

RIDER NM**NET METERING FOR BIOMASS, MICRO COMBINED HEAT AND POWER,
SOLAR, FUEL CELL, CLOSED CONDUIT HYDRO, OR WIND GENERATING
SYSTEMS**APPLICABILITY

This rider is available to Customers currently receiving service under Schedule R, Schedule GS-ND, Schedule GS-D, and Large Power of this Retail Electric Service Tariff, and where 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, 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.

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. An eligible customer-generator's electric generating system may not exceed 200 percent of the eligible customer-generator's baseline annual usage as defined below.

Baseline annual usage means the total of an eligible customer-generator's previous 12 months of electric energy use in kilowatt-hours at the time of the installation or upgrade of the eligible customer-generator's generating system; or if an eligible customer-generator does not have 12 months of electric energy use in kilowatt hours at the time of the installation of the eligible customer-generator's generating system, an estimate of 12 months electric use in kilowatt-hours as determined by the Cooperative.

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.

SPECIAL CONDITIONS

1. Eligible customer-generator has elected to operate its electric generating system in parallel with Cooperative's transmission and distribution facilities. The electric generating system is intended primarily to offset part or all of the eligible customer-generator's own 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.

3. Net Energy: Net Energy is E_{coop} minus E_{cust} where E_{coop} is energy supplied by the Cooperative, and E_{cust} is energy generated by the Customer and fed back into the Cooperative's system at such times as Customer generation exceeds Customer requirements. The components of net energy E_{coop} and E_{cust} shall be determined by the use of a single meter capable of measuring the flow of electricity in two directions, to be provided by the Cooperative at the same charge a Customer would pay for an ordinary residential meter.
4. Net Excess Generation: Net excess generation occurs when the cumulative value of E_{cust} exceeds the cumulative value of E_{coop} during an entire billing period and is the amount by which the energy generated by the Customer and fed back into the Cooperative's system exceeds the energy supplied by the Cooperative over an entire billing period.
5. Billing the Eligible Customer-Generator and Billing Periods: The billing period to be used under this tariff shall be the same billing period that would be used for the Customer under the Cooperative's applicable rate schedule. In any billing period where E_{coop} exceeds E_{cust} the Cooperative will bill the Customer (based upon the net energy consumed) all applicable charges per the terms of the tariff.
6. Billing Eligible Customer-Generators on Time of Use (TOU) Standard Offer Service: All E_{cust} energy will be accrued in a single register. Each billing cycle, the E_{cust} energy will be used to offset the eligible customer-generator's E_{coop} energy use, first being applied to E_{coop} energy for on-peak kilowatt-hours. If on-peak E_{coop} energy use is completely zeroed out, the eligible customer-generator will not be billed any on-peak charge. Any additional E_{cust} energy will be applied against the eligible customer-generator's off-peak E_{coop} energy use. If that is completely zeroed out the eligible customer-generator will not be billed any off-peak charge. If there is still additional E_{cust} energy, that is Net Excess Generation for that billing period and it will be rolled forward into the eligible customer-generator's E_{cust} energy register for the following billing cycle.
7. Crediting Net Energy Transmitted: An eligible customer-generator may accrue net excess 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 generation until: (a) the eligible customer-generator's consumption of electricity from the grid eliminates the net excess 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 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.
8. Crediting Eligible Customer-Generators Upon Account Closing: Within 15 days after the date an eligible customer-generator closes the eligible customer-generator's account, the Cooperative shall pay the eligible customer-generator for the dollar value of any accrued net excess generation remaining at the time the eligible customer-generator closes the account.
9. Dollar Value of Net Excess Generation

-
- a) For Customers Served Standard Offer Service (SOS) by the Cooperative, the dollar value of net excess 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 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 generation.
- b) For customer served by an alternate electricity supplier, the dollar value of the net excess generation shall be equal to the generation or commodity rate that the eligible customer-generator would have been charged by the alternate supplier multiplied by the number of kWh of net excess generation.
10. 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_{cust} is greater than E_{coop} . The meter must retain the ability to register consumption (E_{coop} greater than E_{cust}) within the accuracy tolerances as specified in the applicable sections of the Annotated Code of Maryland and the Code of Maryland Regulations.
11. Interruption of 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.
12. Interconnection
- a) Customer-generator shall deliver the as-available energy to the Cooperative at the utility's meter.
- b) 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.

- c) The Cooperative shall provide a watt-hour meter capable of measuring the flow of electricity in both directions.
- d) 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.
- e) 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. 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 residence.

13. 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.

14. 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.
15. 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.
16. 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.