

SUMTER ELECTRIC MEMBERSHIP CORPORATION

NET ENERGY METERING FOR SMALL DG FACILITIES

SCHEDULE NEM-1H

Purpose

The purpose of this Schedule is to establish the methods and procedures for determining credits, payments, and charges applicable to Members of the Cooperative who own and operate a Small Distributed Generation (DG) Facility as defined in the Cooperative's Distributed Generation Interconnection Procedure For Parallel Generation Equipment (Exhibit A to Board Policy #308).

Applicability

This Schedule applies to any Member of the Cooperative owning (or leasing) and operating a Small DG Facility as defined in the Cooperative's Distributed Generation Interconnection Procedure For Parallel Generation Equipment (Exhibit A to Board Policy #308) prior to January 1, 2018.

Each Member Generator shall be charged for electric service purchases under that rate schedule which would otherwise be applicable if the Member was not a Member Generator. Charges and credits under this Schedule NEM-1G shall be added to (or credited against, as appropriate) such otherwise applicable rate schedule to determine the net amount owed to the Cooperative by the Member Generator (or owed to the Member Generator by the Cooperative, as appropriate).

Definitions

The following words and terms shall have the following meanings unless the context clearly indicates otherwise:

1. "Billing Period" means, as to a particular Member, the time period between the dates on which the Cooperative normally reads the retail service meter for billing purposes.
2. "Bi-directional Meter" is a meter capable of measuring (but not necessarily displaying) electricity flow in both directions and capable of providing Bi-directional Metering.

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3. “Bi-directional Metering” means measuring the amount of electricity supplied by the Cooperative and the amount fed back to the Cooperative by the Member’s DG Facility using a single meter.
4. “Member Generator” means the owner (or lessee) and operator of a DG Facility.
5. “Excess Net Energy” is the positive difference between the electricity generated by the Member’s DG Facility and supplied to the Cooperative during the Billing Period and the electricity consumed by the Member Generator during the same Billing Period.
6. “Net Metering” means measuring the difference, over the Billing Period, between electricity supplied to a Member Generator from the electric grid and the electricity generated and fed into the electric grid by the Member Generator, using a single Bi-directional Meter or an additional single direction meter.

Conditions of Service

1. There must be a written interconnection agreement with the Member Generator. Sumter EMC and the Member Generator must both have fully executed SEMCO Form 3082, entitled, *Agreement For Interconnection And Parallel Operation Of Member Generation*.
2. The Member Generator must have met all of the conditions of interconnection contained in the Distributed Generation Interconnection Procedure For Parallel Generation Equipment (Exhibit A to Board Policy #308).

Types of Net Metering

Net Metering will be accomplished using Bi-directional Metering for DG Facilities interconnected on the Member Generator’s side of the retail service meter and single directional metering for DG Facilities interconnected with the Cooperative’s distribution system on the Cooperative’s side of the retail service meter.

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Where a DG Facility is interconnected with the Cooperative's distribution system on the Cooperative's side of the retail service meter and, in the opinion of the Cooperative, the electricity consumed by the DG Facility during the Billing Period may be in excess of energy generated by the DG Facility, the Cooperative may install a Bi-directional Meter instead of a single directional meter.

Disposition of Energy

If the electricity supplied by the Cooperative and consumed by the Member Generator during the Billing Period exceeds the electricity generated by the Member's DG Facility and supplied to the Cooperative during the Billing Period, then all electricity generated by the Member Generator and supplied to the Cooperative shall be deemed to have been used by the Member Generator and set off against the electricity supplied by the Cooperative. If the electricity generated by the Member Generator and supplied to the Cooperative during the Billing Period exceeds the electricity supplied by the Cooperative and consumed by the Member Generator, then the Excess Net Energy shall be purchased or credited by the Cooperative at rates as provided under the Purchase Rate section of this Schedule.

Monthly Rate

1. A facilities charge based on the total incremental cost of metering equipment times the Cooperative's monthly Fixed Charge Rate.

The Fixed Charged Rate of the Cooperative shall be a percentage factor that includes components for the recovery of operations and maintenance expense, administrative and general expense, taxes, depreciation and the cost of capital which are all associated with owning and operating the utility plant necessary for interconnection and for the provision of Net Metering pursuant to this schedule. The Fixed Charge Rate is 1.5% and may be modified at any time by the Cooperative to reflect prevailing costs.

2. \$8.00 per month administrative charge.

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Installation Charges

The incremental costs of all facilities required to accommodate the DG interconnection will be paid to the Cooperative by the Member Generator prior to receiving service under this Schedule, except for the incremental costs of metering facilities as described above.

Purchase Rate

The rates paid or credited to the Member Generator for net energy purchased by the Cooperative shall be based upon the Cooperative's avoided cost of energy. The avoided cost of energy shall be applied monthly at the rate of \$0.04055 per kWh. The rate as quoted herein may be adjusted at any time at the sole discretion of the Cooperative, to reflect the prevailing avoided cost of energy.

Term of Service

The term for which this Schedule applies shall be determined by the *Agreement For Interconnection and Parallel Operation of Member Generation*, SEMCO Form 3082, as executed by both Member Generator and Sumter EMC.

**Replaces Original Schedule NEM-1G
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