

Glossary of Terms

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

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

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

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

Business Day - Monday through Friday, excluding State and/or Federal Holidays.

Calendar Days – Sunday through Saturday, including all holidays.

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

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

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

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

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

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

Fast Track Process - The procedure for evaluating an Interconnection Request for a certified Generating Facility no larger than 2 MW that meets the eligibility requirements of Section 3.1

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

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

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

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

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

Interconnection Agreement – The Interconnection Agreement that specifies the Detailed Estimated Upgrade Charge, Detailed Interconnection Facility Charge, mutually agrees upon Milestones, etc. See Attachment 9.

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

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

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

Interconnection Request - The Interconnection Customer's written request, in accordance with these procedures, to interconnect a new Generating Facility, or make changes to a prior Interconnection Request (such as items including but not limited to changes in capacity, equipment substitution requests, etc.), or to make changes to an existing Generating Facility that is interconnected with Cooperative's System.

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

Material Modification means a modification to machine data or equipment configuration or to the interconnection site of the Generating Facility that has a material impact on the cost, timing or design of any Interconnection Facilities

or Upgrades or that may adversely impact other Interdependent Interconnection Requests with higher Queue Numbers. Material Modifications include certain project revisions as defined in Section 1.5.1.

Maximum Generating Capacity – The term shall mean the maximum continuous electrical output of the Generating Facility at any time as measured at the Point of Interconnection and the maximum kW delivered to Cooperative during any metering period. Requested Maximum Generating Capacity will be specified by the Interconnection Customer in the Interconnection Request and an approved Maximum Generating Capacity will subsequently be included as a limitation in the Interconnection Agreement.

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

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

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

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

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

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

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

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

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

Preliminary Estimated Upgrade Charge - The estimated charge for Upgrades that is developed using high level estimates, including overheads and is presented in the System Impact Study Report. This charge is not based on field visits and detailed engineering cost calculations.

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

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

Project C – An Interconnection Customer that has a higher Queue Number than Interdependent Project B.

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

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

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

Standby Generating Facility – An electric Generating Facility primarily designed for standby or backup power in the event of a loss of power supply from Cooperative. Such Facilities may operate in parallel with Cooperative for a brief period of time when transferring load back to Cooperative after an outage, or when testing the operation of the Facility and transferring load from and back to Cooperative.

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

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

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