

SBEC DG TARIFF (Approved by SBEC Board of Directors on November 20, 2018)

Distributed Generation Rider – Version 2.0

Application.

Applicable to Distributed Generation Facilities smaller than 10 MW of connected generation connected in parallel operation to the Cooperative's electric system in accordance with the Cooperative's service rules and regulations and the Cooperative's *Distributed Generation Procedures and Guidelines Manual for Members* (available on request).

This rate is not applicable to temporary, shared, or resale service. This rate is applicable to service supplied at one point of delivery.

Sales to Customer

Sales to a Distributed Generation Customer shall be consistent with the applicable retail rate tariff established by the Cooperative and in use by the Customer as if there were no Distributed Generation installation.

Purchases from a Customer – Facility classified as 50 kW of connected generation and smaller in order to offset their own usage.

Determination of billing shall be accomplished by interconnection through a multi-channel meter or two meters with one measuring all energy supplied by the Cooperative and the other measuring all energy supplied by the Customer to the Cooperative.

For power produced in excess of on-site requirements, the Customer shall be credited by SBEC for KWH that flowed to the SBEC power grid equal to avoided cost of the purchased power. Avoided Cost is calculated and shown on the customer's bill or invoice and listed as the Generation Charges on their specific rate. Transmission cost will not be credited on Customer produced power.

The Cooperative shall bill the Customer for the energy supplied by the Cooperative to the Customer according to the Cooperative's applicable retail rate schedule, plus the DG Customer charge if any applies, and less any credit for the energy supplied by the Customer to the Cooperative during each billing period.

When the energy credit supplied by the Customer exceeds the energy charges supplied by the Cooperative including all monthly customer charges and the monthly metering charge, the excess energy credit shall be carried over to the following monthly billing period. In the event the Customer generates more revenue credits than the Customer consumes for 12 consecutive months, the excess credit will be paid annually unless other contractual arrangements dictate. Any power purchased by the Cooperative shall be paid at the same rate as the power purchased over 50 KW at the end of the 12 month period and settlement is required.

Customer must be a Qualifying Facility (QF) as defined by the Public Utility Regulatory Policies Act of 1978 (PURPA). If Customer is not a QF, the Cooperative may, at its sole discretion, purchase power from the Customer under the terms of this section.

Purchases from a Customer – Facility classified as greater than 50 kW and less than 10 MW of connected generation

Determination of billing shall be accomplished by interconnection through a multi-channel meter or two meters with one measuring all energy supplied by the Cooperative and the other measuring all energy supplied by the Customer.

The Customer's qualifying facility shall be credited for energy supplied by the Customer to the Cooperative at a rate that will be determined by the avg ATC forward market curve as of October of the previous year for the next calendar year based on SHUB delivered price on generation greater than 50 KW and less than 1 MW. Qualifying Generation Facilities of 1 MW and up to 10 MW will contract with the Cooperative for the same rate that will be determined by the avg ATC forward market curve as of October of the previous year for the next calendar year based on SHUB delivered price in the ERCOT market, make an acceptable counter offer, and/or sell to other ERCOT Market participant any excess energy subject to wheeling charges and losses. The customer will be responsible for any SBEC new facilities and facility upgrades and cost to transport the energy produced if any wheeling charges are applied. All Generation of 1 MW and above shall register with ERCOT and follow that interconnection process. In the event the Customer, who is trying to offset their own usage, generates more revenue credits than the Customer consumes for 12 consecutive months, the excess credit will be paid annually unless other contractual arrangements dictate.

Customer shall be responsible for all interconnect cost for facilities to take the Qualifying DG power including all studies involved to determine the necessary facilities. Customer shall also be responsible for any wheeling cost plus losses for facilities needed to transport the DG power back to a wholesale market or other site.

The Cooperative shall bill the Customer for the energy supplied by the Cooperative during each billing period according to the Cooperative's applicable retail rate schedule.

The Customer shall be subject to any market charges related to the Customer's DG facility, including but not limited to Scheduling, Dispatching and Energy imbalance. The Customer shall be responsible for following the ERCOT and SBEC/LCRA interconnect policy and procedures.

Customer must be a Qualifying Facility (QF) as defined by the Public Utility Regulatory Policies Act of 1978 (PURPA). If Customer is not a QF, the Cooperative may, at its sole discretion, purchase power from the Customer under the terms of this section.

The Cooperative shall not be required to make any purchases that will cause the Cooperative to no longer be in compliance with any applicable contracts or all-power contract requirements with its power supplier(s).

Monthly Rate.

Each billing period the Customer shall be obligated to pay the following charges in addition to all charges indicated on his/her base rate:

DG Customer Charge

50 kW and smaller	@	\$ <u>0.00</u> per meter/month *
Over 50 kW and under 1 MW	@	\$ <u>80.00</u> per meter/month *
From 1 MW and under 10 MW	@	\$ <u>340.00</u> per meter/month *

Additional Charge for meter reading by Cooperative Personnel where remote metering is not feasible.

@ \$ 60.00 per meter/month

*Provided an automated remote read meter is able to read and send the meter readings into the office automatically otherwise there will be a manual meter reading charge.

Facilities Charge

As determined at the sole discretion of the Cooperative on a non-discriminatory case-by-case basis to recover any additional operation and maintenance expense by the Customer's facility.

Data Access – Communications Link

In addition to all other charges in the Customer's tariff and this rider, the Customer will provide the Cooperative at his/her own expense a communications link as approved at the sole discretion of the Cooperative for remotely obtaining meter readings at a time or times of the month as determined at the Cooperative's sole discretion if so requested by the Cooperative.

Contracts

An Interconnection Agreement and Contract between the Customer and the Cooperative shall be required in all cases.