

Appendix G

NET ENERGY METERING

Net Energy Metering

Availability

This MSC policy spells out the policy of the Commission as it relates to generation interconnected and operated in parallel with the Municipal Services Commission's (MSC) distribution facilities and resides on the Customer's premises. The primary intent of the Customer is to offset part or all of their electricity requirements.

Capacity cannot be more than 25 kilowatts for residential and 500 kilowatts for non-residential. The generator must be designed to produce no more than 110% of the host customer's expected aggregate electrical consumption, calculated on the average of the 2 previous 12-month periods of actual electrical usage at the time of installation of energy generating equipment. For new building construction, electrical consumption will be estimated at 110% of the consumption of units of similar size and characteristics at the time of installation of energy generating equipment. The source must be solar, wind, hydro or another approved source of renewable energy. The MSC limits total net metering capacity to 8% of system peak.

Any Customer who elects to install parallel generation must apply first by filing out the Generator Interconnection Application at least 60 days in advance of the proposed activation date. A pre-interconnection study may be required and certain fees depending on the complexity of the parallel generation to be installed. Approval of the application by the MSC must be granted prior to activation of the electric generation facility. An approved application will be good for one year from the approval of the application. If the project has not been built and is not operational within one year of the approval of the application, the application is void and the applicant must reapply and their application may or may not be approved. If a project is partially built the applicant may apply in writing for an extension of the one year rule. Any extension by the MSC must be in writing.

Connection to the MSC Distribution System

The electric generation system cannot be connected to the MSC's system unless it meets all applicable safety and performance standards set forth by the following: The Technical Considerations Covering Parallel Operations of Customer Owned Generation of 25kW or Less dated June 1, 2008 or The Technical Considerations Covering Parallel Operations of Customer Owned Generation of 500kW or Less dated June 1, 2008, National Electric Safety Code, Underwriters Laboratories and IEEE Standards. The Customer must, at his/her expense, obtain any and all necessary permits, inspections, and approvals required by any local public authorities and any other governing regulations in effect at that time.

Delivered Voltage

The delivered voltage and delivery point of the Customer's electric generation shall be at the same delivered voltage and delivery point that would be supplied by MSC if the Customer purchased all of its electricity from MSC.

Metering

A bi-directional watt-hour electric meter will be installed at the Customer's location to measure the energy consumed and the energy delivered to the MSC system... The MSC will furnish, install, maintain, and own all metering equipment.

Power Factor Penalty

A power factor penalty may be assessed, at the MSC's option, on any customer being served under this tariff. The penalty will be calculated using the following formula:

The Measured Demand will be the maximum fifteen (15) minute demand during the billing cycle for Medium General Service and one hour (1) demand for Large General Service . In any month in which the average power factor at the delivery point is less than ninety-eight and five tenths percent (98.5%) the penalty will be calculated according to the following formula:

$$\text{Power Factor Corrected Demand} = \frac{\text{Measured Demand} \times .985}{\text{Average Power Factor}}$$

The difference between the Power Factor Corrected Demand and the Measured Demand is the kW penalty that will be assessed. This kW will be billed at the current Demand Rate on the Medium Commercial Rate Tariff. There will be no credits issued for power factors that exceed ninety-eight and five tenths percent (98.5%).

Reconciliation and Charges

Customers will be credited in kilowatt-hours (kWh), valued at an amount per kilowatt-hour equal to the sum of delivery service charges and supply service charges for residential customers and the sum of the volumetric energy (kWh) components of delivery service charges and supply service charges for non-residential customers for any excess production of their generating facility that exceeds the customer's on-site consumption of kWh in a billing period. Excess kWh credits shall be credited to subsequent billing periods to offset a customer's consumption in those billing periods. **At the end of the calendar year, the MSC will remove any remaining credits on the account. No monetary value will be associated with excess credits.** Any excess kWh credits shall not reduce any fixed monthly customer charges imposed by the MSC. The customer retains ownership of renewable energy credits (REC) associated with electric generation produced and consumed by the customer.

Failure to Comply

The MSC may disconnect the Customer's service from the MSC's electric system if the Customer fails to comply with any of the stipulations of this rider, The Technical Considerations Covering Parallel Operations of Customer Owned Generation of 25kW or Less dated January 1, 2008 or The Technical Considerations Covering Parallel Operations of Customer Owned Generation of 500kW or Less dated January 1, 2008, National Electric Safety Code, Underwriters Laboratories, the Generator Interconnection Application.

The delivered voltage and delivery point of the Customer's electric generation shall be at the same delivered voltage and delivery point that would be supplied by MSC if the Customer purchased all of its electricity from MSC.