



## **General Interconnection Process for Commercially-Sited Power Generating Facilities (1 MW<sub>ac</sub> or Larger Only)**

This document is intended to provide an overview of the major steps involved with applying to and receiving permission from APS to interconnect a new commercial generating facility 1 MW<sub>ac</sub> or larger that will operate in parallel with APS's electric distribution system.

Please read this document carefully as it summarizes the process, relevant documentation, major steps, and legal agreements that are necessary for such interconnection.

1. Customer reviews the overall process for interconnecting a new Generating Facility (GF) via:
  - This process checklist
  - Relevant documentation available on the Commercial Interconnection Section of the [www.aps.com/dg](http://www.aps.com/dg) website
2. Customer reviews appropriate APS Rate Schedules and identifies the appropriate Rate Schedule intended for use with the GF. Note: APS is available for consultation with respect to selection of an appropriate rate schedule. It is Customer's responsibility to request such a consultation from APS.
3. Customer reviews the requirements under APS's standard Interconnection Agreement (Non-FERC, > 1 MW), posted on the Commercial Interconnection section of the [www.aps.com/dg](http://www.aps.com/dg) website.
4. Customer prepares the initial design of the commercially installed Generating Facility (GF) and ensures technical compliance of the design with APS's Interconnection Requirements posted on the Commercial Interconnection section of the [www.aps.com/dg](http://www.aps.com/dg) website.
5. Customer submits the GF design to the local permitting authority (generally the City or County), frequently referred to as the "Authority Having Jurisdiction" (AHJ)
6. Customer corrects deficiencies in design (if any) that are identified by the AHJ
7. Customer secures approval from the AHJ in the form of a drawings stamped by the AHJ or an approval letter on AHJ letterhead.
  - If the Customer is not under the jurisdiction of a permitting authority but instead acts as its own permitting authority (such as certain colleges), this step may be waived.

8. Customer submits a completed **Interconnection Application** to APS along with a copy of the AHJ approval of the design. The Interconnection Application form is available on the Commercial Interconnection section of the [www.aps.com/dg](http://www.aps.com/dg) website.
9. APS reviews Customer's interconnection design for compliance with APS Interconnection Requirements
10. Customer corrects deficiencies in design (if any) that are identified by APS
11. Customer secures written confirmation from APS that the GF conforms with APS's Interconnection Requirements
12. Customer and APS enter into a **Construction Agreement** which provides for the payment for and installation of new APS-owned electric facilities to accommodate the interconnection of the Customer's GF (such as new electrical meters, Remote Terminal Unit (RTU), etc.). Customer shall make any necessary up-front payments to APS under the Construction Agreement.
13. APS assigns a project manager to the Project to oversee the coordination and installation of new APS electric facilities. The APS project manager will be the Customer's main point of contact going forward.
14. Customer starts construction and installation of the Generating Facility with respect to Customer-installed facilities.
15. Similarly, APS initiates its activities with respect to its scope of work under the Construction Agreement.
16. (During Construction Period) Customer and APS (via the APS Project Manager) prepare an **Operating Agreement** that sets forth the operating protocol for establishing safe electrical clearance of the project when it is in operation. Such an agreement is necessary to document the steps that Customer must take to safely isolate his system electrically from APS's system, and vice-versa. The Operation Agreement is not typically provided on APS's website and must be provided by the APS project manager.
17. (During Construction Period) Customer and APS (via the APS Project Manager) prepare the **Interconnection Agreement** that sets forth all of the legal terms and conditions that govern the interconnection of the project to APS's electric distribution system. APS standard Interconnection Agreement is posted on the Commercial Interconnection section of the [www.aps.com/dg](http://www.aps.com/dg) website.
18. (During Construction Period) Customer submits documentation to FERC necessary to register the GF as a **Qualifying Facility**, if appropriate. For more information, refer to the relevant provisions under Interconnection Agreement that govern QF certification and documentation.
19. Final, ready to be executed drafts of the Operating and Interconnection Agreements are completed and set aside to for execution just prior to energization and commercial operation of the GF.

20. Approximately 4 to 6 weeks prior to the planned commercial operation date of the GF, Customer requests a “courtesy electrical inspection” from APS. The courtesy inspection is intended to identify any deficiencies in the constructed project from the APS-reviewed drawings and/or APS’s Interconnection Requirements.
21. Customer completes the installation of the dedicated phone line for the PBI/EMS meter. This allows APS to remotely monitor the production of the GF.
22. APS provides the courtesy inspection and provides a written punch list of items to be remedied to the Customer.
23. Customer remedies punch list items and requests a formal final inspection from the AHJ.
24. AHJ inspects the GF and issues an Electrical Clearance commonly referred to as the “Green Tag” indicating that the GF is approved for operation.
  - If the Customer is not under the jurisdiction of a permitting authority but instead acts as its own permitting authority (such as certain colleges), Customer shall prepare and notarize a “Letter in Lieu of Electrical Clearance” and provide it to APS. Such form shall be substantially in the form of the Letter in Lieu example provided “Resources and FAQs” on the Commercial Interconnection section of the [www.aps.com/dg](http://www.aps.com/dg) website.
    - i. The “Letter in Lieu of Electrical Clearance” shall be signed off by an Authorized Representative (i.e. Engineer of Record).
25. Once the Green Tag or Letter in Lieu has been delivered to APS, Customer may request the following:
  - Final Inspection from APS
  - Installation of new APS meters to be installed under the Construction Agreement. APS meters are typically installed within 5 days of Customer’s request.
26. APS installs meters
27. APS conducts on-site final inspection of the GF
28. Customer provides appropriate documentation to APS **demonstrating QF status** as required under the Interconnection Agreement.
29. APS and Customer execute the **Operating Agreement** and the **Interconnection Agreement**.
30. APS provides a Conditional Permission to Parallel or a Final Permission to Parallel via a signed letter (or neither, if severe deficiencies are found). Such permission will only be granted if ALL of the following milestones have been met:
  - Signature of APS Construction Agreement along with Payment of invoice provided.

- Green Tag or Letter in Lieu delivered to APS
  - Interconnection and Operating Agreements executed
  - QF documentation delivered to APS as required under the Interconnection Agreement
  - Dedicated phone line serving the PBI/EMS meter is installed and operational and the phone number has been provided to APS.
  - All material items from the punch list from the APS final inspection report that are required for interconnection have been remedied. (Non-material items may be completed after interconnection but are required for the Final Permission to parallel).
31. Once conditional permission to parallel is granted, Customer may electrically energize the GF **and initiate commercial operation**.
  32. Within 60 days, APS completes installation of the RTU.
  33. Customer completes all non-material items from punch list.
  34. APS observes successful remote shutdown test initiated by APS Distribution Operations Center (DOH).
  35. APS issues Final Permission to Parallel letter to Customer.
  36. APS issues final invoice or refund associated with the final financial true-ups that are appropriate under the Construction Agreement.
  37. Customer pays final APS invoice, if any.