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AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 65
INTERCONNECTION STANDARDS
WASHINGTON

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(1) **Definitions**: See WAC 480-108-010.

(2) **Eligibility**:

(a) **Tier 1.** Interconnection of a generating facility will use Tier 1 processes and technical requirements if the proposed generating facility meets all of the following criteria:

i. Uses inverter-based interconnection equipment;
ii. Is single phase;
iii. Has a nameplate capacity of 25 kW or less;
iv. Is proposed for interconnection at secondary voltages (600 V class);
v. Requires no construction or upgrades to Company facilities, other than meter changes;
vi. The aggregated generating capacity on the service wire does not exceed the service wire capability;
vii. The aggregated generating capacity on the transformer secondary does not exceed the nameplate of the transformer;
viii. If proposed to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 5 kVA; and
ix. The aggregated nameplate capacity of all generating facilities on any line section does not exceed fifteen percent of the line section annual peak load as most recently measured or calculated for that line section, or fifteen percent of the circuit annual peak load as most recently measured or calculated for the circuit. For the purposes of this subsection:

A. "All generating facilities" means all interconnected generating facilities, the proposed generating facility, and all other proposed generating facilities already in the queue defined in WAC 480-108-030(7); and
B. "Line section" means that portion of an electric system connected to the generating facility and bounded by sectionalizing devices or the end of the distribution line.

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or the ownership, operation, use, Company access to, or maintenance of the Generating Facility, as may be reasonably requested by the Company from time to time.

H. Dedicated Distribution Transformer

To ensure reliable service to all Company customers and to minimize possible problems for other customers, the Company will review the need for a dedicated distribution transformer for the Interconnection Customer. Interconnecting generation under 500 kW may require a separate transformer. If the Company requires a dedicated distribution transformer, the Interconnection Customer shall pay for all costs of the new transformer and related facilities.

I. Metering

Net Metering (for solar, wind, hydropower fuel cells and facilities that simultaneously produce electricity and useful thermal energy as set forth in chapter 80.60 RCW):

The Company will install, own and maintain a kilowatt-hour meter, or meters as the installation may determine, capable of registering the bi-directional flow of electricity at the point of common coupling at a level of accuracy that meets all applicable standards, regulations and statutes. The meter(s) may measure such parameters as time of delivery, power factor, voltage and such other parameters as the Company specifies. The Interconnection Customer must provide space for metering equipment. The Interconnection Customer must provide the current transformer enclosure (if required), meter socket(s) and junction box after the Interconnection Customer has submitted drawings and equipment specifications for Company approval. The Company may approve other generating sources for Net Metering but is not required to do so.

Production Metering:

The Company may require separate metering, including, if necessary for safety or reliability, metering capable of being remotely accessed, for production. This meter shall record all generation produced and may be billed separately from any Net Metering or customer usage metering. Costs associated with production metering will be paid by the Interconnection Customer.

Production Metering Incentive:

Upon completion of interconnection the Company will provide required documentation for the Interconnection Customer to receive Renewable Generation Incentive as described in the WAC 458-20-273. The Company will distribute Renewable Generation Incentives annually after receipt of completed Renewable Generation Incentive documentation and certification of the Interconnection Customer's generating system from the Department of Revenue.

J. Labeling

Common labeling furnished or approved by the Company and in accordance with NEC (Articles 690 and 705) requirements must be posted on the meter base,

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disconnects, and transformers informing working personnel that generation is operating at or is located on the premises.

K. Insurance & Liability

As currently set forth for qualifying generation under chapter 80.60 RCW (Net Metering) and WAC 480-108 (Interconnection Standards), no additional insurance will be necessary for Interconnections that qualify for Net Metering or that have a Nameplate Capacity under 100 kW.

For all other Interconnection Customers, additional liability limitations and indemnification may be required. If required, additional insurance, limitations of liability and indemnification will be determined by the Company and provided to the interconnection customer prior to execution of the Interconnection Agreement. Qualifying generation must meet these interconnection standards and maintain compliance with these standards during operation.

The Interconnection Customer is responsible for protecting its facilities, loads and equipment and complying with the requirements of all appropriate standards, codes, statutes and authorities.

L. Future Modification or Expansion

The Company must review and approve any future modification or expansion of an interconnected Generating Facility. The Company may require the Interconnection Customer to provide and pay for corrections or additions to existing Interconnection Facilities if government or industry regulations and standards are modified. The Company must notify the Interconnection Customer in writing of any such requirement. The Company may terminate Interconnection service if the Interconnection Customer does not within thirty Business Days of the date of the notice arrange with the Company a mutually agreed schedule to comply with such requirements.

The Interconnection Customer is responsible for costs associated with future upgrades or modification to its Generating Facility or Interconnection Facilities made necessary by modifications the Company makes to its Electric System.

M. Avista System Capacity

For the overall safety and protection of the Avista system, the Interconnection of generation for Net Metering is limited to 0.5% of Avista's peak load in 1996 after December 31, 2013. Additionally, Interconnection of qualified generation to individual distribution feeders will be limited to 15% of the circuit's (feeder's) peak load. However, it is at the discretion of Avista to allow additional generation Interconnection beyond these stated limits.

N Equipment Protection

It is the responsibility of the Interconnection Customer to protect its facilities, loads and equipment and comply with the requirements of all appropriate standards, codes, statutes and authorities.

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O. Interconnection Costs

Additional costs above and beyond the application fee, if any, shall be cost based and applied as appropriate. For example, costs may be incurred for transformers, production meters, and Company testing, qualification, studies and approval of non UL 1741 listed equipment.

P. Safety

To ensure system safety and reliability of interconnected operations, all interconnected generating facilities must be constructed and operated in accordance with this Section I and all other applicable federal, state, and local laws and regulations.

Q. Certificate of Completion

Prior to Initial Operation, all Interconnection Customers must submit a completed Certificate of Completion to the Company, execute an appropriate Interconnection Agreement and any other agreement(s) required for the disposition of the Generating Facility's electric power output. The Interconnection Agreement between the Company and the Interconnection Customer outlines the interconnection standards, cost allocation and billing agreements, and on-going maintenance and operation requirements.

R. Disconnection

The Interconnection Customer may disconnect the Generating Facility at any time after providing reasonable advance notice to the Company.

The Company has the right to disconnect the Generating Facility:

(i) When necessary to maintain safe electrical operating conditions;

(ii) If the Generating Facility does not meet required standards; or

(iii) If the Generating Facility at any time adversely affects or endangers any person, the property of any person, the Company's operation of its Electric System or the quality of the Company's service to other customers.

Reasonable advance notice of disconnect will be provided by Company before any scheduled disconnection, and after any unscheduled disconnection.

S. Transfer of Ownership

The Interconnection Customer must provide notice of sale or transfer of the Interconnection Customer's Generating Facility, Interconnection Facilities or the premises upon which the Interconnection Facilities are located to the Company within 30 days. To continue Interconnection service to a new owner, the new owner will be required to execute a new Interconnection Agreement with the Company.

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T. Dispute Resolution

An Interconnection Customer may ask the Commission to review the Company's study costs, interconnection facility costs, system upgrade costs, deposit requirements, assignment of costs to the Interconnection Customer or the Company's processing, termination, denial or rejection of an application by making an informal complaint under WAC 480-07-910, or by filing a formal complaint under WAC 480-07-370.

II. Eligibility

A. Tier 1 – Generating Facilities from 0 kW to 25 kW

Interconnection of a generating facility will use Tier 1 processes and technical requirements if the proposed generating facility meets all of the following criteria:

i. Uses inverter-based interconnection equipment;
ii. Is single phase;
iii. Has a nameplate capacity of 25 kW or less;
iv. Is proposed for interconnection at secondary voltages (600 V class);
v. Requires no construction or upgrades to electrical company facilities, other than meter changes;
vi. The aggregated generating capacity on the service wire does not exceed the service wire capability;
vii. The aggregated generating capacity on the transformer secondary does not exceed the nameplate of the transformer;
viii. If proposed to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 5 kVA; and
ix. The aggregated nameplate capacity of all generating facilities on any line section does not exceed fifteen percent of the line section annual peak load as most recently measured or calculated for that line section, or fifteen percent of the circuit annual peak load as most recently measured or calculated for the circuit. For the purposes of this subsection:
   a. "All generating facilities" means all interconnected generating facilities, the proposed generating facility, and all other proposed generating facilities already in the queue defined in WAC 480-108-030(7); and
   b. "Line section" means that portion of an electric system connected to the generating facility and bounded by sectionalizing devices or the end of the distribution line.

B. Tier 2 – Generating Facilities from 26 kW to 500 kW

Interconnection of a generating facility will use Tier 2 processes and technical requirements if the proposed generating facility meets all of the following criteria:

i. It does not qualify for Tier 1 interconnection applicability requirements;
ii. Has a nameplate capacity of 500 kW or less;
iii. Is proposed for interconnection to an electric system distribution facility operated at or below 38 kV class;
iv. Is not a synchronous generator;

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Parallel Operation or Operate in Parallel: The synchronous operation of a Generating Facility while interconnected with a Company's Electric System.

Point of Common Coupling: The point where the Generating Facility's local electric power system connects to the Company's Electric System, such as the electric power revenue meter or at the location of the equipment designated to interrupt, separate or disconnect the connection between the Generating Facility and Company. The Point of Common Coupling is the point of measurement for the application of IEEE 1547, clause 4.

System Upgrades: The additions, modifications and upgrades to the electrical system at or beyond the Point of Common Coupling necessary to interconnect the Generating Facility. System Upgrades do not include Interconnection Facilities.

Third-party Owner: An entity that owns a generating facility located on the premises of an Interconnection Customer and has entered into a contract with the Interconnection Customer for provision of power from the Generating Facility. When a third-party owns a net-metered Generating Facility, the Interconnection Customer maintains the net metering relationship with the Company. The Company shall not allow a third-party owner to resell the electricity produced from a net metered Generating Facility.

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Generating Facility.

3.4.6 Reconnection
The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Electric System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.

4.2 Distribution Upgrades
The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

4.3 Sole-Use Facilities and Charges

4.3.1 The Transmission Provider shall be responsible for owning, operating, maintaining, repairing and replacing its own Interconnection Facilities. The Transmission Provider reserves the right to develop a charge for sole-use facilities for those facilities owned by the Transmission Provider put in place for the sole benefit of the Interconnection Customer's generation interconnection (as identified in Attachment 2). Any sole-use facilities charge shall reflect the then-current ownership of facilities.

4.3.2 Sole-use facilities refer to equipment installed by the Transmission Provider, but

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express written permission of the Electrical Company. A net metered Interconnection Customer may lease a generating facility from, or purchase power from, a third-party owner of an on-site Generating Facility.

Interconnection Facilities – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades. Interconnection Facilities includes the definition for interconnection facilities as defined by WAC 480-108.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System. Interconnection Request includes the definition of Application.

Islanding - The condition that occurs when power from the electric system is no longer present and the Generating Facility continues exporting energy onto the electric system

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Nameplate Capacity - The manufacturer's output capacity of the generating facility. For a system that uses an inverter to change DC energy supplied to an AC quantity, the nameplate capacity will be the manufacturer's AC output rating for the inverter(s). Nameplate capacities shall be measured in the unit of kilowatts

NERC – The North American Electric Reliability Corporation, or its successor.

NWPP – The Northwest Power Pool, or its successor.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, balancing area, or the Transmission Provider's requirements, including those set forth in the Small Generator Interconnection and Construction Agreement.

Parallel Operation (or Operate in Parallel) - The synchronous operation of a Generating Facility while interconnected with an Electrical Company's Electric System.

Party or Parties – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

Point of Common Coupling - The point where the Generating Facility's local electric power

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system connects to the Electrical Company's Electric System, such as the electric power revenue meter or at the location of the equipment designated to interrupt, separate or disconnect the connection between the Generating Facility and Electrical Company. The Point of Common Coupling is the point of measurement for the application of IEEE 1547, clause 4.

Point of Interconnection – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System. Point of Interconnection includes the definition of Point of Common Coupling.

PURPA Qualifying Facility - A Generating Facility that meets the criteria specified by the Federal Energy Regulatory Commission (FERC) in 18 CFR Part 292 Subpart B and that sells power to an electrical company under chapter 480-107 WAC.

Queue Position – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator 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.

Small Generating Facility – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities. Small Generating Facility includes the definition of Generating Facility.

System Upgrades - The additions, modifications and upgrades to the Electrical Company's Electrical System at or beyond the Point of Common Coupling necessary to facilitate the Interconnection of the Generating Facility. System Upgrades do not include Interconnection Facilities. System Upgrades may be Distribution Upgrades and/or Transmission Upgrades.

Tariff – The current tariffs, rates schedules and prices for the Electric Company under the jurisdiction of the Commission.

Transmission Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider. Transmission Provider includes the definition of Electrical Company.

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Transmission System – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the tariff.

Transmission Upgrades – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades do not include Interconnection Facilities.

Upgrades – The required additions and modifications to the Transmission Provider's Electric System at or beyond the Point of Interconnection. Upgrades may be Transmission Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

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