VERMONT ELECTRIC COOPERATIVE, INC.
SELF GENERATION AND NET METERING
TERMS AND CONDITIONS APPLICABLE TO ALL NET METERING SYSTEMS

A. TERMS AND CONDITIONS APPLICABLE TO ALL NET METERING SYSTEMS:

1. DEFINITIONS

a. "Billing Meter" means a single bidirectional meter which measures: (1) the kWh flows from the Cooperative to the customer when the interconnected generation is less than the customer's consumption, and (2) the kWh flows from the customer to the Cooperative when the interconnected generation exceeds the customer's consumption.

b. "Blended Residential Rate" means the lower of either (1) a blend of the Cooperative's general residential service inclining block rates that is determined by adding together all of the revenues during the most recent calendar year from kWh sold under those block rates and dividing the sum by the total kWh sold by the Cooperative at those rates during the same year, or (2) the weighted statewide average of all electric company blended residential retail rates, as determined by the Commission.

c. "Commission" means the Vermont Public Utility Commission.

d. "CPG" means a Certificate of Public Good.

e. "Commissioning Date" means the date in which a net metering system is placed into operation following its construction.

f. "Department" means the Department of Public Service of the State of Vermont.

g. "Group System" means a net metering system that consists of a group of customers, or a single customer with more than one meter, located within the Cooperative's service territory, where the customer or customers have elected to credit on-site generation against all meters in the group, in a manner identified by the group.

h. "Non-Bypassable Charges" means those charges on the electric bill that apply to a customer regardless of whether the customer participates in a net-meter system. Non-Bypassable Charges include (1) the customer charge, (2) the energy efficiency charge, (3) any on-bill financing payment, and 4) any equipment rental charges.

i. "Post-December 31, 2016 Net Metering Systems" means net metering systems which receive a CPG issued after December 31, 2016.

j.

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j. "Pre-Existing Net Metering Systems" means a system which must (1) have a complete CPG application filed with the Commission prior to January 1, 2017; and (2) the complete CPG application must have been filed at a time when the electric company was accepting net-metering systems pursuant to 30 V.S.A. § 219a(h)(1)(A) as the statute existed on December 31, 2016, or qualified under state law as a system that did not count towards the capacity limit on net-metering contained in that statute; and (3) not have been amended to increase its capacity by more than 5% or 15 kW, whichever is greater, on or after March 1, 2024.

k. "Production Meter" means an electric meter that measures the amount of kWh produced by the net metering system.

l. "Residential Rate" means the rate which is charged to residential customers for consumption in excess of 100 kWh per month as set forth in Service Classification #1.

m. "VEC Blended Residential Rate" means a rate calculated by adding together all of the revenues to the Cooperative during the Cooperative's most recent calendar year from kWh sold under VEC's block rates and dividing the sum by the total kWh sold by the Cooperative at those rates during the same year. The VEC Blended Residential Rate is $0.20761.

2. AVAILABILITY

Applicable to customers who: (1) take service under another Cooperative tariff, (2) have received approval pursuant to 30 V.S.A. § 248 from the Commission for a net metered system, and (3) employ an eligible system (as defined below) to generate electricity primarily for their own use and which system from time to time generates electricity in excess of the customer's then current needs and is connected to deliver such excess electricity to the Cooperative's distribution system. Customers must conform to all applicable requirements of 30 V.S.A. § 8010 and 248 and to Commission Orders, Rules, Regulations or electrical safety, power quality, and interconnection requirements pertaining to self-generation of energy for net metering. This tariff shall not supersede any terms and conditions of any other tariff under which the customer takes service from the Cooperative, which other terms and conditions shall continue to apply.

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3. CHARACTER OF SERVICE

An eligible net metering system is defined as one that employs a renewable energy source and is either: (1) a system that is not in excess of 500 kW capacity; operates in parallel with the Cooperative's electric distribution system; is intended primarily to offset the customer's own electricity requirements; is located on the customer's premises or, in the case of a group net metering system, on the premises of a customer who is a member of the group; and employs a renewable energy source as defined in 30 V.S.A. § 8002(2); or (2) is a qualified micro-combined heat and power system of 20 kW or fewer that meets the definition of combined heat and power in 10 V.S.A. § 6523(b) and may use any fuel source that meets air quality standards. The customer shall be responsible for the maintenance, safety, and condition of the net metering system.

4. NET METERING BILL INFORMATION

The Cooperative will provide net metering customers the following information:

a. the dollar amount of any credits for generation carried forward from the previous months,
b. the dollar amount of credits for generation that have expired in the current month,
c. the dollar amount of credits generated in the current month,
d. the dollar amount of credits for generation remaining, and
e. the total kWh generated by the net metering system in the current month.

5. GROUP NET METERING SYSTEMS GENERAL PROVISIONS

Individual customer accounts may be enrolled in only one Group System at one time. Customers with multiple accounts may enroll each of the accounts in separate Group Systems. In addition, Group Systems may, subject to Commission approval, have more than one source of generation attributed to the group, may increase the capacity of existing generation attributed to the group, and may merge separate groups.

The Group System is responsible for providing the Cooperative with the following information:

a. The meters to be included in the Group System, identified by account number and location, a procedure for adding and removing the meters included in the Group System, and direction as to the manner in which the Cooperative shall allocate any accrued credits among the meters included in the Group System. Customers or groups may allocate monetary credits on a percentage basis to each group member

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Account or they may elect to allocate credits such that the bill of one member or account is first offset, with any additional credits applied to the next group member(s) or account(s) in an order selected by the customer or group.

b. The allocation subsequently may be changed only on written notice to the Cooperative and may only apply on a prospective basis,

c. The name and contact information for a designated person who is responsible for all communications from the Group System to the Cooperative, except for communications related to billing, payment, and disconnection, and

d. A binding process for the resolution of any disputes within the Group System relating to net metering that does not rely on the Cooperative, the Commission, or the Department.

The Cooperative shall implement appropriate changes to a net metering group within 30 days after receiving written notification of such changes from the designated person. Written notification of a change in the designated person is effective upon receipt by the Cooperative. The Cooperative is not liable for the consequences from actions based on such notification.

For each group member's customer account, the Cooperative must bill that group member directly and send directly to that group member all communications related to billing, payment, and disconnection of that group member's customer account. Any volumetric charges for any account so billed must be based on the individual meter for the account.

6. INTERCONNECTION REQUIREMENTS

The interconnection of all net metering systems is governed by Commission Rule 5.500. The applicant bears the costs of all equipment necessary to interconnect the net metering system to the distribution grid and any distribution system upgrades necessary to ensure system stability and reliability.

7. DISCONNECTION OF A NET METERING SYSTEM

The following procedures govern the disconnection of a net metering system from the Cooperative's system. These procedures apply to net metering systems only and do not supplant Commission Rules 3.300 and 3.400 relating to disconnection in general. A customer who initiates a permanent disconnection of a net metering system must notify the Cooperative. The Cooperative in turn must notify the Commission and the Department of the disconnection. In the event the Cooperative must perform an emergency disconnection of

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a net metering system, the Cooperative must notify the customer within 24 hours after the disconnection. For the purpose of this section, the term "emergency" means a situation in which continued interconnection of the net metering system is imminently likely to result in significant disruption of service or endanger life or property.

a. If the emergency is not caused by the operation of the net metering system, the Cooperative must reconnect the net metering system upon cessation of the emergency.

b. If the emergency is caused by the operation of the net metering system, the Cooperative must communicate the nature of the problem to the customer within 5 days, and attempt to resolve the problem. If the problem has not been resolved within 30 days of an emergency disconnection, the Cooperative must file a disconnection petition with the Commission.

c. Non-emergency disconnections must follow the same procedure as emergency disconnections in subsection b above, except that the Cooperative must give written notice of the disconnection no earlier than 10 days and no later than 5 days prior to the first date on which the disconnection of the net metering system is scheduled to occur. Such notice must communicate to the customer the reason for disconnection and the expected duration of the disconnection. With written consent from the customer, the Cooperative may arrange to provide the customer with notice of non-emergency disconnections on terms other than those set forth in this Rule, provided that the Cooperative first informs the customer of the provisions of this Rule and that the customer may contact the Consumer Affairs and Public Information Division of the Vermont Department of Public Service. For group systems, such consent may be obtained from the person designated under Section 5.c. of this schedule.

d. A customer who is involuntarily disconnected may file a written complaint with the Commission at any time following disconnection. The customer must provide a copy of the complaint to the Cooperative and the Department of Public Service. Within 30 days of the date the complaint is filed, the Commission may hold a hearing to investigate the complaint. In the event of the filing of such a complaint, the Cooperative carries the burden of proof to demonstrate the reasonableness of disconnection.

e. A customer shall be prohibited from reclosing a disconnect device, which has been opened and tagged by a Cooperative, without the prior approval of the Cooperative, or, in the event of a dispute, the Commission.

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8. MISCELLANEOUS TERMS AND CONDITIONS

Any customer seeking to take service in accordance with this tariff shall be required to submit a written application for a certificate of public good under 30 V.S.A. § 248 to the Commission on forms specified by the Commission, follow all procedures specified in those forms and in Commission rules, and obtain such a certificate from the Commission before connecting any eligible system to the Cooperative's distribution system or any portion of the customer's own electrical system that is itself connected to the Cooperative's electric distribution system.

PRE-EXISTING NET METERING SYSTEMS:

The following terms and conditions apply to all Pre-Existing Net Metering Systems.

1. METERING

For generation systems that are interconnected with the load on the customer's premises, net metering may be accomplished with a Billing Meter, which is furnished and owned by the Cooperative. The charge for the Billing Meter is included in the customer's monthly customer service charge.

If an additional Production Meter at the premises of the net metering customer is necessary in order to calculate the solar energy credit, the Cooperative will furnish the Production Meter (and any replacement thereof), at the customer's expense. The customer shall pay the Cooperative $160.80 for the Production Meter which includes the cost of the meter and its installation. The Cooperative will own the Production Meter. The customer will be responsible for owning and installing the appropriate meter socket and associated wiring in accordance with the Cooperative's standards and at an accessible outside location. Typically the Production Meter is located near the net metering disconnect and within reasonable proximity of the existing meter. The customer is encouraged to consult with the Cooperative as to meter location.

For net metering systems that are interconnected through a Production Meter, the Production Meter will provide the information needed to bill the member for any usage not offset by generation. The charge for this meter is included in the customer's monthly customer service charge for this separate service account. The monthly charge will be the appropriate service classification customer service charge.

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2. NON-GROUP NET METERING MONTHLY BILLINGS

For net metering customers that are not part of a Group System, the Cooperative shall calculate a monetary credit to the customer by multiplying the excess kWh generated during the billing period by the kWh rate paid by the customer for electricity supplied by the Cooperative. For a period of 10 years from the Commissioning Date, the credits can be applied to any charges on the customer's bill irrespective of whether that charge is a Non-Bypassable Charge. Commencing 10 years after the Commissioning Date, net metering credits will not be applied to offset Non-Bypassable Charges.

If after applying any applicable charges, the entire credit is not exhausted, the balance of the credit shall appear on the customer's bill for the following billing period. Any accumulated credits shall be used within 12 months, or shall revert to the Cooperative, without any compensation to the customer.

<u>For (1) all solar systems and (2) non-solar systems operational prior to April 15, 2014, the following terms apply:</u>

e. If a net metering system is interconnected directly to the Cooperative through a Production Meter, the bill credits shall apply to all kWh generated by the net metering system and shall be calculated at either the Residential Rate or the Blended Residential Rate, depending on the time period following the Commissioning Date.

   1) For the first ten years after the Commissioning Date, the net metering credit will be set at the Residential Rate.

   2) Commencing ten years after the Commissioning Date, the net metering credit will be set at the Blended Residential Rate

<u>For non-solar net metering systems operational after April 14, 2014, the following terms apply:</u>

a. The bill credits shall apply to all kWh generated by the net metering system and shall be set at either the VEC Blended Residential Rate or the Blended Residential Rate, depending on the time period following the Commissioning Date.

   1) For the first ten years after the Commissioning Date, the net metering credit will be set at the VEC Blended Residential Rate.

   2) Commencing ten years after the Commissioning Date, the net metering credit will be set at the Blended Residential Rate.

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3. GROUP NET METERING SYSTEM MONTHLY BILLINGS

The electric energy measurement and the calculation of credits for Group Systems differ depending on how the generation source is interconnected to the Cooperative. The Group System generation may either be: (1) interconnected directly to the Cooperative through a separate Production Meter, or (2) connected in a manner that offsets the consumption of one or more of the customers in the Group System.

For a period of 10 years from the Commissioning Date, the credits can be applied to any charges on the customer's bill irrespective of whether that charge is a Non-Bypassable Charge. Commencing 10 years after the Commissioning Date, net metering credits will not be applied to offset Non-Bypassable Charges.

For Group Systems directly interconnected to the Cooperative through a Production Meter, the following terms apply:

a. The Cooperative shall calculate a monetary credit for allocation to the Group System accounts by multiplying the applicable rate indicated below times the kWh generated. The monetized credit applied to each Group System customer's bill will be allocated as specified by the Group in accordance with Section A.5 above. The Cooperative shall apply this credit to any remaining charges on the individual Group System customer's bill for that period.

b. The rates to be used are as follows:

   1) For (a) all solar systems and (b) non-solar systems installed prior to April 15, 2014, the rate is the Residential Rate.

   2) For non-solar systems installed after April 14, 2014, the rate is the Blended Residential Rate.

   3) For solar systems, an additional Solar Energy Credit will be provided, as set forth in Section 4 below.

For Group Systems that can offset the consumption of one or more of the customers in the Group System and are NOT directly interconnected to the Cooperative, the following terms apply:

a. Electric energy measurement for Group Systems shall be calculated by subtracting total usage of all meters included in the Group System from the total generation of the Group System. If the electricity generated by the Group System is less than the total usage of all meters included in the Group System during the billing period, the

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Group System shall be credited for any accumulated kilowatt-hour credit and then billed for the net electricity supplied by the Cooperative, in accordance with the allocations specified in Section A.5 above.

b. If electricity generated by the Group System exceeds the total usage of all meters included in the Group System during the billing period, the Cooperative shall allocate the excess kWh in the manner specified in Section A.5 above to each Group System customer and then calculate individual monetary credits by multiplying the allocated generation by the kWh rate paid by the individual Group System customer. The Cooperative shall apply this credit to any remaining charges on the individual Group System customer's bill for that period.

c. If the monetized credit applied to a Group System customer's bill exceeds the individual Group System customer's total bill charges, the allocated remaining balance of the credit shall appear on the customer's bill for the following billing period. Any accumulated credits shall be used within 12 months, or shall revert to the Cooperative, without any compensation to the customer.

4. SOLAR ENERGY CREDIT

The Cooperative offers a credit to Pre-Existing Net Metering Systems that generate solar energy. The credit applies to each kWh generated by the customer's solar net metering system. This credit is in addition to the rates paid under Sections 2 and 3.

Each solar net metering system shall receive the credit for 10 years after the Commissioning Date, provided that the system remains in service and provided that it does not undergo a major amendment, as is defined by the Commission. At the end of the 10-year period, customers with Pre-Existing Net Metering Systems shall be credited for excess generation at the Blended Residential Rate.

The solar energy credit rate shall not fluctuate with changes in the underlying Residential Rate used to calculate the amount of the credit.

For solar systems whose Commissioning Date is prior to April 15, 2014, the solar energy credit rate shall be the difference between the Residential Rate in effect as of the Commissioning Date and $0.20. For solar systems whose Commissioning Date is after April 14, 2014, the solar energy credit rate shall be the difference between the Residential Rate in effect as of the Commissioning Date and either (a) $0.20 per kWh for systems of 15 kW or less or (b) $0.19 per kWh for systems greater than 15 kW, as indicated below.

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The solar credit amounts are as follows:

	Commissioning Period 1	**Commissioning Period 2**
Commissioning Date:	Between: August 23, 2011 and January 7, 2014	Between January 8, 2014 and April 14, 2014
End Date:	10 years after the Commissioning Date	10 years after the Commissioning Date
Solar Energy Credit Rate:	$0.02882 per kWh	$0.02380 per kWh

	Commissioning Period 3	
Commissioning Date:	April 15, 2014 to December 31, 2016	
End Date:	10 years after the Commissioning Date	
Size of System:	15 kW or less	Greater than 15kW
Solar Energy Credit Rate:	$0.02380	$0.01380

5. OTHER TERMS AND CONDITIONS

Pre-Existing Net Metering Systems are not subject to any siting adjustors or REC adjustors.

Any tradeable renewable energy credits created by Pre-Existing Net Metering systems will continue to be either retained by the customer or transferred to the Cooperative per the election made by the applicant at the time of application for its CPG. For CPG applications filed prior to the time when such election was available, tradeable renewable energy credits are retained by the customer.

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B. POST DECEMBER 31, 2016 NET METERING SYSTEMS

The following terms and conditions apply to all Post-December 31, 2016 Net Metering Systems.

1. CATEGORIES

All net metering systems, except for hydroelectric facilities, shall qualify for one of four categories, as follows:

Category I	Capacity of 15 kW or less
Category II	Capacity of more than 15 kW and less than or equal to 150 kW, and that is sited on a Preferred Site as defined in the Commission's Rule 5.100.
Category III	Capacity of greater than 150 kW, and less than or equal to 500 kW, and that is sited on a Preferred Site as defined in the Commission's Rule 5.100.
Category IV	Capacity of greater than 15 kW and less than or equal to 150 kW, and that is not located on a Preferred Site as defined in the Commission's Rule 5.100.

2. RATES

The value of the net metering credit shall be set based on the lower of either (1) VEC's Blended Residential Rate or (2) the weighted statewide average of all electric company blended residential retail rates, as determined by the Commission.

VEC's Blended Residential Rate is $0.20761/kWh. The weighted statewide average is $0.2071.

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The REC Adjustor applies to the total production recorded on the production meter, based on the customer's election at the time an application for authorization to construct the net metering system is filed with the Commission, to retain ownership of the RECs generated by the system or to transfer such RECs to the Cooperative, as follows:

REC Adjuster per kWh

	Complete CPG application filed on or before 6/30/18	**Complete CPG application filed on or after 7/1/18 and on or before 6/30/19**	**Complete CPG application filed on or after 7/1/19**	**Complete CPG application filed on or after 2/2/21**
Transferred to the Cooperative	$0.03 for the first 10 years after Commissioning Date; $0 thereafter	$0.02 for the first 10 years after Commissioning Date; $0 thereafter	$0.01 for the first 10 years after Commissioning Date; $0 thereafter	$0.00
Retained by the Customer	Negative $0.03 for the life of the system	Negative $0.03 for the life of the system	Negative $0.03 for the life of the system	Negative $0.04 for the life of the system
Hydroelectric Systems	$0	$0	$0	$0

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The Siting Adjustor applies to the total production recorded on the production meter, based on the Category for which the net metering system qualifies and the date that a completed CPG application was filed, as follows:

Siting Adjustor per kWh

	Complete CPG application filed on or before 6/30/18	**Complete CPG application filed on or after 7/1/18**	**Complete CPG application filed on or after 2/2/21**	**Complete CPG application filed on or after 9/1/21**	**Complete CPG application filed on or after 9/1/22**	**Complete CPG application filed on or after 8/1/24**	**Complete CPG application filed on or after 8/1/26**
Cat I	$0.01 for the first 10 years after Commissioning Date; $0 thereafter	$0.01 for the first 10 years after Commissioning Date; $0 thereafter	$0.00	Negative $0.01 for the life of the system	Negative $0.02 for the life of the system	Negative $0.04 for the life of the system	Negative $0.05 for the life of the system
Cat II	$0.01 for the first 10 years after Commissioning Date; $0 thereafter	$0.01 for the first 10 years after Commissioning Date; $0 thereafter	$0.00	Negative $0.01 for the life of the system	Negative $0.02 for the life of the system	Negative $0.04 for the life of the system	Negative $0.05 for the life of the system
Cat III	Negative $0.01 for the life of the system	Negative $0.02 for the life of the system	Negative $0.03 the life of the system	Negative $0.04 for the life of the system	Negative $0.05 for the life of the system	Negative $0.07 for the life of the system	Negative $0.07 for the life of the system
Cat IV	Negative $0.03 for the life of the system	Negative $0.03 for the life of the system	Negative $0.04 for the life of the system	Negative $0.05 for the life of the system	Negative $0.06 for the life of the system	Negative $0.08 for the life of the system	Negative $0.08 for the life of the system
Hydro	$0	$0	$0	$0	$0	$0	$0

3. ENERGY MEASUREMENT AND BILLING

Electric energy measurement for net metering systems must be performed in the following manner:

Metering requirements for generation systems which are interconnected to the customer's premise loads:

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a. Net metering will be accomplished with a Billing Meter and a Production Meter.

b. The Billing Meter is furnished and owned by the Cooperative. The cost for the Billing Meter is included in the customer's monthly customer service charge.

c. At its own expense, the customer must install a Production Meter to measure the electricity produced by the net metering system. The customer shall pay the Cooperative $160.80 for the Production Meter which includes the cost of the meter and its installation. The Cooperative will own the Production Meter. The customer will be responsible for owning and installing the appropriate meter socket and associated wiring in accordance with the Cooperative's standards and at an accessible outside location. Typically the Production Meter is located near the net metering disconnect and within reasonable proximity of the existing meter. The customer is encouraged to consult with the Cooperative as to meter location.

Individual Net Metering System Billing

For customers who elect to wire net metering systems such that they offset consumption on the Billing Meter, the meter establishes billing determinants for the customer's bill based on the rate schedule for the customer. At the end of the billing period, the Cooperative shall net electricity produced with electricity consumed.

a. If electricity consumed by the customer exceeds the electricity produced by the net metering system, the customer must be billed the difference, net of any credit accumulated in the preceding 12 months. Credits may not be applied to Non-Bypassable Charges.

b. If the electricity produced by the net metering system exceeds the electricity consumed, the excess generation must be monetized at the Blended Residential Rate. The monetized credit applies to all charges on the bill EXCEPT Non-Bypassable Charges.

c. For the first 10 years after the system is commissioned, any zero or positive siting or REC adjustor set forth in the net metering facility's CPG is multiplied by the kWh from the Production Meter and applied to the bill as a credit. For example, the $0.01/ kWh siting adjustor for net metering systems 15 kW or less will result in such systems receiving a bill credit of $0.01/kWh multiplied by all kWh on the Production Meter.

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d. Any negative siting or REC adjustor set forth in the net metering facility's CPG is multiplied by the kWh from the Production Meter and applied to the bill as an additional charge. For example, the -$0.04/kWh REC adjustor for net metering systems that retain their RECs will result in such systems receiving a bill charge of $0.04/kWh multiplied by all kWh on the Production Meter,

e. If credits remain after being applied to all charges except for Non-Bypassable Charges, such credits must be tracked, applied, or carried forward on customer bills, as described in Section A.4.

Group Net Metering System Billing for Systems Not Directly Interconnected:

For customers who elect to wire group net metering systems such that they offset consumption on the Billing Meter, the Billing Meter establishes the billing determinants for the customer's bill based on the rate schedule for the customer.

At the end of the billing period, the electric company must net electricity produced with electricity consumed on the generation account.

a. If electricity consumed by the customer exceeds the electricity produced by the net metering system, the customer will be billed the difference, net of any credit accumulated in the preceding 12 months. Credits may not be applied to Non-Bypassable Charges.

b. If the electricity produced by the net metering system exceeds the electricity consumed, the excess generation in kWh allocated to group members in the manner designated by the Group. Allocated kWh are monetized at the Blended Residential Rate. The monetized credit applies to all charges on the bill EXCEPT Non-Bypassable Charges.

c. For the first 10 years after the system is commissioned, any zero or positive siting or REC adjustor set forth in the net metering facility's CPG is multiplied by the kWh from the Production Meter, allocated to the group members and applied to the bills as credits. For example, the $0.02/kwh siting adjustor for net metering systems l5 kW or less will result in such systems receiving a bill credit of $0.02/kWh multiplied by all allocated kWh from the Production Meter.

d. Any negative siting or REC adjustor set forth in the net metering facility's CPG is multiplied by the kWh from the Production Meter, allocated to the group members, and applied to the bills as additional charges. For example, the negative $0.04/kWh REC adjustor for net metering systems that retain their RECs will

result in such systems receiving a bill charge of $0.04/kWh multiplied by all allocated kWh from the Production Meter.

e. If credits remain on group members' bills after being applied to all charges on the bills not identified as Non-Bypassable Charges, such credits must be tracked, applied, or carried forward on group member bills, as described in Section A.4.

Group Net Metering System Billing for Systems Directly Interconnected:

For customers who elect to wire group net metering systems such that the generation is directly connected to the utility grid and does not also offset any customer's Billing Meter, the electricity produced by the net metering system must be allocated to the group members and monetized at the Blended Residential Rate. The monetized credit applies to all charges on the bill not identified as Non-Bypassable Charges. For the first 10 years after the system is commissioned, any zero or positive siting or REC adjustor set forth in the net metering facility's CPG is multiplied by the kWh from the Production Meter, allocated to the group members, and applied to the bills as credits. For example, the $0.02/kWh siting adjustor for net metering systems 15 kW or less will result in such systems receiving a bill credit of $0.02/kWh multiplied by all allocated kWh from the Production Meter.

a. Any negative siting or REC adjustor set forth in the net metering facility's CPG is multiplied by the kWh from the Production Meter, allocated to the group members, and applied to the bills as additional charges. For example, the negative $0.04/kWh REC adjustor for net metering systems that retain their RECs will result in such systems receiving a bill charge of $0.04/kWh multiplied by all allocated kWh from the Production Meter.

b. If credits remain on group members' bills after being applied to all charges on the bills except Non-Bypassable Charges, such credits must be tracked, applied, or carried forward on group member bills, as described in Section A.4.

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TERMS AND CONDITIONS APPLICABLE TO POST-DECEMBER 31, 2016 SYSTEMS

4. CHARGES/ENERGY EFFICIENCY AUDITS

Non-Bypassable Charges may not be offset using current or previous net metering credits. A customer is liable for payment of these charges regardless of whether the customer has a credit balance resulting from net metering. These Non-Bypassable Charges include:

a. The customer charge,
b. The energy efficiency charge,
c. Any on-bill financing payment, and
d. Any equipment rental charges.

The Cooperative will charge a one-time establishment fee for all net metering systems installed after January 1, 2017, as follows:

Establishment Fees for Net Metering Systems	
Single-member systems and Group Systems having up to 3 accounts	$ 33.00
Group Systems having 4-15 accounts	$ 66.00
Group Systems having greater than 15 accounts	$ 132.00

The Cooperative may require energy efficiency audits for customers seeking to install and operate a net metering system if they are 1) residential customer with historic energy consumption of 750 kWh or more per month; or 2) a commercial or industrial customer.