

### 38.5.8401 DEFINITIONS

Terminology used in these rules has the following meanings, except where the context clearly indicates otherwise:

(1) "Applicant" means a person or entity that has filed an application to interconnect a customer-generator facility to an EDS. An applicant may include a third party who owns and operates a small generator facility under agreement with a customer or leases a small generator facility to a customer.

(2) "Area Network" means a type of electric system served by multiple transformers interconnected in an electrical network circuit.

(3) "Commission" means the Montana Public Service Commission.

(4) "Customer" means any entity connected to the utility system for the purpose of receiving electric power from the EDS.

(5) "Customer-generator" means a customer that generates electricity, typically on the customer's side of the meter.

(6) "Electric Distribution System" or "EDS" (i) means the infrastructure constructed and maintained by an EDC. (ii) Electric Distribution System has the same meaning as the term Area EPS, as defined in [3.1.6.1](#) of IEEE Standard 1547-2003.

(7) "Electric Distribution Company" or "EDC" means an electric utility that distributes electricity to end users within Montana and is subject to regulation by the commission.

(8) "Export" means power flows past the point of interconnection onto the EDS.

(9) "Good Standing" means a customer's account is not in arrears.

(10) "IEEE" means the Institute of Electrical and Electronics Engineers.

(11) "IEEE Standards" means the standards published by the Institute of Electrical and Electronics Engineers.

(12) "Interconnect" means to connect a utility customer's generator to the EDS.

(13) "Interconnection" is the result of connecting a utility customer's generator to the electric distribution company's electric distribution system.

(14) "Interconnection Customer" means an applicant that has entered into an interconnection agreement with an EDC to interconnect a small generator facility and has interconnected that small generator facility.

(15) "Line Section" means the portion of a radial distribution circuit to which an applicant seeks to interconnect and is bounded by automatic sectionalizing devices or the end of a distribution line.

(16) "Nameplate Capacity" means the maximum rated output of a generator, prime mover, or other electric power production equipment under specific conditions designated by the manufacturer and is usually indicated on a nameplate physically attached to the power production equipment.

(17) "Nationally Recognized Testing Laboratory" or "NRTL" means a testing laboratory that is recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards.

(18) "Radial Distribution Circuit" means a circuit configuration in which independent feeders branch out radially from a common source of supply. From the standpoint of a utility system, the area described is between the generating source or intervening substations and the customer's electric service entrance equipment. In a radial distribution system, power flows in one direction from the utility to the load.

(19) "Small Generator Facility" means a generator or a group of generators

located on the utility customer's premises that have an aggregate nameplate capacity that is less than or equal to 10 MW and is designed to operate in parallel with the electric distribution system.

History: [69-3-103](#), MCA; IMP, [69-3-102](#), MCA; NEW, 2010 MAR p. 1801, Eff. 8/13/10.

**38.5.8402 APPLICABILITY**

(1) The interconnection procedures set forth in this subchapter apply to applicants proposing to install and interconnect a small generator facility to an EDC's system that satisfies the following criteria:

(a) The small generator facility must be sited on the utility customer's premises;

(b) The customer installing the small generator facility must be in good standing with the utility;

(c) The proposed small generator facility's point of interconnection may not be on a transmission line;

(d) The power produced from the small generator facility must be contained on the EDS and not flow onto the transmission system; and

(e) The power exported by an interconnection customer can only be sold to the EDC.

History: [69-3-103](#), MCA; IMP, [69-3-102](#), MCA; NEW, 2010 MAR p. 1801, Eff. 8/13/10.

**38.5.8403 INTERCONNECTION REQUESTS**

(1) Applicants seeking to interconnect a small generator facility shall submit an interconnection request using a standard form filed with the commission by the EDC that owns the electric distribution system to which interconnection is sought. All fees for processing interconnection requests must be paid prior to acceptance of the interconnection request by the utility.

History: [69-3-103](#), MCA; [IMP](#), [69-3-102](#), MCA; [NEW](#), 2010 MAR p. 1801, Eff. 8/13/10.

**38.5.8404 AGREEMENTS, FORMS, AND FEES**

(1) The EDC shall file standard applications for interconnection requests, standard agreements required by the interconnection rules, a schedule of fees for processing interconnection requests, and a schedule of rates for performing the various studies required by these rules with the commission.

(2) All agreements, forms, fees, and rates must be filed with and approved by the commission after public notice and opportunity for comment.

(3) Utilities may not deviate from the standard agreements and fees filed with the commission without commission approval.

(4) A customer may petition the commission to require the utility to amend its agreements, forms, fees, and rates.

(5) The commission on its own, may require the utility to amend its agreements, forms, fees, and rates.

History: [69-3-103](#), MCA; [IMP](#), [69-3-102](#), MCA; [NEW](#), 2010 MAR p. 1801, Eff. 8/13/10.

### **38.5.8405 CERTIFIED EQUIPMENT**

(1) An interconnection request may be eligible for expedited interconnection review as determined under ARM [38.5.8404](#) if the small generator facility uses certified interconnection equipment. Interconnection equipment shall be deemed certified upon establishment of all of the following:

(a) The interconnection equipment has been labeled and is publicly listed by a NRTL at the time of the interconnection application;

(b) The NRTL testing the interconnection equipment makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its web site and by encouraging such information to be included in the manufacturer's literature accompanying the equipment;

(c) The applicant verifies that the intended use of the interconnection equipment falls within the use or uses for which the interconnection equipment was labeled, and listed by the NRTL.

(2) If the interconnection equipment is an integrated equipment package such as an inverter, then the applicant must show that the generator or other electric source being utilized is compatible with the interconnection equipment and is consistent with the testing and listing specified for this type of interconnection equipment.

(3) If the interconnection equipment includes only interface components (switchgear, multifunction relays, or other interface devices), then the applicant must show that the generator or other electric source being utilized is compatible with the interconnection equipment and is consistent with the testing and listing specified for this type of interconnection equipment.

(4) Interconnection equipment must be evaluated by a NRTL in accordance with the following codes and standards:

(a) IEEE 1547-2003 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1-2005 testing protocols to establish conformity); and

(b) UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems.

(5) Certified interconnection equipment shall not require further design testing or production testing, as specified by IEEE Standard 1547-2003 Sections 5.1 and 5.2, or additional interconnection equipment modification to meet the requirements for expedited review; however, nothing herein shall preclude the need for an interconnection installation evaluation, commissioning tests or periodic testing as specified by IEEE Standard 1547-2003 Sections 5.3, 5.4, and 5.5, or for a witness test that may be conducted by the EDC.

History: [69-3-103](#), MCA; [IMP](#), [69-3-102](#), MCA; [NEW](#), 2010 MAR p. 1801, Eff. 8/13/10.

**38.5.8406 REVIEW PROCEDURES**

(1) An EDC shall review interconnection requests using one or more of the following review procedures:

(a) An EDC shall use Level 1 procedures for evaluation of all interconnection requests to connect inverter-based small generation facilities if:

(i) The small generator facility has a nameplate capacity of 50 kW or less; and  
(ii) The customer interconnection equipment proposed for the small generator facility is certified.

(b) An EDC shall use Level 2 procedures for evaluating interconnection requests if:

(i) The small generator facility has a nameplate capacity of 2 MW or less; and  
(ii) The interconnection equipment proposed for the small generator facility is certified; or

(iii) The small generator facility was reviewed under Level 1 review procedures but not approved and the applicant has submitted a new interconnection request for consideration.

(c) An EDC shall use Level 3 review procedures for evaluating interconnection requests where power will not be exported.

(d) An EDC shall use the Level 4 study procedures for evaluating interconnection requests if:

(i) The interconnection request was not approved under a Level 1, Level 2, or Level 3 expedited review and the applicant has submitted an interconnection request for consideration under a Level 4 study review; or

(ii) The interconnection request does not meet the criteria for expedited review under Level 1, Level 2, or Level 3 review procedures.

History: [69-3-103](#), MCA; [IMP](#), [69-3-102](#), MCA; [NEW](#), 2010 MAR p. 1801, Eff. 8/13/10.

**38.5.8407 TECHNICAL STANDARDS**

(1) Unless otherwise provided in these rules, IEEE Standard 1547-2003 is to be used in evaluating all interconnection requests under Level 1, Level 2, Level 3, and Level 4 reviews. IEEE Standard 1547.1-2005 is to be used for testing interconnection equipment to ensure it complies with IEEE 1547-2003.

History: [69-3-103](#), MCA; IMP, [69-3-102](#), MCA; NEW, 2010 MAR p. 1801, Eff. 8/13/10.



### **38.5.8408 ADDITIONAL REQUIREMENTS**

(1) The interconnection applicant is responsible for construction of all generator facilities and obtaining any necessary local code official approval.

(2) To assist customers in the interconnection process, the EDC must:

(a) Maintain all interconnection related documents on their proprietary web site;

(b) Designate an employee or office from which basic information on the application can be obtained through an informal process and prominently display the contact information on the proprietary web site required in (a); and

(c) Upon the customer's request, meet with the customer prior to submission of an application for expedited interconnection.

(3) When an interconnection request for a small generator facility includes multiple energy production devices at a site for which the applicant seeks a single point of interconnection, the interconnection request shall be evaluated on the basis of the aggregate nameplate capacity of multiple devices.

(4) When an interconnection request is for an increase in capacity for an existing small generator facility, the interconnection request shall be evaluated on the basis of the new total nameplate capacity of the small generator facility.

(5) When an interconnection request is deemed complete, any modification that is not agreed to in writing by the EDC shall require submission of a new interconnection request.

(6) Small generator facilities shall be capable of being isolated from the EDC by means of a lockable, visible-break isolation device accessible by the EDC. The isolation device shall be installed, owned, and maintained by the owner of the small generation facility and located between the small generation facility and the point of interconnection.

(7) Any metering necessitated by a small generator interconnection shall be installed, operated, and maintained in accordance with applicable tariffs. Any such metering requirements must be clearly identified as part of the standard generator interconnection agreement executed by the interconnection customer and the EDC.

(8) EDC monitoring and control of a small generator facility is permitted only if the nameplate capacity rating of the small generator facility interconnecting to the EDS, or the aggregate nameplate capacity of all small generator facilities on the line section in combination with the small generator facility interconnecting to the EDS, is greater than 15% of the line section annual peak load as most recently measured at the substation or exceeds the annual minimum load of the line section. Any monitoring and control requirements shall be consistent with the EDC's written and published requirements and must be clearly identified as part of an interconnection agreement executed by the interconnection customer and EDC.

(9) The EDC shall have the option of performing a witness test to verify the small generator facility complies with the standards listed in ARM [38.5.8407](#) after construction of the small generator facility is completed. The applicant shall provide the EDC at least 20 business days notice of the planned commissioning test for the small generator facility. If the EDC elects to perform a witness test, it shall contact the applicant to schedule the witness test at a mutually agreeable time within ten business days of the scheduled commissioning test. If the EDC does not perform the witness test within ten business days of the commissioning test, the witness test is deemed waived. If the witness test is not acceptable to the EDC, the EDC must document all deficiencies and provide a written report identifying the deficiencies to the applicant within five business days of the witness test. The applicant shall be granted a period of 30 business days to address and resolve any deficiencies. If the

applicant fails to address and resolve the deficiencies to the satisfaction of the EDC, the interconnection request shall be deemed withdrawn. If a witness test is not performed by the EDC or an entity approved by the EDC, the applicant must still satisfy the interconnection test specifications and requirements set forth in IEEE standard 1547-2003 Section 5. The applicant shall, if requested by the EDC, provide a copy of all documentation in its possession regarding testing conducted pursuant to IEEE Standard 1547.1-2005.

(10) Once an interconnection has been approved under this rule, the EDC may not require a customer-generator to test its facility except for the following:

(a) For Levels 2 and 3, an annual test in which the customer-generator's facility is disconnected from the EDC's equipment to ensure that the generator stops delivering power to the grid, and any manufacturer recommended testing; and

(b) For Level 4, all interconnection related protective functions and associated batteries shall be periodically tested according to the following:

(i) Intervals specified by the manufacturer; or

(ii) Intervals agreed upon by the EDC and customer-generator; and

(c) Customer-generators shall maintain periodic test reports or an inspection log for Level 4 interconnections.

(11) An EDC shall have the right to inspect a customer-generator's facility before and after interconnection approval is granted, at reasonable hours and with reasonable prior notice provided to the customer-generator. If the EDC discovers the customer-generator's facility is not in compliance with the requirements of IEEE Standard 1547-2003, and the noncompliance adversely affects the safety or reliability of the electric system, the EDC may require disconnection of the customer-generator's facility until it complies. Immediately upon disconnection of the customer-generator's facility, the EDC shall provide a written report detailing how the customer-generator's facility is not complying with IEEE Standard 1547-2003 or these rules.

History: [69-3-103](#), MCA; [IMP](#), [69-3-102](#), MCA; [NEW](#), 2010 MAR p. 1801, Eff. 8/13/10.

### **38.5.8409 LEVEL 1 EXPEDITED REVIEW**

(1) An EDC shall use the Level 1 interconnection review procedure for an interconnection request that meets the criteria in [38.5.8406](#)(1)(a). An EDC shall not impose additional requirements for Level 1 reviews not specifically authorized under this rule unless the EDC and the applicant mutually agree to do so.

(2) The EDC shall evaluate the potential for adverse system impacts using the following screens which must be satisfied:

(a) For interconnection of a proposed small generator facility to a radial distribution line section, the aggregated generation on the line section, including the proposed small generator facility, may not exceed:

(i) 15% of the line section annual peak load as most recently measured at the substation; or

(ii) the annual minimum load of the line section.

(b) For interconnection of a proposed small generator facility to a spot network circuit where the generator or aggregate of total generation exceeds 5% of the spot network's maximum load, the generator must utilize a protective scheme that will ensure that its current flow will not affect the network protective devices, including reverse power relays or a comparable function;

(c) When a proposed small generator facility is to be interconnected on a single-phase shared secondary line section, the aggregate generation capacity on the shared secondary line, including the proposed small generator facility, may not exceed 20 kilovolt-amps (kVA);

(d) When a proposed small generator facility 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 two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer;

(e) The generator cannot exceed the capacity of the customer's existing electrical service; and

(f) Construction of facilities by the EDC on its own system is not required to accommodate the small generator facility.

(3) The Level 1 interconnection review must be conducted in accordance with the following procedures:

(a) An EDC shall, within ten business days after receipt of the interconnection request, inform the applicant that the interconnection request is complete or incomplete and what materials are missing;

(b) When an interconnection request is complete, the EDC shall assign a line section queue position if there is more than one interconnection request pending for the same line section. The line section queue position of the interconnection request shall be used to determine the potential adverse system impact of the small generator facility based on the relevant screening criteria. The EDC shall notify the applicant about other higher line section queued applicants on the same line section or spot network for which interconnection is sought. Line section queue position shall not be forfeited or otherwise impacted by any pending dispute submitted under the provisions of ARM [38.5.8413](#);

(c) The EDC shall, within 15 business days after the end of the ten business days noted in (3)(a), verify that the small generator facility equipment can be interconnected safely and reliably using Level 1 screens;

(d) Unless the EDC determines and demonstrates that a small generator facility cannot be interconnected safely or reliably to its system and provides a letter to the applicant explaining its reasons for denying an interconnection request, the EDC

shall provide the applicant with a small generator interconnection agreement within five business days and approve the interconnection request subject to the following conditions:

(i) The small generator facility has been approved by local or municipal electric code officials with jurisdiction over the interconnection;

(ii) A certificate of completion has been returned to the EDC. Completion of local inspections may be designated on inspection forms used by local inspecting authorities;

(iii) The witness test has been successfully completed or waived; and

(iv) The applicant has signed a standard small generator interconnection agreement. When an applicant does not sign the agreement within 30 business days after receipt from the EDC, the interconnection request shall be deemed withdrawn.

(e) If the small generator facility is not approved under a Level 1 review, the EDC shall provide the applicant a letter explaining its reasons for denying the interconnection request. The applicant may submit a new interconnection request for consideration under a Level 2, Level 3, or Level 4 interconnection review; however, the line section queue position assigned to the Level 1 interconnection request shall be retained provided the request is made within 15 business days after notification that the current interconnection request has not been approved.

History: [69-3-103](#), MCA; [IMP](#), [69-3-102](#), MCA; [NEW](#), 2010 MAR p. 1801, Eff. 8/13/10.

**38.5.8410 LEVEL 2 EXPEDITED REVIEW**

(1) An EDC shall use the Level 2 interconnection review procedure for an interconnection request that meets the criteria in ARM [38.5.8406](#)(1)(b). An EDC shall not impose additional requirements for Level 2 reviews not specifically authorized under this section unless the EDC and the applicant mutually agree to do so.

(2) The EDC shall evaluate the potential for adverse system impacts using the following screens which must be satisfied:

(a) For interconnection of a proposed small generator facility to a radial distribution circuit, the aggregated generation on the circuit, including the proposed small generator facility, may not exceed:

(i) 15% of the line section annual peak load as most recently measured at the substation; or

(ii) the annual minimum load of the line section.

(b) For interconnection of a proposed small generator facility to a spot network circuit where the generator or aggregate of total generation exceeds 5% of the spot network's maximum load, the generator must utilize a protective scheme that will ensure that its current flow will not affect the network protective devices, including reverse power relays or a comparable function;

(c) For interconnection of a proposed small generator facility that utilizes inverter-based protective functions to an area network, the generator facility, in aggregate with other exporting generator facilities interconnected on the load side of network protective devices, will not exceed the lesser of 10% of the minimum annual load on the network or 500 kW. For a photovoltaic generator facility without batteries, the 10% minimum shall be determined as a function of the minimum load occurring during an off-peak daylight period;

(d) For interconnection of generators to area networks that do not utilize inverter-based protective functions or inverter-based generators that do not meet the requirements of (2)(c), the generator must utilize reverse power relays or other protection devices and/or methods that ensure power is not exported from the customer's site including any inadvertent export (e.g. under fault conditions) that could adversely affect protective devices on the network circuit;

(e) The proposed small generator facility, in aggregation with other generation on the distribution circuit, may not contribute more than 10% to the distribution circuit's maximum fault current at the point on the primary line nearest the point of interconnection;

(f) The proposed small generator facility, in aggregate with other generation on the distribution circuit, may not cause any distribution protective devices and equipment (including substation breakers, fuse cutouts, and line reclosers), or other customer equipment on the electric distribution system to be exposed to fault currents exceeding 90% of the short circuit interrupting capability including X/R effects;

(g) When a customer-generator facility is to be connected to 3-phase, three wire primary EDC distribution lines, a 3-phase or single-phase generator will be connected phase-to-phase;

(h) When a customer-generator facility is to be connected to 3-phase, four wire primary EDC distribution lines, a 3-phase or single phase generator will be connected line-to-neutral and will be effectively grounded;

(i) When the proposed small generator facility is to be interconnected on single-phase shared secondary line, the aggregate generation capacity on the shared

secondary line, including the proposed small generator facility, shall not exceed 20 kVA;

(j) When a proposed small generator facility 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 two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer;

(k) A small generator facility, in aggregate with other generation interconnected to the distribution side of a substation transformer feeding the circuit where the small generator facility proposes to interconnect, may not exceed 10 MW in an area where there are known or posted transient stability limitations to generating units located in the general electrical vicinity (for example, three or four distribution busses from the point of interconnection);

(l) The generator cannot exceed the capacity of the customer's existing electrical service; and

(m) Construction of facilities by the EDC on its own system is not required to accommodate the small generator facility.

(3) The Level 2 interconnection review must be conducted in accordance with the following procedures:

(a) An EDC shall, within ten business days after receipt of the interconnection request, inform the applicant that the interconnection request is complete or incomplete and what materials are missing;

(b) When an interconnection request is complete, the EDC shall assign a line section queue position if there is more than one interconnection request pending for the same line section. The line section queue position of the interconnection request shall be used to determine the potential adverse system impact of the small generator facility based on the relevant screening criteria. The EDC shall notify the applicant about other higher line section queued applicants on the same line section or spot network for which interconnection is sought. Line section queue position shall not be forfeited or otherwise impacted by any pending dispute submitted under the provisions of ARM [38.5.8413](#);

(c) Within 20 business days after the EDC notifies the applicant it has received a completed interconnection request, the EDC shall:

(i) Evaluate the interconnection request using the Level 2 review criteria;

(ii) Review the applicant's analysis, if provided by applicant, using the same criteria; and

(iii) Provide the applicant with the EDC's evaluation, including a comparison of the results of its own analyses with those of applicant, if applicable. When an EDC does not have a record of receipt of the interconnection request and the applicant can demonstrate that the original interconnection request was delivered, the EDC shall expedite its review to complete the evaluation of the interconnection request within 20 business days of the applicant's resubmission of the interconnection request; but

(iv) The EDC shall not be obligated to meet the timeline for reviewing the interconnection request as provided for in (3)(c) until such time as the EDC has completed the review of all other interconnection requests that have a higher line section queue position.

(4) When an EDC determines that the interconnection request passes the Level 2 screening criteria, or fails one or more of the Level 2 screening criteria but determines that the small generator facility can be interconnected safely and reliably, it shall provide the applicant a standard small generator interconnection

agreement within five business days after the determination.

(5) Additional review may be appropriate when a small generator facility has failed to meet one or more of the Level 2 screens. An EDC shall offer to perform additional reviews to determine whether minor modifications to the electric distribution system would enable the interconnection to be made consistent with safety, reliability, and power quality criteria. The EDC shall provide the applicant with a nonbinding, good faith estimate of the costs of additional review and minor modifications. The EDC shall undertake the additional review only after the applicant consents to pay for the review. If the review identifies the need for modifications, the EDC shall make the necessary modifications only if the interconnection customer agrees to pay for them.

(6) An applicant shall have 30 business days after receipt of an interconnection agreement to sign and return the agreement. When an applicant does not sign the agreement within 30 business days, the interconnection request shall be deemed withdrawn. If construction is required under the provisions of (5), the interconnection of the small generator facility shall proceed according to any milestones agreed to by the parties in the standard small generator interconnection agreement. The standard small generator interconnection agreement may not become final until:

(a) The milestones agreed to in the standard small generator interconnection agreement are satisfied;

(b) The small generator facility is approved by electric code officials with jurisdiction over the interconnection;

(c) The applicant provides a certificate of completion to the EDC. Completion of local inspections may be designated on inspection forms used by local inspecting authorities; and

(d) There is a successful completion of the witness test, unless waived.

(7) If the small generator facility is not approved under a Level 2 review, the EDC shall provide the applicant a letter explaining its reasons for denying the interconnection request. The applicant may submit a new interconnection request for consideration under a Level 3 or Level 4 interconnection review; however, the line section queue position assigned to the Level 2 interconnection request shall be retained provided the request is made within 15 business days after notification that the current interconnection request has not been approved.

History: [69-3-103](#), MCA; [IMP](#), [69-3-102](#), MCA; [NEW](#), 2010 MAR p. 1801, Eff. 8/13/10.

### 38.5.8411 LEVEL 3 EXPEDITED REVIEW

(1) An EDC shall use the Level 3 interconnection review procedure for an interconnection request that meets the criteria in ARM [38.5.8406\(1\)\(c\)](#). An EDC shall not impose additional requirements for Level 3 reviews not specifically authorized under this section unless the EDC and the applicant mutually agree to do so.

(2) Once the interconnection request is deemed complete by the EDC, the EDC shall assign a line section queue position based upon the date and time the interconnection request is determined to be complete if there is more than one interconnection request pending for the same line section. The line section queue position of each interconnection request shall be used to determine the potential adverse system impact of the small generator facility based on the relevant screening criteria. The applicant will proceed under the timeframes of this section. The EDC shall notify the applicant about other higher line section queued applicants on the same radial line or area network that the applicant is seeking to interconnect to. Line section queue position shall not be forfeited or otherwise impacted by any pending dispute submitted under the provisions of ARM [38.5.8413](#).

(3) For interconnection requests to the load side of an area network, the following criteria must be satisfied:

(a) The nameplate capacity of the small generator facility is less than or equal to 50 kW;

(b) The proposed small generator facility utilizes a certified inverter-based equipment package;

(c) The small generator utilizes reverse power relays and/or other protection functions that prevent the export of power into the area network;

(d) The aggregate of all generation on the area network does not exceed the smaller of 5% of an area network's maximum load or 50 kW; and

(e) No construction of the facilities by the electric distribution company shall be required to accommodate the small generator facility.

(4) Interconnection requests meeting the requirements set forth in ARM [38.5.8411\(3\)](#) for small generator facilities interconnecting to an area network shall be presumed to be appropriate for interconnection. The EDC shall process the interconnection request to area networks using the following procedures:

(a) The EDC shall evaluate the interconnection request under Level 2 interconnection review procedures as set forth in ARM [38.5.8410\(3\)](#) except that the EDC may have 25 business days to conduct an area network impact study to determine any potential adverse system impacts of interconnecting to the EDC's area network; however, the EDC shall not be obligated to meet the timeline for reviewing the interconnection request as provided for herein until such time as the EDC has completed the review of all other interconnection requests that have a higher line section queue position;

(b) In the event the area network impact study identifies potential adverse system impacts, the EDC may determine at its sole discretion that it is inappropriate for the small generator facility to interconnect to the area network in which case the interconnection request shall be denied; however, the applicant may elect to submit a new interconnection request for consideration under Level 4 procedures in which case the line section queue position assigned to the Level 3 interconnection request will be retained provided the request is made within 15 business days after notification that the current application is denied; and

(c) In the event the EDC denies the interconnection request, the EDC shall



provide the applicant with a copy of its area network impact study and written justification for denying the interconnection request.

(5) For interconnection requests to a radial distribution circuit, the following criteria must be satisfied:

(a) The aggregated total of the nameplate capacity of all of the generators on the circuit, including the proposed small generator facility, is 10 MW or less;

(b) The small generator will use reverse power relays or other protection functions that prevent power flow onto the electric distribution system;

(c) The small generator is not served by a shared transformer; and

(d) No construction of facilities by the EDC on its own system shall be required to accommodate the small generator facility.

(6) For an interconnection request meeting the requirements of ARM [38.5.8411](#) (5) for small generator facilities interconnecting to a radial distribution circuit, the EDC shall evaluate the interconnection request under the Level 2 expedited review in ARM [38.5.8410](#). The EDC shall approve the interconnection request if all of the applicable screens in ARM [38.5.8410](#)(2) are satisfied.

(7) For a small generator facility that satisfies the criteria in (4) or (5) of this rule, the EDC shall approve the interconnection request and provide a standard interconnection agreement for the applicant to sign within five business days.

(8) The applicant shall have 30 business days after receipt of an interconnection agreement to sign and return the standard small generator interconnection agreement. If the applicant does not sign the standard small generator interconnection agreement within 30 business days, the request shall be deemed withdrawn. After the standard small generator interconnection agreement is signed by the parties, interconnection of the small generator facility shall proceed according to any milestones agreed to by the parties in the standard small generator interconnection agreement.

(9) The interconnection agreement will not be final until:

(a) Any milestones agreed to in the standard small generator interconnection agreement are satisfied;

(b) The small generator facility is approved by electric code officials with jurisdiction over the interconnection;

(c) The applicant provides a certificate of completion to the EDC; and

(d) There is a successful completion of the witness test, if conducted by the EDC.

(10) If the small generator facility is not approved under a Level 3 review, the applicant may submit a new interconnection request for consideration under the Level 4 procedures specified in ARM [38.5.8406](#)(1)(d) without sacrificing the original line section queue position provided the revised interconnection request is submitted within 15 business days of notice that the current request has not been approved.

History: [69-3-103](#), MCA; [IMP](#), [69-3-102](#), MCA; [NEW](#), 2010 MAR p. 1801, Eff. 8/13/10.

### 38.5.8412 LEVEL 4 STUDY REVIEW

(1) An EDC shall use the Level 4 study review procedure for an interconnection request that meets the criteria in ARM [38.5.8406](#)(1)(d).

(2) Within ten business days from receipt of an interconnection request, the EDC shall notify the applicant whether the request is complete. When the interconnection request is not complete, the EDC shall provide the applicant a written list detailing information that shall be provided to complete the interconnection request. The applicant shall have ten business days to provide appropriate data in order to complete the interconnection request or the interconnection request shall be considered withdrawn. The interconnection request shall be deemed complete when the required information has been provided by the applicant.

(3) When an interconnection request is complete, the EDC shall assign a line section queue position if there is more than one interconnection request pending for the same line section. The line section queue position of an interconnection request shall be used to determine the cost responsibility necessary for the facilities to accommodate the interconnection. The EDC shall notify the applicant about other higher line section queued applicants. Any required interconnection studies shall not begin until the EDC has completed its review of all other interconnection requests that have a higher line section queue position. Line section queue position shall not be forfeited or otherwise impacted by any pending dispute submitted under the provisions of ARM [38.5.8413](#).

(4) The following procedures shall be followed in performing a Level 4 study review:

(a) By mutual agreement of the parties, the scoping meeting, interconnection feasibility study, interconnection impact study, or interconnection facilities studies provided for in a Level 4 review and discussed in this section may be waived;

(b) If agreed to by the parties, a scoping meeting will be held within ten business days after the EDC has notified the applicant that the interconnection request is deemed complete, or the applicant has requested that its interconnection request proceed after failing the requirements of a Level 2 review or Level 3 review. The purpose of the meeting must be to review the interconnection request, existing studies relevant to the interconnection request, and the results of the Level 1, Level 2, or Level 3 screening criteria;

(c) If the parties agree at a scoping meeting that an interconnection feasibility study shall be performed, the EDC shall provide to the applicant, no later than five business days after the scoping meeting, an interconnection feasibility study agreement, including an outline of the scope of the study and a nonbinding good faith estimate of the cost to perform the study;

(d) If the parties agree at a scoping meeting that an interconnection feasibility study is not required, the EDC shall provide to the applicant, no later than five business days after the scoping meeting, an interconnection system impact study agreement, including an outline of the scope of the study and a nonbinding good faith estimate of the cost to perform the study; or

(e) If the parties agree at the scoping meeting that an interconnection feasibility study and system impact study are not required, the EDC shall provide to the applicant, no later than five business days after the scoping meeting, an interconnection facilities study agreement including an outline of the scope of the study and a nonbinding good faith estimate of the cost to perform the study.

(5) The following guidelines shall be followed in conducting all required interconnection studies:

(a) An interconnection feasibility study shall include any of the following analyses necessary for the purpose of identifying a potential adverse system impact to the EDC's electric distribution system that would result from the interconnection:

(i) Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

(ii) Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;

(iii) Initial review of grounding requirements and system protection; and

(iv) Description and nonbinding estimated cost of facilities required to interconnect the small generator facility to the EDC's electric distribution system in a safe and reliable manner.

(b) If an applicant requests that the interconnection feasibility study evaluate multiple potential points of interconnection, additional evaluations may be required. Additional evaluations shall be paid by the applicant.

(c) An interconnection system impact study is not required if the interconnection feasibility study concludes there is no adverse system impact, or if the study identifies an adverse system impact, but the EDC is able to identify a remedy without the need for an interconnection system impact study.

(d) The parties shall use a form of interconnection feasibility study agreement approved by the commission.

(e) An interconnection system impact study shall evaluate the impact of the proposed interconnection on both the safety and reliability of the EDC's electric distribution system. The study shall identify and detail the system impacts that result when a small generator facility is interconnected without project or system modifications, focusing on the adverse system impacts identified in the interconnection feasibility study, or potential impacts including those identified in the scoping meeting. The study shall consider all generating facilities that, on the date the interconnection system impact study is commenced, are directly interconnected with the EDC's system, have a pending higher line section queue position to interconnect to the system, or have a signed a standard small generator interconnection agreement. As part of its impact study, the EDC shall agree to evaluate and consider any separate studies prepared by the applicant that evaluate alternatives for interconnecting the small generator facility including the applicant's assessment of potential impacts of the small generator facility on the electric distribution system. The EDC shall provide the applicant with the EDC's final impact study evaluation including a comparison of the results of its own analyses with those provided by the applicant.

(i) A distribution interconnection system impact study shall be performed when a potential distribution system adverse system impact is identified in the interconnection feasibility study. The EDC shall send the applicant an interconnection system impact study agreement within five business days of transmittal of the interconnection feasibility study report. The agreement will include an outline of the scope of the study and a good faith estimate of the cost to perform the study. The impact study shall include any necessary elements from among the following:

(A) A load flow study;

(B) Identification of affected systems;

(C) An analysis of equipment interrupting ratings;

(D) A protection coordination study;

(E) Voltage drop and flicker studies;

- (F) Protection and set point coordination studies;
  - (G) Grounding reviews; and
  - (H) Impact on system operation.
- (ii) An interconnection system impact study shall consider any necessary criteria from among the following:
- (A) A short circuit analysis;
  - (B) A stability analysis;
  - (C) Alternatives for mitigating adverse system impacts on affected systems;
  - (D) Voltage drop and flicker studies;
  - (E) Protection and set point coordination studies; and
  - (F) Grounding reviews.
- (iii) The final interconnection system impact study must provide the following:
- (A) The underlying assumptions of the study;
  - (B) The results of the analyses;
  - (C) A list of any potential impediments to providing the requested interconnection service;
  - (D) Required distribution upgrades; and
  - (E) A nonbinding good faith estimate of cost and time to construct any required distribution upgrades.
- (iv) The parties shall use an interconnection impact study agreement as approved by the commission.
- (f) The interconnection facilities study shall be conducted as follows:
- (i) Within five business days of completion of the interconnection system impact study, a report shall be transmitted to the applicant with an interconnection facilities study agreement, which includes an outline of the scope of the study and a nonbinding good faith estimate of the cost to perform the study.
  - (ii) The interconnection facilities study shall estimate the cost of the equipment, engineering, procurement and construction work, including overheads, needed to implement the conclusions of the interconnection feasibility study and the interconnection system impact study to interconnect the small generator facility. The interconnection facilities study shall identify:
    - (A) The electrical switching configuration of the equipment, including transformer, switchgear, meters, and other station equipment;
    - (B) The nature and estimated cost of the EDC's interconnection facilities and distribution upgrades necessary to accomplish the interconnection; and
    - (C) An estimate of the time required to complete the construction and installation of the facilities.
  - (iii) The parties may agree to permit an applicant to separately arrange for a third party to design and construct the required interconnection facilities. The EDC may review the design of the facilities under the interconnection facilities study agreement. When the parties agree to separately arrange for design and construction, and to comply with security and confidentiality requirements, the EDC shall make all relevant information and required specifications available to the applicant to permit the applicant to obtain an independent design and cost estimate for the facilities, which must be built in accordance with the specifications.
  - (iv) In the event that distribution upgrades are identified in the impact study that must be added only in the event that higher line section queued customers not yet interconnected eventually complete and interconnect their generation facilities, an applicant may elect to interconnect without paying for such upgrades at the time of the interconnection under the condition that the customer shall pay for such

upgrades at the time the higher line section queued customer is ready to interconnect. If the customer does not pay for such upgrades at that time, the EDC will require the customer to immediately disconnect its generating facility so that the higher line section queued customer can be accommodated.

(v) The parties shall use an interconnection facility study agreement approved by the commission.

(6) When an EDC determines, as a result of the studies conducted under a Level 4 review, that it is appropriate to interconnect the small generator facility, the EDC shall provide the applicant with a standard small generator interconnection agreement. If the interconnection request is denied, the EDC shall provide the applicant a written explanation.

(7) An applicant shall have 30 business days after receipt of an interconnection agreement to sign and return the agreement. When an applicant does not sign the agreement within 30 business days, the interconnection request shall be deemed withdrawn. When construction is required, the interconnection of the small generator facility shall proceed according to milestones agreed to by the parties in the standard small generator interconnection agreement. The standard small generator interconnection agreement may not be final until:

(a) The milestones agreed to in the standard small generator interconnection agreement are satisfied;

(b) The small generator facility is approved by electric code officials with jurisdiction over the interconnection;

(c) The applicant provides a certificate of completion to the EDC. Completion of local inspections may be designated on inspection forms used by local inspecting authorities; and

(d) There is a successful completion of the witness test, unless waived by the EDC.

History: [69-3-103](#), MCA; [IMP](#), [69-3-102](#), MCA; [NEW](#), 2010 MAR p. 1801, Eff. 8/13/10.

**38.5.8413 DISPUTE RESOLUTION**

(1) A party shall attempt to resolve all disputes regarding interconnection as provided in ARM [38.5.8401](#) through [38.5.8412](#) promptly, equitably, and in a good faith manner.

(2) When a dispute arises, a party may seek immediate resolution through complaint procedures available through the commission, or an alternative dispute resolution process approved by the commission, by providing written notice to the commission and the other party stating the issues in dispute. Dispute resolution shall be conducted in an informal, expeditious manner to reach resolution with minimal costs and delay. When available, dispute resolution may be conducted by phone.

(3) When disputes relate to the technical application of this section, the commission may designate a technical master to resolve the dispute. Upon commission designation, the parties shall use the technical master to resolve disputes related to interconnection. Costs for a dispute resolution conducted by the technical master shall be established and allocated by the technical master, subject to review and approval or disapproval by the commission.

(4) Pursuit of dispute resolution may not affect an applicant with regard to consideration of an interconnection request or an applicant's line section queue position.

History: [69-3-103](#), MCA; [IMP](#), [69-3-102](#), MCA; [NEW](#), 2010 MAR p. 1801, Eff. 8/13/10.