

NET ENERGY METERING DISTRIBUTED GENERATION TARIFF (NEM-DG)

- I. **EFFECTIVE:** In all areas served retail by Stillwater Electric Utility, hereinafter referred to as SEU, of the Stillwater Utilities Authority.
- II. **APPLICATION:** Charges under this Tariff are in addition to those due under the customer's standard rate tariff for electric service unless otherwise noted.
- III. **AVAILABILITY:** This Tariff is applicable to customers that: (i) own and operate an electric generating facility: using fuels derived from biomass, waste or renewable energy source, including wind, solar energy, or water to produce electricity; and of a total size not exceeding the limits set forth in Section VII (Distributed Generation or DG Facility); and (ii) receive service under one of the following retail electric tariffs: Residential Service, General Service, or Power and Light - Secondary.

This Tariff may cease to be available to new customers based on the total level of DG on SEU's system.

Service shall be furnished in accordance with SEU Rules, Regulations, and Conditions of Service, and the Rules and Regulations of the City of Stillwater and the Stillwater Utilities Authority.

- IV. **ENERGY CHARGE:** The Energy Charge for service under this Tariff will replace that set forth under the customer's standard rate tariff. SEU will net energy generated by the customer's Distributed Generation Facility against usage that would otherwise have been billed under the customer's applicable rate tariff. The monthly Energy Charge will be the sum of the: (i) Excess Energy Charge; and (ii) Excess Generation Credit, determined as follows:

NET ENERGY CREDIT: Energy generated by the customer's Distributed Generation Facility (kWh AC) during any billing period will be netted against energy consumed (kWh) up to the Net Energy Credit Limit set forth in Section VI.

EXCESS ENERGY CHARGE: Energy usage (kWh) during any billing period in excess of generation by the customer's Distributed Generation Facility (kWh AC) will be charged at the Wholesale Energy Rate set forth in Section VI.

EXCESS GENERATION CREDIT: Generation by the customer's Distributed Generation Facility (kWh AC) during any billing period in excess of consumption (kWh) will be credited at the Wholesale Energy Rate set forth in Section V up to the Limit set forth in Section VI.

When the Energy Charge for any billing period results in a credit (negative) balance on the utility account, the credit balance will roll forward to the next billing cycle. Any remaining credit balance will expire upon the termination of electric service to a customer.

Examples of how the Energy Charge will be calculated:

At 960 kWh Consumption, 585 kWh Generation, net 375 kWh Onsite Consumption:

Energy Charge (Credit): 375 kWh x \$0.027165¹/kWh = \$ 10.19

At 560 kWh Consumption, 585 kWh Generation, net 25 kWh to Grid:

Energy Charge (Credit): -25 kWh x \$0.027165¹/kWh = \$ (0.68)

SEU PRODUCTION COST ADJUSTMENT: The Stillwater Electric Utility Production Cost Adjustment will not be assessed to DG customers.

SERVICE AVAILABILITY FEE: For any billing period during which a customer receives service under this Tariff a fixed Service Availability Fee will be charged. The Service Availability Fee will be based on the customer's standard rate tariff as follows:

Residential Service (RS)	\$43.26 per customer per month
General Service (GS)	\$195.70 per customer per month
Power and Light – Secondary (PL-S)	\$1,442.00 per customer per month

V. WHOLESALE ENERGY RATE: The Wholesale Energy Rate will be based on the SEU's avoided cost. The utility's avoided cost is based upon the current applicable wholesale power rate from the Grand River Dam Authority (GRDA), including any applicable GRDA Power Cost Adjustment. The Wholesale Energy Rate will be set monthly.

VI. LIMITATIONS: For any billing period the following limits will apply to Section IV charges.

NET ENERGY CREDIT LIMIT: The Net Energy Credit is limited to the customer's maximum energy usage during any billing period from the previous calendar year. No Net Energy Credit will be provided for any generation above this amount.

A new customer's maximum credit will be established after the first calendar year of service. To receive the maximum benefit from the Distributed Generation Facility installation, the customer shall size the installation based on the anticipated maximum annual billing period energy (kWh) usage, and not larger than the size set forth in Section VII.

EXCESS GENERATION CREDIT LIMIT: The Excess Generation Credit is limited to the customer's maximum energy usage during any billing period from the previous calendar year. No Excess Generation Credit will be provided for any generation above this amount. A new customer's maximum credit will be established after the first calendar year of service.

¹ Illustrative amount for purposes of demonstrating the calculation.

Examples of how the customer limits will be calculated:

Previous Calendar Year Billing Period **Maximum** kWh usage: 1,000
kWh Customer **Generation** (Billing Period): 2,000
kWh
Customer Current Month Total **Consumption**: 1,100 kWh
Customer **Net Energy Credit**:
= Minimum of Generation, Consumption or Maximum: 1,000 kWh
Customer **Excess Energy** Charge: @ Wholesale rate:
= Consumption – Net Energy Credit
= 1,100 – 1,000 = 100 kWh
Excess Generation Credit @ Wholesale rate:
= Generation – Net Energy Credit
= 2,000 – 1,000 = 1,000 kWh
Energy Charge (Credit):
= Excess Energy – Excess Generation
= 100 – 1,000 = 900 kWh **credit**

Previous Calendar Year Billing Period **Maximum** kWh usage: 1,000
kWh Customer **Generation** (Billing Period): 500
kWh
Customer Current Month Total **Consumption**: 1,100 kWh
Customer **Net Energy Credit**:
= Minimum of Generation, Consumption or Maximum: 500 kWh
Customer **Excess Energy** Charge: @ Wholesale rate:
= Consumption – Net Energy Credit
= 1,100 – 500 = 600 kWh
Excess Generation Credit @ Wholesale rate:
= Generation – Net Energy Credit
= 500 – 500 = 0 kWh
Energy Charge (Credit):
= Excess Energy – Excess Generation
= 600 – 0 = 600 kWh **charge**

VII. SYSTEM INFRASTRUCTURE: Residential, General Service, and Power and Light - Secondary customer installations eligible for service under this Tariff are limited to a total maximum installed capacity of 125% of the customer's peak load for the prior calendar year or 100 kW, whichever is less or a minimum capacity of 2kW. For installations of 100 kW and larger, the City of Stillwater may require that a study on the impact to nearby system infrastructure be completed prior to installation. The customer shall be responsible for the actual costs of this study as well as required infrastructure upgrades.

The City of Stillwater may allow installations bigger or smaller than these limits for any customer at its sole discretion, on a case-by case basis, and subject to additional conditions, including revised charges. The City of Stillwater may limit participation at its sole discretion for issues of equity or system integrity, among other issues.

- VIII. INTERCONNECTION AGREEMENT:** Any customer desiring to receive credit for Distributed Generation Facility generation under this rate schedule is required to execute the then-applicable DG Interconnection Agreement, a current copy of which is attached as Exhibit I, prior to delivering energy to the City of Stillwater. Distributed Generation Facility installation shall follow all requirements as described in the Interconnection Agreement. By executing an Interconnection Agreement, a customer agrees to all such requirements.
- IX. ENERGY PRODUCTION:** To maintain eligibility under this Tariff, the customer's Distributed Generation Facility must be in working order. After ninety (90) days during which the Distributed Generation Facility generates dramatically less than typical production (for example, generating 20% or less of normal rated capacity) or is inoperable, the customer may become ineligible for service under this Tariff and may be returned to its regular retail electric tariff.
- X. METERING EQUIPMENT:** Customers under this rate tariff shall have two sets of metering equipment. One meter to measure the customer's consumption and a second meter to measure the customer's Distributed Generation Facility generation. The customer shall be responsible for the actual costs of the metering equipment supplied by the utility.
- XI. APPLICATION FEES:** Customer will be charged a non-refundable application fee to cover the cost of application processing.
- XII. TERM:** The utility has the right to modify, suspend, or terminate this Tariff upon thirty (30) days' notice to customers.