

## Instructions for obtaining QF generator interconnection and power purchase agreement with NCEMPA

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1. The Qualifying Facility (QF) must determine whether the distribution facility with which it wishes to be interconnected is owned by Duke Energy Progress (DEP), or conversely is owned by a member city or town of Electricities of NC, Inc. (Electricities).
  - a. Go to: [http://www.electricities.com/Images/NC\\_members\\_map.png](http://www.electricities.com/Images/NC_members_map.png) for a map of the NCEMPA member cities and towns.
  - b. If you are uncertain or need additional information, please contact the Electricities Sr. Project Manager, Generation and Interconnections, at the contact information below.
  
2. If the generator interconnection is determined to be to a DEP facility, the QF should contact DEP or visit DEP's website at:  
[https://www.progress-energy.com/assets/www/docs/home/NC\\_StandardSell\\_Options.pdf](https://www.progress-energy.com/assets/www/docs/home/NC_StandardSell_Options.pdf)  
The following DEP website provides useful information and should be consulted even if it is determined that interconnection is being requested to an Electricities member utility:  
<http://www.duke-energy.com/pdfs/ferc-qfinfo.pdf>
  
3. If the generator interconnection is determined to be with a NCEMPA city utility, the QF must contact the Public Utilities Director of that utility to request the form of Interconnection Agreement.
  - a. A generator interconnection request must be made by following the NCEMPA member utility's interconnection process.
  - b. The generator interconnection process may include application and/or study fees.
  
4. In parallel with the generator interconnection process, the QF must also apply for and obtain the following certificates:
  - a. FERC Form 556, Certification of Qualifying Facility (QF) Status for a Small Power Production or Cogeneration Facility, for generators larger than 1 MW. Please see FERC's website at:  
<http://www.ferc.gov/docs-filing/forms/form-556/form-556.pdf>
  - b. Either submit a Report of Proposed Construction (ROPC) for generators less than 2 MW fueled by renewable resources, or request a Certificate of Public Convenience and Necessity (CPCN) from the North Carolina Utilities Commission (NCUC) for generators of 2 MW or more. More information can be found at the following websites: <http://www.ncuc.net/ncrules/Chapter08.pdf>  
  
[http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter\\_62/GS\\_62-110.1.html](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_62/GS_62-110.1.html)

5. Download from the Electricities or NCPublicPower website or request from the Electricities Sr. Project Manager, Generation and Interconnections, the following information:
  - a. The current version of the document “North Carolina Eastern Municipal Power Agency (NCEMPA) Avoided Cost Rate Schedule for Qualifying Facilities”;
  - b. The current version of the NCEMPA document “Application for Standard Contract by a Qualifying Cogenerator or Small Power Producer” (referred to as the “Application”);
  - c. The current version of the NCEMPA document “Terms and Conditions for the Purchase of Electric Power” (also called the Power Purchase Agreement or PPA).
6. The QF should read and understand these documents which explain the terms and conditions of selling QF output to NCEMPA. NCEMPA is a wholesale requirements contract customer of DEP, and consequently DEP determines the avoided cost rates to be paid to QFs selling to NCEMPA.
  - a. As specified in the NCEMPA Avoided Cost Rate Schedule, a QF which is not directly interconnected to DEP but is interconnected to a NCEMPA utility can choose either (i) a variable energy-only rate as specified in the current filed and approved version of the DEP avoided cost rate tariff; or (ii) a fixed energy and capacity rate as calculated by DEP for a maximum term of ten (10) years, after which only a variable energy rate is available.
7. Once the QF has read and understands these documents and chooses to further pursue a PPA with NCEMPA, the QF must indicate its willingness to commit to sell to NCEMPA by completing, signing and returning the Application and include the required attachments (the PPA, CPCN or ROPC and FERC Form 556) to Electricities at the contact below.
8. Electricities and DEP consider the Legally Enforceable Obligation (LEO) to be established at the later of (a) the submittal of the signed Application (with attached PPA) by the QF to Electricities; (b) the submittal of the ROPC or NCUC approval of the CPCN; and (c) submittal to or certification by FERC of Form 556. Upon receipt by Electricities of a completed Application, PPA, CPCN (or ROPC) and FERC Form 556, Electricities will contact DEP to request a calculated fixed avoided cost energy and capacity rate based on the date the LEO was established.
9. Once Electricities has received a response from DEP, Electricities will provide to the QF the calculated fixed avoided cost energy and capacity rate as well as the variable energy-only rate as specified in the current filed and approved version of the DEP avoided cost rate tariff. The DEP calculated fixed avoided cost energy and capacity rate will remain valid for approximately 30 calendar days, after which a new rate can be requested.
10. The QF must indicate which rate it chooses in an email or other written form to Electricities.

11. Once the QF and Electricities have agreed on the terms and conditions of the Application and PPA and the rates to be paid, NCEMPA will countersign the Application and it becomes an Agreement.
12. In accordance with the terms of the Agreement, the QF will have no more than twelve (12) months to complete construction of the generating facility to achieve commercial operation. If the interconnecting utility cannot complete its interconnection facilities work and is the cause of a delay past twelve (12) months, this deadline will be extended accordingly.
13. The QF shall provide advance written notice to Electricities of any changes to the expected Commercial Operation Date and provide advance notice prior to the production of power from the facility, in accordance with the Interconnection Agreement.
14. Please note that these instructions cover only the requirements of Electricities, NCEMPA and the interconnecting city utility; additional licenses, approvals, certificates, agreements, etc. may be required in order for the QF to construct, operate and maintain the facility.

For more information, please contact:

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