

4901:1-10-34

**Compliance with PURPA.**

(A) For purposes of this rule, the following definitions shall apply:

- (1) "Day-ahead energy market" means the day-ahead hourly forward market in which participants offer to sell and bid to buy energy.
- (2) "Locational marginal price" means the hourly integrated market clearing price for energy at the location the energy is delivered or received.
- (3) "PURPA" means the Public Utility Regulatory Policies Act of 1978, as amended by the Energy Policy Act of 2005, at 16 U.S.C.S. Section 824a-3.
- (4) "Qualifying facility" means a small power producer and/or cogenerator that meets the criteria specified by the Federal Energy Regulatory Commission in 18 C.F.R. Sections 292.203(a) and (b).
- (5) "RTO/ISO" means the regional transmission organization or independent system operator.

(B) The purpose of this rule is to implement a standard market-based rate for electricity transactions between EDUs and qualifying facilities as provided by PURPA, specifically for small power production facilities and cogeneration facilities.

(C) Except to the extent consistent with the voluntary negotiated agreement pursuant to rule 4901:1-10-34(I) of the Administrative Code, the rates paid by each EDU in Ohio to purchase energy from qualifying facilities that have a net capacity of 20 megawatts or less shall be set in accordance with Section 4901:1-10-34(L) of the Administrative Code.

(D) An EDU's qualifying facility energy purchase obligation shall not be abrogated by the establishment of a power procurement auction mechanism within the EDU's standard service offer supply framework. The energy provided to the EDU by a qualifying facility supplier shall not be included as part of the product being offered through a competitive auction process.

(E) All qualifying facilities must operate their interconnected facilities pursuant to the operating requirements of the RTO/ISO and in accordance with the EDU's specifications for interconnection and parallel operation.

(F) All qualifying facilities interconnecting at the distribution level must comply with the guideless set forth in Section 4901:1-22 of the Administrative Code, as well as the standard interconnection agreement by the EDU.

(G) All qualifying facilities interconnected at the transmission level must comply with the RTO/ISO's policies and procedures for interconnection, including interconnection procedures for small generators.

- (H) Nothing in this rule shall affect, modify, or amend the terms and conditions of any existing qualifying facility's contract with an EDU.
- (I) A qualifying facility may elect to execute a negotiated contract with the EDU instead of selling the electrical output of the qualifying facility at the standard market-based rate.
- (J) The terms of the contract may take into account, among other factors, a utility's system costs, contract duration, qualifying facility availability during daily or system peaks, whether the utility avoids costs from the daily or system peaks, and costs or savings from line losses. Any such contract shall be subject to approval by the Commission within 120 days of its filing with the Commission.
- (K) The EDU or the qualifying facility may seek alternative dispute resolution of any disputes which may arise out of the EDU tariffs filed under these rules, in accordance with Chapter 4901:1-26 of the Administrative Code.
- (L) Energy payments to qualifying facilities shall be based on the locational marginal price at the RTO/ISO's pricing node that is closest to the qualifying facility's points of injection, or at a relevant trading hub or zone.
- (M) The EDUs shall file a report in accordance with the market monitoring rules set forth in rule 4901:1-25-02 of the Administrative Code, detailing the qualifying facility activity in the EDU's service territory that includes the following:
- (1) (1) The name and address of each owner of a qualifying facility.
  - (2) The address of the location of each qualifying facility.
  - (3) A brief description of the type of each qualifying facility.
  - (4) The date of installation and the on-line date of each qualifying facility.
  - (5) The design capacity of each qualifying facility.
  - (6) A discussion identifying any qualifying facility that was denied interconnection by the EDU, including a statement of reasons for such denial.

Effective:

Five Year Review (FYR) Dates:

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Certification

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Date

Promulgated Under: 111.15  
Statutory Authority: 4905.06, 4928.06  
Rule Amplifies: 4905.06, 4928.02, 4928.06