

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 - A Utility other than the interconnecting Utility'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” shall mean power used to operate auxiliary equipment in the facility necessary for power generation (such as pumps, blowers, fuel preparation machinery, exciters, etc.)

Business Days - Monday through Friday, excluding State Holidays.

Calendar Days – Sunday through Saturday, including all holidays.

Commission - The North Carolina Utilities Commission.

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/or detailed engineering cost calculations and is presented in the Facilities Study Report and Interconnection Agreement. This charge is not final.

Detailed Estimated Upgrade Charge - The estimated charge for Upgrades that is based on field visits and/or detailed engineering cost calculations and is presented in the Facilities Study Report and Interconnection Agreement.

Distribution System – The Utility'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 the Utility'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 the Utility and to inject electricity onto the Utility's System. Distribution Upgrades do not include Interconnection Facilities.

Electric Generator Lessor – The owner of a solar energy facility who leases the facility to a customer generator lessee, including any agents who act on behalf of the electric generator lessor.

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 the Utility 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 the Utility’s Interconnection Facilities. Where appropriate, the Utility may deem Financial Security to exist where its credit policies show that the financial risks involved are de minimus, or where the Utility’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 shall 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, the Utility, or any affiliate thereof.

In-Service Date – The date upon which the construction of the Utility’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 agreed upon Milestones, etc. See Attachment 9 of the NC Procedures.

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

Interconnection Facilities – Collectively, the Utility'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 the Utility's System. Interconnection Facilities are sole use facilities and shall not include Upgrades.

Interconnection Facilities Delivery Date – The Interconnection Facilities Delivery Date shall be the date upon which the Utility’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 request, etc.), or to make changes to an existing Generating Facility that is interconnected with the Utility'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 the Utility.

Interim Interconnection Agreement – The Interconnection Agreement that specifies the Preliminary Estimated Interconnection Facilities Charge, Preliminary Estimated Upgrade Charge, excludes Milestones, and must be cancelled and replaced with a Final Interconnection Agreement.

“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. Material Modifications include certain project revisions as defined in Section 1.5.1.

Maximum Generating Capacity – The term shall mean that maximum continuous electrical output of the Generating Facility at any time as measured at the Point of Interconnection and the maximum kW delivered to the Utility 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” shall mean the manufacturer’s nameplate rated output capability of the generator. For multi-unit generator facilities, the “Nameplate Capacity” of the facility shall be the sum of the individual manufacturer’s nameplate rated output capabilities of the generators.

Net Capacity – The term “Net Capacity” shall 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" shall 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 the Utility's Transmission System required to accommodate the interconnection of the Generating Facility to the Utility’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 the Utility's requirements, including those set forth in the Interconnection Agreement.

Party or Parties - The Utility, 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 the Utility's System.

Preliminary Estimated Interconnection Facilities Charge - The estimated charge for Interconnection Facilities 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/or 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/or detailed engineering cost calculations.

Project A - An Interconnection Customer that has a lower Queue Number than Interdependent Project B.

Project B - An Interconnection Customer that has a higher Queue Number than Interdependent Project A.

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

Queue Number – The number assigned by the Utility that establishes an 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 shall 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.

Standard - The interconnection procedures, forms and agreements approved by the Town for interconnection of Generating Facilities to Utility Systems.

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

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 the Utility that are used to provide electric service.

Utility - The entity that owns, controls, or operates facilities used for providing electric service.

Transmission System - The facilities owned, controlled or operated by the Utility that are used to transmit electricity.

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