

MEMBER OWNED GENERATION

I. OBJECTIVE:

To comply with the Public Utility Regulatory Policies Act (hereafter “PURPA”), enhance the continued diversification of Illinois’ energy resource mix and protect the Illinois environment through the use of renewable fuel sources while honoring Clay Electric Cooperative’s (hereafter “Cooperative”) obligation to provide electricity to all members on a cooperative basis in accordance with the Illinois Not-for-Profit Act and Revenue Code Section 501(c)(12).

II. DEFINITIONS:

Annual Period means a time period of twelve consecutive billing periods. The Annual Period begins with the billing period of when the EREGF is interconnected with the Cooperative’s distribution system of at a time specified by the Cooperative.

Avoided Costs means the incremental costs to the Cooperative of electric energy or capacity or both which, but for the purchase from the eligible renewable electrical generating facility, the Cooperative would generate itself or purchase from another source.

Avoided Energy Costs are the avoided variable costs associated with the production of electric energy. These costs represent the avoided costs of fuel and some operating and maintenance expenses or the cost of purchased energy. Identifiable capacity charges included in purchase power agreements shall not be included in the calculation of avoided energy costs.

Capacity Costs are the costs associated with providing the capability to deliver energy. They consist primarily of the capital costs of facilities used to generate and transmit electricity.

Eligible Cooperative Member means a Cooperative member that owns a solar, wind, or other eligible renewable electrical generating facility with a rated capacity of less than 40 kW AC (hereafter “kW”) that is located on the member’s premises and is utilized to offset the member’s own electrical requirements.

Eligible Renewable Electrical Generating Facility (hereafter “EREGF”) means a generator powered by solar electric energy, wind, dedicated crops grown for electricity generation, anaerobic digestion of livestock or food processing waste, fuel cells or microturbines powered by renewable fuels, or hydroelectric energy.

Net Electricity Metering (hereafter “Net Metering”) means the measurement, during the billing period applicable to an eligible member, of the net amount of electricity supplied by the Cooperative to the member’s premises or provided to the Cooperative by the member.

Rate Schedule means the applicable rate the member agrees to pay for electricity more clearly defined in the Member Application and Policy 900-2 regarding Rates.

III. APPLICABILITY:

This policy applies to eligible Cooperative members that choose to interconnect their EREGF with the Cooperative's distribution system and operate the same in parallel with the Cooperative system.

IV. PROVISIONS:

- A. The eligible Cooperative member shall first comply with the provisions of the Cooperative's Policy 600-3 - Interconnection and Parallel Operation of Distributed Generation. All provisions of 600-3 must be completed in its entirety.
- B. The Cooperative will install and maintain metering equipment capable of measuring the flow of electricity both into and out of the member's facility at the same rate and ratio. If member's existing meter 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.
- C. As of December 23, 2019, Net Metering is not offered. All member generation applications after this date will be assigned a rate schedule consistent with the applicable rate at that time.
- D. The Members with Member Generation on Cooperative lines as of December 23, 2019, as outlined in Exhibit 1, shall be grandfathered using the applicable monthly reconciliation rate schedule for that member until five (5) years past their commission date. At their monthly reconciliation expiration date, these Members with Member Generation will be subject to the applicable rate schedule at that time for electricity supply.
 - 1) Grandfathering of the accounts listed in Exhibit 1 shall be null and void if any of the following occur:
 - a) The member generation system installed is modified in such a way as to increase production from the listed size in Exhibit 1; or
 - b) The property changes ownership and a new or different member takes possession of the account.
- E. For EREGF's **0-40kW AC**, the Cooperative shall charge the member for the electricity supplied to and used by the member at the Cooperative's applicable rate schedule for that member. The Cooperative shall then credit the member

for electricity supplied to and used by the Cooperative at the Cooperative's Avoided Costs of electricity supply.

- 1) **0-40 kW AC:** For EREGFs with a nameplate rating of less than 40 kW AC the Cooperative shall measure the amount of electricity supplied to eligible Cooperative members or provided by eligible Cooperative members as follows:
 - a) The Cooperative shall bill the member for the amount of electricity supplied to and used by the member during the billing period at the applicable retail rate.
 - b) The amount of electricity produced by the member and supplied to the Cooperative during the billing period shall be credited to the member at the Avoided Cost. The Avoided Cost is set by the Cooperative's power provider and may be subject to change without notice. Any credit that is greater than the energy portion of the member's bill, shall not be refunded by the Cooperative. Rather, any excess credit shall carry over to subsequent billing periods to offset any member consumption in those billing periods until all credits are used or until the end of the Annual Period on December 31st of each year, whichever occurs first.
 - c) The credit to the Member's account will be at the avoided energy cost set by the Cooperative's power provider. The bill to the member will be at the applicable retail rate for the member.
 - d) In any event, the member will be responsible for the fixed cost, line access charge, and/or facilities charge adjustment each month. All members of the cooperative are subject to this cost and this cost does not discriminate between members with or without an EREGF.
 - e) At the end of the Annual Period, December 31st, or in the event that the member terminates service with the Cooperative, any remaining credits in the member's account shall expire. The Cooperative will not pay cash to the Member for any credit.
 - 2) **40 kW+:** For EREGFs with a nameplate rating of 40 kW AC or more, the eligible member shall comply with Southern Illinois Power Cooperative's metering and interconnection requirements.
- F. All renewable energy credits, greenhouse gas emission credits and renewable energy attributes related to any electricity produced by the EREGF and credited by the Cooperative shall belong to the eligible member.
- G. This policy is subject to all federal, state and local laws, the Cooperative's articles of incorporation, bylaws and existing policies and the terms and conditions of the Cooperative's existing power supply contracts and loan agreements. To the

extent any provision of this policy conflicts with those obligations, those provisions are void.

- H. Members who have a service that is under an incentive rate (i.e. Residential Electric Heat Rider, Residential All Electric Home, Grain Drying Rate, etc.) shall not be eligible for a Member Generation Rate. A member may choose to be on a Member Generation Rate in lieu of an incentive rate but both rates cannot be used in conjunction with each other.

V. ADOPTED:

January 28, 2008

VI. REVISED:

March 27, 2017

September 25, 2017

December 17, 2018

January 28, 2019

September 17, 2019

December 23, 2019

VII. REVIEWED AND READOPTED:

December 17, 2018

January 28, 2019

January 1, 2020

December 23, 2019

Bob Pierson, President