

**SCHEDULE SF
SOLAR FACILITY SERVICE**

AVAILABILITY

Available for purchase and sale of electric energy from a properly interconnected solar facility to SMECO's electric system within the SMECO service area. This schedule is not for facilities that qualify as Net Metering installations. All sales by any interconnected solar facility are only to SMECO, no other purchasers or recipients are allowed.

DELIVERY VOLTAGE

As specified by the Cooperative.

INTERCONNECTION COSTS

The Cooperative will estimate the required modifications, additions, and upgrades to the distribution, station, and transmission systems that may be necessary to interconnect the solar facility. The solar facility will be required to pay the estimated cost for these modifications, additions, and upgrades necessary to interconnect.

The solar facility will be required to pay the estimated replacement cost for any of these modifications, additions, and upgrades when replacements occur after interconnection unless the Cooperative determines the replacements are no longer required solely for the interconnection of the solar facility. In such instances, the estimated replacement costs may be jointly charged to multiple small power producers that all share use of the modifications, additions, and upgrades for interconnection purposes. Alternatively, the estimated replacement costs will not be charged to the solar facility if the Cooperative determines the modifications, additions, and upgrades are now required for more than interconnection purposes.

MONTHLY PURCHASE RATES

The Cooperative shall purchase electric energy from Solar Facilities at the rates specified in the purchase power agreement with the solar facility. The rate will apply to the monthly metered kWh energy delivered to SMECO as measured by SMECO's billing meter at the solar facility site. SMECO will not purchase energy from a solar facility under this tariff without a properly executed purchase power agreement. SMECO will provide the interconnected solar facility with the amount of monthly metered kWh energy delivered to SMECO on a monthly basis. The solar facility is responsible for invoicing SMECO directly for all energy purchases.

MONTHLY SALES RATES

All solar facility customers receiving Standard Offer Service as defined in the General Terms and Conditions will pay the following for all electric service delivered to the solar facility: A) the Standard Offer Service Charge, B) the Distribution Charge, C) the Facilities Charge, and D) the Non-Standard Facilities Charge. The solar facility will also pay the monthly purchased power cost adjustment.

Solar facility customers choosing an alternative Electricity Supplier as defined in the General Terms and Conditions will pay the following for all electric service delivered to the solar facility: B) the Distribution Charge, C) the Facilities Charge, and D) the Non-Standard Facilities Charge.

These Customers will not pay the monthly purchased power cost adjustment. Such rates are exclusive of all applicable alternative Electricity Supplier rates and charges.

	Billing Months of May - September (Summer)	Billing Months of October - April (Winter)
A. Standard Offer Service		
Secondary Voltage:		
All kilowatts	\$ 0.07 per kW	\$ 0.07 per kW
All kilowatt-hours	\$ 0.0356 per kWh	\$ 0.0425 per kWh
Primary Voltage:		
All kilowatts	\$ 0.07 per kW	\$ 0.07 per kW
All kilowatt-hours	\$ 0.0349 per kWh	\$ 0.0416 per kWh
B. Distribution Charge		
Secondary Voltage:		
All kilowatts	\$ 4.69 per kW	\$ 4.69 per kW
All kilowatt-hours	\$0.01282 per kWh	\$0.01282 per kWh
Primary Voltage:		
All kilowatts	\$ 4.46 per kW	\$ 4.46 per kW
All kilowatt-hours	\$0.01218 per kWh	\$0.01218 per kWh
C. Facilities Charge		
Secondary	\$ 32.50 per month	\$ 32.50 per month
Primary	\$ 56.78 per month	\$ 56.78 per month

D. Non-Standard Facilities Charge

For any distribution, station, or transmission modifications, additions, or upgrades required for the interconnection of the solar facility as required in the Interconnection Cost section above, a fixed monthly charge shall be applied to recover the monthly carrying costs. The carrying cost will include O&M expense, property taxes, and property insurance. The charge will be calculated based on the current carrying cost rates and the amount of Non-Standard facility plant cost. The charge will appear as a separate charge on the solar facility's bill. If multiple small power producers are charged for modification, additions, and upgrades as required in the Interconnection Cost section above, the annual carrying cost will be divided between the multiple parties in determining the Non-Standard Facilities charge.

DETERMINATION OF BILLING DEMAND

For all electric service delivered to the solar facility as a customer-member of SMECO, the highest 15-minute integrated kilowatt demand occurring during the billing month or 50 percent of the highest 15-minute integrated kilowatt demand occurring in any of the preceding eleven months, whichever is greater, shall be used for billing purposes, except that the billing demand shall not in any case be less than 50 percent of the maximum kilowatt capacity contracted for.

POWER FACTOR

The monthly average power factor of the solar facility shall be maintained as near unity as practicable and shall be not less than 98 percent lagging or 99.25 percent leading. If the power factor is found to be below 98 percent lagging or 99.25 percent leading, the solar facility shall rearrange existing or install additional power factor corrective equipment so as to raise the power factor of its load to at least 98 percent lagging or 99.25 percent leading. Such corrective equipment shall be so controlled as not to cause the power factor to become leading at any time. Until sufficient corrective action has been taken, the demand for billing purposes for all electric service delivered to the solar facility as a customer-member of SMECO shall be the demand as indicated or recorded by the demand meter multiplied by 98 percent and divided by the percent power factor.

MINIMUM MONTHLY BILL

For all electric service delivered to the solar facility as a customer-member of SMECO, the Facilities charge, the Distribution kW charge as determined above, and the non-standard facilities charge shall be the minimum charge in any month during the term of the contract.

APPLICABLE RIDER

For all electric service delivered to the solar facility as a customer-member of SMECO,

SGIS – Appendix B, Sheet 131

USP - Appendix B, Sheet 132

PURCHASED POWER COST ADJUSTMENT CLAUSE

For all electric service delivered to the solar facility as a customer-member of SMECO, charges for Standard Offer Service (SOS) are subject to a monthly Purchased Power Cost Adjustment (PPCA), which may be a charge or a credit. The PPCA is calculated monthly to recover differences between the actual costs incurred for power supply for SOS and the amount of costs recovered from solar facility customers through the SOS base charges. The monthly PPCA factor will be calculated using twelve-months of historic and projected power supply costs, kWh sales, and the cumulative over/under recovery balance. The factor will be revised each month based upon the most recent monthly information. The formula used in the PPCA Model to true-up the actual purchased power costs to the projected base cost of purchased power built into the SOS rates is:

$$PPCA = (PC - S * B + R) / S$$

Where,

PC = power costs

S = kWh sales

B = base SOS rate

R = cumulative over/under recovery

PUBLIC SERVICE COMPANY FRANCHISE TAX

For all electric service delivered to the solar facility as a customer-member of SMECO, a charge each month of 0.062 cents per kWh shall be applied to all kWh sales.

MARYLAND ENVIRONMENTAL SURCHARGE

For all electric service delivered to the solar facility as a customer-member of SMECO, a charge each month shall be applied to all kWh sales at the current rate set by the Maryland Public Service Commission.

TERMS OF PAYMENT

For all electric service delivered to the solar facility as a customer-member of SMECO, the above rates are net, the gross rate being 1.5 percent higher. In the event the current monthly bill is not paid within 20 days after the rendition of the bill, the gross rate shall apply. If the bill remains unpaid before the end of the next nominal billing period, an additional charge to be made equal to 1.5 percent will be assessed on any portion of the original amount which remains unpaid at the time, and at the end of the second nominal billing interval, an additional charge to be made equal to 2 percent will be assessed on any portion of the original amount which remains unpaid at that time. The total of these charges may not exceed 5 percent.

INSURANCE

The solar facility will have its insurance company submit proof of the purchase of liability insurance coverage to the Cooperative, with renewal policies being provided annually. The Cooperative is to be notified immediately if there is any insurance cancellation. A solar facility may request the Cooperative to reduce or waive the insurance requirements where it believes such insurance is excessive and unreasonable. If the Cooperative disagrees and refuses to grant the requested reduction or waiver, the solar facility may then apply to the Public Service Commission requesting such reduction or waiver.

OPERATION

1. Interruption or Reduction of Deliveries

- a) Cooperative shall not be obligated to accept, and may require solar facility 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 solar facility 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 solar facility system may endanger Cooperative personnel, or (b) the continued operation of the solar facility system may endanger the integrity of Cooperative's electric system, the Cooperative shall have the right to disconnect solar facility's service. Solar facility'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 solar facility 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.

2. Interconnection

- a) Solar facility shall deliver the as-available energy to the Cooperative at the utility's meter.
- b) Solar facility shall pay for designing, installing, operating and maintaining its facility in accordance with all applicable laws, regulations, SMECO Interconnection Standards, and all applicable safety and performance standards established by the National Electric Code, The Institute of Electrical and Electronics Engineers, and Underwriters Laboratories. For facilities with a capacity greater than 10 kW, interconnection will not occur until the solar facility and the Cooperative have executed an agreement for interconnection of small generator facilities. The Cooperative will terminate interconnection with the solar facility if the agreement is terminated or the Cooperative determines the solar facility is not in compliance with the agreement.
- c) The Cooperative shall provide a watt-hour meter capable of measuring the flow of electricity in both directions.
- d) Solar facility 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 the solar facility's protective devices.
- e) The solar facility may not use its system to generate electric energy for another party or Customer-member of the Cooperative, or for use at any location other than service at the installed location. The solar facility may not install any equipment, connection, wires, or cable to distribute electric energy to another party or to any location external to the solar facility's system except for the interconnection to the utility's meter.

3. Maintenance and Permits

- a) Solar facility shall: (a) maintain the 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 system and interconnection facilities. Solar facility shall reimburse the Cooperative for any and all losses, damages, claims, penalties, or liability the Cooperative incurs as a result of solar facility's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of solar facility's system.
- b) Solar facility shall be solely responsible for all expenses of owning and operating the system, including maintenance of the facility, any necessary or appropriate repairs, property and other taxes, and all other related costs of the system.

4. Damages

- a) Solar facility 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 solar facility, its employees, agents, or subcontractors in connection with the performance of the work to be performed pursuant to this agreement by solar facility, its employees, agents, and subcontractors. Solar facility agrees to defend and pay all costs in defending these claims including attorney fees.
- b) Solar facility has the sole responsibility for the safety, operability and electrical protection of the solar facility 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 solar facility and is absolved from any liability for damages or harm to the solar facility, its owner, employees, or any other persons at the facility, solar facility property, the public or any personal or public property due to operation of the solar facility. Solar facility is responsible for any damages to the Cooperative's service connections, meters, or distribution system due to operation of the solar facility.

Access to Premises: The Cooperative may enter solar facility's premises: (a) to inspect, at all reasonable hours, solar facility'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 solar facility's electric generating system, or lack of properly operating protective device.