

CONSUMERS POWER, INC.
Philomath, Oregon

SCHEDULE 12
NET METERING SERVICE

AVAILABILITY

Net metering service is available 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 Schedule is offered in compliance with ORS 757.300.

DEFINITIONS:

Avoided Cost

The avoided cost is the cost for wholesale electric power not purchased by the Cooperative. (If wholesale power was not purchased for some reason, the resulting savings are collectively referred to as the *avoided cost*.) This cost is typically based on separate capacity charges and energy charges for wholesale electric power purchases. These charges vary over time (e.g., daytime vs. nighttime, summer season vs. winter season). Since excess energy generated by net metering facilities can offset or displace wholesale electric power purchases, there is the possibility for an avoided cost resulting directly from the operation of these facilities. Consequently, the value of excess energy from a net metering 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 can measure both the electrical power used by Customers and any excess energy generated by a net metering facility.

Capacity

With respect to the net metering program, Capacity refers to the excess energy generated in the same hour as the Cooperative's power supplier's monthly generation peak hour. The monthly peak hour represents the maximum hourly electrical energy usage as determined by the Cooperative's power supplier. 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 may be credited to the Customers whose net metering facilities generated excess energy in the monthly peak hour. Capacity is measured in kilowatts (kW). (Refer to **Special Conditions**, 1c. Initially the Cooperative will use the existing metering, which is not time-of-use metering.)

Energy

With respect to the net metering program, Energy refers to the total monthly amount of excess electrical energy generated by a net metering 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. CPI acquires ownership of the net energy and all renewable attributes associated with it, including Renewable Energy Credits or RECs.

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 generating facility meeting the requirements as outlined in ORS 757.300. (See also AVAILABILITY)

GENERAL PROVISIONS FOR NET METERING SERVICE

Start Date

This service shall be available to Customers beginning September 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.

Interconnection Requirements

The State Building Codes Division shall adopt and promulgate 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. These developing interconnection standards may provide additional safety and performance (e.g., reliability) benefits to the Cooperative's system. At that time, the 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 Cooperative's historic single-hour peak load. The historic single-hour peak load of 118,825 kilowatts established in December 2009 set the aggregated level of net metering generation limit for the Cooperative at 594 kilowatts. 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

The net excess energy generated during the billing period by the Customer and supplied to the Cooperative's system may be valued based upon the avoided cost of wholesale electric power purchased by the Cooperative. The valuation shall include energy charges, capacity charges, and any other applicable charges. The value shall be the avoided cost which shall be determined annually by dividing the total cost of purchased power by the total energy (kWh) purchased. The net excess energy generated during the billing period by the Customer and supplied to the Cooperative's system may be credited to the Customers' account at this rate.

Disbursement of Unused Credit

All Customer net metering accounts shall be cleared (i.e., returned to a \$0.0 balance) once per calendar year. For each 12-month period ending in April, any remaining credit in the Customers' accounts shall be refunded directly to the respective Customer.

MONTHLY BILLING FOR NET METERING SERVICE:

The Electric Service Charge shall be computed in accordance with the Monthly Billing in the applicable standard rate schedule.

SPECIAL CONDITIONS:

- 1) The bi-directional metering will measure any excess energy.
 - a) If there is no excess energy, the prices specified in the Energy Charges section of the applicable standard rate schedule shall be applied to the positive balance owed to the Cooperative.
 - b) If there is excess energy, the Customer shall be billed for the appropriate monthly charges and shall be credited for such net energy at the avoided cost.
 - c) If the Cooperative installs time-of-use metering at its sole option, the Customer shall be billed for the appropriate monthly charges and shall be credited for such net energy at the current Bonneville Power Administration's Priority Firm Wholesale Power and Transmission Rate using all applicable billing determinants i.e. generation demand, transmission demand, energy Heavy Load Hours (HLH), energy Light Load Hours (LLH), load shaping, load regulation, delivery, low density discount, seasonally adjusted.
- 2) The Customer 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 and reliability.

- 3) A net metering facility installation shall be consistent with the applicable standards established by the National Electric Code, National Electric Safety Code, and shall meet all applicable safety and performance standards established in the Oregon State Building Code.
- 4) As required by the Oregon State Building Code and in accordance with the National Electrical Code, an approved disconnecting device 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 personnel at all times. A system using a certified inverter-base, such as a solar electric system, with up to 30 amps of connected generation behind the inverter, need not install a manual, lockable disconnect switch. The Cooperative shall also have the right to (1) inspect and test the net metering facility and (2) disconnect the net metering facility from the Cooperative's system if there is a valid concern about system reliability, safety or system performance. An inspection fee may apply. Once operational, the Cooperative's and the Oregon OSHA's Lockout and Tag-out procedures must be followed.
- 5) 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.
- 6) Customers are required to sign a net metering and interconnection agreement before receiving net metering service.

CONTINUING SERVICE:

This Schedule is based on continuing service at each service location. Disconnect and reconnect transactions shall not relieve a Customer from monthly minimum charges.

RULES AND REGULATIONS:

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

NET-METERING AND INTERCONNECTION AGREEMENT

This Net-Metering and Interconnection Agreement (“Agreement”), dated and effective this ____ day of _____, _____, is entered into by and between Consumers Power, Inc. (“CPI”) and _____ (“Customer”).

Whereas Customer wishes to sell and CPI wishes to purchase energy produced by the approved generating facility.

NOW, THEREFORE, the parties agree:

1. **Net Metering Facility:** Customer’s net-metering facility (the “**Facility**”) shall mean the generating facility described in **Exhibit A** attached hereto. The Facility shall consist of a solar, wind, fuel cell, or hydroelectric power generating facility with a maximum output capacity of twenty five (25) kilowatts that is located on Customer’s premises, that is interconnected with and operates in parallel with CPI’s transmission and distribution facilities, and is intended primarily to offset part or all of Customer’s own electrical requirements. Customer shall be responsible for the design, installation and operation of the Facility and for obtaining and maintaining all required permits and approvals related thereto. This Agreement is applicable only to the net-metering facility described in Exhibit A and Customer shall not make any modification to the Facility without the prior written consent of CPI.
2. **Term:** This Agreement shall commence on the date established above and shall remain in effect until terminated by either party upon thirty (30) days prior written notice, provided, however, that this Agreement will terminate automatically upon: (1) any change in ownership of the Facility or the premises upon which the Facility is located, or (2) any change in the location of the Facility.
3. **Definition of Net Energy:** Net energy is the difference between electrical energy consumed by the Customer from CPI’s electrical supply system and the electrical energy generated by the Customer and fed back into CPI’s electrical supply system. Excess energy is net energy where the energy generated by the customer exceeds the energy consumed by the customer. CPI acquires ownership of the excess energy and all renewable attributes associated with it, including Renewable Energy Credits or RECs.
4. **Measurement of Net Energy:** Bi-directional metering shall be installed to measure the flow of electrical energy in each direction. The bi-directional metering shall be installed at CPI’s expense and shall be used to provide information necessary to accurately bill or credit Customer. The bi-directional metering may require more than one meter.
5. **Price and Payment Methodology:** All service shall be billed pursuant to CPI’s appropriate Rate Schedule. Credits for net energy flow into CPI’s electrical supply system shall be apportioned according to the Net Metering rate schedule.

6. **Interconnection:** Customer shall provide the electrical interconnection equipment on its side of the bi-directional metering. At Customer's expense, CPI will make such modifications to CPI's system as are reasonably necessary to accommodate the Facility. The cost for such modifications is due in advance of construction. All expenses related to the net metering facility, other than meters, shall be paid by the customer. Customer shall ensure, at its own expense, that the Facility includes all equipment necessary for CPI's metering and to meet applicable safety, power quality, and interconnection requirements established from time to time by CPI's policies, the National Electric Code, National Electric Safety Code, the Institute of Electrical and Electronic Engineers, the Oregon State Building Codes Division, and Underwriters Laboratories. Refer to section 11 for pre-operation requirements.
7. **Disconnection:** Customer shall furnish and install, on its side of the bi-directional metering, a safety disconnect device capable of fully disconnecting and isolating the Facility from CPI's electric supply system. A system using a certified inverter-base, such as a solar electric system, with up to 30 amps of connected generation behind the inverter, need not install a manual, lockable disconnect switch. The disconnect device shall be located adjacent to CPI's bi-directional metering and shall be of the visible break type in a metal enclosure that can be secured by a padlock. The disconnect device shall be accessible to CPI's personnel at all times and shall conform to National Electric Code standards. CPI shall have the right to disconnect the Facility from CPI's electric supply system, at customer's expense, when necessary to maintain safe and reliable electrical operating conditions or, if in CPI's sole judgment, the Facility at any time adversely affects the operation of CPI's electrical system or the quality and reliability of CPI's service to other customers. CPI shall have the right to require that the Facility remain disconnected until such time as CPI determines, in its sole discretion, that the condition(s) requiring the disconnection have ended or been corrected. Once operational, CPI's and Oregon OSHA's Lockout and Tag-out procedures must be followed.
8. **Operational Standards:** Customer shall furnish, install, operate and maintain in good order and repair, all without cost to CPI, all equipment required for the safe operation of the Facility in parallel with CPI's electrical supply system including, but not be limited to, equipment necessary to (1) establish and maintain automatic synchronism with CPI's electric supply system and (2) automatically disconnect the Facility from CPI's electrical supply system in the event of overload or outage of CPI's electrical supply system. The Facility must be designed to operate within allowable operating standards for CPI's supply system. The Facility must not adversely affect the quality or reliability of service provided to CPI's other customers.
9. **Installation and Maintenance:** Except for the bi-directional metering owned by CPI, all equipment on Customer's side of the delivery point, including any required disconnect device, shall be provided and maintained in satisfactory operating condition by Customer and shall remain the property and responsibility of the Customer. CPI will bear no responsibility for the installation or maintenance of Customer's equipment or for any damage to property as a result of any failure or malfunction thereof. CPI shall not be liable, directly or indirectly for permitting or continuing to allow the interconnection of the Facility or for the acts or omissions of Customer, or the failure or malfunction of any equipment of Customer that causes loss or injury, including death, to any party.

10. **Indemnity and Liability:** Customer shall defend, hold harmless, and indemnify CPI and its directors, officers, employees, and agents against any and all loss, liability, damage, claim, cost, charge, demand, or expense (including any direct, indirect or consequential loss, liability, damage, claim, cost, charge, demand, or expense, including attorney’s fees) for injury or death to persons, including employees of CPI and Customer, and damage to property, including property of CPI and Customer, arising out of or in connection with (a) the engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the Facility, or (b) the making of replacements, additions, betterment to, or reconstruction of the Facility, provided, however, Customer’s duty to indemnify CPI hereunder shall not extend to loss, liability, damage, claim, cost charge, demand, or expense resulting from interruptions in electrical service to CPI’s customers other than Customer.

Pre-Operation Inspection: Prior to interconnection, the Facility and associated interconnection equipment must be inspected and approved by the county inspector or any other governmental authority having jurisdiction. Customer shall not commence parallel operation of the Facility until CPI has inspected the Facility, including all interconnection equipment.

Access: Authorized CPI employees shall have the right to enter upon Customer’s property at any time for the purposes of inspection and/or operating the disconnect device and meters and making additional tests concerning the operation and accuracy of CPI’s meters.

Merger: This Agreement contains the entire agreement between CPI and Customer and may not be modified except in writing signed by both parties.

Assignment: This Agreement may not be assigned by Customer in whole or in part without the prior written consent of CPI, which consent may be granted or withheld at CPI’s sole and absolute discretion.

Relationship of the Parties: Nothing in this Agreement shall be construed to imply a joint venture or partnership between the parties.

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives.

CUSTOMER

CONSUMERS POWER, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

“EXHIBIT A”

NET METERING AND INTERCONNECTION AGREEMENT

Section 1. Customer Information

Name _____

Mailing Address _____

Street Address
(If different than above) _____

Daytime Phone _____ Evening Phone _____

Utility Customer Account Number (from utility bill): _____

Section 2. Net-metering Facility Information

System Type (Check Box): Solar Wind Fuel Cell Hydroelectric

Generator Size (kW AC) _____

Inverter Manufacturer _____ Inverter Model _____

Inverter Serial Number _____ Inverter Power Rating _____

Inverter Location _____

Section 3. Installation Information

Licensed Electrician _____ OR Contractor # _____

Mailing Address _____

Daytime Phone _____ Installation Date _____

Will you be installing battery storage? Yes No

Battery Size _____ Battery Manufacturer _____

Attach copy of county final inspection per section 11 (Pre-Operation

Inspection). Exhibit A is to be completed prior to CPI’s inspection.

Section 4. Certification(s)

Customer

The system has been installed in accordance with the Net Metering and Interconnection Agreement.

Signed (Customer) _____ Date _____

2. Consumers Power, Inc.

I have inspected the facility and the interconnection equipment is working properly at this time.

Signed (Consumers Power, Inc.) _____ Date _____