

# RATE SG STANDBY GENERATOR CAPACITY



By order of the Alabama Public Service Commission dated August 6, 2024 in Docket #U-3445.

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## AVAILABILITY

Available to qualifying Industrial and Commercial Customers, as those classifications are described in Company' Rules and Regulations for Electric Service, who enter into a Contract for Electric Service ("Contract") and a Standby Generator Program Agreement ("SG Agreement") for service within the interconnected system of the Company.

## APPLICABILITY

Applicable for qualifying Customers with one or more engine powered generators (the "Generation") that can be dispatched and operated by Company to reduce Company's capacity requirements on its electric system by at least 100 kW, in accordance with the terms and conditions of the SG Agreement.

## OPERATING PERIOD

Company shall initiate an Operating Period by dispatching the Generation and shall terminate the Operating Period by stopping the Generation (through remote start-up and shut-down signals). The Operating Period will not extend beyond the Operating Period Limitations, as designated by the Customer in accordance with the options listed in the SG Capacity Credit and Associated Operating Period Limitations section. If circumstances allow, Company will provide advance notice to Customer prior to the initiation of an Operating Period.

## GENERATION OPERATION MODES

Customer shall designate one of the following Operation Modes for the Generation:

**Island Mode:** During an Operating Period, the Generation will momentarily operate in parallel with Company's electric system and will then separate from Company's electric system and supply Customer's entire electric service requirements.

**Parallel Mode:** During an Operating Period, the Generation will operate in parallel with Company's electric system and may export energy onto Company's electric system in addition to supplying Customer's entire electric service requirements.

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## MONTHLY RATE

**Base Charge:** \$170.00 per customer

### SG Capacity Credit and Associated Operating Period Limitations:

#### Option 1

Capacity Credit: \$2.55 per kW of SG Capacity per month  
Maximum Cumulative Hours per Year: 200 Hours  
Maximum Length of an Operating Period: 8 Hours  
Maximum Number of Operating Periods per Week: 5 Operating Periods

#### Option 2

Capacity Credit: \$2.02 per kW of SG Capacity per month  
Maximum Cumulative Hours per Year: 100 Hours  
Maximum Length of an Operating Period: 8 Hours  
Maximum Number of Operating Periods per Week: 3 Operating Periods

#### Option 3

Capacity Credit: \$0.98 per kW of SG Capacity per month  
Maximum Cumulative Hours per Year: 50 Hours  
Maximum Length of an Operating Period: 8 Hours  
Maximum Number of Operating Periods per Week: 1 Operating Period

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## SG CAPACITY

For Generation designated to operate in Island Mode, the SG Capacity will be calculated by the Company as follows:

For the billing months beginning April 1 through October 31, the SG Capacity shall equal the average of Customer's fifteen (15) minute kW demands recorded during the hours of 1:00 p.m. until 5:00 p.m. Central Time each day during April 1 through October 31 of the previous calendar year.

For the billing months beginning November 1 through March 31, the SG Capacity shall equal the average of Customer's fifteen (15) minute kW demands recorded during the hours of 6:00 a.m. until 9:00 a.m. Central Time each day during November 1 through March 31 of the previous calendar year.

When the historic meter data is unavailable (e.g., a new service), the SG Capacity will be based on the Contract Capacity in the Contract. If the Contract Capacity is based on kVA, the SG Capacity will be calculated as the Contract Capacity multiplied by ninety percent (90%) power factor.

For Generation designated by Customer to operate in Parallel Mode, the SG Capacity will be the amount designated by the Customer (in kW), not to exceed the nameplate capacity of the Generation.

## NON-DISPATCH PENALTY

In the event the Generation does not dispatch during an Operating Period, in whole or part, Customer shall be assessed a non-dispatch penalty as follows:

**Option 1:** SG Capacity (in kW) multiplied by \$15.30

**Option 2:** SG Capacity (in kW) multiplied by \$12.12

**Option 3:** SG Capacity (in kW) multiplied by \$5.88

The non-dispatch penalty will not apply in situations of Force Majeure, as set forth in the SG Agreement.

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## COMPANY EQUIPMENT

Company Equipment furnished or installed by the Company for purposes of this Rate shall at all times remain the property of Company.

## TERM

Service under this Rate shall be for a minimum period of five (5) years and shall continue thereafter unless terminated by a minimum of two (2) years' written notice by either party to the other stating their intention to do so.

If at any time during the term the Customer is unable to satisfy the eligibility or performance requirements of this Rate or the SG Agreement, service under this Rate will be discontinued and, unless otherwise provided for in the SG Agreement, the Customer will reimburse Company the costs associated with installation and removal of the Company Equipment.

## GENERAL

Service under this Rate is subject to rules and regulations approved or prescribed by the Alabama Public Service Commission, including the Special Rules Governing the Application of Rate Rider RGB.

## ADDENDUM A

### STANDBY GENERATOR PROGRAM AGREEMENT

This Standby Generator Program Agreement ("SG Agreement") is entered into and becomes effective as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "SG Agreement Effective Date"), by and between **ALABAMA POWER COMPANY** ("Company") and \_\_\_\_\_ ("Customer"). Company and Customer may be referred to individually as a "Party" and collectively as the "Parties".

#### W I T N E S S E T H

WHEREAS, Company and Customer have entered into a Contract for Electric Service (hereinafter called the "Contract") with an Effective Date of \_\_\_\_\_, whereby Company has agreed to provide electric service to Customer at the Premises identified in Paragraph 4.a. of the Contract (hereinafter called the "Premises") in accordance with the applicable rules, regulations, and rate schedules on file with the Alabama Public Service Commission, and Customer has agreed to take and pay for such service pursuant to the terms of said Contract; and

WHEREAS, Customer owns, operates, and maintains electric generation, described in Appendix B of this SG Agreement, (hereinafter called the "Generation"), which is used by Customer as standby generation in the event electric service provided by Company is interrupted; and

WHEREAS, Customer can operate the Generation in compliance with this SG Agreement and all applicable laws (including all applicable emission standards, and requirements), and is eligible to participate under Rate SG (Standby Generator Capacity), as authorized by the Alabama Public Service Commission in Docket No. U-3445; and

WHEREAS, except as expressly provided herein, Customer will not operate the Generation in parallel with Company's electric system nor will Customer operate the Generation to peak-shave or otherwise reduce the purchased energy under the Contract; and

WHEREAS, Company desires to use the Generation as a resource option to offset demands placed on Company's system, including but not limited to the demands of Customer; and

WHEREAS, Customer is willing to permit Company's use of the Generation in accordance with the terms and conditions as set forth in this SG Agreement.

NOW THEREFORE, in consideration of the mutual commitments set forth below, the adequacy and sufficiency of which are acknowledged, the Parties agree as follows:

1. Term. The term of this SG Agreement shall begin with the Electric Service Commencement as described in the Contract and continue thereafter consistent with Rate SG. Notwithstanding the foregoing, Customer may modify the SG Capacity and Operating Period designations in Appendix A no more than one time during the initial term of the Contract upon thirty (30) days' written notice to Company. Company may modify the SG Capacity designation if the demonstrated output of the Generation proves different than the designated amount.

2. Use of Generation. Company may commit and dispatch the Generation at its sole discretion; provided, however, that Company may not dispatch the Generation when electric service from Company to Customer is interrupted, or when Customer is performing authorized maintenance or testing of the Generation. Company likewise shall dispatch the Generation in accordance with the Operating Period Limitations designated on Appendix A. Company shall own, operate, and maintain the control, metering, and communication devices at the Premises (collectively hereinafter the "Company Equipment") to remotely dispatch the Generation.

3. Payment. Subsequent to Company installing and testing Company Equipment and in consideration of Company's rights to use the Generation, Company shall pay Customer the SG Capacity Credit in Rate SG corresponding to Customer's designations and acknowledgments set forth on Appendix A, with the SG Capacity Credit included on Customer's monthly electric service bill. Customer Generation that does not qualify as "non-emergency" under Title 40, Part 60, Subparts IIII, JJJJ or Part 63, Subpart ZZZZ of the Code of Federal Regulations is only eligible to receive the Option 3 SG Capacity Credit.

4. Maintenance Activities. Customer will perform routine maintenance activities as necessary and upon not less than three (3) days' notice to Company. Customer may perform non-routine maintenance activities at any time to ensure the Generation's availability. Customer shall provide Company notice of any maintenance activities that will affect Company's ability to use the Generation.

5. Routine Testing. Company reserves the right to test its control system and the operation of the Generation. Company will conduct tests not more than once every ninety (90) days, with a given test intending to last no longer than fifteen (15) minutes in duration subject to Customer requirements; provided, however, that Company may conduct one or more additional tests during a 90-day cycle in the event of an unsuccessful test. Company will coordinate with Customer as to the timing of any test. For the avoidance of doubt, the time the Generation operates during a test shall not be included in the Operating Period Limitations identified on Appendix A.

6. Risk of Loss. Customer shall bear all risk of loss of, and damage to, the Generation in connection with its participation under this SG Agreement.

7. Fuel Supply. At its sole cost, expense and in accordance with all applicable laws and regulations, Customer shall purchase, arrange the delivery of, receive all fuel required to operate the Generation in accordance with this SG Agreement, including and if applicable maintaining fuel storage adequate for Company's use of the Generation.

8. Access. Customer grants Company, its agents and contractors, all necessary rights and permissions to access the Premises so that Company may exercise its rights under this SG Agreement and, as needed, perform inspection, maintenance, and repair work on Company Equipment. The scope of such access shall be confined to those areas of the Premises to which access is reasonably necessary. Company will coordinate with Customer as to the timing of necessary access to the Premises.

9. Security. Customer, at its own expense, shall employ reasonable security measures to prevent vandalism and unauthorized access to the Generation, Company Equipment, related equipment, fuel storage, and electrical distribution facilities. Customer shall ensure that such security measures do not impede the access of Company, its agents, and contractors to the Premises.

10. Compliance. Throughout the term of this SG Agreement, Customer shall comply with all applicable laws (including all applicable emission standards, and requirements), as well as all associated permitting and reporting requirements relating to the use of the Generation by Customer and Company under this SG Agreement. Upon request by Customer, Company will provide Customer with the specific standards or guidelines that are being followed for dispatching the Generation during each Operating Period initiated by Company, the situation that necessitated the dispatch of the Generation during each such Operating Period, and the hours spent for operation during each Operating Period initiated by Company, including the date, start time, and end time of operation, as necessary for reporting or recordkeeping obligations under Title 40 of the Code of Federal Regulations. Upon request by Company, Customer will provide Company with information confirming compliance with this paragraph. In the event a change in law or regulation renders compliance with any of the requirements of this SG Agreement, including but not limited to this paragraph, infeasible or impossible in the reasonable business judgment of the affected Party, that Party shall have the right, upon ten (10) days' written notice to the other, to terminate this SG Agreement without consequence or further obligation.

11. Notice. Customer shall notify Company if, at any time during the term of this SG Agreement, the Customer becomes aware that the Generation cannot be operated by Company in accordance with this SG Agreement for whatever reason including, but not limited to, Customer's failure to meet, or due to a change in law or circumstances is no longer able to meet, the applicable laws, orders, regulations, rules, and ordinances of federal, state, and local governmental authorities to which Customer or the Generation are subject. Customer shall further notify Company if Customer receives correspondence or communication from local, state, or federal authorities seeking information about compliance, or raising compliance issues under the laws, order, regulations, rules, and ordinances applicable to the Generation or the use thereof.

12. Title. Customer represents and warrants that it is the owner of and possesses title to, and rights in, the Generation, fuel storage and electrical distribution facilities, and the Premises on which they are located sufficient to legally and unconditionally grant to Company the right to operate, inspect, commit, dispatch, schedule, test, use, and otherwise control the Generation as prescribed by this SG Agreement. Customer further represents and warrants that the Generation and all associated facilities and equipment are not subject to or contingent upon any lease, rental, or financing agreement or arrangement with any third party. All such title and rights to the Generation, fuel storage and electrical distribution facilities and the Premises shall remain with the Customer throughout the term of this SG Agreement. During the term of this SG Agreement, Customer shall neither impose nor allow to be imposed by any other person or entity any form of lien, security interest or other encumbrance upon the title of the Generation, fuel storage, and electrical distribution facilities or the Premises. As to Company Equipment, Company shall retain title and Customer shall keep the Company Equipment free and clear from any and all other liens, encumbrances, and claims of any kind or nature and shall take all actions necessary to gain removal and release from any and all other liens, encumbrances, and claims attaching to or concerning the Company Equipment other than those expressly created by and for Company.

13. Limitation on Damages. In no event shall Company or Customer be liable to the other for any indirect, incidental, special or consequential damages arising out of or in connection with the Generation, its use, or this SG Agreement.

14. Responsibility for Actions. The Parties and their respective officers and employees shall not be deemed to assume any liability for the acts, omissions, and negligence of the other Party or its respective officers and employees. Nor shall Company gain or be understood or alleged to have gained, solely by virtue of this SG Agreement or any action taken by Company in accordance thereto, any knowledge, actual or imputed, as to the safety, code compliance, orientation, fitness for purpose, or any other aspect of the Generation or the Premises, for the purpose of Customer holding Company responsible or liable for such knowledge.

15. Default. Should Customer fail to keep and perform any of the terms, obligations and conditions of this SG Agreement, or should the electric service under the Contract be cancelled, or should Customer execute an assignment for the benefit of creditors or file a voluntary petition in bankruptcy, or should a petition be filed against Customer in bankruptcy or should proceedings for the appointment of a receiver be commenced in any court against Customer, then Company may, with prior written notice, declare the Customer to be in default hereunder and terminate this SG Agreement and, in Company's sole determination, elect to take possession of, remove, or abandon in place Company Equipment. Should Company elect to take possession of and remove Company Equipment, Company, its agents and contractors, shall have the right, with prior written notice to Customer, to enter upon the Premises where Company Equipment is located.

16. Special Rules Governing the Application of Rate Rider RGB. The Special Rules Governing the Application of Rate Rider RGB ("Special Rules") are incorporated by reference into this SG Agreement. In the event of a conflict between this SG Agreement and the Special Rules, this SG Agreement shall control.

17. Force Majeure. In the event Customer experiences an event of Force Majeure during the Operating Period that impacts the ability of the Generation to comply with the requirements of this SG Agreement, Company will waive any Non-Dispatch Penalty that otherwise would have resulted due to the Generation's inability to comply during an Operating Period. For purposes of this SG Agreement, Force Majeure includes any set of circumstances directly affecting Premises that is beyond the reasonable control of Customer and is not caused by Customer's negligent action or inaction, including but not limited to non-compliance with this SG Agreement, including flood, drought, ice, earthquake, windstorm or eruption; fire; explosion; invasion, civil war, commotion or insurrection; sabotage or vandalism; pandemic or epidemic military or usurped power; or act of God or of a public enemy. Force Majeure does not include economic hardship, the loss of Customer's market(s) or inability by Customer to sell its products or services, unless such hardship, loss or inability itself results from an event of Force Majeure.

18. Remedies. If Company, at any time, discovers that Customer has failed to meet its legal responsibilities, duties and obligations set forth in this SG Agreement, or if it determines that any representation set forth on Appendix A or Appendix B hereto is false or inaccurate, Company may, in addition to any other equitable or legal relief or remedy otherwise available to Company, suspend Customer's SG Capacity Credit otherwise due under this SG Agreement until such time as Customer is in full compliance with the terms of this SG Agreement.

The undersigned have caused this SG Agreement to be executed by their authorized representative as of the SG Agreement Effective Date provided above.

\_\_\_\_\_

**ALABAMA POWER COMPANY**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



**APPENDIX A**

**DESIGNATIONS AND ACKNOWLEDGEMENTS**

1. The Generation is permitted to operate as  an Emergency Generator or  a Non-Emergency Generator.
  
2. The Generation is located at  a Major Source or  an Area Source of hazardous air pollutants.
  
3. The Generation will operate in  Island Mode or  Parallel Mode as defined in Rate SG.
  
4. Customer has selected Option \_\_\_\_\_ as defined within the "SG Capacity Credit and Associated Operating Period Limitations" section of Rate SG.
  
5. *(Parallel Mode Only)* Customer desires to be compensated for energy exported to the Company's system during an Operating Period at the then current and applicable rate set forth in Rate CPE (Contract for Purchased Energy).

*Note: For the billing month in which an Operating Period occurs, a monthly administration charge of \$1,000 for generators connected at Transmission or \$700 for generators connected at Distribution will be added to the Base Charge for Customers electing to be compensated for energy exports. Also, the Company will not compensate Customer for energy exported during a routine test under Paragraph 5 of the SG Agreement.*

Customer's Initials: \_\_\_\_\_

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If the Generation will operate in Island Mode as designated in 3 above, as of the SG Agreement Effective Date, the SG Capacity shall be as follows:

For the billing months beginning April 1 through October 31: \_\_\_\_\_ kW

For the billing months beginning November 1 through March 31: \_\_\_\_\_ kW

If the Generation will operate in Parallel Mode as designated in 3 above, as of the SG Agreement Effective Date, the SG Capacity shall be as follows:

SG Capacity: \_\_\_\_\_ kW

*Note: The above designated SG Capacity may be modified during the term in accordance with this SG Agreement and Rate SG.*

**APPENDIX B**

**GENERATOR TECHNICAL INFORMATION AND SPECIFICATIONS**

*Attach Generator Nameplate Pics*

## APPENDIX C

### INTERCONNECTION TERMS AND CONDITIONS

1. Scope. The Generation will be interconnected to Company's electric system in accordance with the Special Rules Governing the Application of Rate Rider RGB, the Standby Generator Program Agreement, and this Appendix C (collectively, the "Interconnection Requirements").

2. Interconnected Facilities. Customer, at its expense, shall maintain and operate its Generation and all associated interconnection equipment and facilities (collectively "Interconnected Facilities") so that unacceptable voltage fluctuations, harmonically related disturbances, overload, or other disturbances do not occur on Company's electrical and communications systems, or otherwise affect the safe, economical, and reliable operation of Company's electric system. Customer, at its expense, shall immediately correct any such unacceptable supply of electric power, including the provision of suitable apparatus to prevent or cure such effects where necessary.

3. Maintenance. Customer shall be responsible for the planning, design, construction, installation, testing, inspection, ownership, operation, and maintenance (at its sole cost) of its Interconnected Facilities and the parallel operation of said Interconnected Facilities with Company's electric system in accordance with the Interconnection Requirements.

4. Operating Conditions. The Parties agree to the following operating conditions:

4.1. Customer shall not energize Company facilities unless specifically authorized to do so by appropriate authorities of Company.

4.2. It is Customer's responsibility to provide for the protection of all of Customer's facilities from hazards resulting from parallel operation with Company's electric system.

4.3. Customer must comply, and will continue to comply, with all presently existing or future regulations, rules, orders, or decisions of all governmental authorities with jurisdiction over this SG Agreement, the Customer's Interconnected Facilities, and its operations.

4.4. In the event separation of the Interconnected Facilities from Company's electric system is deemed necessary by Company, Customer shall disconnect and not reconnect to Company's electric system without specific permission to do so by the appropriate authorities of Company.

5. Disconnection. In the event Customer fails to comply with the Interconnection Requirements, Company shall have the right to disconnect the Generation from Company's system.