

MENARD ELECTRIC COOPERATIVE

POLICY MANUAL

SECTION IV – Operating Rules for Cooperative Members

47.1 NET METERING AND COOPERATIVE CREDIT FOR EXCESS MEMBER-GENERATED ELECTRIC ENERGY

Objective

To provide for net metering of members generating electric energy utilizing an eligible renewable electrical generating facility (EREGF), as defined below, and to provide for a credit by the cooperative to the member for excess electric energy produced by the EREGF and received by the cooperative from the member, while honoring the cooperative's obligation to provide electricity to all members on a cooperative basis as required by the Illinois Not-For-Profit Act and Revenue Code Section 501(c)(12) and complying with the cooperative's wholesale power contract obligations with Prairie Power, Inc. (PPI) and PPI's Policy #504 (Net Metering and Delivery of Excess Member-Consumer-Generated Electricity). This policy does not provide for physical interconnection and parallel operations requirements of an EREGF. See the Interconnection and Parallel Operation of Distributed Generation policy for such provisions.

Definitions

Annual Period means the calendar year commencing on January 1 and ending on December 31.

Base Rate means the cooperative rate schedules exclusive of residential heating incentives (i.e., Rate 10, 11, 20, 21, 30, 60, 61 and the respective Sherman franchise counterparts).

Billing Period means the period of time over which the cooperative bills a member for electric energy consumed during that time and for other applicable charges from the cooperative.

Eligible Member means a cooperative member in good standing that owns and operates an EREGF where the EREGF is located at and associated with the member's specified service metering point and is intended primarily to offset the member's own electrical requirements at that specified service metering point.

Eligible Renewable Electrical Generating Facility (EREGF) means one or more generator(s) owned by a cooperative member and located at and associated with the cooperative member's specified service metering point, where (i) such generator(s) are powered by solar electric energy, wind, dedicated crops grown for electricity generation, agricultural residues, untreated wood waste and unadulterated wood waste, landscape trimmings, livestock manure, anaerobic digestion of livestock or food processing waste, fuel cells or microturbines powered by renewable fuels, or hydroelectric energy and, (ii) the total combined Nameplate Rating for such generator(s) at the specified service metering point is not more than 10 kW.

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Hourly Marginal Electricity Value (HMEV) means the arithmetical mean of the hourly MISO Day Ahead Locational Marginal Prices for electric energy at the applicable Prairie Power, Inc. Commercial Pricing Node during the applicable Annual Period, expressed in dollars per kilowatt-hour.

MISO means the Midcontinent Independent System Operator, Inc., or its successors in interest.

Nameplate Rating means the maximum electric energy production capability of a generator, specified in kilowatts, as stated on the generator device(s) placards, nameplates, or in the manufacturer's specifications, prior to any power inverter device(s).

Net Electricity Metering (or “net metering”) means the process of measuring, during the Billing Period applicable to an Eligible Member, electrical energy sales volume at a single specified service metering point by the cooperative's retail meter when an EREGF is owned by the Eligible Member and is connected to and operating on the Eligible Member's low-voltage electric premises wiring associated with the specified service metering point.

Net Purchaser of electricity means an Eligible Member whose total amount of electric energy generated by an EREGF is less than the Eligible Member's total electric energy usage during an applicable Billing Period.

Net Seller of electricity means an Eligible Member whose total amount of electric energy generated by an EREGF is greater than the Eligible Member's total electric energy usage during an applicable Billing Period.

Prairie Power, Inc. (PPI) means Prairie Power, Inc., an Illinois not-for-profit corporation, or its successors in interest, which is an electric generation and transmission cooperative of which the cooperative is a member and from which, by contract, the cooperative obtains its wholesale supply of electricity.

Applicability

This policy applies to an Eligible Member that chooses to connect an EREGF to the Eligible Member's low-voltage electric premises wiring associated with a specified service metering point. Eligible Members that have submitted an interconnection request to the cooperative prior to December 31, 2017, in accordance with the Interconnection and Parallel Operation of Distributed Generation policy may defer applicability of this policy version to their

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EREGF until, but no later than, January 1, 2020. Eligible Members not taking service under a Base Rate as of the effective date of this Policy, have until January 1, 2020, to transition their service to a Base Rate in order to remain net metered, otherwise service may remain on the incentive rate and member must forego net metering.

Provisions

- 1) An Eligible Member shall first comply with the provisions of Menard Electric Cooperative's Policy on Interconnection and Parallel Operation of Distributed Generation, as it relates to the connection of an EREGF to, and the operation of such EREGF on, the member's low-voltage electric premises wiring associated with the specified service metering point.
- 2) The cooperative's retail service meter serving the Eligible Member's specified service metering point where the EREGF is located shall remain in place and be capable of measuring the flow of electricity both into and out of the Eligible Member's specified service metering point and recording the flow of electric energy in both directions. If the existing retail service meter serving the Eligible Member's specified service metering point is not capable of meeting this requirement, or if the member requests an additional meter, the cost of installing and maintaining same shall be paid by the member. The cooperative, in its sole discretion and at the expense of the Eligible Member, may install a meter between the EREGF and the Eligible Member's specified service metering point for purposes of assuring compliance with this policy in relation to the Nameplate Rating of the EREGF.
- 3) Net metering is available exclusively to members receiving service under a Base Rate. Transition of a member's specified service to a qualified Base Rate is required in conjunction with net metering.
- 4) For an Eligible Member with an EREGF, the cooperative shall measure and charge or credit for the net electric energy supplied to the Eligible Member or provided by the Eligible Member as follows:
 - a) The cooperative shall determine whether the Eligible Member is a Net Purchaser of electricity or a Net Seller of electricity during the Billing Period.

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- b) If the Eligible Member is a Net Purchaser of electricity during the Billing Period, the cooperative shall charge the member for the net electric energy supplied to and used by the member at the retail Base Rate selected by the Eligible Member.
 - c) If the Eligible Member is a Net Seller of electricity during the Billing Period, the cooperative will calculate a credit for any metered excess kilowatt-hours of electric energy delivered to the cooperative and apply such credit against only the electric energy consumed during the Billing Period. The cooperative shall carry over any unused amount of such credits and apply those credits to subsequent Billing Periods to offset only electric energy-related charges derived specifically from the consumption of electric energy measured in units of kilowatt-hours until all credits are used or until the end of the Annual Period, whichever occurs first.
 - d) At the end of the Annual Period that electric service is supplied by means of Net Electricity Metering, or in the event that the Eligible Member terminates service with the cooperative during an Annual Period, any remaining monetary credits in the Eligible Member's account shall be liquidated to the Eligible Member at a rate equal to the annual respective HMEV.
 - e) Any credit to an Eligible Member under this policy derived from the Eligible Member being a Net Seller of electricity shall be applied only to the charge for electric energy delivered to the Eligible Member. No part of such credit shall be applied to, and the Eligible Member shall remain responsible for, (a) taxes, fees, and other charges, including demand charges, that would otherwise be applicable to the net amount of electric energy purchased by the Eligible Member from the cooperative, and (b) other charges to the Eligible Member under any cooperative policies, Bylaws, rules, regulations, or rates, that are not based on a unitized charge per kilowatt-hour, including, but not limited to, basic service charges or facilities charges.
- 5) Any upgrades or modifications to the installed EREGF which cause the total combined Nameplate Rating for such generator(s) at the specified service metering point to become more than 10 kW shall disqualify the member as an Eligible Member for Net Electricity Metering.

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- 6) All renewable energy credits, greenhouse gas emission credits and renewable energy attributes related to any electricity produced by the Eligible Member's EREGF shall be treated as owned by the Eligible Member.
- 7) The cooperative shall make available Net Electricity Metering to Eligible Members until the aggregate installed EREGF Nameplate Ratings of the cooperative's Eligible Members equals 5% of the cooperative's annual coincident peak demand during the previous calendar year.
- 8) This policy is subject to all federal, state and local laws, Menard Electric Cooperative's Articles of Incorporation, By-Laws and existing policies and the terms and conditions of the cooperative's existing wholesale power contract with PPI and loan agreements. To the extent any provision of this policy conflicts with those obligations, those provisions of this policy are deemed null and void.

APPROVED BY BOARD OF DIRECTORS 3-25-08

APPROVED BY BOARD OF DIRECTORS 2-28-12

APPROVED BY BOARD OF DIRECTORS 11-28-17 (Effective 01-01-18)