

ALPENA POWER COMPANY

Generator Interconnection Application Process

Category 5 Projects of more than 2 MW

This document outlines the procedure for an Alpena Power Company customer (Applicant) to apply to interconnect a non-utility generating resource with a generating capacity of more than 2 MW to APC's electric distribution system and to operate it in parallel with APC's system or for any existing generation project seeking a major upgrade/modification in equipment or generator size.

Step 1: Applicant contacts APC and requests a Generator Interconnection Application.

Step 2: Applicant submits completed Application with required technical data and filing fee to APC for review and approval. The Applicant must provide a one-line diagram with the Generator Interconnection Application that is signed and sealed by a licensed professional engineer, licensed in the State of Michigan.

Step 3: Within 10 working days of the date of receipt of a new or revised Application:

If APC determines that the Application is incomplete, it is returned to the Applicant with an explanation of what information is missing and the customer must resubmit the Application and start the process again at Step 2 shown above.

If APC determines that the Application is complete, then APC completes its Application review within 10 working days of that determination.

Step 4: If APC determines that an engineering review of the Applicant's project is required, APC shall notify the Applicant of the need for that review and its cost. Applicant has 6 months to notify APC, in writing, to proceed with that review. Upon receipt of written notification to proceed, APC will complete its engineering review of the project and notify the Applicant of the results within 45 working days. If APC determines in the engineering review that a distribution system study is not required, the Applicant is contacted and a meeting is set up with them and their electrician to review the installation requirements for the project. If requested by the Applicant, this meeting will include up to 2 hours of technical consultation at no cost to the Applicant. At the meeting, Applicant is given a copy of APC's Interconnection and Parallel Operating Agreement for their review and execution. Applicant goes on to Step 7 from here.

If APC determines in the engineering review that a distribution system study is necessary, APC shall provide the Applicant with, in writing, the cost of the study in its engineering review findings. APC shall also provide the Applicant with a list of distribution system upgrades that may be required for interconnection with an estimated cost of each system component if such information is reasonably ascertainable upon completion of the engineering study. This estimate shall be provided to assist the Applicant in determining whether to proceed with the project and APC shall not be bound by the estimate. The distribution study cost is valid for 6

months and Applicant has 6 months from receipt of the engineering review findings in which to notify APC to proceed with the distribution system study.

- Step 5: Applicant authorizes APC to proceed with the distribution system study, in writing, and pays the applicable fee. APC conducts the distribution system study and completes it within 60 working days unless a different time period is mutually agreed upon. APC notifies the Applicant of its completed distribution system study findings along with any distribution system construction or modification costs to be paid by the Applicant. The cost may include a contingency fee of not more than 10%. Any payment made in excess of actual costs shall be refunded to the Applicant as part of Step 8 listed below.
- Step 6: Applicant agrees, in writing, to pay the costs for the distribution system upgrades identified in the study. APC schedules and constructs the necessary system upgrades. Applicant pays for the upgrades upon their completion and installs the generator project within a mutually agreed upon time period. Applicant is required to obtain and maintain general liability insurance for the project in the amount of \$ 1,000,000.00. Applicant shall provide APC with a certificate of insurance with APC named as an additional insured party on the policy.
- Step 7: Applicant notifies APC when their installation is complete and once all required inspections and approvals are obtained. Applicant must provide APC the opportunity to visit the site to witness or perform the commissioning test required by IEEE 1547.1 and to inspect the installation. APC can waive its rights to visit the site and witness or perform the commissioning tests but must do so within 10 days after being notified that the Applicant's installation is complete and all approvals have been obtained.
- Step 8: Upon completion of the commissioning test, Applicant shall provide the results to APC for review or if completed by APC, they shall notify the Applicant within 5 working days of their approval or disapproval of the interconnection. If approved, APC shall provide the Applicant with a written statement of approval, a final cost reconciliation figure, and an interconnection agreement for the Applicant's review and execution. Applicant must sign and return the executed interconnection agreement form to APC before parallel operation of their generator with APC's distribution system can begin.