

Operations Procedure #43
(Replacing OP #29)

**NET METERING AND COOPERATIVE PURCHASE
OF EXCESS MEMBER OWNED GENERATION CAPACITY**

I. OBJECTIVE

To encourage member investment in renewable energy resources, comply with the Public Utility Regulatory Policies Act (PURPA), enhance the continued diversification of Illinois' energy resource mix and protect the Illinois environment through the use of renewable fuel sources while honoring the cooperative's obligation to provide electricity to all members on a cooperative basis as required by the Illinois Not-for-Profit Act and Revenue Code Section 501(c)(12).

II. DEFINITIONS

Avoided Costs means the incremental costs to the cooperative of electric energy or capacity or both which, but for the purchase from the eligible renewable electrical facility, the cooperative would generate itself or purchase from another source.

Avoided Energy Costs are the avoided variable costs associated with the production of electric energy (kilowatt-hours). These costs represent the avoided costs of fuel and some operating and maintenance expenses or the cost of purchased energy. Identifiable capacity charges included in purchase power agreements shall not be included in the calculation of avoided energy costs.

Avoided Total Costs means the total avoided system energy and new capacity costs (and not the average embedded system cost of capacity) or the avoided cost of a capacity purchase which result from the purchase of energy and capacity from an eligible renewable electrical generating facility.

Capacity Costs are the costs associated with providing the capability to deliver energy: they consist primarily of the capital costs of facilities used to generate and transmit electricity.

Eligible Cooperative Member means a cooperative member that owns or operates a solar, wind, or other eligible renewable electrical generating facility with a rated capacity of not more than 2000 kilowatts that is located on the member's premises and is intended primarily to offset the member's own electrical requirements.

Eligible Renewable Electrical Generating Facility (EREGF) means a generator powered by solar electric energy, wind, dedicated crops grown for electricity generation, anaerobic digestion of livestock or food processing waste, fuel cells or microturbines powered by

renewable fuels, or hydroelectric energy. For purposes of this policy, an EREGF with a nameplate rating of 10 kW or less is governed by the provisions of Article IV (C). An EREGF with a nameplate rating of more than 10 kW up to 2 MW is governed by the provisions of Article IV (D).

Net Electricity Metering (or “net metering”) means the measurement, during the billing period applicable to an eligible member, of the net amount of electricity supplied by the cooperative to the member’s premises or provided to the cooperative by the member.

III. APPLICABILITY

This net metering policy applies to eligible cooperative members that choose to interconnect their eligible renewable electrical generating facilities with the cooperative’s distribution system and operate it in parallel with the cooperative system.

IV. PROVISIONS

- A. The eligible cooperative member shall first comply with the provisions of the Cooperative’s Policy #42, “Interconnection and Parallel Operation of Distributed Generation.”
- B. The cooperative will install and maintain metering equipment capable of measuring the flow of electricity both into and out of the customer’s facility at the same rate and ratio. If member’s existing meter is not capable of meeting this requirement, or if the customer requests an additional meter, the cost of installing and maintaining an additional meter shall be paid by the member.
- C. For EREGFs with a nameplate rating of 10 kilowatts and below, the cooperative shall measure and charge or credit for the net electricity supplied to eligible cooperative members or provided by eligible cooperative members as follows:
 - 1. If the amount of electricity used by the member during the billing period exceeds the amount of electricity produced by the member, the cooperative shall charge the member for the net electricity supplied to and used by the member at the retail rates the member would be charged if the member was not a net metering member.
 - 2. If the amount of electricity produced by a member during the billing period exceeds the amount of electricity used by the member during that billing period, the cooperative will apply a 1:1 kilowatt-hour credit to a subsequent bill for service to the member for the net electricity supplied to the cooperative. The cooperative shall continue to carry over any excess kilowatt-hour credits earned and apply those

credits to subsequent billing periods to offset any member-generator consumption in those billing periods until all credits are used or until the end of the contract year.

3. At the end of the contract year the service that is supplied by means of net metering, or in the event that the member terminates service with the cooperative during prior to the end of the contract year the member will be paid for any remaining credits at the cooperative's current avoided cost. If the remaining credit is small at the end of the contract year the cooperative may let the credit apply to the next contract year.
- D. For EREGFs with a nameplate rating over 10 kilowatts up to 2 MW, the cooperative shall compensate the eligible member for any excess kilowatt-hour credits at the cooperative's avoided cost of electricity supply over the monthly periods or as otherwise determined by the terms of a power purchase agreement negotiated between the member and cooperative. Alternative arrangements may include but are not limited to:
- monthly capacity fees representing capacity costs,
 - net billing,
 - time of use rates,
 - facilities charge adjustments,
 - stand-by rates,
 - avoided total costs,
- all of which should reflect the cost of providing power to the eligible member and does not discriminate between eligible members and members without eligible renewable electrical generation.
- E. All renewable energy credits, greenhouse gas emission credits and renewable energy attributes related to any electricity produced by the eligible renewable electrical generating facility and purchased by the cooperative shall be treated as owned by the eligible member.
- F. The cooperative shall provide net metering to eligible members until the load of its net metering members equals 1% of the total peak demand supplied by the cooperative during the previous year. The cooperative may offer net metering beyond the 1% level if it chooses to do so.
- G. This policy is subject to all federal, state and local laws, the cooperative's articles of incorporation, bylaws and existing policies and the terms and conditions of the cooperative's existing power supply contracts and loan agreements. To the extent any provision of this policy conflicts with those obligations, those provisions are deemed null and void.