

SURPRISE VALLEY ELECTRIFICATION CORP.

Revised Policy Bulletin 418

Net Metering Services Policy

OBJECTIVE

The cooperative encourages the use of renewable resources for generation of energy. This Policy provides the rules governing the opportunity for Members of the Cooperative to self-generate using renewable resources at levels that are designed to limit any harm to other Members in accordance with state laws governing net metering.

POLICY

Net-metering service is available to Members who own and operate a net metering generating facility and enter into a Net Metering Agreement with the Cooperative, subject to the following conditions:

- The facility uses solar, wind, fuel cell, hydroelectric power, landfill gas, digester gas, waste, dedicated energy crops available on a renewable basis, low emission – nontoxic biomass based on solid organic fuels from wood, forest or field residues, geothermal energy, to generate electrical power in the Cooperative's service territory.
- Nameplate generating capacity limits:
 - OR & NV - not more than twenty-five (25) kilowatts.
 - CA - not more than 1 MW.
- Must be located on the Members' premises (owned, leased, or rented).
- Interconnects and operates in parallel with the Cooperative's existing transmission and distribution system.
- The net metering facility is intended to offset part or all of the Members' own electrical requirements. In the situation where a Member has multiple meter locations, the nameplate capacity of the net metering facility shall be designed to match the load being served by the identified meter. If circumstances change and a load is no longer being served, or the character of the load being served by the identified meter changes, the size of the net metering facility serving the load and/or the relevant rate schedule must change accordingly. A meter that is not serving a Member's load is not eligible for net metering.
- The Member with a net metering facility must abide by the terms of service

associated with the rate schedule under which the identified meter is being served by the Cooperative.

- Net-metering service is not available to those Members that have installed net metering facilities with a nameplate capacity that is greater than the expected electrical requirements of the Member.
- Cooperative Program Cap:
 - OR & NV – one-half of one percent (0.5%) of the utility's historic single-hour peak load.
 - CA - five percent (5%) of peak load.

DEFINITIONS

Avoided Cost: The avoided cost is the cost for wholesale electric power purchased by the Cooperative, less any applicable costs and/or charges received from Cooperative's energy provider including, e.g., load shaping.

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 Members and any excess energy generated by a net metering facility. This metering equipment may also record the day and time (i.e., hour of day) when the excess energy was generated.

Energy: With respect to the net metering program, Energy refers to the total monthly amount of electrical energy generated by a net metering facility. Energy is measured in kilowatt hours (kWh).

Excess Energy: Any electrical energy generated by the net metering facility that is surplus to the simultaneous electrical usage of the Member is termed "Excess Energy." This Excess Energy flows into the Cooperative's electric utility system and displaces wholesale electric power purchases. The value of the displaced wholesale electric power purchases is credited to the Member's account.

Minimum Charge: The minimum monthly charge that a Member will be charged each month is the Customer Charge on the Member's applicable rate schedule and the Administrative Fee for net metering. An annual inspection charge may also be charged by the Cooperative.

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

GENERAL PROVISIONS FOR NET METERING SERVICE

Interconnection and Net Metering Service: The Cooperative shall allow interconnection of net metering facilities to its system in accordance with this Policy. The Cooperative will install at its own expense bi-directional metering in order to provide net metering service to Members with net metering facilities. (Note: The Member is responsible for the installation and costs associated with the meter bases used for metering and any facilities required behind the Cooperative's meter.)

Interconnection Requirements: The Cooperative shall provide Member with the system requirements for interconnection of Member's net metering facilities to the Cooperative's electric utility system. The Member will be responsible for any engineering costs incurred by the Cooperative in connection with developing the interconnection requirements for Member's net metering facility that are a due to the circumstances of Member's particular facility. 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. The Board of Directors of the Cooperative may also 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 Members.

Level of Net Metering Generation: The maximum aggregated level of net-metering generation for the Cooperative shall be limited to the Program Cap: 0.5% of the single-hour coincident peak load for the previous year for net metering facilities in each Oregon and Nevada; 5% of the peak load for net metering facilities in California. The Cooperative will honor requests for interconnection of net metering facilities on a "first come, first serve" basis as net metering capacity is, or becomes available, under the Program Cap limit on a state-by-state basis.

Fees/Costs: In addition to the Minimum Monthly Charge and annual inspection fee, Members will be charged a monthly fee of \$20 plus one dollar per KVA of transformer capacity over 20 KVA to cover expenses associated with administering the net metering program ("Administrative Fee"). Members requesting net metering service will not be charged for the interconnection of net metering facilities to the Cooperative's system. The Member will, however, be charged for any expenses associated with modifying the Cooperative's electric utility system in order to be able to safely interconnect the net metering facility.

Value of Excess Energy Generated: Any Excess Energy generated by the Member and supplied to the Cooperative's system shall be valued based upon the Avoided Cost of electric power purchased by the Cooperative. The valuation shall be the Bonneville Power Administration's wholesale power rate for the Cooperative (but may be superseded by other rates) and shall include energy charges, capacity charges, and any other applicable charges and/or fees (including the loss or reduction of a discount from the Cooperative's energy supplier) attributable to net metering facilities. The Cooperative may determine the average energy charges, capacity charges, and any other applicable charge and/or fees into one average rate per kWh for a specific net metering facility. The value of any Excess Energy generated shall be credited to the Members' account. Unless otherwise agreed, all Member net metering accounts shall be cleared of unused credit (i.e., returned to a \$0.00 balance) at least once per calendar year, at the end of the billing cycle in March.

Disbursement of Unused Credit: For a 12-month period (April to March), any remaining credit in the Members' accounts shall be refunded directly to the respective Customer named on the account.

MONTHLY BILLING FOR NET METERING SERVICE

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

Special Conditions:

1. If the energy supplied to the Cooperative is less than the energy purchased from the Cooperative, 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.
2. If the energy purchased from the Cooperative is less than the energy supplied to the Cooperative, the Member shall be billed for the appropriate monthly charges and shall be credited for such Excess Energy at the Avoided Cost rate determined by the Cooperative to be representative for the period in which the Excess Energy was generated.
3. The determination of the Cooperative's Avoided Cost is subject to change and will be at least reviewed annually.
4. At the Cooperative's choice and at least once per year, any remaining unused credit from any Excess Energy generation may be returned to the Member.
5. The Member 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 Member is not allowed to supply their own meter(s).

6. 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 applicable State Building Codes.
7. Cooperative approved switching equipment capable of isolating the net metering facility for the Cooperative's system shall be provided by the Member and shall be accessible to the Cooperative at all times. The Cooperative shall also have the right 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 inspection. Once operational, the Cooperative's and OSHA's Lockout, Tag-out procedures must be followed.
8. The Cooperative shall also 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.
9. 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 Member that cause loss or injury, including death, to any third party.
10. Members are required to execute a Net Metering Agreement before receiving net-metering service.
11. In the Cooperative's service territory located in California, a Member may request to aggregate meters under the Cooperative's net metering program. The Cooperative will allow aggregation of meters only if doing so will not result in an increase in the expected revenue obligations of Members that are not eligible Member-generators. Should a request for aggregation arise, the Cooperative must determine within 180 days whether the Cooperative will permit aggregation. If the Cooperative, in its discretion, permits aggregation to occur and the Member goes ahead and elects to aggregate meters, the Member becomes *ineligible* to receive compensation for net surplus generation. If Cooperative determines that aggregation of meters will not result in cost shifting to its other Members, a single Member with multiple meters may aggregate those meters so long as the generation facility is located on the same or adjacent property as the meters; the utility then uses this aggregate figure to determine if the Customer is a net consumer or a net generator during a 12-month period. The size limit of the Member's average annual load (up to 1 MW) applies to the Member's premises, so aggregation may not be used to increase the size limit for the facility.

CONTINUING SERVICE

This Schedule is based on continuing service at each service location. Disconnect and reconnect transaction shall not operate to relieve a Member from Monthly Minimum Charges.

ANNUAL REPORT

On an annual basis, the Cooperative shall provide a report to the Board of Directors information on the total nameplate generating capacity of eligible Members in the net metering program and the Excess Energy being purchased by the Cooperative.

RULES AND REGULATIONS

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

APPROVED BY THE BOARD OF DIRECTORS



PRESIDENT

DATE APPROVED 4/20/2021

DATE EFFECTIVE 4/20/2021