

**RIDER NM-A**  
**NET METERING-AGGREGATION****A. APPLICABILITY**

This rider is available to any Customer currently receiving service under Schedule R, Schedule GSND, Schedule GSD, and Large Power of this Retail Electric Service Tariff, and a part or all of the electrical requirements of the Customer can be supplied from a biomass, micro combined heat and power, solar, fuel cell, closed conduit hydro, or wind electric generating system as specified in the Public Utilities Article, Section 7-306, of the Annotated Code of Maryland.

An eligible customer-generator is a Customer that owns and operates, leases and operates, or contracts with a third party that owns and operates a biomass, micro combined heat and power, solar, fuel cell, closed conduit hydro, or wind electric generating system that: (1) is located on the Customer's premises or contiguous property; (2) is interconnected and operated in parallel with an electric company's transmission and distribution facilities; and (3) is intended primarily to offset all or part of the Customer's own electricity requirements.

The following eligible customer-generators are qualified to request meter aggregation: (a) an eligible customer-generator using electric service for agriculture; (b) an eligible customer-generator who is a not-for-profit organization or business; or (c) an eligible customer-generator who is a municipal government or its affiliated organizations. Meter aggregation for net metering purposes requires that one Customer is the legal billing entity for the account or accounts receiving service through the various meters being aggregated, regardless of the physical location and rate class of service.

Closed conduit hydro means a hydroelectric generating facility that: (a) generates electricity within existing piping or limited adjacent piping of a potable water supply system, (b) is owned or operated by a municipal corporation or public water authority, and (c) is designed to produce less energy than is consumed to operate the water supply system.

The generating capacity of an electric generating system used by an eligible customer-generator for net metering may not exceed 2 MW, except that a micro combined heat and power electric generating system may not have a generating capacity of more than 30 kW.

A Customer's proposed customer-generator system may not exceed 200 percent of the sum of the Customer's baseline annual usage for the Customer's various metered accounts being aggregated. The Customer's baseline annual usage for each metered account is the total of the Customer's previous 12 months of electricity use in kilowatt-hours at that metered account at the time of the installation or upgrade of the Customer's generating system. If the Customer does not have 12 months of electric energy use in kilowatt-hours at the metered account at the time of the installation of the Customer's generating system, then the baseline annual usage may be estimated based on a mutually agreeable methodology subject to approval by the Maryland Public Service Commission.

This rider will be closed to new Customers after the total installed capacity of biomass, micro combined heat and power, wind, fuel cell, and solar electric generating systems within the State of Maryland reaches 1,500 MW.

**B. REQUIREMENTS**

1. At least ninety days before a Customer can participate under this rider and activate the customer-generator, Customer shall file a rider application with the Cooperative and include the following information:
  - a) a list of individual metered accounts in addition to the host account that the Customer seeks to aggregate, identified by name, address, rate schedule, and account number, and ranked according to the order in which the Customer desires to apply credit. The Cooperative may use the Customer's desired ranking order for determining the aggregation group. However, at the Cooperative's discretion to limit its administrative cost, the Cooperative may choose to rank the accounts from greatest Baseline Annual Usage to smallest. The aggregation group will include the accounts, in rank order, that are required to reach a total sum of Baseline Annual Usages of 110% of the expected annual generation of the Customer-generator facility. The determination of the aggregation group will be reviewed and revised by the Cooperative upon request of the Customer, but not more frequently than once annually;
  - b) metered account behind which the customer-generator is to be located (Host Account), a description of the customer-generator, including its location, capacity, and fuel type or generating technology;
  - c) PJM queue number for the customer-generator, if applicable (see Interconnection below);
2. Any customer receiving electric service under the provisions of this Rider is also subject to the provisions included within SMECO Retail Electric Service Tariff Rider NM and COMAR 20.50.09 Small Generator Interconnection Standards;
3. The Customer may change its list of aggregated metered accounts no more than once annually by providing the Cooperative ninety days' written notice; and
4. In order to continue under this rider, the Customer must notify the Cooperative of any change in ownership of the accounts by providing the Cooperative ninety days' written notice; and
5. The Cooperative may require that a Customer's aggregated meters be billed on the same billing cycle and may move some or all of the Customer's aggregated accounts to the same billing cycle;
6. The Customer is restricted to one Host Account and customer-generator system per aggregated group.

**C. SPECIAL CONDITIONS**

1. The electric generating system is intended primarily to offset part or all of the eligible customer-generator's aggregated electrical requirements.

2. Eligible customer-generator shall pay any amount owing for electric service provided by Cooperative in accordance with applicable tariff schedules. Nothing in these Special Conditions shall limit Cooperative's rights under applicable tariff schedules. Under this rider, only the per kilowatt-hour charge components of the Customer's bill are affected. All other billing components and charges, such as the Facilities charge and the Demand charge are not affected by this rider.
3. Customer Generation:  $E_{\text{cust}}$  is energy generated by the Customer and fed back into the Cooperative's system through the Host Account meter.
4. Cooperative Host Energy:  $E_{\text{cooph}}$  is energy delivered by the Cooperative to the Host Account.
5. Net Excess Host Energy:  $E_{\text{neth}}$  is  $E_{\text{cust}}$  plus  $E_{\text{neag}}$  (see 8 below) minus  $E_{\text{cooph}}$ .
6. During each billing period, if there is no positive Net Excess Host Energy ( $E_{\text{neth}}$  is zero or negative) then the Host Account is billed for its per kilowatt hour charge components using the net uncredited amount of energy delivered by the Cooperative for the period ( $E_{\text{cooph}}$  minus [ $E_{\text{cust}}$  plus  $E_{\text{neag}}$ ]). All the other aggregated accounts are billed normally for their kilowatt hour usage.
7. During each billing period, if there is positive Net Excess Host Energy, the Host Account is not billed any kilowatt hour charge components that billing period. The Net Excess Host Energy,  $E_{\text{neth}}$ , is then credited against the kilowatt hour usage for that billing period of the first ranked aggregated account. If that account has some uncredited kilowatt hour usage delivered by the Cooperative remaining, that usage will be billed based on the kilowatt hour charge components applicable to that customer. If the Net Excess Host Energy,  $E_{\text{neth}}$ , exceeds the energy usage of the first ranked aggregated account for that billing period, that account is not billed any kilowatt hour charge components that billing period, and the remaining amount of  $E_{\text{neth}}$  will be applied sequentially to the remaining aggregated accounts in their ranked order until  $E_{\text{neth}}$  is used up as a credit for that billing period, or the energy delivered by the Cooperative to all the ranked accounts has been credited to zero for that billing period.
8. Net Excess Aggregate Generation: During any billing period, if there is Net Excess Host Energy, and after sequentially applying it to the energy delivered by the Cooperative to all the ranked aggregate accounts there is still some positive  $E_{\text{neth}}$  remaining, that amount is the Net Excess Aggregate Generation ( $E_{\text{neag}}$ ) for that billing period. That  $E_{\text{neag}}$  is either added to the Net Excess Host Energy for the next billing period (see 5. above) and  $E_{\text{neag}}$  is reset to zero, or is used to calculate a payment to the Customer per items 9 through 11 below, at which time  $E_{\text{neag}}$  is reset to zero.
9. Crediting Net Excess Aggregate Generation: An eligible customer-generator may accrue Net Excess Aggregate Generation for a period: (a) not to exceed 12 months, and (b) that ends with the billing cycle that is complete immediately prior to the end of April of each year. The Cooperative shall carry forward the eligible customer-generator's Net Excess Aggregate Generation until: (a) the eligible customer-generator's consumption of electricity from the grid eliminates the Net Excess Aggregate Generation or (b) the accrual period defined above expires. On or before 30 days after the billing cycle defined above ends, the Cooperative shall pay each eligible customer-generator the dollar value of any accrued Net Excess Aggregate Generation remaining at the end of the previous 12-month period ending with the billing cycle that is complete immediately prior to the end of April. The Cooperative may pay via bill credit or check at its discretion.

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10. Crediting Eligible Customer-Generators Upon Account Closing: Within 60 days after the date an eligible customer-generator closes the eligible customer-generator's Host Account, the Cooperative shall pay the eligible customer-generator for the dollar value of any accrued Net Excess Aggregate Generation remaining at the time the eligible customer-generator closes the account. The Cooperative may pay via bill credit or check at its discretion.
  11. Dollar Value of Net Excess Generation: The dollar value of Net Excess Aggregate Generation shall be equal to the sum of the energy portion of the SOS and Purchased Power Cost Adjustment (PPCA) kWh rates that the eligible customer-generator's Host Account would have been charged by the Cooperative averaged over the previous 12-month period ending with the billing cycle that is complete immediately prior to the end of April multiplied by the number of kWh of Net Excess Aggregate Generation.
  12. Meter accuracy: The meter supplied by the Cooperative under this tariff shall be accurate to within  $\pm 5\%$  when registering in reverse, that is, during those times when  $E_{\text{cust}}$  is greater than  $E_{\text{coop}}$ . The meter must retain the ability to register consumption ( $E_{\text{coop}}$  greater than  $E_{\text{cust}}$ ) within the accuracy tolerances as specified in the applicable sections of the Annotated Code of Maryland and the Code of Maryland Regulations.
  13. Interruption or Reduction of Deliveries
    - a) Cooperative shall not be obligated to accept, and may require eligible customer-generator to interrupt or reduce deliveries of as-available energy: (a) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or (b) if it determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices.
    - b) Whenever possible and practical, the Cooperative shall give eligible customer-generator reasonable notice of the possibility that interruption or reduction of deliveries may be required.
    - c) Notwithstanding any other provision of this Agreement, if at any time the Cooperative determines that either (a) the eligible customer-generator electric generating system may endanger Cooperative personnel, or (b) the continued operation of the electric generating system may endanger the integrity of Cooperative's electric system, the Cooperative shall have the right to disconnect eligible customer-generator's service. Eligible customer-generator's service shall remain disconnected until such time as the Cooperative is satisfied that the conditions referenced in (a) or (b) of this section have been corrected. The eligible customer-generator may seek review of any decision made under this section by the Engineering Division of the Public Service Commission, or the Commission's designee for such matters.
  14. Interconnection
    - a) Customer-generators participating in Net Metering Aggregation under this rider with an electric generating system sized greater than the Host Account's customer baseline annual usage must, at their expense, enter the generator queue to be studied by PJM, the regional transmission operator ([www.PJM.com](http://www.PJM.com)), and receive written approval to interconnect with the Cooperative's electrical distribution or transmission system.
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- b) Customer-generator shall deliver the as-available energy to the Cooperative at the utility's meter.
- c) Customer-generator shall pay for designing, installing, operating and maintaining the electric generating system in accordance with all applicable laws and regulations and shall meet all applicable safety and performance standards established by the National Electric Code, The Institute of Electrical and Electronics Engineers, and Underwriters Laboratories.
- d) The Cooperative shall provide a watt-hour meter capable of measuring the flow of electricity in both directions.
- e) Customer-generator shall not commence parallel operation of the electric generating system until written approval of the interconnection facilities has been given by the Cooperative. Such approval shall not be unreasonably withheld. The Cooperative shall have the right to have representatives present at the initial testing of eligible customer-generator's protective apparatus.
- f) Except for the various meters aggregated by a customer, the eligible customer-generator may not use the electric generating system to generate electric energy for another party or electric Customer of the Cooperative, or for use at any location other than service at the installed location.
- g) The eligible customer-generator may not install any equipment, connection, wires, or cable to distribute electric energy to another party or to any location external to the eligible customer-generator's Host Account.

#### 15. Maintenance and Permits

- a) Eligible customer-generator shall: (a) maintain the electric generating system and interconnection facilities in a safe and prudent manner and in conformance with all applicable laws and regulations, and (b) obtain any governmental authorizations and permits required for the construction and operation of the electric generating system and interconnection facilities. Eligible customer-generator shall reimburse Cooperative for any and all losses, damages, claims, penalties, or liability the Cooperative incurs as a result of eligible customer-generator's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of eligible customer-generator's electric generating system.
- b) Eligible customer-generator shall be solely responsible for all expenses of owning and operating the electric generating system, including maintenance of the facility, any necessary or appropriate repairs, property and other taxes, and all other related costs of the electric generating system.

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**16. Damages**

- a) Eligible customer-generator agrees to defend, pay on behalf of and hold harmless SMECO and its directors, officers, agents and employees from all claims of whatsoever nature or kind arising out of or as a result of any act or failure to act by eligible customer-generator, his employees, agents, or subcontractors in connection with the performance of the work to be performed pursuant to this agreement by eligible customer-generator, his employees, agents, and subcontractors. Eligible customer-generator agrees to defend and pay all costs in defending these claims including attorney fees.
  - b) Eligible customer-generator has the sole responsibility for the safety, operability and electrical protection of the electric generating system irrespective of the condition of the Cooperative property, except to the extent that any such problems are caused by the Cooperative's property. The Cooperative is not responsible for the safety, operability, or electrical protection of the electric generating system and is absolved from any liability for damages or harm to the electric generating system, Customer-generator, his family, guests, eligible customer-generator's property, the public or any personal or public property due to operation of the electric generating system. Eligible customer-generator is responsible for any damages to the Cooperative's service connections, meters, or distribution system due to operation of the electric generating system.
17. Access to Premises: The Cooperative may enter eligible customer-generator's premises: (a) to inspect, at all reasonable hours, customer-generator's protective devices and read or test meter; and (b) to disconnect, without notice, the interconnection facilities if, in the Cooperative's opinion a hazardous condition exists and such immediate action is necessary to protect persons, or the Cooperative's facilities, or property of others from damage or interference caused by eligible customer-generator's electric generating system, or lack of properly operating protective device.
18. A completed Interconnection Application, completed by the Customer and accepted by the utility, is required for service provided under this rider.
19. Unauthorized Operation: If a customer-generator commences parallel operation prior to receiving written permission-to-operate approval from the Cooperative, the customer-generator will receive no credit or payment for any excess generation produced as a result of the unauthorized parallel operation and no excess generation produced during the period of unauthorized use will accrue for any future credit or payment.