

## POLICY 475

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

#### I. OBJECTIVE

To comply with the Public Utility Regulatory Policies Act (hereafter "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 Southern Illinois Electric Cooperative's (hereafter "Cooperative") obligation to provide electricity to all members on a cooperative basis in accordance with the Illinois Not-for-Profit Act and Revenue Code Section 501(c)(12).

#### II. DEFINITIONS

**Annual Period** means a time period of twelve consecutive billing periods. The Annual Period begins with the billing period of when the EREGF is interconnected with the Cooperative's distribution system or at a time specified by the Cooperative.

**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 generating 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. 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 2,000 kilowatts (hereafter "kW") that is located on the member's premises and is utilized to offset the member's own electrical requirements.

**Eligible Renewable Electrical Generating Facility (hereafter "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.

**Net Electricity Metering (hereafter “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 EREGF with the Cooperative’s distribution system and operate same in parallel with the Cooperative system.

### **IV. PROVISIONS**

- A. The eligible Cooperative member shall first comply with the provisions of the Cooperative’s Policy 472 - 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 member’s facility at the same rate and ratio. If member’s existing meter is not capable of meeting this requirement, or if the member requests an additional meter, the cost of installing and maintaining same shall be paid by the member.
- C. For EREGFs with a nameplate rating of 10 kW 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 kW-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 kW-hour credits earned and apply those credits to subsequent billing periods to offset any member consumption in those billing periods until all credits are used or until the end of the Annual Period.
  - 3. At the end of the Annual Period, or in the event that the member terminates service with the Cooperative, any remaining credits in the member’s account shall expire.
- D. For EREGFs with a nameplate rating over 10 kW and less than 40 kW, the Cooperative shall compensate the eligible member for any excess kW-hour

credits at the Cooperative's Avoided Costs 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 an EREGF.

- E. For EREGFs with a nameplate rating of 40 kW or more, the eligible member shall comply with Southern Illinois Power Cooperative's metering and interconnection requirements.
- F. All renewable energy credits, greenhouse gas emission credits and renewable energy attributes related to any electricity produced by the EREGF and purchased by the Cooperative shall belong to the eligible member.
- G. 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 in its sole discretion offer Net Metering beyond the 1% level.
- H. 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 void.
- I. Beginning January 01, 2017, for all EREGF's, regardless of size, Net Metering will no longer be offered. The Cooperative shall charge the member for the electricity supplied to and used by the member at the Cooperative's applicable rate schedule for the member. The Cooperative shall then compensate the member for electricity supplied to and used by the Cooperative at the Cooperative's Avoided Energy Cost of electricity supply.
- J. Existing Net Metering members in place as of December 31, 2016, will be allowed to continue under existing Net Metering provisions as described above for a period of five (5) years, ending December 31, 2021.

Adopted: January 28, 2008

Amended: July 29, 2013

Reviewed: June 30, 2014

Amended: February 19, 2015

Amended December 19, 2016