection application procedure consists of the following steps:

1. Applicant completes an Interconnection Application by downloading the form from Upper Peninsula Power Company's website, [www.uppco.com](http://www.uppco.com), and emailing to Upper Peninsula Power Company's Interconnection Coordinator at: [jschaen@uppco.com](mailto:jschaen@uppco.com).
2. The interconnection application must include an expected annual kWh output of the generator or generators per one of the following methods:
  - a. Publicly available model (ex. NREL's PVWatts Calculator)
  - b. Private model when model, assumptions, and data are provided to and approved by Upper Peninsula Power Company
  - c. Applicant supplied estimated capacity factors
  - d. Upper Peninsula Power Company reserves the right to reject any unverified annual generator output estimate
3. Applicant submits a site diagram
4. Applicant submits a 1-line diagram per the DER Level per MI Rule 460.936 (Rule 36)
  - a. Level 1 – Submitted by applicant (no seal or signature required)
  - b. Level 2 – Includes either a seal from a Michigan Licensed Professional Engineer or signed by an electrical contractor who is licensed in Michigan with the electrical contractor's license number noted on the diagram.

- c. Level 3 – Includes either a seal from a Michigan Licensed Professional Engineer or signed by an electrical contractor who is licensed in Michigan with the electrical contractor’s license number noted on the diagram.
  - d. Level 4 - Includes a seal from a Michigan Licensed Professional Engineer
  - e. Level 5 - Includes a seal from a Michigan Licensed Professional Engineer
5. Applicant submits applicable application fee per Section 5.
  6. Applicant must demonstrate site control in one of the following ways pursuant to MI Rule 460.934 (Rule 34):
    - a. Level 1 and 2 DERs
      - i. Proof of site control may be demonstrated by the site owner’s signature and contact information on the application
    - b. Level 3, 4 and 5 DERs
      - i. Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing and operating the DER.
      - ii. An enforceable option to purchase or acquire a leasehold site for this purpose.
      - iii. A legally binding agreement transferring a present real property right to specified real property along with the right to construct and operate a DER on the specified real property for a period of time not less than 5 years.
  7. Once the application, site diagram, 1-line diagram, site control documentation and fee are received by Upper Peninsula Power Company the application will be date stamped and this will be the Application Date.
  8. Within thirteen (13) business days of the Application Date Upper Peninsula Power Company will notify the applicant that all application documents have been received and will issue the applicant an application number. MI Rule 460.936(6). Rule 36(6).
  9. Within twenty (20) business days of the Application Date Upper Peninsula Power Company will notify the applicant of the following: MI Rule 460.936(7). Rule 36(7).
    - a. That the interconnection application is either complete and conforming, or incomplete, or non-conforming
    - b. If the interconnection application is complete and conforming which review track will be used and the date the application was accepted which will be known as the Accepted Date
    - c. If the interconnection application is incomplete or non-conforming a written list of all deficiencies will be included
  10. In the case of an incomplete or non-conforming application the applicant will have up to 60 business days to correct and resubmit, otherwise the application will be considered withdrawn.

## **9. Existing Net Metering Customers**

Existing customers being served under the legacy net metering tariff wishing to modify their existing DER may remain in the net metering tariff for the duration of their 10-year grandfather period if both of the following apply:

1. The applicant is not modifying the nameplate rating or estimated kWh output of the system
2. The applicant is adding an energy storage device that is only able to be charged by the applicants existing generation equipment and not by the utility

If both of the above conditions are not met the applicant must complete the interconnection application procedure and will be served under the Distributed Generation Tariff.

This section does not address existing applications for new DER service being modified under Section 10.

## **10. Modification to an Interconnection Application**

The interconnection application modification procedure consists of the following steps:

1. At any point after an interconnection application is considered accepted but before the signing of an interconnection agreement, the applicant, Upper Peninsula Power Company, or the affected system owner may propose modification to the interconnection application that may improve the costs and benefits of the interconnection, or that improve the ability of Upper Peninsula Power Company to accommodate the interconnection. The applicant shall submit, in writing, all proposed modifications to any information provided in the interconnection application and Upper Peninsula Power Company shall perform an evaluation to determine whether the proposed modification is a material modification and provide the results to the applicant within 20 Business Days.
2. Upper Peninsula Power Company shall not be required to accept or implement a modification to the Distribution System or generation assets that is proposed by an applicant or affected system operator.
3. Neither Upper Peninsula Power Company nor the affected system operator may unilaterally modify an accepted interconnection application. If the DER is being evaluated by an individual study the timelines specific to the interconnection application will be placed on hold while the proposed modification is being evaluated.
4. For a proposed modification which Upper Peninsula Power Company has determined is a material modification, the applicant may request a material modification review to determine whether the material modification is a material modification.
5. Upper Peninsula Power Company considers a Material Modification to be a modification to the DER nameplate rating, electrical size of components, bill of materials, machine data, equipment configuration, or the interconnection site of the DER at any time after receiving notification by Upper Peninsula Power Company of a complete interconnection application that has been reviewed and been determined to have or anticipated to have a material impact on 1 or more of the following:
  - a. The cost, timing, or design of any equipment located between the point of common coupling and the DER.

- b. The cost, timing, or design of any other application.
  - c. Upper Peninsula Power Company distribution system or an affected system.
  - d. The safety or reliability of the distribution system.
6. The procedure for completing the material modification review will be to apply the same screening criteria and studies to the modified project as were applied to the original project. If the modified DER fails any screens that were passed by the original project or, in the option of Upper Peninsula Power Company, has a materially different study outcome the modification will be considered an unacceptable material modification.
7. The applicant will be responsible for any screening or study fees resulting from the requested modification.
8. Upper Peninsula Power Company shall complete the material modification review and determine which of the following options are available to the applicant:
  - a. If the modification is an unacceptable material modification, the applicant may withdraw the modification or withdraw the application.
  - b. If the modification is an acceptable material modification and requires minimal or no restudy, the application study activities will resume with the modification and no change to the timing.
  - c. If the modification is an acceptable material modification but requires restudy, Upper Peninsula Power Company shall expedite the restudy. The applicant shall pay any required fee for the expedited restudy.
9. The applicant may request a 1-hour consultation to discuss the results of the material modification review.
10. The applicant shall notify Upper Peninsula Power Company of its course of action selected from the material modification review within 10 Business Days of receiving the results or the modification will be considered withdrawn.
11. If the proposed modification is determined not to be a material modification or is determined to be an acceptable material modification, Upper Peninsula Power Company shall notify the applicant that the proposed modification has been accepted.
12. If the modification is considered an unacceptable material modification, the applicant shall withdraw the proposed modification, or initiate mediation pursuant to R 460.904 or R460.906, or file a complaint pursuant to R 792.10439 to R 792.10446 within 10 Business Days of receipt of a decision, or proceed with a new interconnection application for this modification. If the applicant does not provide its determination within the 10 business days the application will be considered withdrawn.
13. Any modification to the interconnection application or to the DER that could affect the operation of the distribution system, including but not limited to, changes to machine data, equipment configuration, or the interconnection site of the DER, not agreed to in writing by Upper Peninsula Power Company and the applicant will be treated as a withdrawal of the interconnection application requiring submission of a new interconnection application.
14. If at any point prior to the execution of an interconnection agreement, changes to ownership will cause the interconnection application to be placed on hold until the new owner signs all

necessary agreements and documents. If a new owner does not sign all required documents and agreements within 30 Business Days the application will be considered withdrawn.

15. Examples of modifications that are not material modification include but are not limited to:
  - a. A change in ownership of a DER; the new owner, however, will be required to execute a new Interconnection Application Form and study agreements for any study that has not been completed and the report issued by Upper Peninsula Power Company;
  - b. Replacing a component with another component that is considered like-kind with near-identical characteristics;
  - c. An increase in the DC/AC ratio that does not increase the maximum AC output capability of the generating facility;
  - d. A change in the DC system configuration to include additional equipment that does not impact the maximum generating capacity, daily production profile, or the proposed AC configuration of the DER or energy storage device, including DC optimizers, DC-DC converters, DC charge controllers, powerplant controllers, and energy storage devices such that the output is delivered during the same periods and with the same profile considered during the system impact study.
16. Examples of modifications that are acceptable material modifications include but are not limited to:
  - a. The addition of an energy storage device that does not change the AC nameplate rating of the DER
  - b. A change in point of interconnection to a new location that is on the same circuit less than two poles away from the original location, and the new point of interconnection is within the same protection zone as the original location;
  - c. A change of transformer connections or grounding from that originally proposed;
17. Examples of modifications that are unacceptable material modifications include but are not limited to:
  - a. A change in point of interconnection to a new location, that is not on the same circuit less than two poles away from the original location, or the new point of interconnection is not within the same protection zone as the original location
  - b. A change or replacement of generating equipment, such as generators, inverters, transformers, relaying, or controls, 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
  - c. A change from certified to noncertified devices
  - d. A change to certified inverters with different specifications or different inverter control specifications or set-up than originally proposed

## **11. Non-Exporting Track Review Procedure**

A DER could be configured to limit injection of non-export energy to Upper Peninsula Power Company's Distribution System. For example, a solar plus energy storage system could be configured

so the storage device's role is to capture electricity generated by the solar system during the day for use onsite after the sun goes down, rather than injecting it back into the grid.

Non-exporting DERs must meet the following specifications;

1. Be Certified for non-export operation
2. Ensure that the system enters a "safe" mode if control system failure occurs

An applicant is encouraged to contact Upper Peninsula Power Company before submitting a Non-Exporting application for assistance in determining whether a Non-Export Track Review will be sufficient or the Study Track Review is necessary. Upper Peninsula Power Company, in its sole discretion, may limit the size of Non-Export Applications and require additional testing.

The Non-Export Track Review consists of the following steps pursuant to MI Rule 460.942 (Rule 42);

1. Applicant completes an Interconnection Application per Section 8.
2. Within 30 business days of the Accepted Date Upper Peninsula Power Company will perform an initial review of the DER utilizing the following initial review screens
  - a. The entire proposed DER, including all aggregated site generation and point or points of interconnection, must be located within the electric utility's service territory.
  - b. For interconnection of a proposed DER to a radial distribution circuit, the aggregated generation, including the proposed DER, on the circuit may not exceed 15% of the line section annual peak load as most recently measured or calculated if measured data is not available. A line section is that portion of an electric utility's distribution system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line. This screen does not apply to level 1 and level 2 non-export DER applications.
  - c. For interconnection of a proposed DER to the load side of network protectors, the proposed DER must utilize an inverter-based equipment package and, together with the aggregated other inverter-based DERs, may not exceed the smaller of 5% of a network's maximum load or 50 kWac.
  - d. The proposed DER, in aggregation with other DERs on the distribution circuit, may not contribute more than 10% to the distribution circuit's maximum fault current at the point on the primary voltage nearest the proposed point of common coupling. This screen does not apply to level 1 applications.
  - e. The proposed DER, in aggregate with other DERs on the distribution circuit, may not cause any distribution protective devices and equipment or interconnection customer equipment on the system to exceed 87.5% of the short circuit interrupting capability. An interconnection may not be proposed for a circuit that already exceeds 87.5% of the short circuit interrupting capability. Distribution protective devices and equipment include, but not limited to, substation breakers, fuse cutouts, and line reclosers. This screen does not apply to level 1 applications.

- f. The initial review screen determines the type of interconnection to a primary distribution line for the proposed DER, according to the requirements specified in the table of this subdivision. This screen includes a review of the type of electrical service provided to the applicant, including line configuration and the transformer connection to limit the potential for creating over-voltages on the electric utility’s distribution system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result
3-Phase, 3 Wire	3-Phase or single phase, phase-to-phase	Pass screen
3-Phase, 4 Wire	Effectively-grounded 3-phase or single-phase, line-to-neutral	Pass screen

- g. If the proposed DER is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed DER export capacity, may not exceed 20 kWac or 65% of the transformer nameplate rating.
- h. If the proposed DER is single-phase and is to be interconnected on a center tap neutral of a 240-volt service, its addition may not create an imbalance between the 2 sides of the 240-volt service of more than 20% of the nameplate rating of the service transformer.
- i. If the proposed DER is single-phase and is to be interconnected to a 3-phase service, its nameplate rating may not exceed 10% of the service transformer nameplate rating.
- j. If the proposed DER’s point of common coupling is behind a line voltage regulator, the DER’s nameplate rating must be less than 250 kWac. This screen does not include substation voltage regulators.
3. If the application passes all the initial review screens and if no interconnection facilities, distribution upgrades, further study or application modifications are required the applicant will be notified within 20 business days of the specifications on any equipment the applicant will be required to install.
4. Within 10 business days of receiving the equipment specifications the applicant shall notify Upper Peninsula Power Company if they intent to proceed to an interconnection agreement or withdraw the application. If no notice is given to Upper Peninsula Power Company within the 10 Business Day period the application will be considered withdrawn.
5. If the application fails any of the initial review screens the applicant will be notified and have the option to review the project along another track or to provide a modified application within 60 Business Days. If the applicant does not respond within the 60 Business Day period the application will be considered withdrawn.

## **12. Power Limited Export DER**

MI Rule 460.980(Rule 80). Acceptable methods for power limited export DER include:

1. The Applicant may install a reverse power protective function for power limited projects to ensure power is not continuously exported above a desired limit across the point of common coupling. The Applicant must list the export capacity in the application to the desired limit when using a reverse power protective function. Power limited export DER requires review and approval by Upper Peninsula Power Company.
2. The Applicant may install an under-power protective function for power limited projects to ensure at least a minimum amount of power is imported across the point of common coupling and, therefore, that power is not continuously exported. The Applicant must list the export capacity as zero in the application when using an under power protective function. Power limited export DER requires review and approval by Upper Peninsula Power Company.
3. Other means not listed in this section may be utilized to limit export if mutually agreed upon by the electric utility and applicant.

## **13. Fast Track Review Procedure**

Level 1, level 2, level 3, level 4 applications, and level 5 applications as large as 5 MWac in which the DER is not proposing to interconnect with the electric utility's high voltage distribution system are eligible for the fast track. Level 5 applications proposing to interconnect to a utility's distribution system at 4.8 kV or less are not eligible for the fast track. Projects using an acceptable method for limited export are eligible for fast track. An applicant that is eligible for the fast track may forgo the fast track and proceed directly to the study track.

The Fast Track Initial Review consists of the following steps pursuant to MI Rule 460.946(Rule 46):

1. Applicant completes an Interconnection Application per Section 8.
2. Within 20 Business Days of the Accepted Date of a level 1 or level 2 application or within 30 Business Days of the Accepted Date of a level 3, level 4, or level 5 application Upper Peninsula Power Company will perform an initial review of the DER utilizing the following initial review screens
  - a. The entire proposed DER, including all aggregated site generation and point or points of interconnection, must be located within the electric utility's service territory.
  - b. For interconnection of a proposed DER to a radial distribution circuit, the aggregate generation, including the proposed DER, on the circuit may not exceed 15% of the line section annual peak load as most recently measured or calculated if measured data is not available. A line section is that portion of an electric utility's distribution system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line. The electric utility shall consider 100% of applicable loading, instead of 15% of line section peak load for level 1 and level 2 DER. This screen does not apply to level 1 and level 2 non-export DER applications.

- c. For interconnection of a proposed DER to the load side of network protectors, the proposed DER must utilize an inverter-based equipment package and, together with the aggregated other inverter-based DERs, may not exceed the smaller of 5% of network's maximum load or 50 kWac.
- d. The proposed DER, in aggregation with other DERs on the distribution circuit, may not contribute more than 10% to the distribution circuit's maximum fault current at the point on the primary voltage nearest the proposed point of common coupling. This screen does not apply to level 1 applications.
- e. The proposed DER, in aggregate with other DERs on the distribution circuit, may not cause any distribution protective devices and equipment or interconnection customer equipment on the system to exceed 87.5% of the short circuit interrupting capability. An interconnection may not be proposed for a circuit that already exceeds 87.5% of the short circuit interrupting capability. Distribution protective devices and equipment include, but not limited to, substation breakers, fuse cutouts, and line reclosers. This screen does not apply to level 1 applications.
- f. The initial review screen determines the type of interconnection to a primary distribution line for the proposed DER, according to the requirements specified in the table of this subdivision. This screen includes a review of the type of electrical service provided to the applicant, including line configuration and the transformer connection to limit the potential for creating over-voltages on the electric utility's distribution system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result
3-Phase, 3 Wire	3-Phase or single phase, phase-to-phase	Pass screen
3-Phase, 4 Wire	Effectively-grounded 3-phase or single-phase, line-to-neutral	Pass screen

- g. If the proposed DER is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed DER export capacity, may not exceed 20 kWac or 65% of the transformer nameplate rating.
- h. If the proposed DER is single-phase and is to be interconnected on a center tap neutral of a 240-volt service, its addition may not create an imbalance between the 2 sides of the 240-volt service of more than 20% of the nameplate rating of the service transformer.
- i. If the proposed DER is single-phase and is to be interconnected to a 3-phase service, its nameplate rating may not exceed 10% of the service transformer nameplate rating.
- j. If the proposed DER's point of common coupling is behind a line voltage regulator, the DER's nameplate rating must be less than 250 kWac. This screen does not include substation voltage regulators.

3. If the application passes all the initial review screens or if Upper Peninsula Power Company determines the proposed DER may be interconnected consistent with safety, reliability, and power quality the applicant will be notified within 20 business days for Level 1 and 2 projects and 30 business days for Levels 3, 4 and 5. The notification will include any required interconnection or distribution upgrades.
4. Within 10 Business Days of receiving the review notification the applicant shall notify Upper Peninsula Power Company if they intent to proceed to an interconnection agreement or withdraw the application. If no notice is given to Upper Peninsula Power Company within the 10 Business Day period the application will be considered withdrawn.
5. If the application fails any of the initial review screens or if Upper Peninsula Power Company determines the proposed DER cannot be interconnected consistent with safety, reliability, and power quality standards the applicant will be notified and have the following options:
  - a. Schedule a customer options meeting to review possible facility modifications, screen analysis, and related results to determine what further steps are needed to permit the DER to be connected safely and reliably to the Low Voltage Distribution System. The customer options meeting must take place within 30 Business Bays of the initial review screen results notice.
  - b. To proceed to the Fast Track Supplemental Review
  - c. Submit within 60 business days a revised interconnection application that includes modifications offered or required by Upper Peninsula Power Company
  - d. Withdraw the application
6. If the applicant does not select a course of action outlined above within 10 Business Days the application will be considered withdrawn.

The Fast Track Customer Options Meeting Procedure consists of the following steps pursuant to MI Rule 460.948 (Rule 48);

1. At the Customer Options Meeting Upper Peninsula Power Company shall offer the following options:
  - a. Proceed to a Fast Track Supplemental Review
  - b. Continue evaluating the interconnection application under the Study Track Review
  - c. Submit within 60 business days from the date of the customer options meeting, with up to 2 submissions during this time period, a complete and conforming revised interconnection application that includes application modifications offered or required by the electric utility, which mitigates or eliminates the factors that caused the application to fail one or more of the initial review screens. After each submission of information Upper Peninsula Power Company will notify the customer within 20 Business Days that the interconnection application is either accepted or rejected due to continuing deficiencies. If the applicant does not meet this timeline the application will be considered withdrawn.
  - d. Withdraw the interconnection application

2. Following the customer meeting, the applicant has up to 20 Business Days to decide on a course of action and notify Upper Peninsula Power Company. In the absence of this notification within the required time the application will be considered withdrawn.
3. The customer options meeting will take place either in person or via telecommunications, at the discretion of Upper Peninsula Power Company.

The Fast Track Supplemental Review consists of the following steps pursuant to MI Rule 460.950 (Rule 50):

1. Upper Peninsula Power Company will supply the applicant a total fee for the supplemental review not to exceed \$5,000.
2. If the applicant does not pay the supplemental review fee within 25 Business Days the application will be considered withdrawn.
3. Within 40 Business Days of Upper Peninsula Power Company received the supplemental review fee Upper Peninsula Power Company will complete the supplemental review and notify the applicant of the results.
4. The supplemental review consists of the following screens:
  - a. Minimum load screen. Where 12 months of line section minimum load data, including onsite load but not station service load served by the proposed DER, are available, can be calculated, can be estimated from existing data, or can be determined from a power flow model, the aggregate DER capacity on the line section must be less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed DER. If minimum load data is not available, or cannot be calculated, estimated, or determined, Upper Peninsula Power Company shall include the reason or reasons that it is unable to calculate, estimate, or determine minimum load in its supplemental review results. All of the following must be applied by Upper Peninsula Power Company.
    - i. The type of generation used by the proposed DER will be considered when calculating, estimating, or determining circuit or line section minimum load relevant for the application of the minimum load screen. Solar photovoltaic generation systems with no battery storage must use daytime minimum load. All other generation must use absolute minimum load unless an operating schedule is provided.
    - ii. When this screen is being applied to a DER that serves some station service load, only the net injection of electric energy into Upper Peninsula Power Company's distribution system may be considered as part of the aggregate generation.
    - iii. Upper Peninsula Power Company shall not consider as part of the aggregate generation, for purposes of this supplemental screen, DER capacity known to be already reflected in the minimum load data.
  - b. Voltage and power quality screen. In aggregate with existing generation on the line section, all of the following conditions must be met:

- i. The voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions.
    - ii. The voltage fluctuation is within acceptable limits as defined by the IEEE Standard 1435-2015, IEEE Recommended Practice for the Analysis of Fluctuating Installations on Power Systems.
  - c. Safety and Reliability Screen. The location of the proposed DER and the aggregate generation capacity on the line section may not create impacts to safety or reliability that require application of the study tack to address. Upper Peninsula Power Company shall consider all of the following when determining potential impacts to safety and reliability in applying this screen:
    - i. Whether the line section has significant minimum loading levels dominated by a small number of customers, such as several large commercial customers.
    - ii. Whether the loading along the line section is uniform.
    - iii. Whether the proposed DER is located less than 0.5 electrical circuit miles for less than 5 kV or less than 2.5 electrical circuit miles for greater than 5 kV from the substation. In addition, whether the line section from the substation to the point of common coupling is a mainline rated for normal and emergency ampacity.
    - iv. Whether the proposed DER incorporates a time delay function to prevent reconnection of the DER to the distribution system until distribution system voltage and frequency are within normal limits for a prescribed time
    - v. Whether operational flexibility is reduced by the proposed DER, such that transfer of the line section or sections of the DER to a neighboring distribution circuit or substation may trigger overloads, power quality issues, or voltage issues.
    - vi. Whether the proposed DER employs equipment or systems Certified by a recognized standards organization to address technical issues including, but not limited to, islanding, reverse power flow, or voltage quality.
- 5. If the application passes all the supplemental review screens or if Upper Peninsula Power Company determines the proposed DER may be interconnected consistent with safety, reliability, and power quality standards, Upper Peninsula Power Company shall notify the applicant and the interconnection application must proceed pursuant to both of the following:
  - a. If the proposed interconnection requires a facilities study, the interconnection application must follow the Facilities Study Procedures listed below under the Study Track Review Procedures.
  - b. If the proposed interconnection does not require further study, the interconnection application must proceed to an interconnection agreement.
- 6. If the application fails any of the supplemental review screens or if Upper Peninsula Power Company determines the proposed DER cannot be interconnected consistent with safety, reliability, and power quality standards the applicant will be notified and have the following options:

- a. Stop the supplemental review and continue evaluating the proposal under the Study Track Review.
  - b. Withdraw the interconnection application
7. If the applicant does not respond and select a course of action to the results of Upper Peninsula Power Company supplemental review screen within 10 Business Days the application will be considered withdrawn.

## **14. Study Track Review Procedures**

Upper Peninsula Power Company shall use the Study Track Review, pursuant to MI Rule 460.952 (Rule 52), to evaluate an interconnection application that has been accepted if one or more of the following conditions are met:

1. The DER is not eligible for the non-export track or fast track.
2. The DER did not pass the initial review screens as part of the fast track and the applicant selected the study track option in the customer options meeting.
3. The DER did not pass 1 or more supplemental review screens.
4. The DER was evaluated under the non-export track and further study is required.
5. The DER is eligible for the fast track, but the applicant elected the study track.

The Study Track Review Procedure consists of the following steps:

1. Once it is determined the application has been accepted and is to be reviewed under the Study Track Upper Peninsula Power Company will notify the applicant within 20 Business Days and present them with an individual study agreement.
2. After delivery of the Individual Study Agreement by Upper Peninsula Power Company the applicant will have 20 Business Days to execute the agreement and pay the Study Track Fees. If the applicant does not respond in 20 Business Days the application will be considered withdrawn.
3. Upon request from the applicant, Upper Peninsula Power Company and the applicant shall schedule a scoping meeting to discuss the interconnection application and review existing fast track results, if any. The scoping meeting must take place within 30 Business Days after the interconnection application is considered complete by Upper Peninsula Power Company or, if applicable, the fast track has been completed and the applicant has elected to continue with the system impact study or facilities study.
  - a. Scoping meetings are limited to 1 hour per application. Multiple applications by the same applicant may be addressed in the same meeting.
  - b. The scoping meeting may occur in-person or via telecommunications
  - c. During the scoping meeting, Upper Peninsula Power Company shall identify and communicate to the applicant whether the application must proceed to a system impact

study, a facilities study, or an interconnection agreement and the basis for that decision, and one of the following must occur.

- i. If a system impact study must be performed, the interconnection application proceeds to the impact study procedures in Section 14
- ii. If a facilities study must be performed, the interconnection application proceeds to the facilities study procedures in Section 15
- iii. If no further studies must be performed the interconnection application proceeds to an interconnection agreement procedure in Sections 16, 17 and 18.

## **15. System Impact Study Procedures**

The System Impact Study procedures consist of the following steps pursuant to MI RULE 460.960 (Rule 60):

1. Within 15 Business Days of proceeding to the System Impact Study Upper Peninsula Power Company will provide the applicant with a System Impact Study Agreement which consists of the following:
  - a. An outline of the scope of the study
  - b. The applicable fee including appropriate credit for any studies previously completed pursuant to the fast track or non-export track.
  - c. If necessary, a list of any additional and reasonable technical data needed from the applicant to perform the system impact study.
  - d. A timeline for completion of the system impact study
  - e. A list of information that must be provided to the applicant in the system impact study report.
2. An applicant that has requested a system impact study shall return the completed system impact study agreement, provide any additional technical data requested by the electric utility, and pay the required fee within 20 business days. Upper Peninsula Power Company will consider the application withdrawn if the system impact study agreement, payment, and required technical data are not returned within 20 Business Days.
3. Upper Peninsula Power Company may request reasonable additional data from the applicant within 20 business days of beginning the system impact study. Upper Peninsula Power Company and the applicant shall work together to resolve the additional data requests to Upper Peninsula Power Company will be able to complete the system impact study within 60 Business Days.
4. The system impact study report will identify and describe the electric system impacts that would result if the proposed DER was interconnected without electric system modifications and will also include a non-binding good faith list of facilities that are required as a result of the application and non-binding estimates of costs and time to construct these facilities.
5. If the system impact study identifies an affected system issue Upper Peninsula Power Company will identify the affected system owner in the impact study report and will put

forward reasonable effort to coordinate a system impact study review meeting with all affected parties.

6. Within 15 Business Days of receiving the system impact study report, the applicant shall notify Upper Peninsula Power Company that it plans to pursue a system impact study review meeting, proceed to a facilities study agreement or withdraw the application. If the applicant fails to notify the electric utility within 15 business days, the electric utility may consider the application to be withdrawn.
7. Upon request by the applicant, Upper Peninsula Power Company and the applicant shall schedule a system impact study review meeting to review system impact study results and determine what further steps are needed to permit the DER to be connected safely and reliably to the Distribution System. The system impact study review meeting must take place within 25 Business Days of Upper Peninsula Power Company receiving notification that the applicant plans to attend a system impact study review meeting.
8. At the system impact review meeting, Upper Peninsula Power Company shall offer the applicant all of the following options:
  - a. Proceed to a Facilities Study per the facilities study procedures in Section 15
  - b. Proceed to an interconnection agreement per the interconnection agreement procedures in Sections 16, 17 and 18.
  - c. Withdraw the application
9. Following the system impact review meeting, the applicant has not more than 45 Business Days to decide on a course of action. If the applicant fails to notify Upper Peninsula Power Company within 45 Business Days the application will be considered withdrawn.
10. The system impact study review meeting may occur in-person or via telecommunications.

## **16. Facilities Study Review Procedures**

If construction of facilities is required to provide interconnection and interoperability of the DER with the Upper Peninsula Power Company's Distribution System, Upper Peninsula Power Company shall provide the applicant a facilities study agreement and the results of the applicant's system impact study, if applicable. The agreement shall be provided to the applicant within 10 Business Days of proceeding to this step.

The Facilities Study Review Procedures consist of the following steps pursuant to MI RULE 460.962 (Rule 62):

1. The facilities study agreement will include the following:
  - a. An outline of the scope of the study
  - b. The applicable fee including appropriate credit for any studies previously completed pursuant to the fast track or non-export track.
  - c. A timeline for completion of the facilities study

- d. A list of the information that will be provided to the applicant in the facilities study report.
2. The applicant shall return the signed facilities study agreement and pay the required facilities study fee within 20 Business Days. If the agreement and fee are not received by Upper Peninsula Power Company within 20 Business Days the application will be considered withdrawn.
3. The facilities study report shall provide detailed and itemized cost estimates of the required equipment, engineering, procurement, and construction work, including overheads, needed to interconnect the DER, and an estimated timeline for completing the work.
4. Upper Peninsula Power Company shall complete the facilities study and transmit a facilities study report within 90 Business Days of receipt of the signed facilities study agreement and payment of the facilities study fee.
5. If the facilities study identifies an affected system issue Upper Peninsula Power Company will identify the affected system owner in the facilities study report and will put forward reasonable effort to coordinate a facilities study review meeting with all affected parties.
6. Within 10 Business Days of receiving the facilities study report the applicant shall select 1 option from the following options:
  - a. Request a facilities study review meeting with Upper Peninsula Power Company
  - b. Proceed to an interconnection agreement per the interconnection agreement procedures in Sections 16, 17 and 18
  - c. Withdraw the application
7. If the applicant fails to inform Upper Peninsula Power Company of its selected course of action within 10 Business Days of its chosen course of action the application will be considered withdrawn.
8. Upon request by the applicant, Upper Peninsula Power Company and the applicant shall schedule a facilities study review to review the facilities study results and determine what further steps are needed to permit the DER to be connected safely and reliably to the Distribution System. The facility study review meeting must take place within 35 Business Days of the electric utility receiving notification that the applicant will attend a facilities study review meeting.
9. At the facilities study review meeting Upper Peninsula Power Company will offer both of the following options:
  - a. Proceed to an interconnection agreement per the interconnection agreement procedures in Sections 16, 17 and 18
  - b. Withdraw the application
10. Following the meeting, the applicant has no more than 20 Business Days to decide on a course of action and notify Upper Peninsula Power Company of this course of action. If the applicant fails to notify the electric utility within 20 Business Days, the application will be considered withdrawn.
11. The facilities study review meeting may be conducted in-person or via telecommunication.

## **17. Cost Allocation**

- 1. In accordance with Rule 70 (R460.970)** costs for interconnection facilities, distribution upgrades, and associated operation and maintenance costs are classified into 1 of the following categories:
  - a. Site-specific costs, which include, but are not limited to, costs of interconnection facilities and distribution upgrades that are caused by one (1 DER, whether that DER is electrically co-incident with other DERs or not. These costs must be assigned to the cost causing applicant.
  - b. Shared interconnection facilities costs, which are costs caused by DERs which together necessitate the construction of interconnection facilities. The interconnection facilities costs, including any associated operation and maintenance costs, that should be shared, shall be allocated based on conditions specific to each applicant on a case-by-case basis, typically allocated by DER capacity.
  - c. Shared distribution upgrade costs, which are costs caused by electrically co-incident DERs that together necessitate a distribution upgrade. The distribution upgrade costs, including any associated operation and maintenance costs, that should be shared must be allocated to each applicant based on a methodology described in the electric utility's interconnection procedures, typically allocated by DER capacity.

## **18. Interconnection Agreement Procedures - Level 1, 2, and 3 Projects**

The interconnection agreement procedures for Level 1, 2 and 3 projects consist of the following steps pursuant to MI Rule 460.964 (Rule 64):

1. For Level 1, 2, or 3 interconnection applications, where no construction of interconnection facilities or distribution upgrades is required, Upper Peninsula Power Company shall provide its standard Level 1, 2, and 3 interconnection agreement to an applicant within 13 Business Days of reaching this stage.
2. For Level 1, 2, or 3 interconnection applications, where construction of interconnection facilities or distribution upgrades is required, Upper Peninsula Power Company shall provide its standard Level 1, 2, and 3 interconnection agreement with modifications to address required construction activities, construction milestone timing, and cost to an applicant within 15 Business Days of reaching this stage. The applicant and Upper Peninsula Power Company shall mutually agree on the timing of construction milestones.
3. For an applicant with a Level 1, 2, or 3 interconnection applications, the applicant shall sign and return the standard Level 1, 2, or 3 interconnection agreement, with payment, if applicable, within 20 Business Days of receiving the agreement.
  - a. If the applicant did not sign and return the standard Level 1, 2, and 3 interconnection agreement and payment, if applicable, within 20 Business Days, Upper Peninsula Power Company shall notify the applicant of the missed deadline and grant an extension of 15 Business Days. If Upper Peninsula Power Company did not receive the signed

- Level 1, 2 and 3 interconnection agreement and any applicable payment during the 15-Business Day extension, Upper Peninsula Power Company will consider the application withdrawn.
- b. If the applicant begins either the informal mediation pursuant to R 460.904, the formal mediation pursuant to R 460.906, or the complaint process pursuant to R 792.10439 to R 792.10446 within the 20 Business Days, the outcome of that process must establish a time frame for the applicant to return the signed interconnection agreement and any applicable payment.
4. For Level 1, 2, or 3 projects, Upper Peninsula Power Company shall countersign and provide a completed copy of the standard Level 1, 2, and 3 interconnection agreement within 20 Business Days of the applicant returning the signed standard Level 1, 2, and 3 interconnection agreement.

## **19. Interconnection Agreement Procedures - Level 4 and 5 Projects**

The interconnection agreement procedures for Level 4 and 5 projects consist of the following steps pursuant to MI Rule 460.964 (Rule 64):

1. For Level 4 or 5 interconnection applications, where no construction of interconnection facilities or distribution upgrades is required, Upper Peninsula Power Company shall provide its standard Level 4 and 5 interconnection agreement to an applicant within 20 Business Days of reaching this stage.
2. For Level 4 or 5 interconnection applications, where construction of interconnection facilities or distribution upgrades is required, Upper Peninsula Power Company shall provide its standard Level 4 and 5 interconnection agreement with modifications to address required construction activities, construction milestone timing, and cost to an applicant within 20 Business Days of reaching this stage. The applicant and Upper Peninsula Power Company shall mutually agree on the timing of construction milestones.
3. For an applicant with a Level 4 or 5 interconnection applications, the applicant shall sign and return the standard Level 4 or 5 interconnection agreement, with payment, if applicable, within 30 Business Days of receiving the agreement.
  - a. If the applicant did not sign and return the standard Level 4 and 5 interconnection agreement and payment, if applicable, within 30 Business Days, Upper Peninsula Power Company shall notify the applicant of the missed deadline and grant an extension of 15 Business Days. If Upper Peninsula Power Company did not receive the signed Level 4 and 5 interconnection agreement and any applicable payment during the 15-Business Day extension, Upper Peninsula Power Company will consider the application withdrawn.
  - b. If the applicant begins either the informal mediation pursuant to R 460.904, the formal mediation pursuant to R 460.906, or the complaint process pursuant to R 792.10439 to R 792.10446 within the 30 Business Days, the outcome of that process must establish a

time frame for the applicant to return the signed interconnection agreement and any applicable payment.

4. For Level 4 or 5 projects, Upper Peninsula Power Company shall countersign and provide a completed copy of the standard Level 4 and 5 interconnection agreement within 20 Business Days of the applicant returning the signed standard Level 4 and 5 interconnection agreement.

## **20. Interconnection Agreement Procedures – All Level Projects**

1. Applicant shall pay the actual cost of the interconnection facilities and distribution upgrades. The cost to the applicant for interconnection facilities and distribution upgrades may not exceed 110% of the estimate without an itemized summary and explanation of cost increases being provided to the applicant prior to be incurred. The cost may not exceed 125% of the estimate without the consent of the applicant prior to the costs being incurred. See MI Rule 64(8).
2. A party's obligations under the interconnection agreement may be extended by agreement. If a party anticipates that it will be unable to meet a milestone for any reason other than an unforeseen event, the party shall do all of the following:
  - a. Immediately notify the other party of the reason or reasons for not meeting the milestone.
  - b. Propose the earliest alternate date when it can attain this and future milestones.
  - c. Request amendments to the interconnection agreement, if needed to address the changed milestones. See MI Rule 64(9).
3. The party affected by the failure to meet a milestone shall not withhold agreement to any amendments proposed in (Section 19) (2) of this procedure unless 1 of the following applies:
  - a. The party affected will suffer significant uncompensated economic or operational harm from the amendment or amendments.
  - b. The milestone under question has been previously delayed.
  - c. The affected party has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the party proposing the amendment. See MI Rule 64(10).
4. If the party affected by the failure to meet a milestone disputes the proposed extension, the affected party may pursue either informal mediation pursuant to R 460.904, formal mediation pursuant to R 460.906, or the complaint process pursuant to R 792.10439 to R 792.10446.
5. Upper Peninsula Power Company shall provide the applicant with a final accounting report of any difference between costs charged to the applicant and previous payments to the electric utility for interconnection facilities or distribution upgrades. Both of the following apply regarding the final accounting:
  - a. If the costs charged to the applicant exceed its previous aggregate payments, Upper Peninsula Power Company shall bill the applicant the for the amount due and the applicant shall make a payment to Upper Peninsula Power Company within 20 Business Days of the final accounting report. The applicant may dispute in invoice pursuant to

either informal mediation pursuant to R 460.904, formal mediation pursuant to R 460.906, or the complaint process pursuant to R792.10439 to R792.10446. If there is a dispute, the applicant shall make payment within 30 business days of final resolution of the dispute. Failure by the applicant to pay its costs is cause for disconnection of the applicant's DER.

- b. If the applicant's previous aggregate payments exceed its costs under the construction agreement, Upper Peninsula Power Company shall refund to the applicant an amount equal to the difference within 20 Business Days of the final accounting report. See MI Rule 64(12).
6. In the event that an executed interconnection agreement requires modification to comply with changes to an independent system operator, a regional system operator, or the MPSC the parties agree to modify the agreement, provided the modifications do not alter the rights or obligations of the interconnection See MI Rule 64(13).

## **21. Telecommunications, Cybersecurity, Data Exchange or Remote-Control Operation**

Customer owned communication devices are not allowed to connect directly to Upper Peninsula Power Company's network without the express written consent of Upper Peninsula Power Company. In the event a party requests data exchange or remote-control operation to allow the DER to be safely and reliably interconnected to the Distribution System the parties agree to enter into good faith discussions to amend the interconnection agreement and will not withhold agreement unless 1 of the following applies:

1. The party affected will suffer significant uncompensated economic or operational harm from the amendment or amendments.
2. The amendment will violate Upper Peninsula Power Company's cybersecurity policy and procedures in effect at the time of the execution of the interconnection agreement.
3. The amendment will violate Upper Peninsula Power Company's system operation policy and procedures in effect at the time of the execution of the interconnection agreement.
4. Utility reserves the right to have access to customers equipment.
5. Utility reserves the right to require customer maintain their equipment with current cybersecurity requirements.

## **22. Inspection, Testing, and Commissioning**

The inspection, testing and commission procedures consist of the following steps pursuant to MI Rule 460.966 (Rule 66):

1. An Applicant shall notify Upper Peninsula Power Company when installation of a DER is complete and provide the following:
  - a. Confirmation that an electrical inspection was completed and approved by the inspector having jurisdiction.
  - b. As built site diagram, if different than provided in the application
  - c. As built 1 line diagram, if different than provided in the application
  - d. Any test reports or configuration documents specified in the interconnection agreement
2. Upper Peninsula Power Company shall review the supplied documentation and notify the applicant of the proposed date and time to visit the site and witness commissioning tests specified in the interconnection agreement within:
  - a. 20 Business Days for Level 1
  - b. 30 Business Days for Level 2, or 3 applications
  - c. A mutually agreed upon timeframe for Level 4 or 5 application
3. If the applicant cannot meet at the specified date and time the DER must remain disconnected until the applicant and Upper Peninsula Power Company can complete the inspection and testing.
4. With 15 Business Days of the Upper Peninsula Power Company visiting the site to inspect the DER and witnessing the commissioning tests Upper Peninsula Power Company will issue a report notifying the applicant whether it has accepted or rejected the commissioning test report and found the site to be satisfactory or unsatisfactory.
  - a. If the commission test report is accepted and the site was found satisfactory the application shall proceed to a Parallel Operation Authorization as described in Section 21.
  - b. If Upper Peninsula Power Company rejects the commissioning test report or did not find the site satisfactory, Upper Peninsula Power Company shall provide its reasons for doing so in writing and the applicant has not less than 20 Business Days to implement corrections. The applicant, after taking corrective action, shall request another site visit and allow Upper Peninsula Power Company to witness the commissioning tests. The applicant will be billed for actual time and material charges, including overheads, of any re-inspections.
5. If the applicant does not notify Upper Peninsula Power Company that the DER is installed and ready to test, Upper Peninsula Power Company may, in writing, query the status of the interconnection. If the applicant does not provide a written response within 10 Business Days or no progress is evident, the application may be considered withdrawn.

### **23. Parallel Operation Authorization**

The parallel operation authorization procedures consist of the following steps pursuant to MI Rule 460.968 (Rule 68):

1. Upper Peninsula Power Company shall provide the applicant written authorization to operate in parallel with the Distribution System within 15 Business Days of all of the following conditions being met:
  - a. Upper Peninsula Power Company notified the interconnection applicant that the commission test and inspection, were applicable, and accepted.
  - b. The applicant complied with all applicable parallel operation requirements as set forth in Upper Peninsula Power Company's interconnection procedures and applicable interconnection agreement.
  - c. The applicant complied with all applicable local, state, and federal requirements.
  - d. Upper Peninsula Power Company received full payment for all outstanding bills.
2. With the written authorization, interconnection of the DER is considered approved for parallel operation, the DER may begin operating, and the applicant is considered an interconnection customer.
3. The applicant shall not operate its DER in parallel with the Distribution System without prior written permission to operate from Upper Peninsula Power Company.

## **24. Insurance Requirements**

Applicant is required to maintain the following minimum insurance requirements pursuant to MI Rule 460.986 (Rule 86)

1. Level 1 and level 2 project do not require additional liability insurance
2. For a level 3 project, the applicant shall obtain and maintain general liability insurance of a minimum of \$1,000,000.
3. For a level 4 project, the applicant shall obtain and maintain general liability insurance of a minimum of \$2,000,000.
4. For a level 5 project, the applicant shall obtain and maintain general liability insurance of a minimum of \$3,000,000.
5. For level 3, 4, and 5 projects Upper Peninsula Power Company shall be named as an additional insured party

**STANDARD LEVEL 1, 2, AND 3 INTERCONNECTION AGREEMENT  
FOR PROJECTS UP TO 550 KW WITH CERTIFIED EQUIPMENT  
BETWEEN**

\_\_\_\_\_ (UTILITY)

**AND**

\_\_\_\_\_ (INTERCONNECTION CUSTOMER)

\_\_\_\_\_ (PROJECT NUMBER)

This Interconnection Agreement (“Agreement”) is entered into on \_\_\_\_\_ by \_\_\_\_\_ (the “Utility”), \_\_\_\_\_ (the “Interconnection Customer”), and (if applicable under Paragraph 6) \_\_\_\_\_ (the “Property Owner”) with project number \_\_\_\_\_ assigned by Utility. Utility and Interconnection Customer are sometimes also referred to in this Agreement collectively as “Parties” or individually as “Party.” The Interconnection Customer may be the “Project Developer” or “Applicant” as used in and for purposes of the applicable Michigan Electric Utility Interconnection Procedures (“Interconnection Procedures”) approved by the Michigan Public Service Commission (“Commission”).

**I. RECITALS**

- A. Interconnection Customer is an electric service customer of Utility in good standing and has submitted a Generator Interconnection Application (“Application”) to Utility.
- B. Interconnection Customer desires to interconnect a distributed energy resource (DER or Customer Facility) with a maximum capacity of 550 kilowatts (“kWac”) or less utilizing a certified inverter pursuant to R 460.901a.(l) with Utility’s electric distribution system and operate the DER in parallel with Utility’s distribution system, under Utility’s Interconnection Procedures for Level 1, 2, and 3 projects, as defined in the Michigan Public Service Commission’s (“Commission”) Interconnection and Distributed Generation Standards (the “Standards”), as applicable.
- C. For purposes of this Agreement, “interconnect” means establishing a connection between a non- utility DER and Utility’s distribution system. “Operate in parallel” means the operation, for longer than 100 milliseconds, of a DER while connected to the energized distribution system that is connected to Utility’s system. In all cases, terms shall have the meaning as defined in the Standards.
- D. Interconnection of the DER with Utility’s distribution system is subject to this Agreement, the Application, the Interconnection Procedures, the Standards and utility tariffs approved by the MPSC, as applicable. Interconnection of the DER is also subject to local, county, and state requirements for applicable permits, inspections, and other requirements.
- E. This Agreement does not address any purchase or sale of electricity between Utility and Interconnection Customer, nor does it create any agency, partnership, joint venture, or

other business arrangement between or among Utility, Interconnection Customer, and/or Property Owner.

- F. Pursuant to Michigan Administrative Code Rule 460.964 (3) the Interconnection Customer shall sign and return the interconnection agreement with payment, if applicable, within 20 business days of receiving the agreement. If the Interconnection Customer does not sign and return the interconnection agreement and payment, if applicable, within 20 business days, the Utility shall notify the Interconnection Customer of the missed deadline and grant an extension of 15 business days. If the Utility does not receive the signed Agreement and any applicable payment during the 15-business-day extension period, the Utility may consider the interconnection application withdrawn subject to Michigan Administrative Code Rule 460.964, subrule 3(b).

## II. AGREEMENT

NOW THEREFORE, in consideration of the above recitals, the mutual covenants contained herein and for good and valuable consideration, the Parties agree as follows:

### 1. Description of DER

- 1.1 The DER must be built as described in **Exhibit 1 – Description of Distributed Energy Resource** and as depicted in **Exhibit 2 – Interconnection Diagram**, and, as applicable, in **Exhibit 3 – Interconnection Facilities Scope of Construction**, **Exhibit 4 – Utility Commissioning Testing and Inspection Checklist**, **Exhibit 5 – Protection, Communication and Configuration Requirements and Settings**, **Exhibit 6 - Additional Exceptions, Clarifications, and Special Conditions** and according to the notice requirements herein. The DER may only be modified as permitted under Section 14 of this Agreement.

### 2. Interconnection Facilities

If it is necessary for Utility to install certain interconnection facilities (“Interconnection Facilities”) and make certain system modifications in order to establish an interconnection between the DER and Utility’s distribution system, the Interconnection Facilities and modifications shall be described to the Interconnection Customer in **Exhibit 3 – Interconnection Facilities Scope of Construction**.

### 3. Design Requirements, Testing, and Maintenance of DER

- 3.1 Interconnection Customer shall be responsible for the design and installation of the DER and obtaining and maintaining any required governmental authorizations and/or permits, which may include, but shall not be limited to, easements to clear trees and necessary rights-of-way for installation and maintenance of the Utility Interconnection Facilities.
- 3.2 Interconnection Customer shall, at its sole expense, install and properly maintain protective equipment and devices to protect its equipment and service, and the equipment and system of Utility, from damage, injury, or interruptions, and will assume any loss, liability, or damage to the DER caused by lack of or failure of such protection.

Such protective equipment specifications and design shall be consistent with the applicable Interconnection Procedures. Prior to the DER operating in parallel with Utility distribution system, Interconnection Customer shall provide satisfactory evidence to Utility that it has met the Interconnection Procedures, including but not limited to the receipt of approval from the local building/electrical code inspector. The Utility's approval, or failure to approve, under this section shall in no way act as a waiver or otherwise relieve the Interconnection Customer of its obligations under this section.

- 3.3 At its own expense, Interconnection Customer shall perform operational testing. The Utility may, but is not required to, send qualified personnel to the DER to inspect the facility and observe the testing. Upon completion of such testing and inspection, and prior to interconnection, Interconnection Customer shall provide Utility with a written report explaining all test results, including a copy of the DER commissioning test report. The Utility required commissioning testing and inspection checklist is in **Exhibit 4 – Utility Commissioning Testing and Inspection Checklist (if applicable)**.
- 3.4 As required by Utility, Interconnection Customer shall test, at its own expense, protective equipment in accordance with manufacturer's specifications and Utility specifications, if available, unless no testing interval is provided, in which case testing shall occur every four years (unless an extension is agreed to by Utility) to verify the calibration indicated on the latest setting document issued by Utility. The results of such tests shall be provided to Utility in writing for review and approval. Utility may, at any time and at its sole expense, inspect and test the DER to verify that the required protective equipment is in service, properly maintained, and calibrated to provide the intended protection. This inspection may also include a review of Interconnection Customer's pertinent records. Inspection, testing and/or approval by Utility or the omission of any inspection, testing and/or approval by Utility pursuant to this Agreement shall not relieve the Interconnection Customer of any obligations or responsibility assumed under this Agreement.
- 3.5 Interconnection Customer shall operate and maintain the DER in a safe and prudent manner and in conformance with all applicable laws and regulations. Interconnection Customer shall obtain or maintain any governmental authorizations and permits required for construction and operation of the DER.
- 3.6 As described in **Exhibit 5 – Protection, Communication and Configuration Requirements and Settings** (if applicable), Interconnection Customer shall install and provision communications equipment, at its own expense, as specified by Utility. Interconnection Customer shall configure the communications system to Utility specification. The Interconnection Customer is responsible for maintaining the communications hardware and software as set forth by Utility. The Interconnection Customer shall install and maintain needed cyber and physical security as specified by Utility. Failure to meet these requirements will result in disconnecting the interconnection. Current requirements are provided in **Exhibit 5 – Protection, Communication and Configuration Requirements and Settings** (if applicable).
- 3.7 Interconnection Customer shall cooperate with Utility to regulate the voltage level at the Point of Delivery by controlling its DER in accordance with Utility's instructions. Such

instructions shall include, but not be limited to: (a) maintaining voltage or (b) delivering real and reactive power to the Point of Delivery at levels specified by Utility. Interconnection Customer shall cooperate with Utility to regulate the frequency by controlling the DER in accordance with Utility's instructions. Such instructions shall include, but not be limited to, frequency-droop curves. The instructions given by Utility shall be consistent with the normal practices adhered to by Utility with respect to its own DERs located on its system. Such instructions shall be described in **Exhibit 6 - Additional Exceptions, Clarifications, and Special Conditions** (if applicable).

3.8 Installation, inspection, and calibration of protective equipment to trip the DER for under- or overvoltage and frequency operation shall be coordinated with Utility, so as not to degrade the security of Utility's distribution system. Operating practices developed by Interconnection Customer which call for manual tripping of the DER for under-or over-voltage and frequency operation shall likewise be coordinated and be consistent with the voltage and frequency ride through provisions listed in the utility interconnection procedures during abnormal system voltage and frequency events, and any successor and/or supplemental documents, which are incorporated herein by reference. Such instructions shall be described in **Exhibit 6 - Additional Exceptions, Clarifications, and Special Conditions**.

#### **4. Parallel Operation of the Project**

Parallel operation of the DER with utility's distribution system shall only begin after the following conditions have been satisfied and confirmed in writing by Utility to Interconnection Customer.

- (a) The Utility notified the Interconnection Customer that the commissioning test and inspection, where applicable, are accepted.
- (b) The Interconnection Customer has executed a standard level 1, 2, or 3 interconnection agreement and complied with all applicable parallel operation requirements as set forth in the Utility's interconnection procedures and this interconnection agreement.
- (c) The Interconnection Customer complied with all applicable local, state, and federal requirements.
- (d) The Utility received full payments for all outstanding bills.

#### **5. Disconnection**

Utility shall be entitled to disconnect the DER from Utility's distribution system, or otherwise refuse to connect the DER, if any of the following conditions are present:

- (a) Failure of the Interconnection Customer to bring a DER into compliance pursuant to Michigan Administrative Code Rule 460.976(1).
- (b) Failure of the Interconnection Customer to pay costs of remedy pursuant to Michigan Administrative Code Rule 460.976(2).
- (c) Termination of interconnection by mutual agreement.
- (d) Distribution system emergency, but only for the time necessary to resolve the emergency.

- (e) Routine maintenance, repairs, and modifications performed in a reasonable time and with prior notice to the Interconnection Customer.
- (f) Noncompliance with technical or contractual requirements in the interconnection agreement that could lead to degradation of distribution system reliability, utility equipment, and/or electric customers' equipment.
- (g) Noncompliance with technical or contractual requirements in the interconnection agreement that presents a safety hazard.
- (h) Other material noncompliance with the interconnection agreement.
- (i) Operating in parallel without prior written authorization from the Utility as provided for in Michigan Admin Code Rule 460.968.
- (j) Utility may disconnect electric service, where applicable, pursuant to Michigan Admin Code Rule 460.136.

When reasonable and appropriate, the Utility will attempt to notify Interconnection Customer and coordinate its actions under this Paragraph with Interconnection Customer. This paragraph applies only to Utility actions with respect to DER. Utility shall promptly re-connect the DER to the Utility's distribution system as soon as the reason for disconnection has been remedied.

## **6. Access to Property**

6.1 At its own expense, Interconnection Customer shall make the DER site available to Utility including obtaining from other entities all necessary rights to provide Utility with the required access. The site shall be free from hazards and shall be adequate for the operation and construction of the Interconnection Facilities. Utility, its agents, and employees, shall have full right and authority of ingress and egress at all reasonable times on and across the property at which the DER is located, for the purpose of installing, operating, maintaining, inspecting, replacing, repairing, and removing the Interconnection Facilities. The right of ingress and egress shall not unreasonably interfere with Interconnection Customer's or (if different) Property Owner's use of the property and does not include the right to enter applicant's residence or other enclosed structure on the property where the DER is located with the residence or other enclosed structure, except on reasonable notice where the Interconnection Facilities are located within the residence or other enclosed structure.

6.2 Utility may enter the property on which the DER is located to inspect, at reasonable hours, Interconnection Customer's protective devices and read or test meters. Utility will use reasonable efforts to provide Interconnection Customer or Property Owner, if applicable, at least 24 hours of notice prior to entering said property, in order to afford Interconnection Customer or Property Owner the opportunity to remove any locks or other encumbrances to entry; provided, however, that Utility may enter the property without notice (removing, at Interconnection Customer's expense, any lock or other encumbrance to entry) and disconnect the Interconnection Facilities if Utility believes that disconnection is necessary to address a hazardous condition and/or to protect

persons, Utility's facilities, or the property of others from damage or interference caused by the DER.

6.3 By executing this Agreement, Property Owner consents to and agrees to provide access to its property, including ingress and egress, on which the DER is located to Utility as described in this section, but does not assume or guarantee other performance obligations of the Interconnection Customer under this Agreement. If Utility cannot access the property, customer is responsible for providing appropriate access at the cost of the customer.

## **7. Liability and Indemnity**

7.1 Except as set forth in Section 3.2 above, as between the Parties, unless caused by the sole negligence or intentional wrongdoing of the other Party, each Party to this Agreement shall at all times assume all liability for, any and all damages, losses, claims, demands, suits, recoveries, costs, legal fees, and expenses to the extent caused by its directors, officers, employees, and agents: (a) for injury to or death of any person or persons whomsoever occurring on its own system, and/or (b) for any loss, destruction of or damage to any property of third persons, firms, corporations or other entities occurring on its own system, including environmental harm or damage arising out of or resulting from, either directly or indirectly, the Interconnection Facilities or the DER, or arising out of or resulting from, either directly or indirectly, any electric energy furnished to it hereunder after such energy has been delivered to it by such other Party. The provisions of this Section 7 shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.

7.2 Notwithstanding anything in this Section, or any other provision of this Agreement to the contrary, any liability of a Party to the other Party shall be limited to direct actual damages, and all other damages at law or in equity are hereby waived. Under no circumstances shall a Party be liable to the other Party, whether in tort, contract or other basis in law or equity for any special, indirect, punitive, exemplary or consequential damages, including lost profits.

7.3 The obligations and limits on liability in this Section 7 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement, with respect to any event or condition giving rise to an obligation that occurred prior to such expiration or termination.

7.4 Nothing in this Section 7 waives or limits, or shall be construed to waive or limit, the governmental immunity of a Party.

7.5 Nothing in this Section 7 shall imply, or be construed to imply, indemnification of any Party by the State of Michigan, its department, and agencies, or by other governmental customers that are restricted from entering into indemnification provisions by law.

## **8. Insurance**

For Level 3 and greater projects, Interconnection Customer shall obtain and continuously

maintain throughout the term of this Agreement General Liability insurance written on an occurrence form, or other form acceptable to the Utility, and covering bodily injury and property damage liability with a per occurrence amount of at least:

<u>Interconnection Level</u>	<u>Minimum Limit</u>
1 & 2	Not Applicable
3	\$1,000,000

Pursuant to Michigan Admin Code Rule 460.986, an Applicant interconnecting a Level 1 or 2 DER to the distribution system of the Utility is not required by the Utility to obtain any additional liability insurance. For a Level 3 DER, the Applicant shall obtain and maintain general liability insurance of a minimum of \$1,000,000 and include Utility as an additional insured. Pursuant to Michigan Administrative Code Rule 460.986(6), for Level 3 projects, the electric utility may describe in its interconnection procedures required terms and conditions that must be specified in the general liability insurance.

For Level 3 DERs, evidence of insurance coverage on a certificate of insurance shall be provided to the Utility when requested by the Utility. Interconnection Customer shall immediately provide the Utility written notice if the policy is cancelled or substantial changes are made that affect the additional insured. At the Utility’s request, Interconnection Customer shall provide a copy of the policy to the Utility.

**9. Subcontractors**

Either Party may contract with a subcontractor to perform its obligations under this Agreement and shall incorporate the obligations of this Agreement into its respective subcontracts, agreements, and purchase orders. Each Party shall remain liable to the other Party for the performance of such subcontractor under this Agreement subject to the provisions of Section 7.

**10. Force Majeure**

As set forth in Michigan Admin Code Rule 460.901a(ee), Force majeure event means an act of God; labor disturbance; act of the public enemy; war; insurrection; riot; fire, storm, or flood; explosion, breakage, or accident to machinery or equipment; an emergency order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities; or another cause beyond a party’s control. A force majeure event does not include an act of negligence or intentional wrongdoing.

**11. Breach and Default**

A breach of this Agreement (“Breach”) shall occur upon the failure of a Party to perform or observe any material term or condition of this Agreement. Upon a Breach by one Party, the non-breaching Party shall give written notice of such Breach to the breaching Party. The Party in Breach shall have thirty (30) days from the date of the written notice to cure the Breach. If a Breach is not cured within the thirty (30) day period provided for herein, the party in Breach shall be deemed in default (“Default”). If the Breach is not cured within 30

business days, the Utility, at its sole discretion, may apply a remedy and bill the Interconnection Customer. The Interconnection Customer shall pay this bill within 5 business days. The non-defaulting Party shall then have the right to terminate this Agreement by written notice, shall be relieved of any further obligations hereunder, and may pursue any and all remedies available to it at law or in equity.

## **12. Retirement**

Upon termination or cancellation of this Agreement or at such time after any of the Utility Interconnection Facilities described herein are no longer required, the Parties shall mutually agree upon the retirement of the Interconnection Facilities, which may include without limitation (i) dismantling, demolition, and removal of equipment, facilities, and structures, (ii) security, (iii) maintenance and (iv) disposing of debris. The cost of such removal shall be borne by the Utility.

## **13. Governing Law**

This Agreement shall be interpreted, governed, and construed under the laws of Michigan.

## **14. Amendment, Modification or Waiver**

14.1 Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties. The failure of any Party at any time to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be construed as a further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.

14.2 Pursuant to Michigan Administrative Code Rule 460.984, Modifications to the DER, after the execution of this Agreement, the Interconnection Customer shall notify the Utility of any plans to modify the DER. The Utility shall review the proposed modification to determine if the modification is considered a material modification. If the Utility determines that the modification is a material modification, the Utility shall notify the Interconnection Customer, in writing of its determination and the Interconnection Customer shall submit a new application and application fee along with all supporting materials that are reasonably requested by the Utility. The Interconnection Customer may not begin any material modification to the DER until an interconnection agreement incorporating the material modification is fully executed.

## **15. Notices**

Any notice required under this Agreement shall be in writing and mailed, personally delivered, or electronically mailed to the Party at the address below. Written notice is effective within three (3) business days of depositing the notice in the United States mail, first class postage prepaid. Personal notice or electronic mail notice is effective upon delivery, provided it is received by 11:59:59 p.m. local time at the recipient's business location on a business day (or otherwise, on the next business day). Written notice of any

address changes shall be provided. Utility may consider changes of address in other Utility systems of record (e.g., Interconnection Customer billing address) as notice of address change under this Agreement. All written notices shall refer to the Interconnection Customer's Utility account number, as provided in Section 1 of this Agreement. All written notices shall be directed as follows:

Notice to Utility:

Utility Name: \_\_\_\_\_

Utility Address: \_\_\_\_\_

Utility Phone Number: \_\_\_\_\_

Utility Email: \_\_\_\_\_

Notice to Interconnection Customer:

Interconnection Customer Name: \_\_\_\_\_

Interconnection Customer Address: \_\_\_\_\_

Interconnection Customer Phone Number: \_\_\_\_\_

Interconnection Customer Email: \_\_\_\_\_

Notice to Property Owner (if different than Interconnection Customer):

Property Owner Name: \_\_\_\_\_

Property Owner Address: \_\_\_\_\_

Property Owner Phone Number \_\_\_\_\_

Property Owner Email: \_\_\_\_\_

**16. Term of Agreement and Termination**

This Agreement shall become effective upon execution by all Parties and, if applicable, the Property Owner, and it shall continue in full force and effect until terminated upon thirty (30) days' prior notice by the Interconnection Customer, upon Default of either Party as set forth in Section 11, or upon mutual agreement of the Parties. The Utility may terminate the agreement on reasonable notice for reasons consistent with existing law, regulations, and tariffs. In addition, see Section 19 regarding transfers of ownership in the DER.

**17. Entire Agreement and Amendments**

This Agreement and the Utility Interconnection Procedures shall constitute the entire understanding between the Parties with respect to the subject matter hereof, supersede any and all prior discussions and agreements between the Parties with respect to the subject matter hereof and bind and inure to the benefit of the Parties, their successors, and permitted assigns. No amendments or changes to this Agreement shall be binding unless made in writing and duly executed by both Parties.

**18. No Third Party Beneficiary**

The terms and provisions of this Agreement are intended solely for the benefit of each Party, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other person or entity.

**19. Assignment and Binding Effect**

This Agreement shall not be assigned by a Party without the prior written consent of the other Party, which shall not be unreasonably withheld. Any attempt to do so will be void. Subject to the preceding, this Agreement is binding upon, inures to the benefit of, and is enforceable by the Parties and their respective successors and assigns. Interconnection Customer agrees to notify Utility in writing upon the sale or transfer of the Customer Facility. This Agreement shall terminate upon such notice (or upon Utility notifying Interconnection Customer that Utility has identified a change in ownership of the Customer Facility) unless Utility consents to this Agreement remaining in force until an equivalent agreement in a form acceptable to both parties is signed.

**20. Severability**

If any provision of this Agreement is determined to be partially or wholly invalid, illegal, or unenforceable, then such provision shall be deemed to be modified or restricted to the extent necessary to make such provision valid, binding, and enforceable; or, if such provision cannot be modified or restricted in a manner so as to make such provision valid, binding or enforceable, then such provision shall be deemed to be excised from this Agreement and the validity, binding effect, and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any manner.

**21. Effective Date**

This Agreement is effective as of the later (or latest) of the dates set forth below.

**22. Counterparts and Electronic Documents**

This Agreement may be executed and delivered in counterparts, including by a facsimile or an electronic transmission thereof, each of which shall be deemed an original. Any document generated by the parties with respect to this Agreement, including this Agreement, may be imaged and stored electronically and introduced as evidence in any proceeding as if original business records. Neither party will object to the admissibility of such images as evidence in any proceeding on account of having been stored electronically.

UTILITY

By: \_\_\_\_\_ (Duly Authorized Signature)

\_\_\_\_\_  
(Print or Type Name)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

INTERCONNECTION CUSTOMER

By: \_\_\_\_\_ (Duly Authorized Signature)

\_\_\_\_\_  
(Print or Type Name)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

PROPERTY OWNER, if applicable

By: \_\_\_\_\_ (Duly Authorized Signature)

\_\_\_\_\_  
(Print or Type Name)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Exhibit 1 – Description of Distributed Energy Resource

Exhibit 2 – Interconnection Site Diagram

Exhibit 3 – Interconnection Facilities Scope of Construction

Exhibit 4 – Utility Commissioning Testing and Inspection Checklist (If Applicable)

Exhibit 5 – Protection, Communication and Configuration Requirements and  
Settings (If Applicable)

Exhibit 6 - Additional Exceptions, Clarifications, and Special Conditions

**INTERCONNECTION AGREEMENT  
FOR PROJECTS WITH AGGREGATE GENERATOR OUTPUT OF GREATER THAN  
550 KW AND ALL NON-CERTIFIED PROJECTS  
BETWEEN UPPER PENINSULA POWER COMPANY  
AND  
(INTERCONNECTION CUSTOMER)**

This Interconnection and Parallel Operating Agreement ("Agreement") is entered into on \_\_\_\_\_ (date) by Upper Peninsula Power Company (the "Utility") \_\_\_\_\_ (the "Applicant"), and (if applicable under Paragraph 5) \_\_\_\_\_ (the "Property Owner"). Utility and Applicant are sometimes also referred to in this Agreement collectively as "Parties" or individually as "Party."

Applicant shall be the "Interconnection Customer" as used in and for purposes of the applicable Michigan Electric Utility Interconnection and Distributed Generation Standards ("Interconnection Procedures") approved by the Michigan Public Service Commission ("Commission").

This Agreement shall be used for all interconnection Level 4 and 5 requests as defined in Michigan Rule 460.901b, wherein a Level 4 means a project of greater than 550 kWac and not more than 1 MWac and a Level 5 means a project of greater than 1 MWac.

**I. RECITALS**

- A. Applicant is an electric service customer of Utility in good standing and has submitted a Generator Interconnection Application ("Application") to Utility under Michigan Rule 460.936.
- B. An Applicant who desires to interconnect an inverter-based electrical generation system that has met acceptable safety and reliability standards by a nationally recognized testing laboratory in conformance with IEEE 1547.1-2020 and the UL 1741 September 28, 2021 edition except that prior to commercial availability, inverter-based systems which conform to the UL 1741SA September 7, 2016 edition are acceptable.
- C. Applicant desires to interconnect a Certified electric generating facility with a minimum capacity of \_\_\_\_\_ kW kilowatts associated with the alternating current output of a DER at unity power factor ("kWac") or less (the "Applicant Facility") with Utility's electric distribution system and operate Applicant Facility in parallel with Utility's distribution system, under the Utility's Interconnection Procedures for Level 4 and 5 projects, as defined in the Interconnection And Distributed Generation Standards approved by the Commission (the "Standards"), as applicable.
- D. Applicant desires to interconnect a non-Certified electric generating facility with a maximum capacity of \_\_\_\_\_ kWac or less (the "Applicant Facility") with Utility's electric distribution system and operate Applicant Facility in parallel with Utility's distribution system, under the Utility's Interconnection Procedures for Level 4 and 5 projects, as defined in the Interconnection And Distributed Generation Standards (the "Standards"), as applicable.
- E. For purposes of this Agreement, pursuant to MI Rule 460.901, "Interconnection" means the process undertaken by an electric utility to construct the electrical facilities necessary to connect a DER with a distribution system so that parallel operation can occur. (in this case, the "Applicant Facility") and the Utility's distribution system. "Operate in parallel" means the operation, for longer than 100 milliseconds, of a DER while connected to the energized distribution system (in this case, the Applicant Facility) that is connected to Utility's system. In all cases, terms shall have the meaning as defined in the Standards.
- F. Interconnection of the Applicant Facility with Utility's distribution system is subject to this Agreement, the Application, the Interconnection Procedures, the Standards and utility tariffs approved by the MPSC,

as applicable. Pursuant to Michigan Rule 460.964 (6) the Applicant shall sign and return with payment, if applicable, the Agreement within 30 days. If the Applicant does not sign and return the Agreement with payment within 30 business days, the Utility shall notify the Applicant of the missed deadline and grant an extension of 15 business days. If the Utility does not receive the signed Agreement and payment, if applicable, during the 15-business-day extension, the Utility may consider the interconnection application withdrawn, subject to Michigan Rule 460.964, subrule 6(b).

- G. This Agreement does not address any purchase or sale of electricity between Utility and Applicant nor does it create any agency, partnership, joint venture or other business arrangement between or among Utility, Applicant and/or Property Owner.

## II. AGREEMENT

NOW THEREFORE, in consideration of the above recitals, the mutual covenants contained herein and for good and valuable consideration, the Parties agree as follows:

### 1. Description of Applicant Facility

- 1.1 The Applicant Facility must be built with the following ratings, which shall not be changed without thirty (30) days advance written notice to Utility according to the notice requirements herein and as depicted in Exhibit 1 - Interconnection Diagram:

Photovoltaic/Solar ("PV") Array Rating: \_\_\_\_\_ (AC)kWac  
Photovoltaic/Solar ("PV") Array Rating: \_\_\_\_\_ (DC)kWdc  
Wind Turbine (WT) Rating: \_\_\_\_\_ kWac  
Hydroelectric Turbine (HT) Rating: \_\_\_\_\_ kWac  
Fuel Cell (FC) Rating: \_\_\_\_\_ kWac  
Other (specify type and rating): \_\_\_\_\_ kWac  
Service Type (circle one): Single Phase / Three Phase  
Voltage Level: \_\_\_\_\_  
Equipment Specifications: Make: \_\_\_\_\_ & Model: \_\_\_\_\_

- 1.2 Applicant Facility Location:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Street Address, City, State, ZIP)

If Applicant is not the owner of the property identified above, the Property Owner must sign this Agreement for the purposes indicated in Paragraph 5.

- 1.3 Applicant's Utility service account number: \_\_\_\_\_

Property Owner's Utility service account number (if applicable): \_\_\_\_\_

- 1.4 The Applicant Facility is planned to be ready for parallel operation on or about: \_\_\_\_\_

## **2. Interconnection Facilities**

- 2.1 If it is necessary for Utility to install certain interconnection facilities ("Interconnection Facilities") and make certain system modifications in order to establish an interconnection between the Applicant Facility and Utility's distribution system, the Interconnection Facilities and modifications shall be described to the Applicant in writing.
- 2.2 Pursuant to MI Rule 460.964(5), for Level 4 and 5 interconnection applications, where construction of interconnection facilities or distribution upgrades is required, the parties will execute a Construction Agreement and append the executed Construction Agreement to this Agreement. The Construction Agreement will shall specify timelines, cost estimates, and payment milestones for construction of facilities and distribution upgrades to interconnect a DER into the distribution system, and shall identify design, procurement, installation, and construction requirements associated with installation of the DER.

## **3. Interconnection Point: Point of Delivery: Metering: Telemetering**

### **3.1 Interconnection Point**

The Interconnection Point shall be where the Interconnection Customer's Interconnection Facilities connect to Utility's distribution system.

### **3.2 Point of Delivery**

The Point of Delivery shall be the point at which the Interconnection Customer's Interconnection Facilities connect to Utility's existing distribution facilities serving other customers. It is described in greater detail in Exhibit 4.

### **3.3 Metering**

Measurements of electric energy deliveries shall be made by standard types of electric meters installed and maintained by Utility Pursuant to Exhibit 1 – Scope of Facilities, Subsection 1.3.

### **3.4 Telemetering**

Certain telemetry facilities will be provided by Utility pursuant to Exhibit 1 – Scope of Facilities, Subsection 1.3 as part of the Interconnection Facilities as being necessary for the proper and efficient collection of metering and control data. The cost and maintenance of such telemetry facilities and associated communication circuits shall be borne by Interconnection Customer.

## **4. Design Requirements, Testing and Maintenance of Applicant Facility**

- 4.1 Applicant shall be responsible for the design and installation of the Applicant Facility. If necessary, prior to the installation of the Interconnection Facilities, Interconnection Customer is responsible to acquire required permits and necessary easements for the Interconnection Facilities in a form consistent with Utility's tariffs. These easements/permits may include, but shall not be limited to, rights of ingress and egress, rights to clear trees, and all necessary rights-of-way for installation and maintenance of Interconnection Facilities. The Interconnection Customer shall reimburse Utility for any costs and expenses Utility incurs to support Interconnection Customer in acquiring such easements/permits.

### **4.2 Site Preparation**

At its own expense, the Interconnection Customer shall make the proposed

Project site available to Utility. Said site shall be free from hazard and shall be adequate for the operation and construction of distribution facilities necessary to interconnect the proposed Project.

#### 4.3 Parallel Operation

It is understood that the Project will normally remain connected to and be operated in parallel with Utility's distribution system. The Interconnection Customer shall, at its expense, install and properly maintain protective equipment and devices and provide sufficiently trained personnel to protect its equipment and service, and equipment and service of the Utility from damage, injury or interruptions during the Project's parallel operation with Utility's distribution system, and, without limiting the indemnity provided in Subsection 7/1 herein, Interconnection Customer shall assume any loss, liability or damage to Interconnection Customer and Utility's distribution system and equipment caused by lack of or failure of such protection. Such protective equipment specifications and design shall be consistent with the (Utility Name) Interconnection Procedures, and any successor and/or supplemental documents. Prior to the Project operating in parallel with Utility's distribution system, the Interconnection Customer shall provide satisfactory evidence to Utility that it has met the Upper Peninsula Power Company Interconnection Procedures that are on file with the Michigan Public Service Commission and complied with all applicable laws, rules, regulations, guidelines, and safety standards.

#### 4.4 Voltage and Frequency Control

Interconnection Customer shall cooperate with Utility to regulate the voltage level at the Point of Delivery by controlling its generators in accordance with Utility's instructions. Such instructions shall include, but not be limited to, (a) maintaining voltage or (b) delivering real and reactive power to the Point of Delivery at levels specified by Utility. Interconnection Customer shall cooperate with Utility to regulate the frequency by controlling its generators in accordance with Utility's instructions. Such instructions shall include, but not be limited to, frequency-droop curves. The instructions given by Utility shall be consistent with the normal practices adhered to by Utility with respect to its own generators located on its system.

#### 4.5 System Security

Installation, inspection, and calibration of protective equipment to trip generation for under- or over-voltage and frequency operation shall be coordinated with Utility, pursuant to Subsection 2.4.2, so as not to degrade the security of Utility's distribution system. Operating practices developed by Interconnection Customer which call for manual tripping of generation for under- or over-voltage and frequency operation shall likewise be coordinated and consistent with the voltage and frequency ride through provisions listed in (Utility Name) Interconnection Procedures during abnormal system voltage and frequency events, and any successor and/or supplemental documents, which are incorporated herein by reference.

#### 4.6 Continuity of Service

Each Party shall exercise reasonable care to maintain continuity of service in the delivery and receipt of electric energy. If service becomes interrupted for any reason, the cause of such interruption shall be removed and normal operating conditions restored as soon as practicable.

#### 4.7 Project Backup Power

If the Interconnection Customer requires backup power from Utility, the Interconnection Customer will contract with Utility for the delivery of power provided to the Project under one of Utility's established retail rates set forth in Utility's tariffs, which are incorporated herein by reference. The provisions of such contract shall be applied during period when the Project is not delivering energy to Utility. The interconnection Customer will contract with Utility for the purchase of energy or provide satisfactory evidence of the purchase of energy from an alternative energy supplier for the purpose of providing power to the Project during periods when the Project is not delivering energy to Utility's distribution system.

Interconnection Customer shall have sufficient voltage regulation at the Project to maintain an acceptable voltage level for Project equipment during such periods when the Project's generation is off line.

#### 4.8 Utility's Obligation to Connect

Utility shall not be obligated to continue the electrical interconnection to the Project if it determines, in its sole discretion, that any one or more of the following conditions exist, including but not limited to: (a) Failure of the Interconnection Customer to bring the Project into compliance pursuant to R 460.976(1), (b) Failure of the Interconnection Customer to pay costs of remedy pursuant to R 460.976(2). (c) Termination of interconnection by mutual agreement. (d) Distribution system emergency, but only for the time necessary to resolve the emergency. (e) Routine maintenance, repairs, and modifications performed in a reasonable time and with prior notice to the Interconnection Customer. (f) Noncompliance with technical or contractual requirements in this Agreement that could lead to degradation of distribution system reliability, Utility equipment, and electric customers' equipment. (g) Noncompliance with technical or contractual requirements in this Agreement that presents a safety hazard. (h) Other material noncompliance with this Agreement. (i) Operating in parallel without prior written authorization from the electric utility as provided for in R 460.968.

Utility may disconnect electric service, where applicable, pursuant to R 460.136.

Under any of the conditions listed above, Utility will follow the procedures for disconnecting and re-connecting the interconnection as outlined in Procedures for Interconnection document at [www.uppc.com](http://www.uppc.com)

In the event future changes in either the (i) design or operation of the Project, (ii) federal, state or local laws, regulations or codes, (iii) interconnection Customer's requirements, or (iv) Utility's requirements, necessitate additional facilities or modifications to the then existing Interconnection Facilities herein, the Parties shall undertake such additions or modifications as may be necessary. Before undertaking such future additions or modifications, the Parties shall consult, develop plans and coordinate schedules of activities to minimize disruptions to the Interconnection Facilities. The cost of such future additions or modifications to the Interconnection Facilities shall be borne by the Interconnection Customer unless agreed upon otherwise at the time, with payment due on a mutually agreed upon schedule. Such future additions or modifications shall be part of the Interconnection Facilities from the time they are placed in service. The ownership, operation and maintenance responsibilities for any such future additions or modifications shall be made consistent with the responsibilities allocated in this Agreement.

4.9 Applicant shall, at its sole expense, install and properly maintain protective relay equipment and devices to protect its equipment and service, and the equipment and system of Utility, from damage, injury or interruptions, and will assume any loss, liability or damage to the Applicant Facility caused by lack of or failure of such protection. Such protective equipment specifications and design shall be consistent with the applicable Interconnection Procedures. Prior to the Applicant Facility operating in parallel with Utility distribution system, Applicant shall provide satisfactory evidence to Utility that it has met the Interconnection Procedures, including but not limited to the receipt of approval from the local building/electrical code inspector. The Utility's approval, or failure to approve, under this section shall in no way act as a waiver or otherwise relieve the Applicant of its obligations under this section.

4.10 Pursuant to Michigan Rule 460.966, the Applicant shall notify the Utility when installation of a DER and any required local code inspection and approval is complete. The Utility shall review the applicant's inspection, test reports, or configuration documents, and communicate its intent to perform a witness or commissioning test, or waive its right to perform a witness test and commissioning test within 10 business days.

If the Utility intends to witness or perform commissioning tests required to comply with this Agreement or the interconnection procedures and inspect the DER, the Utility shall witness or perform the commissioning tests and inspect the DER at a mutually-agreed upon timeframe after receiving the notification from the Applicant pursuant to Michigan Rule 460.966(4)(c) for level 4 and 5 applications.

The Utility may waive its right to visit the site and inspect the DER or perform the commissioning tests.

(a) If the Utility waives this right, it shall provide a written waiver to the Applicant within 10 business days from receiving the notification from the Applicant pursuant to Michigan Rule 460.966(2).

(b) The Applicant shall provide the Utility with the completed commissioning test report within 20 business days of receipt of the electric utility's written waiver.

If the electric utility attempts to conduct the inspection and testing pursuant to Michigan Rule 460.966 (4) at the arranged time and is unable to access the DER or complete the testing, the DER must remain disconnected until the Applicant and the Utility can complete the inspection and testing.

If the Utility witnessed or performed commissioning tests and inspected the DER pursuant to Michigan Rule 460.966 (4) within 5 business days of the receipt of the completed commissioning test report, the Utility shall notify the Applicant whether it has accepted or rejected the commissioning test report and found the site to be satisfactory or unsatisfactory.

(a) If the commissioning test report is accepted and the site was found satisfactory, Utility shall provide the notification of acceptance in writing, and the interconnection application proceeds to Michigan Rule 460.968.

(b) If the Utility rejects the commissioning test report or did not find the site satisfactory, the Utility shall provide its reasons for doing so in writing and the

Applicant has not less than 20 business days to implement corrections. The Applicant, after taking corrective action, shall request the Utility to reconsider its findings. The Applicant may be billed the actual cost of any re-inspections.

If the Utility waives its right to witness or perform commissioning tests and inspect the DER, within 5 business days of the receipt of the completed commissioning test report, the Utility shall notify the applicant whether it has accepted or rejected the commissioning test report.

(a) If the commissioning test report is accepted, the Utility shall provide notification of acceptance, and the interconnection application proceeds to Michigan Rule 460.968.

(b) If the Utility rejects the commissioning test report, the Utility shall provide its reasons for doing so in writing and the Applicant has not less than 20 business days to implement corrections. The Applicant, after taking corrective action, may then request the Utility to reconsider its findings

4.11 Applicant shall operate and maintain the Applicant Facility in a safe and prudent manner and in conformance with all applicable laws and regulations. Applicant shall obtain or maintain any governmental authorizations and permits required for construction and operation of the Applicant Facility.

4.12 Relocation by Interconnection Customer If  
at any time the Interconnection Customer requires Utility's Interconnection Facilities located on its premises to be relocated on such premises, Utility shall, at Interconnection Customer's expense and upon its request, relocate the same or give permission for Interconnection Customer to relocate the same. Interconnection Customer shall provide Utility with all necessary easement rights as required for the Interconnection Facilities located on Interconnection Customer's premises.

## **5. Parallel Operation**

Pursuant to Michigan Rule 460.968. The Utility shall provide to the Applicant written authorization to operate in parallel with the Utility within 15 business days of all of the following conditions being met:

- a) The Utility notified the interconnection Applicant that the commissioning test and inspection, where applicable, are accepted.
- b) The Applicant complied with all applicable parallel operation requirements as set forth in the Utility's interconnection procedures and this Agreement.
- c) The Applicant complied with all applicable local, state, and federal requirements.
- d) The Utility received full payments for all outstanding bills.

5.1 With the written authorization, interconnection of the DER is considered approved for parallel operation, the DER may begin operating, and the Applicant is considered an interconnection customer.

5.2 The Applicant shall not operate its DER in parallel with the Utility's distribution system without prior written permission to operate from the electric utility.

5.3 Subject to reasonable timing and other conditions, including completion of conditions in this Agreement or interconnection procedures, the Utility shall allow for reasonable but limited testing before written authorization has occurred.

## **6. Disconnection**

Pursuant to Michigan Rule 460.978, The Utility may refuse to connect or may disconnect a project from the distribution system if any of the following conditions apply:

- (a) Failure of the interconnection customer to bring a DER into compliance pursuant to Michigan Rule 460.976(1).
- (b) Failure of the interconnection customer to pay costs of remedy pursuant to Michigan Rule 460.976(2).
- (c) Termination of interconnection by mutual agreement.
- (d) Distribution system emergency, but only for the time necessary to resolve the emergency.
- (e) Routine maintenance, repairs, and modifications performed in a reasonable time and with prior notice to the interconnection customer.
- (f) Noncompliance with technical or contractual requirements in the interconnection agreement that could lead to degradation of distribution system reliability, electric utility equipment, and electric customers' equipment.
- (g) Noncompliance with technical or contractual requirements in the interconnection agreement that presents a safety hazard.
- (h) Other material noncompliance with the interconnection agreement.
- (i) Operating in parallel without prior written authorization from the Utility as provided for in Michigan Rule 460.968.

The Utility may disconnect electric service, where applicable, pursuant to Michigan Rule 460.136.

## **7. Access to Property**

7.1 At its own expense, Applicant shall make the Applicant Facility site available to Utility. The site shall be free from hazards and shall be adequate for the operation and construction of the Interconnection Facilities. Utility, its agents and employees, shall have full right and authority of ingress and egress at all reasonable times on and across the property at which the Applicant Facility is located, for the purpose of installing, operating, maintaining, inspecting, replacing, repairing, and removing the Interconnection Facilities. The right of ingress and egress shall not unreasonably interfere with Applicant's or (if different) Property Owner's use of the property and does not include the right to enter applicant's residence or other enclosed structure on the property where the Applicant Facility is located, except on reasonable notice where the Interconnection Facilities are located within the residence or other enclosed structure.

7.2 Utility may enter the property on which the Applicant Facility is located to inspect, at reasonable hours, Applicant's protective devices and read or test meters. Utility will use reasonable efforts to provide Applicant or Property Owner, if applicable, at least 24 hours' notice prior to entering said property, in order to afford Applicant or Property Owner the opportunity to remove any locks or other encumbrances to entry; provided, however, that Utility may enter the property without notice (removing, at Applicant's expense, any lock or other encumbrance to entry) and disconnect the Interconnection Facilities if Utility believes that disconnection is necessary to address a hazardous condition and/or to protect persons, Utility's facilities, or the property of others from damage or interference caused by Applicant Facility.

7.3 By executing this Agreement, Applicant and Property Owner consent to and agree

to provide access to its property, including all rights of ingress and egress, on which the Applicant Facility is located to Utility as described in this section, but does not assume or guarantee other performance obligations of the Applicant under this Agreement.

## **8. Liability**

- 8.1 As between the Parties, unless caused by the sole negligence or intentional wrongdoing of the other Party, each Party to this Agreement shall at all times assume all liability for, any and all damages, losses, claims, demands, suits, recoveries, costs, legal fees, and expenses to the extent caused by its directors, officers, employees, and agents: (a) for injury to or death of any person or persons whomsoever occurring on its own system, and/or (b) for any loss, destruction of or damage to any property of third persons, firms, corporations or other entities occurring on its own system, including environmental harm or damage arising out of or resulting from, either directly or indirectly, the Interconnection Facilities or the Applicant Facilities, or arising out of or resulting from, either directly or indirectly, any electric energy furnished to it hereunder after such energy has been delivered to it by such other Party.
- 8.2 The provisions of this Section 6 shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.
- 8.3 Notwithstanding anything in this Section, or any other provision of this Agreement to the contrary, any liability of a Party to the other Party shall be limited to direct actual damages, and all other damages at law or inequity are hereby waived. Under no circumstances shall a Party be liable to the other Party, whether in tort, contract or other basis in law or equity for any special, indirect, punitive, exemplary or consequential damages, including lost profits.
- 8.4 The obligations and limits on liability in this Section 6 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement, with respect to any event or condition giving rise to an obligation that occurred prior to such expiration or termination.
- 8.5 Nothing in this Section 6 waives or limits, or shall be construed to waive or limit, the governmental immunity of a Party.
- 8.6 Nothing in this Section 6 shall imply, or be construed to imply indemnification of any Party by the State of Michigan, its department, and agencies, or by other governmental customers that are restricted from entering into indemnification provisions by law.

## **9. Subcontractors**

Either Party may contract with a subcontractor to perform its obligations under this Agreement and shall incorporate the obligations of this Agreement into its respective subcontracts, agreements and purchase orders. Each Party shall remain liable to the other Party for the performance of such subcontractor under this Agreement subject to the provisions of Section 7.

## **10. Force Majeure**

As set forth in MI Rule 460.901a(ee), Force majeure event means an act of God; labor disturbance; act of the public enemy; war; insurrection; riot; fire, storm, or flood;

explosion, breakage, or accident to machinery or equipment; an emergency order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities; or another cause beyond a party's control. A force majeure event does not include an act of negligence or intentional wrongdoing.

#### **11. Breach and Default**

A breach of this Agreement ("Breach") shall occur upon the failure of a Party to perform or observe any material term or condition of this Agreement. Upon a Breach by one Party, the non-breaching Party shall give written notice of such Breach to the breaching Party. The Party in Breach shall have thirty (30) days from the date of the written notice to cure the Breach. If a Breach is not cured within the thirty (30) day period provided for herein, the party in Breach shall be deemed in default ("Default"). If the Breach is not cured within 30 business days, the Utility, at its sole discretion, may apply a remedy and bill the Applicant. The Applicant shall pay this bill within 5 business days. The non-defaulting Party shall then have the right to terminate this Agreement by written notice, shall be relieved of any further obligations hereunder, and may pursue any and all remedies available to it at law or in equity.

#### **12. Retirement**

Upon termination or cancellation of this Agreement or at such time after any of the Interconnection Facilities described herein are no longer required, the Parties shall mutually agree upon the retirement of the Interconnection Facilities, which may include without limitation (i) dismantling, demolition, and removal of equipment, facilities, and structures, (ii) security, (iii) maintenance and (iv) disposing of debris. The cost of such removal shall be borne by the Utility.

#### **13. Governing Law**

This Agreement shall be interpreted, governed, and construed under the laws of Michigan.

#### **14. Amendment, Modification or Waiver**

Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties. The failure of any Party at any time to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be construed as a further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.

Pursuant to MI Rule 460.984, Modifications to the DER, after the execution of th this Agreement, the applicant shall notify the Utility of any plans to modify the DER. The Utility shall review the proposed modification to determine if the modification is considered a material modification. If the Utility determines that the modification is a material modification, the Utility shall notify the Applicant, in writing of its determination and the Applicant shall submit a new application and application fee along with all supporting materials that are reasonably requested by the Utility. The Applicant may not begin any material modification to the DER until an interconnection agreement incorporating the material modification is fully executed.

#### **15. Insurance**

Pursuant to MI Rule 460.986, for a Level 3 project, the applicant shall obtain and maintain general liability insurance of a minimum of \$1,000,000. For a Level 4 project, the applicant shall obtain and maintain general liability insurance of a minimum of \$2,000,000. For a Level 5 project, the applicant shall obtain and maintain general

liability insurance of a minimum of \$3,000,000

Evidence of insurance coverage on a certificate of insurance shall be provided to the Utility upon execution of this Agreement and thereafter within ten (10) days after expiration of coverage; however, if evidence of insurance is not received by the 11th day, the Utility has the right, but not the duty, to purchase the insurance coverage required under this Section and to charge the annual premium to Project Developer. The Utility shall receive thirty (30) days advance written notice if the policy is cancelled or substantial changes are made that affect the additional insured. At the Utility's request, Project Developer shall provide a copy of the policy to the Utility.

**15. Notices**

Any notice required under this Agreement shall be in writing and mailed or personally delivered to the Party at the address below. Written notice is effective within 3 days of depositing the notice in the United States mail, first class postage prepaid. Personal notice is effective upon delivery. Written notice of any address changes shall be provided. All written notices shall refer to the Applicant's Utility account number, as provided in Section 1 of this Agreement. All written notices shall be directed as follows:

Notice to Utility:

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Notice to Applicant:

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Notice to Property Owner (if different than Applicant):

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**16. Term of Agreement and Termination**

This Agreement shall become effective upon execution by all Parties and, if applicable, the Property Owner, and it shall continue in full force and effect until terminated upon thirty (30) days' prior notice by the Applicant, upon Default of either Party as set forth in Section 9, or upon mutual agreement of the Parties. The Utility may terminate the agreement on reasonable notice for reasons consistent with existing law, regulations and tariffs.

**17. Entire Agreement**

This Agreement supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof and constitutes the entire agreement between the Parties hereto.

**18. No Third Party Beneficiary**

The terms and provisions of this Agreement are intended solely for the benefit of each Party, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other person or entity.

**19. Assignment and Binding Effect**

This Agreement shall not be assigned by a Party without the prior written consent of the other Party, which shall not be unreasonably withheld. Any attempt to assign this Agreement without consent will be void. Subject to the preceding, this Agreement is binding upon, inures to the benefit of, and is enforceable by the Parties and their respective successors and assigns. Applicant agrees to notify Utility in writing upon the sale or transfer of the Applicant Facility. This Agreement shall terminate upon such notice unless Utility consents to an assignment in writing.

**20. Severability**

If any provision of this Agreement is determined to be partially or wholly invalid, illegal, or unenforceable, then such provision shall be deemed to be modified or restricted to the extent necessary to make such provision valid, binding, and enforceable; or, if such provision cannot be modified or restricted in a manner so as to make such provision valid, binding or enforceable, then such provision shall be deemed to be excised from this Agreement and the validity, binding effect, and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any manner.

**21. Signatures**

The Parties to this Agreement hereby agree to have two originals of this Agreement executed by their duly authorized representatives (three originals are necessary if the Property Owner signs this Agreement). This Agreement is effective as of the later (or latest) of the dates set forth below.

**22. Counterparts and Electronic Documents**

This Agreement may be executed and delivered in counterparts, including by a facsimile or an electronic transmission thereof, each of which shall be deemed an original. Any document generated by the parties with respect to this Agreement, including this Agreement, may be imaged and stored electronically and introduced as evidence in any proceeding as if original business records. Neither party will object to the admissibility of such images as evidence in any proceeding on account of having been stored electronically.

UTILITY

	_____
	(Applicant)
By: _____	By: _____
(Duly Authorized Signature)	(Duly Authorized Signature)
_____	_____
(Print or Type Name)	(Print or Type Name)
Title: _____	Title: _____
Date: _____	Date: _____
_____	
(Property Owner, if applicable)	
By: _____	
(Duly Authorized Signature)	
_____	
(Print or Type Name)	
Title: _____	
Date: _____	

**Attachment A**  
**CONSTRUCTION AGREEMENT**  
**LEVEL 4 AND 5 DISTIRBUTED ENERGY RESOURCE**

[APPLICANT NAME]  
 [APPLICANT STREET ADDRESS]  
 [APPLICANT CITY AND STATE]

Dear [APPLICANT]:

Upper Peninsula Power Company completed the distribution study to determine if upgrades are required to our distribution system to accommodate your proposed generating facility and found that system upgrades are required.

The total estimated cost of these upgrades is \$XXXXXX (the “Estimate”) The system upgrades will require the following activities to be completed by the Upper Peninsula Power Company or its agents:

	<b>Construction Activity</b>	<b>Estimated Completion Date</b>	<b>Estimated Cost of Activity</b>
Milestone #1			
Milestone #2			
Milestone #3			
Milestone #4			
Milestone #5			
Total Estimate Cost:			

The payment schedule for this project is the following:

	<b>Construction Activity</b>	<b>Payment Amount</b>	<b>Due Date for Payment from Applicant</b>
<b>Initial Payment</b>			
Milestone #1			
Milestone #2			
Milestone #3			
Milestone #4			
Milestone #5			
<b>Final Payment</b>			

You shall pay the actual cost of the interconnection facilities and distribution upgrades. Should the costs for these interconnection facilities and distribution upgrades exceed 110% of the Estimate an itemized summary and explanation of cost increases will be provided to you prior to being incurred and should the cost exceed 125% of the Estimate Upper Peninsula Power Company will contact you for consent prior to the costs being incurred.

Upper Peninsula Power Company shall provide you with a final accounting report of any difference between the actual costs charged to you and all payments to Upper Peninsula Power Company received from you for interconnection facilities or distribution upgrades.

If the final cost of construction exceed all of your previous payments, the Upper Peninsula Power Company shall bill you for the remaining amount due and this final payment will be due to Upper Peninsula Power Company within 20 business days of the final accounting report. Initial billing can be expected 30 to 60 days after project completion.

If the all of your payments for this project exceed the final cost of construction, Upper Peninsula Power Company shall refund to you the difference within 20 business days of the final accounting report

Should the agreement be terminated Upper Peninsula Power Company shall refund to you any unspent and unobligated funds.

Upper Peninsula Power Company will schedule the work upon receipt of the sketch, signed letter and payment. Payment can be made by check, calling [UTILITY PHONE] or online at [UTILITY WEB ADDRESS] When the upgrades are complete, your equipment can be installed or interconnected, as applicable, within an agreeable time frame. You may then proceed with the interconnection process after signing and returning the INTERCONNECTION AND PARALLEL OPERATING AGREEMENT in the enclosed envelope

Once you notify Upper Peninsula Power Company the installation is complete, Upper Peninsula Power Company will conduct the commissioning test. Please contact me at [UTILITY REPRESENTATIVE] with questions or visit [UTILITY WEB ADDRESS] for more information on customer-owned generation.

Sincerely,

Enclosures

Accepted: \_\_\_\_\_ Date: \_\_\_\_\_

Print name: \_\_\_\_\_

Appendix A  
Construction Agreement  
For Generator Interconnection to Upper Peninsula Power Company's Distribution System  
BETWEEN  
Upper Peninsula Power Company

AND  
(Interconnection Customer)

Appendix B  
Project Schedule

	<b>Construction Activity</b>	<b>Estimated Completion Date</b>	<b>Estimated Cost of Activity</b>
Milestone #1			

Milestone #2			
Milestone #3			
Milestone #4			
Milestone #5			
Total Estimate Cost:			

The payment schedule for this project is the following:

	<b>Construction Activity</b>	<b>Payment Amount</b>	<b>Due Date for Payment from Applicant</b>
<b>Initial Payment</b>			
Milestone #1			
Milestone #2			
Milestone #3			
Milestone #4			
Milestone #5			
<b>Final Payment</b>			

## EXHIBIT 1 SCOPE OF FACILITIES

### 1.1 General Facilities

Such facilities and associated appurtenances as required to interconnect Utility's existing to the Interconnection Customer's (new/modified) Project by way of a new or modified interconnection, which shall include, but shall not be limited to the following:

1.2 Interconnection Customer's Interconnection Facilities

(Insert file containing Interconnection Customer's Interconnection Facilities below.)

1.3 Utility's Interconnection Facilities

(Insert file containing Utility Interconnection Facilities below.)

1.4 Utility's Distribution Upgrades

(Insert list/description of upgrades)

EXHIBIT 2  
WIRING DIAGRAM

(Insert file containing Wiring Diagram below.)

EXHIBIT 3

PROTECTION, COMMUNICATION AND CONFIGURATION REQUIREMENTS AND  
SETTINGS

**Inverter Settings and configuration:**

<b>Voltage Relay Settings</b>		
<b>Shall Trip Function</b>	<b>Allowable Setting</b>	
	<b>Voltage (per unit of nominal voltage)</b>	<b>Clearing Time (Seconds)</b>
Overvoltage 1	1.20	0.16
Overvoltage 2	1.10	2.0
Undervoltage 1	0.70	2.0
Undervoltage 2	0.45	0.32
<b>Frequency Relay Settings</b>		
<b>Shall Trip Function</b>	<b>Allowable Setting</b>	
	<b>Frequency (Hz)</b>	<b>Clearing Time (Seconds)</b>
Overfrequency 1	62.0	0.16
Overfrequency 2	61.2	2.0
Underfrequency 1	58.5	2.0
Underfrequency 2	56.5	0.16

<b>Enter Service Criteria</b>		<b>Default Settings</b>
<b>Permit Service</b>		<b>Enabled</b>
Applicable Voltage Within Range	Min. Value	0.917 p.u.
	Max. Value	1.05 p.u.
Frequency Within Range	Min. Value	59.5 Hz
	Max. Value	60.1 Hz

<b>Power Limiting Setting</b>	<b>Default Settings</b>
Power limiting setting:	<b>## KW</b>

Relay Settings:  
Communication Requirements:

EXHIBIT 4  
NOTICE TO PARTIES  
If to Utility  
(Utility Address and Email)

If to Interconnection Customer  
(Interconnection Customer Name, Address, Email)

EXHIBIT 5  
POINT OF DELIVERY AND UTILITY'S INTERCONNECTION FACILITIES