Commonwealth of the Northern Mariana Islands
Commonwealth Utilities Corporation
Abe Utu Malae, Executive Director
P.O. Box 501220
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PUBLIC NOTICE OF PROPOSED RULES AND REGULATIONS
WHICH ARE AMENDMENTS TO THE REGULATIONS OF THE
COMMONWEALTH UTILITIES CORPORATION

INTENDED ACTION TO ADOPT THESE PROPOSED REGULATIONS: The Commonwealth of the Northern Mariana Islands, COMMONWEALTH UTILITIES CORPORATION ("CUC") intends to adopt as permanent regulations the attached Proposed Regulations, pursuant to new procedures developed for the CNMI Public Utilities Commission ("PUC"), which follow those of the Administrative Procedure Act, 1CMC § 9104(a). The Regulations would become effective only upon an order of the CNMI PUC. These proposed regulations are being published in the Commonwealth Register in addition to having been filed with the PUC.

AUTHORITY: The CNMI Public Utilities Act provides that CUC’s regulations shall remain in effect until and unless modified by the PUC. 4 CMC §§ 8401 et seq.; PL 15-35, Section 3(b)(3) (PUC approval of CUC regulations). PL 15-23 and -87, codified at 4 CMC §§ 8531-43, and § 8534(a) (CUC shall develop standard tariff) provide that CUC shall promulgate a tariff for “net energy metering.”

THE TERMS AND SUBSTANCE: The Regulations provide that certain environmentally friendly methods of generating electricity ("renewable power" or "renewables") by CUC’s customers shall be entitled to 100% power bill offset and 50% retail credits and payments when the electricity is delivered to CUC’s electric system. The Regulations set out the duties and rights of these “net metering” customer generators and CUC.

THE SUBJECTS AND ISSUES INVOLVED: These rules and regulations address:

1. Definitions, including the definition of renewable power.
2. Interconnections with CUC’s distribution system.
3. Net metering transactions.
4. Reports.
5. A limitation of the regulations to projects of 100 kW or less with larger projects requiring separate review and approval.

DIRECTIONS FOR FILING AND PUBLICATION: These Proposed Regulations shall be published in the Commonwealth Register in the section on proposed and newly adopted regulations. This notice shall be posted in a CNMI newspaper of general circulation, and in convenient places in CUC’s offices, in the civic center and in local government
offices in each senatorial district, both in English and in the principal vernacular. CUC staff shall make sure that the public notice is properly given.

TO PROVIDE COMMENTS: Send or deliver your comments to Executive Director Abe Utu Malae, Attn: Net Metering Regulations, at the above address, fax or e-mail address, with the subject line “Net Metering Regulations.” E-mails are requested. Comments are due within 30 days from the date of publication of this notice. Please submit your data, views or arguments.

These Proposed Regulations were approved by CUC’s Executive Director for publication and receipt of comments on February 10th, 2012.

Submitted by: 
ABE UTU MALAE
Executive Director, CUC

Received by: 
ESTHER S. FLEMING
Governor’s Special Assistant for Administration

Filed and Recorded by: 
ESTHER M. SAN NICOLAS
Commonwealth Register

Note: Due to the provisions of the Public Utilities Commission Act, 4 CMC § 8401 et sec., and PL 15-35, Section 3(b)(3) (PUC approval of CUC regulations) these proposed regulations have already been submitted directly to the Public Utilities Commission for review and approval following publication in the CNMI Register and an opportunity for public comment.

Dated the 10th day of February, 2012.

/s
DEBORAH E. FISHER
General Counsel for CUC
Pursuant to 1 CMC § 2153(e) (approval of rules and regulations to be promulgated as to form), and 1 CMC § 9104(a)(3) (obtain AG approval), the proposed regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published, 1 CMC § 2153(f) (publication of rules and regulations).

Dated this 28th day of February 2012.

Gilbert Bumbur, AAG

For
EDWARD T. BUCKINGHAM
CNMI Attorney General
COMMONWEALTH GI SANGKATTAN NA ISLAN MARIANAS SIHA
Commonwealth Utilities Corporation
Abe Utu Malae, Direktot Eksakatibu
P. O. Box 501220
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NUTISIAN PUPBILIKU GI MANMAPROPONI NA AREKLAMENTU YAN REGULASION SIHA NI MANMA’AMENDA PARA I REGULASION I COMMONWEALTH UTILITIES CORPORATION

I AKSION NI MA’INTENSIONA PARA U MA’ADAPTÀ ESTI I MANMAPROPONI NA REGULASION SIHA: I Commonwealth gi Sangkattan na Islas Marianas, COMMONWEALTH UTILITIES CORPORATION (“CUC”) ha intensiona para u adápta kumu petmanenti na regulasion siha ni mañechettin i Manmaproponi na Regulasion siha, sigun gi nuebu na manera siha ni manma’arekla para i CNMI Public Utilities Commission (“PUC”), ni tinattiyi atyu i Áktion Administrative Procedure 1 CMC § 9104(a). I Regulasion siha para u ifektibu gi atyu ha’ yanggin ma’otdin ni i CNMI PUC. Esti i manmaproponi na regulasion siha manmapublika gi halum i Rehistran Commonwealth.

ATURIDAT: I Áktun i CNMI Public Utilities ha pribeni na i regulasion i CUC siha debi na u såga ha’ estaki yan solu mata’lun ma’arekla ginin i PUC. 4 CMC §§ 8401 et seq.; PL 15-35, Sektiona 3(b)(3) (Inaprueban i PUC gi regulasion i CUC siha). PL 15-23 yan -87, ni kinodiku gi 4 CMC §§ 8531 – 43, pattikulátmtienti i § 8533 (PUC ni siña ma’adilánta i mineddung i qualifying project) yan § 8534(a) (debi i CUC na u arekla i standard tariff) na’siguru na i CUC debi na u cho’gui i tariff para “net energy metering”.

I TEMA YAN SUSTÁNSIAN I PALÁBRA SIHA: I Regulasion siha ha pribeni na i pumalu na environmentally friendly methods of generating electricity (“renewable power” pat “renewables”) ginin i CUC’s customers debi na u entitled gi 100% power bill offset yan 50% retail credits yan ápas siha yanggin maná’i ilektrisidà para i CUC’s electric system. I regulasion siha maplánta huyung i obligasion yan direktchu siha ni esti i “net metering” customer generators yan i CUC.

SUHETU NI MASUMÁRIA YAN ASUNTU NI TINEKKA: Esti na areklamentu yan regulasion tinekka siha:

1. Definition, sásàonào i definision i renewable power.
2. Interconnections yan i sisteman i distribution CUC.
3. Net metering transactions
4. Ripot siha
5. Minidiyi gi regulasion siha gi para i práyek i 100 kW pat menus yan i ladángkulu na práyek siha ni dinimâmamanda separâo na rinibisa yan inaprueba.
DIREKSION SIHA PARA U MAPO’LU YAN MAPUPBLIKA: 
Esti i Manmaproponi na Regulasion siha debi na u mapupblika gi halum i Rehistran Commonwealth gi seksiona ni maproponi yan nuebu na ma’adâpta na regulasion siha. Esti na nutisia debi na u mapega gi gasetan i CNMI para u rinidonbehia i pupbliku henerât, yan gi kuminienti na lugât siha gi halum i ofisinan i CUC siha, gi halom i civic center yan i ofisinan gubietnamentu gi kada distritun senadot, parehu gi finu’ English yan i prinsipât na lingguahi natiyu. I staff i CUC debi na u mana’ siguru na u manutisia i pupbliku gi dinanchi na mane.

PARA U MAPRIBENIYI UPI’ON SIHA: 
Na’hânâo pat intrega i upi’on-mu guatu para i Executive Director as Abe Utu Malae, Attn: Net Metering Regulations gi sanhi lu’ na address, fax pat email address, yan i râyan suhetu “Net Metering na Regulasion siha”. Manmafaafaisin i E-mails. Todu imfomtsasion debi na u fan hålum trenta (30) dihas ginin i fetchan pupblikasion esti na nutisia. Put fabor na’hålum i imfomtsasion, upi’on, pat testamonfion kinentra siha.

Este i Manmaproponi na Regulasion siha manma’aprueba ginin i CUC’s Executive Director para i pupblikasion yan risibun i imfomtsasion gi Fibreru 10th, 2012.

Nina’ålum as: 
[Signature] 
ABE UTU MALAE 
Executive Director, CUC

2/10/12 
Fetcha

Rinisibi as: 
[Signature] 
ESTHER S. FLEMING 
Espisiät Na Ayudânti Para I Atministrasion Gubietnu

03/09/12 
Fetcha

Pine’lu yan Ninota as: 
[Signature] 
ESTHER M. SAN NICOLAS 
Rehistran Commonwealth

02.28.2012 
Fetcha

Nota: Sigun gi para i prubension siha gi Äktun i Public Utilities Commission 4 CMC § 8401 et sek., yan i PL 15-35, Seksiona 3(b)(3) (PUC inaprueba ni regulasion CUC siha) esti i manmaproponi na regulasion esta mana’ålum direk tamenti guatu gi Public Utilities Commission para u maribisa yan inaprueba gi sigienti na pupblikasion gi halum i Rehistran Commonwealth yan opotunidât para imfetmasion pupbliku.

Mafetcha gi diha 10th di Fibreru, 2012

/s
DEBORAH E. FISHER 
Konsiherun Henerât para i CUC

COMMONWEALTH REGISTER VOLUME 34 NUMBER 02 FEBRUARY 29, 2012 PAGE 032334
Sigun i 1 CMC § 2153(e) (inaprueban i areklamentu yan regulasion siha ni para u macho'gui kumu para fotma), yan 1 CMC § 9104(a)(3) (hinentan inaprueban Abugådu Henerät), i maproponi na regulasion siha ni mañechettun guini na esta manmaribisa yan ma'aprueba kumu para fotma yan sufisenti ligåt ginin i CNMI Abugådu Henerät yan debi na u mapublika, 1 CMC 2153(f) publikasion areklamentu yan regulasion siha).

mafetcha guini gi diha 18th di February, 2012.

[Signature]

EDWARD T. BUCKINGHAM
CNMI Abugådu Henerät
ARONGORONG REEL POMWOL ALÉGH ME ATIWLIGH KKA REBWE AMENDÁLI REEL ATIWLIGHIL COMMONWEALTH UTILITIES CORPORATION.

MÁNGEMÁNGIL MWÓGHUT YE EBWE ADAPTÁÁLI POMWOL ATIWLIGH KKAL:
Commonwealth of the Northern Mariana Islands, COMMONWEALTH UTILITIES CORPORATION ("CUC") emuschel ebwe adáptááli me alleghúló atiwligh kka e appasch Proposed Regulation, sängi procedures kka e féé me e féér reel CNMI Public Utilities Commission ("PUC"). Ikka e attabwey Administrative Procedure Act 1 CMC § 9104 (a). Atiwligh kkal ebwe bwunguló ngare schagh bwe eyoor order merel CNMI PUC. Pomwol atiwligh kkal e appasch lól Commonwealth Register me igha rebwal file li reel PUC.

BWÁÁNGIL: CNMI Public Utilities Act e ngalley malamalúl atiwligh kkal ngare schagh atol e modify merel PUC. 4 CMC §§ 8401 et seq, PL 15-35 Section 3 (b) (3) (PUC ebwe aprebay atiwlighil CUC). PL 15-23 me 87, codified reel 4 CMC §§ 8531-43, me § 8534 (a)(CUC ebwe ayoora standard tariff) CUC ebwe promulgate tariff reel “net energy metering.”

KKAPASAL ME AWEEWEL: Atiwligh kkal ebwe ayoora akkaw environmentally friendly methods reel ayoorul dengkki ("renewable power ngare "renewable") reel customer-il CUC rebwe bwughí 100% power bill offset me 50% reel retail credits me abwóss ngare dengkki a mwet ngali CUC electric system. Atiwligh kkal nge e afatatíw meta angangal me bwungul “net metering” customer generators me CUC.

KKAPASAL ME ÓUTOL: Allégh me Atiwligh kkal ebwe:

1. Meta faal, meta faal renewable power.
2. Interconnections me CUC distribution system
3. Net metering transactions
4. Reports
5. limitation reel atiwligh ngali projects kka 100kw me ngare eghus reel projects kka e tumógh nge e nisitay bwe rebwe review me approve ill.
AFAL REEL AMWELIL ME ARONGOWWUL: Pomwol allégh kkal ebwe appasch lól Commonwealth Register lól section we e ira proposed me newly adopted regulation. Arongorong yeel ebwe appasch lól CNMI newspaper me lól bwulasiyool CUC, lól bwuley kka e lo civic center me bwal lól bwulasiyool kka lól senatorial district, reel kkasal English, Remeraalis me Refaluwasch. Schóól angangal CUC rebwe amwuri fischiy bwe e akkatowow arongorong kkal.

ATOTOOLONGOL MWALIILI: Afanga ngáre bwughililó yöómw mángémäng réel Executive Director Abe Utu Malae, Attn: Net Metering Regulations, réel address iye weilang, fax ngáre e-mail address réel subject line "Net Metering Regulations." Rebwal tungor emails. Isìlivongol mángémäng nge ebwe lól 30 ráll sángi aal toowow arongorong yeel. Isáliilong yöómw data, views, ngáre angiingi.

Pomwol atiwilh kka ra bwunguló merel CUC Executive Director réel akkatowow me bwughil mwálili wóól February 10th, 2012

Isáliiyallong: ____________________________
ABE UTU MALAE
Executive Director, CUC

2/10/12
Ráll

Aramas ye e ____________________________
Bwughi: ESTHER S. FLEMING
Governor's Special Assistant for Administration

02/09/12
Ráll

File me ____________________________
Rekoodilial: ESTHER M. SAN NICOLAS

02/28/2012
Ráll

Note: Reel provisions-il Public Utilities Commission Act, 4 CMC § 8401 et sec. me PL 15-35, Sections 3(b)(3)(PUC e lléghiló atiwilhil CUC)Pomwol atiwilh kkal ra amwuri fischiy me angúungú ló réel Public Utilities Commission bwe ebwe le appasch long lól CNMI Register me ebwe ayoora mwálili merel toulap.

Ráállil iye 10th ráll lól February 2012

DEBORAH E. FISHER
General Counsel for CUC.

Sengi 1 CMC § 2153 (e) Allégh kkal lléghiló sángi AG bwe e fil reel ffféérul me 1 CMC § 9104 (a) (3)(A mwir sángi AG) Pomwol allégh kka a appaschlong, atakkal amwuri fischiy, me angúungú ló ffféérul me legal sufficiency sángi CNMI Attorney General me ebwele akkatewoow, 1 CMC § 2153 (f) Arongowwul allégh me atiwilh kkal).
Ráállii lye 28th rálil lól February 2012

[Signature]

for EDWARD T. BUCKINGHAM
CNMI Attorney General
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I. Purpose

The purpose of this policy is to establish rules for determining the terms and conditions governing the Interconnection of electric generating facilities fueled by renewable energy with an available generating capacity of not more than 100 kilowatts to the Electric System of the Commonwealth Utilities Corporation (CUC). The official name of these rules shall be the “CUC Net Energy Metering Interconnection Requirements Standards” (“Interconnection Standards”). Any net metering generating facility Applicant who wishes to interconnect to CUC to generate more than 100 kilowatts of net metered power will be subject to special conditions and contracting outside of these 100 kW and below Interconnection Standards.

These rules are consistent with the requirements of Title 4, Chapter 5 of the Northern Mariana Islands Commonwealth Code, Energy, and applicable sections of Public law 17-34.

II. Policy

It shall be the policy of the Commonwealth Utilities Corporation to interconnect electric generating facilities that use water, wind, solar energy, biogas from animal waste, wave, ocean current, hydrogen from renewable energy source, geothermal, ocean thermal, syngas, biofuels, biodiesel or other non-fossil fuel energy source with an available generating capacity of not more than 100 kilowatts pursuant to the terms and conditions set forth in this policy.

III. Responsibility

The responsibility for implementation of this requirement shall be that of the Executive Director, or designee.

IV. Application of rules

These rules include various requirements applicable to the Commonwealth Utilities Corporation, the Applicant and the Customer Generator.

V. Definitions

“Applicant” means any person, corporation, partnership, government agency, or other entity who qualifies as a customer as defined below, and who makes application to interconnect an eligible net metering Generating Facility to CUC’s Electric System pursuant to this policy.

“Application” means the written notice provided by the Applicant to CUC that initiates the Interconnection process, attached and incorporated as APPENDIX A.
"Certificate of Completion" means the attached certificate furnished by CUC and completed by the Applicant or Generator and the electrical inspector having jurisdiction over the installation of the facilities indicating completion of installation and inspection of the Interconnection, attached and incorporated as APPENDIX B.

"Customer" means any natural person, firm, association, corporation, business trust, partnership, limited liability company, CNMI agency or political subdivision, foreign government, the United States of America or any federal agency or federal political subdivision, or body politic who becomes a retail Customer of CUC pursuant to its enabling statute, regulations or bylaws, and in accordance with 4 CMC §8531(d).

"Customer Checklist" means the list CUC will provide to Customers to apply to become a net metered customer of not more than 100 kilowatts to the Electric System of CUC, which is attached and incorporated as APPENDIX C. This Customer Checklist may be altered in the future to reflect questions customers may have as the program goes forward.

"Electric System" means all electrical wires, equipment, and other facilities owned or provided by CUC that are used to transmit electricity to Customers.

"Electric Utility" means the Commonwealth Utilities Corporation ("CUC") and/or its successor in interest as defined in 4 CMC §8521 which owns and operates the electrical distribution system, or the electrical distribution system itself, onto which the Applicant seeks to interconnect a Generating Facility.

"Generating Facility" means a source of electricity provided by Renewable Energy owned by the Applicant or Generator that is located on the Applicant’s side of the Point of Interconnection, and all facilities ancillary and appurtenant thereto, including Interconnection Facilities, which the Applicant requests to interconnect to CUC’s Electric System.

"Generator" or "Customer-Generator" means the person or entity that owns and/or operates the Generating Facility interconnected to CUC’s Electric System.

"Initial Operation" means the first time the Generating Facility is in Parallel Operation with the Electric System.

"In-Service Date" means the date on which the Generating Facility or system upgrades and any related facilities are complete and ready for service, even if the Generating Facility is not placed in service on or by that date.

"Interconnection" means the physical connection of a Generating Facility to the Electric System so that Parallel Operation may occur.
“Interconnection Agreement” means the standardized terms and conditions that govern the Interconnection of generating facilities pursuant to these rules, as attached and incorporated as APPENDIX D. The model Interconnection Agreement may be modified, at the discretion of the Executive Director and subject to CPUC approval, to accommodate terms and conditions specific to individual Interconnections, subject to the conditions set forth in these rules.

“Interconnection Facilities” means the electrical wires, switches and other equipment used to interconnect a Generating Facility to the Electric System.

“Net Energy Metering” means measuring the difference between the electricity supplied by CUC and the electricity generated by a Generating Facility that is fed back to CUC over the applicable billing period, as defined by 4 CMC §8531(h).

“Parallel Operation” or “Operate in Parallel” means the synchronous operation of a Generating Facility while interconnected with CUC’s Electric System.

“Point of Interconnection” or “POI” means the point where the Generating Facility’s local electric power system connects to CUC’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 CUC.

“Renewable Energy” means electrical energy produced by wind, solar energy, hydropower, landfill gas, waste to energy, geothermal resources, ocean thermal energy conversion, ocean wave or current energy, biomass, including municipal solid waste, biofuels, or fuels derived from organic sources (other than fossil fuels), hydrogen derived from renewable energy, or fuel cells where the fuel is derived from renewable sources as set forth in 4 CMC §8521(d).

VI. Technical standards for Interconnection

The technical standards listed in this section shall apply to all generating facilities to be interconnected to CUC under these requirements.

A. General Interconnection requirements

1. Any Generating Facility desiring to interconnect with CUC’s Electric System or modify an existing Interconnection must meet all minimum technical specifications applicable, in their most current approved version, as set forth in this policy.
2. The specifications and requirements in this section are intended to mitigate possible adverse impacts caused by the Generating Facility on CUC equipment and personnel and on other customers of CUC. They are not intended to address protection of the Generating Facility itself, Generating Facility personnel, or its internal load. It is the responsibility of the Generating Facility to comply with the requirements of all appropriate standards, codes, statutes and authorities to protect its own facilities, personnel, and loads.

3. The specifications and requirements in this section shall apply to the Generating Facility throughout the period encompassing the Generator’s installation, testing and commissioning, operation, maintenance, decommissioning and removal of said equipment. CUC is entitled to access to any Generating Facility, site, or equipment which falls under the definition of Renewable Energy to verify compliance at any time, with reasonable notice.

4. The Generator shall comply with the requirements in subsections 4(a), 4(b) and 4(c) and all CUC policies.

(a.) Code and Standards. Applicant shall conform to all applicable codes and standards for safe and reliable operation, in their most current approved version. Among these are the National Electric Code (NEC), National Electric Safety Code (NESC), the Institute of Electrical and Electronics Engineers (IEEE), American National Standards Institute (ANSI), and Underwriters Laboratories (UL) standards, and local, state and federal building codes. The Generator shall be responsible to obtain all applicable permit(s) for the equipment installations on its property.

(b.) Safety. All safety and operating procedures for joint use equipment shall comply with the Occupational Safety and Health Administration (OSHA) Standard 29, CFR 1910.269, the NEC, and equipment manufacturer’s safety and operating manuals, all in their most current approved version.

(c.) Power Quality. Installations shall comply with all applicable standards including IEEE Standard 519-1992 Harmonic Limits, in its most current approved version.

B. Specific Interconnection requirements

1. Applicant shall furnish and install on Applicant’s side of the meter, a UL-approved safety disconnect switch which shall be capable of fully disconnecting the Applicant's Generating Facility from CUC's Electric System. The disconnect switch shall be accessible on the exterior of the building and shall be of the visible break type in a metal enclosure which
can be secured by a padlock. The disconnect switch shall be accessible to
CUC personnel at all times.

2. CUC shall have the right to disconnect the Generating Facility at the
disconnect switch under the following circumstances: when necessary to
maintain safe electrical operating conditions; if the Generating Facility
does not meet required standards; if the Generating Facility at any time
adversely affects or endangers any person, the property of any person,
CUC’s operation of its Electric System or the quality of CUC’s service to
other Customers; or failure of the owner of record, as filed with CUC, to
notify CUC of a sale or transfer of the Generator, Interconnecting
Facilities or the premises or real property on which the Generator is
located.

3. Nominal voltage and phase configuration of Applicant’s Generating
Facility must be compatible with the CUC system at the Point of Common
Coupling.

4. Applicant must provide evidence that in the event of a CUC outage its
generation will never result in reverse current flow into CUC’s network.
All instances of Interconnection to secondary spot Network Distribution
System shall require review and written pre-approval by CUC.
Interconnection to distribution secondary grid networks is not allowed.
Closed transition transfer switches are not allowed in secondary Network
Distribution Systems.

5. CUC may impose additional requirements for the Applicant and/or
Generator, including limitation on the number of Customer Generators and
total capacity of Net Energy Metering Systems that may be interconnected
to any distribution feeder line, circuit, or network that CUC determines are
necessary to protect public safety and system reliability.

C. Specifications applicable to all inverter-based Interconnections. Any inverter-
based Generating Facility desiring to interconnect with CUC’s Electric System or
modify an existing Interconnection must meet the technical specifications, in their
most current approved version, as set forth below:

Resources with Electric Power Systems.

2. UL Standard 1741, Inverters, Converters, and Controllers for use in
Independent Power Systems. Equipment must be UL listed.

Interface of Photovoltaic (PV) Systems.
D. Requirements applicable to all non-inverter-based Interconnections. Non-inverter based Interconnection requests may require more detailed review, testing, and approval by CUC, at Applicant cost, of the equipment proposed to be installed to ensure compliance with applicable technical specifications, in their most current approved version, including:


3. Applicants proposing such Interconnection may also be required to submit a power factor correction plan for CUC review and approval.

VII. Application for Interconnection

A. When an Applicant requests Interconnection from CUC, the Applicant shall be responsible for conforming to the applicable CUC policies. CUC will designate a point of contact and provide a telephone number or e-mail address for this purpose. The Applicant seeking to interconnect a Generating Facility under these rules must fill out and submit a signed Application form, attached and incorporated as APPENDIX A, as well as a Customer Generating Facility Certificate of Completion, attached and incorporated as APPENDIX B. The Customer will also be provided with a Checklist, attached and incorporated as APPENDIX C. Information must be accurate, complete, and approved by CUC prior to the Applicant installing the Generating Facility.

B. CUC will apply standard service fees to recover the cost associated with meter connection and setup.

C. Application Prioritization. All generation Interconnection application for service requests pursuant to this policy will be prioritized by CUC in the same manner as any new load application for service request. Generation Interconnection requests that are above 100kW may be subject to other CUC policies.

D. Application evaluation. All generation Interconnection requests pursuant to this policy will be reviewed by CUC for compliance with these rules. If CUC, in its sole discretion, finds that the Application does not comply with this policy, CUC may reject the Application. If CUC rejects the Application it shall provide the Applicant with written notification stating its reasons for rejecting the Application.

VIII. General terms and conditions of Interconnection
The general terms and conditions listed in this section shall apply to all generating facilities interconnecting to CUC.

A. Any electrical Generating Facility with a maximum available electrical generating capacity of 100 kW or less must comply with these rules to be eligible to interconnect and operate in parallel with CUC’s Electric System. The rules under this policy shall apply to all interconnecting Generating Facilities that are intended to operate in parallel with CUC’s Electric System irrespective of whether the Applicant intends to generate energy to serve all or a part of the Applicant’s load. This policy does not address commercial generation and is restricted to net metering applications.

B. In order to ensure system safety and reliability of interconnected operations, all interconnected generating facilities shall be constructed and operated by Generator in accordance with this policy and all other applicable federal, state, and local laws and regulations.

C. Prior to Initial Operation, all Generators must submit a completed Certificate of Completion to CUC; execute the appropriate Interconnection Agreement contained in APPENDIX D, and any other agreement(s) required by these rules for the disposition of the Generating Facility’s electric power output. The Interconnection Agreement between CUC and Generator outlines the Interconnection standards, cost allocation and billing agreements, and on-going maintenance and operation requirements.

D. Applicant or Generator shall promptly furnish CUC with copies of such plans, specifications, records, and other information relating to the Generating Facility or the ownership, operation, use, or maintenance of the Generating Facility, as may be reasonably requested by CUC from time to time.

E. For the purposes of public and working personnel safety, any non-approved generation Interconnections discovered will be immediately disconnected from CUC’s system and shall remain disconnected until the Generating Facilities are brought into conformance with CUC net metering rules and the facilities are inspected and approved by CUC.

F. To ensure reliable service to all CUC Customers and to minimize possible problems for other Customers, CUC will review the need for a dedicated customer distribution transformer. If CUC requires a dedicated distribution transformer, the Applicant or Generator shall pay for all costs of the new transformer and related facilities.

G. Net Energy Metering for Renewable Energy as set forth in 4 CMC §8531(h): CUC shall 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 Interconnection. Any additional meter or meters to
monitor the flow of electricity in each direction may be installed with the consent of the Customer Generator (aka Generator) at the expense of CUC. If the existing electric meter of an eligible customer-generator is not capable of measuring the flow of electricity in two directions, CUC shall be responsible for all expenses involved in installing a meter able to measure electricity flow in two directions. The Applicant shall provide space for metering equipment. It will be the Applicant’s responsibility to provide the current transformer enclosure (if required), meter socket(s) and junction box after the Applicant has submitted drawings and equipment specifications for CUC approval.

H. Common labeling furnished or approved by CUC and in accordance with NEC requirements must be posted on meter base, disconnects, and transformers informing working personnel that electricity is being generated on the premises.

I. CUC shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a net energy metering system, or for the acts or omissions of the Customer-Generator that cause loss or injury, including death, to any third party.

J. Prior to any future modification or expansion of the Generating Facility, the Generator will obtain CUC review and approval. CUC reserves the right to require the Generator, at the Generator’s expense, to provide corrections or additions to existing electrical devices in the event of relevant changes of government or industry regulations and standards.

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

L. Charges by CUC to the Applicant or Generator in addition to the Application fee, if any, will be cost-based and applied as defined by CUC and approved by the CPUC. Such costs may include, but are not limited to, transformers, production meters, and CUC testing, qualification, and approval of non UL 1741 listed equipment. The Generator shall be responsible for any costs associated with any future upgrade or modification to its interconnected system required by modifications in CUC’s Electric System.

M. Generator may disconnect the Generating Facility at any time; provided that the Generator provides notice to CUC in accordance with its Interconnection Agreement.

N. Generator shall notify CUC prior to the sale or transfer of the Generating Facility, the Interconnection Facilities or the premises upon which the facilities are located. The Applicant or Generator shall not assign its rights or obligations under any agreement entered into pursuant to these rules without the prior written consent of CUC, which consent shall not be unreasonably withheld.
O. CUC is not required to provide net energy metering to additional customer-generators when the combined total peak available capacity of all eligible customer-generators equals 30 percent of the system peak demand. 4 CMC §8535. This percentage shall include other net metering which was entered into, not under these rules, but via other contracting methods.

IX. Certificate of Completion

All generating facilities must obtain an electrical permit and pass electrical inspection before they can be connected or Operated in Parallel with CUC’s Electric System. Generator shall provide written certification to CUC that the Generating Facility is in compliance with the local building and electrical codes.

X. Required filings – Exceptions

A. CUC shall maintain on file for inspection at its place of business, the charges, terms and conditions for Interconnections pursuant to these rules. Such filing includes forms of the following documents and contracts:

1. Application (Appendix A)
2. Certificate of Completion (Appendix B)
3. Customer Checklist (Appendix C)
4. Interconnection Agreement (Appendix D)
APPENDIX A

Application for Interconnecting a Generating Facility No Larger than 100kW

This Application is considered complete when it provides all applicable and correct information required below. Additional information to evaluate the Application may be required.

Interconnection Customer Information

Applicant/Customer: ____________________________________________________________

Contact Person: ________________________________________________________________

Address: ______________________________________________________________________

Location of the Generating Facility (if different from above):

Address: ______________________________________________________________________

Telephone (Day): _______________________(Evening): _____________________________

Fax: _____________________________ E-Mail Address: ________________________________

Owner of the facility: __________________________________________________________

Generating Facility Information

Location (if different from above): ______________________________________________________________________

CUC: ______________________________________________________________________

Inverter Manufacturer: ___________________________ Model: __________________________

Nameplate Rating: _________(kW) _________(kVA) _________(AC Volts)

Single Phase _______ Three Phase _________

System Design Capacity: _________(kW) _________(kVA)

Prime Mover: Photovoltaic ___ Reciprocating Engine ___ Fuel Cell ___ Turbine ___ Other ___


Other (describe) ______________________________________________________________

Is the equipment UL1741 Listed? Yes ___ No ___

If Yes, attach manufacturer’s cut-sheet showing UL1741 listing

Estimated Installation Date: _______________ Estimated In-Service Date: _______________
List components of the Generating Facility equipment package that are currently certified:

<table>
<thead>
<tr>
<th>Equipment Type</th>
<th>Certifying Entity</th>
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</table>

**Interconnection Customer's Signature**

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting a Generating Facility no larger than 100 kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: ____________________________________________

Title: ___________________________ Date: _______________

Contingent Approval to Interconnect the Generating Facility
(For CUC use only)

Interconnection of the Generating Facility is approved contingent upon the Terms and Conditions for a Generating Facility No Larger than 100kW and return of the Certificate of Completion.

Signed: ____________________________________________

Title: ___________________________ Date: _______________

Application ID Number: __________________
APPENDIX B

Generating Facility Certificate of Completion

Is the Generating Facility owner-installed? Yes _____ No _____

Interconnection Customer Information

Applicant/Customer: _____________________________________________

Contact Person: ______________________________________________

Address: _____________________________________________________

Location of the Generating Facility (if different from above):

Address: _____________________________________________________

Telephone (Day): ___________________ (Evening): _________________

Fax: __________________________ E-Mail Address: ___________________

License number: ______________________________________________

Date Approval to Install Facility granted by CUC: ___________________

Application ID number: _______________________________________

Inspection:

The Generating Facility has been installed and inspected in compliance with the local
building/electrical code of: _______________________________________

Signed (local electrical wiring inspector, or attach signed electrical inspection)

Signed: ______________________________________________________

Print Name: __________________________________________________

Date: _________________________________________________________

***CUC reserves the right to inspect facilities at any time
APPENDIX C

Customer Checklist for Commonwealth Utilities Corporation Interconnection

- Submit an Application to CUC
- Interconnection inverter must be UL 1741 Listed
- Electrical schematic drawing must be included
- Include provisions for a lockable visible disconnect
- Send to: CUC, Power Division, P.O. Box 501220, Saipan, MP 96950
- Receive written design approval from CUC & contact Engineering (670-235-7025-31)
- Get an electrical permit from the Department of Public Works
- Complete the installation

Get inspections from a state electrical inspector and CUC (call CUC for inspection at 235-7025-31)

- CUC approves, or installs new bi-directional meter
- Submit Certificate of Completion to CUC
- Start generating power

Questions?

Call the CUC Power Division Manager at 235-7025-31
APPENDIX D

Net Energy Metering Interconnection Agreement
Interconnection of Customer Owned Electric Generating Facilities of 100 Kilowatts or Less

This Net Energy Metering Interconnection Agreement is executed in duplicate this ___ day of _________, 20__ between __________________________ (hereinafter referred to as "Customer"), and the Commonwealth Utilities Corporation, hereinafter referred to as "CUC". Both parties, who may be herein further referred to collectively as "Parties" and individually as "Party", agree as follows:

1. CUSTOMER ELECTRIC GENERATING FACILITY

A. Customer has elected to operate a Net Metered Renewable Energy resource Generating Facility, with an available generating capacity of not more than 100 kilowatts, in parallel with CUC’s transmission and distribution facilities. The Customer’s electric Generating Facility is intended to offset either part or all of the Customer's electrical requirements.

B. Customer’s Application for Net Metered Electrical Generation, including the location of the electrical generating installation facility and details on the electrical generating unit(s).

C. The installation is identified by CUC with the following designators: Map Location No. ________________________.

D. A separate interconnection agreement shall be entered into for each Customer’s electrical service location(s).

E. The electrical generating system facility used by the Customer shall be located on the Customer’s premises. It shall include all equipment necessary to meet applicable safety, power quality, and Interconnection requirements established by the National Electrical Code, National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, National Electrical Safety Code, the Institute of electrical and Electronics Engineers, Underwriters Laboratories, and CUC’s Net Energy Metering Interconnection Requirements Standards.

F. CUC shall have the sole authority to determine which Interconnection requirements set forth herein are applicable to Customer’s proposed Generating Facility.

2. PAYMENT FOR NET ENERGY

A. CUC shall measure the net electricity produced or consumed by the Customer during each billing period by measuring the difference between the electricity which CUC delivered to the eligible customer-generator and the sum of: a. the
electricity generated by the eligible customer-generator and fed back to the electric grid over a monthly billing period; and b. any unused credits for excess electricity from the eligible customer-generator carried over from previous months since the last 12-month reconciliation period. 4 CMC §8536.

B. Billing of net energy metering customers shall be on a monthly basis, provided that the last monthly bill for each 12-month period shall reconcile for that 12-month period the net electricity provided by the electric utility with: 1. The electricity generated by the eligible customer-generator and fed back to the electric grid over the monthly billing period; and 2. Any unused credits for excess electricity from the eligible customer-generator carried over from prior months since the last 12-month reconciliation period. Credits for excess electricity from the eligible customer-generator that remain unused after each 12-month reconciliation period may not be carried over to the next 12-month period, but shall be compensated as provided by 4 CMC §8539.

C. Each contract year, any remaining unused kilowatt-hour credit accumulated by the Customer during the previous 12 months shall be fully compensated under 4 CMC §8539 at a rate which will not exceed 50% of the fuel component cost required to produce the same power from fossil fuel. The fuel component upon which the compensation is to be based is defined as the LEAC rate in effect during the reconciliation period less all non-fuel elements.

D. The Customer shall pay any amount owing for electric service provided by CUC in accordance with applicable rates and policies. Nothing in this Section 2 shall limit CUC’s rights under applicable Rate Schedules, Statutes, Customer Service Policies, CUC Regulations and General Provisions.

E. The Customer shall provide, at no cost to CUC, all required right-of-way together with tree trimming permits for interconnection of its net generator facilities and any permit necessary to allow CUC the right to use such right-of-way for maintenance of the CUC system.

3. INTERRUPTION OR REDUCTION OF DELIVERIES

A. CUC may require Customer to interrupt or reduce deliveries as follows:
   i. when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or

   ii. if CUC determines that curtailment, interruption, or reduction is necessary because of emergencies, force, or compliance with prudent electrical practices.

B. Whenever possible, CUC shall give Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required.
C. Notwithstanding any other provision of this Agreement, if at any time CUC determines that either:

i. the Customer Generating Facility may endanger CUC personnel, or

ii. The continued operation of Customer's Generating Facility may endanger the integrity of CUC's Electric System or its personnel, and then CUC shall have the right to disconnect Customer's Generating Facility from CUC's Electric System. Customer's Generating Facility shall remain disconnected until such time as CUC is satisfied that the condition(s) referenced in (A) or (B) of this section 3 have been corrected.

4. INTERCONNECTION

A. Customer shall deliver the excess energy to CUC at CUC's meter.

B. Customer shall pay for designing, installing, inspecting, operating, and maintaining the electric Generating Facility in accordance with all applicable laws and regulations and shall comply with CUC's Interconnection Standards, which is attached hereto.

C. Customer shall pay for CUC's standard watt-hour meter electrical hook-up, if not already present.

D. Customer shall not commence Parallel Operation of the Generating Facility until written approval of the Interconnection Facilities has been given by CUC. Such approval shall not be unreasonably withheld. CUC shall have the right to have representatives present at the initial testing of Customer's protective apparatus. Customer shall notify CUC when testing is to take place.

5. MAINTENANCE AND PERMITS

Customer shall:

A. maintain the electric Generating Facility and Interconnection Facilities in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to, CUC's Interconnection Standards; and

B. obtain any governmental authorizations and permits required for the construction and operation of the electric Generating Facility and Interconnection Facilities, including electrical permit(s); and

C. reimburse CUC for any and all losses, damages, claims, penalties, or liability it incurs as a result of Customer's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of Customer's Generating Facility or failure to maintain Customer's Generating Facility as required in (a) of this Section 5.

6. ACCESS TO PREMISES

CUC may enter Customer's premises or property at any time to:
A. inspect, without prior notice Customer's Generating Facility and its protective devices;

B. read and test meter(s); and,

C. disconnect at CUC's meter or transformer, without notice, the Generating Facilities if, in CUC's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or CUC's facilities, or property of others from damage or interference caused by Customer's electric generating facilities, or lack of properly operating protective devices or inability to inspect the same.

CUC inspection or other action shall not constitute approval by CUC. The Customer remains solely responsible for the safe and adequate operation of its facilities.

7. INDEMNITY AND LIABILITY

A. The Customer assumes the risk of all damages, loss, cost and expense and agrees to indemnify CUC, its successors and assigns, and its respective directors, officers, employees and agents, from and against any and all claims, losses, costs, liabilities, damages and expenses including, but not limited to, reasonable attorney fees, resulting from or in connection with performance of the agreement or which may occur or be sustained by CUC on account of any claim or action brought against CUC for any reason including but not limited to the loss of the electrical system of the Customer caused by or arising out of an electrical disturbance.

B. Such indemnity, protection, and hold harmless includes any demand, claim, suit or judgment for damages, death or bodily injury to all persons, including officers, employees or agents, and subcontractors of either Party hereto including payment made under or in connection with any Worker's Compensation Law or under any plan for employees' disability and death benefits or property loss which may be caused or contributed to by the Interconnection, maintenance, operation, use, presence, or removal of Customer's equipment. The only exception will be liability occasioned by the sole negligence or willful misconduct of CUC or its employees acting within the scope of their employment and liability occasioned by a partial negligence of CUC or its employees acting within the scope of their employment to the extent that such partial liability is fixed by a court of competent jurisdiction in the Commonwealth of the Northern Mariana Islands.

C. The provisions of the Section 7 shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any insurance policy.

D. CUC shall have no liability, ownership interest, control or responsibility for the Customer's Electric Generating Facility or its Interconnection with CUC's Electric System, regardless of what CUC knows or should know about the Customer's Electric Generating Facility or its Interconnection.

E. This indemnification shall extend to and include attorney's fees and the costs of establishing the right of indemnification hereunder in favor of CUC.
8. INDEPENDENT CONTRACTORS

The Parties hereto are independent contractors and shall not be deemed to be partners, joint ventures, employees, franchisees or franchisers, servants or agents of each other for any purpose whatsoever under or in connection with this Agreement.

9. GOVERNING LAW

This Agreement shall be interpreted, governed, and constructed under the laws of the Commonwealth of the Northern Mariana Islands as if executed and to be performed wholly within the Commonwealth of Northern Mariana Islands. Venue of any action arising hereunder or related to this agreement shall lie in Commonwealth of Northern Mariana Islands. Any customer complaint shall first be made to CUC directly. Any appeal of that decision may be made to the Public Utilities Commission, or, if it is not in operation, to the CUC Hearing Examiner. Any such decision may be appealed to the Courts of the Commonwealth of the Northern Mariana Islands.

10. FUTURE MODIFICATION OR EXPANSION

Any future modification or expansion of the Customer owned Generating Facility will require an engineering review and approval by CUC. CUC reserves the right to require the Customer, at Customer’s expense, to provide modifications or additions to existing electrical devices including, but not limited to protection device and meters, in the event of changes to government or industry regulation and/or standards. Modifications in the nameplate capacity above 100 kW are not permitted.

11. AMENDMENTS, MODIFICATIONS OR WAIVER

Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties. The failure of any Party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be construed as a further or continuing waiver of any such breach or waiver of the breach of any other term or covenant unless such waiver is in writing.

12. ASSIGNMENT

The Customer shall not assign its rights under this Agreement without the express written consent of CUC. CUC may impose reasonable conditions on any such assignment to ensure that all of Customer’s obligations under this Agreement are met and that none of Customer’s obligations under this Agreement are transferred to CUC as a result of default, bankruptcy, or any other cause.

13. APPENDICES

The Agreement includes the following appendices attached and incorporated by reference:
APPENDIX A: Application for Interconnecting a Generating Facility No Larger than 100kW

APPENDIX B: Generating Facility Certificate of Completion

APPENDIX C: Customer Checklist for CUC Interconnection

14. NOTICES

All written notices to CUC shall be directed as follows:

Commonwealth Utilities Corporation
Power Division
P. O. Box 501220
Saipan, MP 96950

Customer notices from CUC, pursuant to this Section 14, shall refer to the Service Address set forth in APPENDIX A, Application for Net Metered Electrical Generation.

15. TERM OF AGREEMENT

This Agreement shall be in effect when signed by the Customer and CUC and shall remain in effect thereafter month to month unless terminated by either Party on thirty (30) days' prior written notice, or by CUC pursuant to sections 3 and 6 of this Agreement, or any other provision in this Agreement or by law, rule or regulation which enables CUC to disconnect without notice.

16. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below. This Agreement if in an electronic (PDF) format shall be recognized as if it is an original document.