



MLGW 2022 Distributed Generation Process Overview

MLGW offers customers the opportunity to generate renewable electricity onsite and interconnect to MLGW's electric grid through various options. Learn about available options, policies and system requirements at: www.mlgw.com/greenpower and email bwilliamson@mlgw.org

This document provides a summary of key steps in the distributed generation research, application, construction/interconnection, and system acceptance testing processes.

RESEARCH

1. **Customer** should consider energy efficiency improvements to reduce property's energy consumption. Residential and small business customers can find personalized recommendations in My Account at www.mlgw.com; other resources are available at www.energyright.com and <https://mlgw.bizenergyadvisor.com/>
2. **Customer** should research potential system sizes, costs and simple payback based on regional data by contacting MLGW, using the Tennessee Valley Solar Calculator at <https://edt.tva.gov/> and other resources. Note: Calculator does not include MLGW interconnection and ongoing charges.
3. **Customer** should select a contractor to conduct a site review and develop a project plan for consideration. MLGW and TVA recommend that installers maintain at least Associate-Level certification from the North American Board of Certified Energy Practitioners (NABCEP). Find solar installers at www.nabcep.org and also Tennessee Solar Industries Association, <https://tennesseiasolar.com/>
4. **Customer** should decide which interconnection option to pursue. All options require a separate generation meter. Options A and C include a monthly MLGW Electric Service Availability charge.
 - a. Self-Generation with or without battery storage: Use generated electricity onsite, with any instantaneous excess sent to the grid without financial benefit.
 - b. Dispersed Power Production: Sell 100% of generated electricity to TVA under 5-year agreement, at avoided cost, which varies monthly. Customer should pursue a Dispersed Power Production (DPP) contract with TVA after step 9 below. TVA pays customer via direct deposit.
 - c. Self-Generation with Dispersed Power Production with or without battery storage: Use generated electricity onsite and sell any instantaneous excess to TVA under 5-year agreement, at avoided cost, which varies monthly. Customer should pursue a Dispersed Power Production (DPP) agreement with TVA after step 9 below. TVA pays customer via direct deposit.

APPLICATION

5. **Customer or Contractor** should submit an MLGW *Application for Interconnection of Distributed Generation*, along with check for application fee and required technical documents listed therein. Download the PDF (Tier 1 or Tier 2, based on proposed project size) from <http://www.mlgw.com/about/greenpowerswitchdocs> Do not order, purchase or allow installation of equipment until MLGW has approved the project (step 8 below).
6. **Contractor** should submit project to Memphis/Shelby County Office of Construction Code Enforcement (or applicable suburban jurisdiction) and await approval. This step can be taken simultaneously with MLGW processes.
7. **MLGW** will review application for technical requirements. Most projects are reviewed within 4 weeks, based on volume, other workload and document completeness. Depending on proposed system size, location and available infrastructure, an interconnection study may be necessary. If a study is required, you will be notified.
8. **MLGW** will notify **Customer and Contractor** of application's preliminary approval and next steps, including sending a prepared MLGW *Interconnection and Parallel Operation Agreement*. Project simultaneously moves to Builder Services Center for Work Request creation and to Customer Engineering for design and quote. Contact info: <https://www.mlgw.com/builders/>
9. **Customer** will sign and return the MLGW *Interconnection and Parallel Operation Agreement* along with liability insurance documentation. MLGW will return an executed copy.

10. **Customer** will receive the interconnection cost quote for project Work Request from MLGW Customer Engineering, generally mailed in 6-12 weeks, depending on workload.
<https://www.mlgw.com/builders/customerengineering> **Customer or Contractor** should pay amount due, noting Work Request number. Project cannot proceed without payment submitted via instructions in cost quote. Cost quote includes separate generation meter, interconnection labor, required system upgrades (if any) and one System Acceptance Test.
11. **Contractor** should obtain generation meter's electric meter socket from MLGW Electric Meter Operations and install.
12. **Contractor** should notify Code Enforcement of construction completion and request final inspection.
13. **Code Enforcement** (from applicable local jurisdiction) will inspect electrical work and notify MLGW of approval via an electronic system update. Builder Services Center will post the inspection to customer's Work Request. *This is not a same-day process, so plan accordingly.*
14. **Customer and Contractor** should await MLGW construction (as applicable) and interconnection. This step is triggered through the Work Request after MLGW has received Code Enforcement's computerized notice of passing final inspection.
15. **Customer and Contractor** should await MLGW installation of the generation meter, which will be triggered through the Work Request after any MLGW construction work is completed. *System must be off to avoid unauthorized generation until project passes MLGW System Acceptance Test.*
16. **Customer or Contractor** should notify MLGW of readiness for the acceptance test once all construction, including generation meter installation, has been completed. Email bwilliamson@mlgw.org to request.
17. **Customer or Contractor** should await scheduled date for MLGW site visit for system acceptance test. Contractor or Customer must be present during test.
 - a. Upon successful test, the system may begin operation. MLGW will complete the *System Acceptance Form* and send copy for Customer records.
 - b. If system fails (including incomplete installation), **Contractor** shall make necessary changes and pay additional \$200 fee to repeat the test. \$200 fee must be paid (by check, payable to MLGW) prior to scheduling next test date and repeating steps 16-17.

Generation is prohibited until 1) customer has an executed MLGW Interconnection and Parallel Operation Agreement and 2) system has passed MLGW's acceptance test.

Federal Tax Credits and Potential Funding Source

Homeowners and businesses may qualify for Federal tax incentives, which were changed by legislation passed in late December 2020. Consult your tax professional and visit:

- Residential Renewable Energy Tax Credit: <https://programs.dsireusa.org/system/program/detail/1235/residential-renewable-energy-tax-credit>
- Business Energy Investment Tax Credit: <https://programs.dsireusa.org/system/program/detail/658/business-energy-investment-tax-credit-itc>

Businesses and some non-profit organizations in Tennessee may qualify for a low-interest energy efficiency and renewable generation loan through Pathway Lending. Find details at: <https://www.pathwaylending.org>