

L. NET METERING:

(1) Availability

Available to Customer-Generators (C-G) that install an eligible energy resource consisting of qualifying recycled or renewable electric energy generation resources and interconnects, subject to the Association's tariffs, to the Association's electric distribution system. The C-G system's renewable resource may be solar, wind, geothermal biomass, or hydropower, and must be limited to not more than 10 kilowatts of capacity for residential and 25 kilowatts of capacity for commercial or industrial. The C-G's recycled energy system may be any generation unit that converts the otherwise lost energy from the heat from exhaust stacks or pipes to electricity and that does not combust additional fossil fuel and must be limited to not more than 10 kilowatts of capacity for residential and 25 kilowatts of capacity for commercial or industrial accounts. Such C-G system shall be sized to supply no more than 120 percent of the average annual consumption of electricity by the C-G, based on the C-G's preceding three year average annual consumption as measured from the date of C-G's application for net-metering. Once such an appropriately-sized C-G renewable resource system is installed and connected to the Association's electrical system, the average annual electric consumption rate for that C-G shall be based on its trailing three- year average from that point forward. If a C-G system actually produces more than 120% of the C-G's total annual energy consumption on that service, as averaged using the three- year annual consumption rate as calculated under the immediately preceding sentence, and the C-G system's exceedance of the 120% threshold (1) materially impairs the Association's capability to service its customer base; or (2) directly causes the Association to incur significant penalties or other material charges by virtue of its then-existing relationship or contracts with its wholesale power provider, the Association may immediately disconnect the C-G system and the C-G system shall become ineligible for continued net metering until such time as the exceedance is remedied.

If a C-G system actually produces more than 120% of the C-G's total annual energy consumption on that service, as averaged using the three- year annual consumption rate as calculated above, and the C-G system's exceedance of the 120% threshold does not (1) materially impair the Association's capability to service its customer base; or (2) directly cause the Association to incur significant penalties or other material charges by virtue of its then-existing relationship or contracts with its wholesale power provider, the Association shall notify the C-G of this exceedance and adverse effect in writing. The C-G shall then be required to make all reasonable efforts to remedy this exceedance within 90 days of receipt of such notice. In the event C-G fails to take all reasonable steps to remedy the exceedance within 90 days of receipt of such notice then the existing C-G system shall, to the extent allowed by law, become ineligible for continued net metering until such time as it is remedied. Existing systems that become ineligible under this provision may be disconnected from the Association's electric system. The C-G owning a system disconnected due to exceeding the 120% threshold may

initiate a new interconnection process or otherwise take steps under then-existing procedures approved by the Association to have the system re-approved so long as the system's output capability or the service's load consumption has been modified in such a way that it can once again meet the eligibility requirements. For the purposes of this section, the C-G's total annual energy consumption on a specific service shall be calculated as the total energy delivered to the C-G, as measured by the Association's service meter and recorded in that meter's energy delivered register, plus the total energy generated by the C-G's interconnected generator, as metered by the Association's production meter and recorded in that meter's energy received register, minus the surplus energy received from the C-G, as metered by the Association's service meter and recorded in that meter's energy received register. The C-G system must conform to the Association's standards and tariffs for interconnectivity, safety, quality of service, liability, and indemnification.

(2) Applicability

Applicable to all consumers that locate an eligible energy resource on the consumer's property, owned, operated, leased, or otherwise controlled by the C-G. The C-G system must be determined to be capable of being operated safely and reliably in parallel with the Association's electrical distribution system. The C-G system shall offset part or all of the C-G's electric load requirements for electric energy at the same location. The system shall not be used to offset or provide credits for electric consumption at another meter of the C-G or for any other consumer.

(3) Type of Service

Single phase or three-phase 60 hertz at standard secondary voltages. The measurement of the difference between the electricity supplied to the C-G or through the Association at the Association's standard rate for the classification of service, and the electricity that is generated by the C-G and delivered to the Association at the same point of interconnection, shall be metered net of the energy supplied by the Association to the C-G for the same billing period. All costs over and above standard metering costs associated with the net metering system and any modifications required by the Association for purposes of interconnectivity, safety, and reliability shall be prepaid to the Association by the C-G.

(4) Monthly Rate

All electric power and energy delivered by the Association to the C-G shall be received and paid for at the Association's current applicable rate schedule for the Appropriate customer class. The Association shall determine the C-G's Energy consumption under the rate through the use of net metering. Net metering shall be, for billing purposes, the net consumption calculated by subtracting the energy received from the C-G, as measured by the Association's service meter, from the energy delivered to the C-G, as measured by the Association's service meter. Any negative amount shall be carried forward and

applied against the subsequent month's billing. At the beginning of the month of April every year, any remaining unused generation credit balance accumulated during the previous annual period of April through March, expressed in kilowatt-hours, shall be accounted for and paid to the C-G at the rate determined in Factor G below within sixty (60) days of April 1st:

Surplus Energy Avoided Cost Value (in \$) (Factor A):

Total Association system-wide net metering excess generation beyond 105% as summed from each of the C-G service locations connected load (in kWh) for the current annual period (Factor B)

multiplied by

Wholesale energy rate for the present year (in \$/kWh)

Excess Generation Charges Incurred (in \$) (Factor C):

Total monetary reduction in energy purchases assessed on the Association from Association's wholesale power provider as a result of overgeneration beyond 5% of Association's Gross Energy Requirement (in \$)

plus

Total monetary capacity charges incurred by the Association from Association's wholesale power provider as a result of overgeneration beyond 5% of Association's Gross Capacity Requirement (in \$)

plus

Total cost of transmission usage reservations and unauthorized transmission usage charges incurred by the Association from Association's wholesale power provider, exclusive of charges specifically allocated to an individual account or project by contract (in \$)

plus

Absolute value of remaining negative monetary balance of Overgeneration Net Avoided Cost (Factor F) from the previous year (in \$)

Base Excess Generation Avoided Cost (in \$) (Factor D):

Total Association system-wide net metering excess generation up to 105% as summed from each of the C-G service locations connected load (in kWh) for the current annual period (Factor E)

multiplied by

Wholesale energy rate for the present year (in \$/kWh)

Overgeneration Net Avoided Cost (in \$) (Factor F):

Factor A *less* Factor C, subject to the following conditions:

If Factor F as calculated here is less than zero, then for the present year's calculation of Factor G it shall be held to zero and the remaining negative balance carried forward to the subsequent year's Factor C Calculation

Excess Generation Energy Credit (in \$/kWh) (Factor G):

Factor D *plus* Factor F, *the sum divided by the sum of* Factor B *plus* Factor E, subject to the following conditions:

Factor G shall be carried out to six decimal places

As clarification of the above calculations, in no event shall a C-G be charged any fee, penalty, fine, or incur any excess demand or excess production charge on its electric service bill, for any excess production from a renewable resource system.

(5) Contract Provisions

The C-G shall agree to the provisions of service stipulated by the Association in a written agreement, and the term of the contract shall be not less than one (1) year. Such contract shall, at a minimum, require the C-G to meet all safety and performance standards established by the most current edition of the *National Electric Code*, *The Institute of Electrical and Electronic Engineers*, *Underwriters Laboratories, Inc.*, *the National Electric Safety Code*, and any other regulations or standards determined by the Association to be applicable.

The Association shall not be liable directly or indirectly for permitting or continuing to permit an attachment of a C-G's generation system or net metering system, or for acts or omissions of the C-G or any third party. The C-G shall indemnify and hold harmless the Association for any and all damage to persons or property and any and all damages or losses incurred by third parties, or the successors or assigns of such third parties that result from the installation or operation of the C-G's electric generation system or the net metering system.

The C-G shall, at its own expense, install a lockable isolation device capable of isolating the net-metering system from the Association's distribution system. All such equipment shall be approved by the Association and shall be accessible by the Association at all times.