

Douglas Electric Cooperative

Roseburg, Oregon

Policy Bulletin 30-8

Net Metering Services

Policy: Net metering service is available, on an equal basis, to Customers who own and operate a net metering generating facility subject to the following conditions:

- Uses solar, wind, fuel cell or hydroelectric power to generate electrical power
- Nameplate generating capacity of not more than twenty-five (25) kilowatts
- Located on the Customers' premises
- Interconnects and operates in parallel with the Cooperative's existing transmission and distribution system
- Intended primarily to offset part or all of the Customers' own electrical requirements

This Policy is offered in compliance with ORS 757.262, as amended by House Bill 3219, dated July 8, 1999.

DEFINITIONS

Avoided Cost: "Avoided cost" is the cost for wholesale electric power purchased by the Cooperative. This cost is typically based on separate capacity charges and energy charges. These charges vary over time (e.g., daytime vs. nighttime, summer season vs. winter season) in order to reflect differing wholesale market conditions. Excess energy generated by facilities can offset or displace a portion of these wholesale electric power purchases. Consequently, the value of excess energy from a facility is the calculated cost of equivalent wholesale electric power purchases that were offset or displaced (i.e., avoided).

Bi-directional Metering: Specialized metering that can measure and record the flow of electrical power in two directions is termed "bi-directional metering". This type of metering is capable of measuring both the electrical power used by Customers and any excess energy generated by a facility and recording the day and time (i.e., hour of day) when the excess energy was generated.

Capacity: With respect to the net metering program, "capacity" refers to the excess energy generated in the same hour as the monthly peak hour. The monthly peak hour represents the maximum hourly electrical energy usage as determined by the Bonneville Power Administration (BPA). The peak hour varies month-to-month depending on weather patterns, electrical usage by consumers, and other factors. Excess energy generated in the

monthly peak hour decreases capacity charges for the Cooperative. Consequently, the savings resulting from decreased capacity charges is credited to the customers whose net metering facilities generated excess energy in the monthly peak hour. Capacity is measured in kilowatts (kW).

Net Energy: With respect to the net metering program, “energy” refers to the total monthly amount of excess electrical energy generated by a facility. Energy is measured in kilowatt-hours (kWh) and is valued differently for various time periods and seasons.

Excess Energy: Any electrical energy generated by the net metering facility that is surplus to the simultaneous electrical usage of the Customer is termed “excess energy”. This electrical energy then flows into the Cooperative’s system and displaces wholesale electric power purchases. The value of the displaced wholesale electric power purchases is credited to the Customer’s account.

Net Metering: “Net metering” is the measurement of the difference between the electricity supplied to an eligible Customer by the Cooperative and the electricity (1) generated by an eligible Customer’s net metering facility and (2) fed back to the Cooperative over the applicable billing period.

Net Metering facility: A “net metering facility” is a generating facility meeting the requirements as outlined in House Bill 3219. (See also *Policy* above)

GENERAL PROVISIONS FOR NET METERING SERVICE

Start Date: This service shall be available to Customers beginning July 1, 2000.

Interconnection and Net Metering Service: The Cooperative shall allow interconnection of net metering facilities to its system. The Cooperative will install at its own expense bi-directional metering in order to provide net metering service to Customers with net metering facilities. (Note: The customer is responsible for the installation and costs associated with the meter bases used for metering.)

Interconnection Requirements: The State Building Codes Division has adopted safety and performance standards for net metering facilities, including interconnection requirements. However, the interconnection requirements may change over time as the impacts of net metering facilities are better understood and as nationwide interconnection guidelines are developed. (For example, there is a nationwide activity underway to develop interconnection standards for all types of customer-owned generating resources of any size capacity. This activity is due to be completed in mid-2001.) These developing interconnection standards may provide additional safety and performance (e.g., reliability) benefits to the Cooperative’s system. At that time, the

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Board of Directors of the Cooperative may determine that more stringent interconnection and operating requirements should be imposed for all future net metering facilities. Also, the Board of Directors of the Cooperative may determine that some or all of the net metering facilities installed prior to the development of these interconnection standards should be required to meet the revised standards. In this event, the total costs (including those costs for the Cooperative) of meeting these revised interconnection requirements will be borne by the respective Customers.

Level of Net Metering Generation: The aggregated level of net metering generation for the Cooperative shall be limited to 0.5% of the single-hour coincident peak load for the previous year. For the year 2000 the limit is 167 kW. The Cooperative will honor these requests on a “first come, first serve” basis as net metering capacity becomes available under the limit.

Fees: Customers requesting net metering service will not be charged for the interconnection of net metering facilities to the Cooperative’s system. The Customer will be charged for any expenses associated with modifying the Cooperative’s system in order to interconnect the net metering facility.

Value of Excess Energy Generated: With the exception of an annual true-up, at the end of the customer’s April billing cycle, any excess electrical energy generated by the Customer and supplied to the Cooperative’s system shall be valued based upon the prices specified in the Energy Charges section of Residential Rate Schedule 1.

The Cooperative may determine that it is appropriate to estimate the time of day excess energy that is generated by a net metering facility, based on the appropriate load profiling model for the respective Customer.

Disbursement of Unused Credit: At the annual true-up, any remaining unused credit from any excess generation shall be valued at the avoided cost, and at the customer-generator’s election, be returned to the customer-generator or granted to the Cooperative’s low-income energy assistance program.

MONTHLY BILLING FOR NET METERING SERVICE

The Monthly Customer Charge shall be computed in accordance with the applicable standard rate schedule.

Special Conditions:

1. In a given billing cycle, if the energy supplied to the Cooperative is less than the energy purchased from the Cooperative, the customer shall be billed for the appropriate monthly basic charge and the prices specified in the Energy Charges section of

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Residential Rate Schedule 1 shall be applied to the positive balance owed to the Cooperative.

2. In a given billing cycle, if the energy supplied to the Cooperative is greater than the energy consumed from the Cooperative, the Customer shall be billed for the appropriate monthly basic charge and shall be credited for such net energy at the prices specified in the Energy Charges section of Residential Rate Schedule 1.
3. At the annual true-up, at the end of the customer's April billing cycle, any remaining unused credit from any excess generation shall be valued at the avoided cost, and at the customer-generator's election, be returned to the customer-generator or granted to the Cooperative's low-income energy assistance program.
4. The customer-generator is responsible for all costs associated with its facility and is also responsible for costs related to any modifications to the facility that may be required by the Cooperative for purposes of safety, reliability, and reading meters except the cost of the actual meter(s). The customer is not allowed to supply their own meter(s).
5. Net Metering facility installations shall comply with the applicable standards established by the National Electric Code, the National Electric Safety Code, and shall meet all applicable safety and performance standards established in the Oregon State Building Code.
6. Cooperative approved switching equipment, capable of isolating the net metering facility from the Cooperative's system, shall be provided by the customer and shall be accessible to the Cooperative at all times and secured by a Cooperative owned padlock. The Cooperative shall also have the right, with or without notice, to (1) inspect the net metering facility annually and (2) disconnect the net metering facility from the Cooperative's system if there is a valid concern about system reliability or system performance. The Cooperative's inspection fee is \$35 per each inspection. Disconnect and reconnect transaction shall not operate to relieve a Customer from monthly minimum charges. Once operational, the Cooperative's and OR-OSHA's Lockout, Tag-out procedures must be followed.
7. The Cooperative shall have the right to adopt future IEEE standards or other future standards that the Cooperative deems necessary to insure system reliability and performance and maintain safety.
8. The Cooperative shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a net metering facility, or for the acts or omissions of the customer that cause loss or injury, including death, to any third party.

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9. Customers are required to sign a net metering agreement before receiving net metering service.

CONTINUING SERVICE

This Policy is based on continuing service at each service location.

RULES AND REGULATIONS

Service under this Policy is subject to the General Rules and Regulations of the Cooperative.

Attested _____
Shirley Cairns, Secretary

Effective July 1, 2000

Adopted: August 19, 2000

Revised: October 21, 2009