

TRI-COUNTY ELECTRIC COOPERATIVE, INC.
SECTION III – Members & Consumers
Policy 341.5

DISTRIBUTED GENERATION AND COOPERATIVE CREDIT FOR EXCESS MEMBER-OWNED, MEMBER-GENERATED ELECTRIC ENERGY

I. POLICY

To provide members generating electric energy utilizing an eligible renewable electric generating facility (EREGF), as defined below, 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 Southern Illinois Power Cooperative (SIPC).

II. RESPONSIBILITY

General Manager and Staff

III. PROCEDURE

A. DEFINITIONS

1. **Annual Period** means a twelve-month period commencing on the first day of the billing period in which the connected operation of the EREGF of an eligible member commences and ending on the last day of the twelfth billing period thereafter.
2. **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.
3. **Eligible member** means a cooperative member in good standing with the cooperative that owns and operates an EREGF where the EREGF is located at and associated with the cooperative member's specified service metering point and is intended primarily to offset that cooperative member's own electric energy requirements at that specified service metering point. An eligible member shall not be receiving service on Rate Schedule 7, but will be allowed to change to Rate Schedule 1 in order to become an eligible member.
4. **Eligible renewable electric 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 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 waste or anaerobic digestion of food processing waste, fuel cells powered by renewable fuels or microturbines powered by renewable fuels, or hydroelectric energy.
5. **Net metering** means the measurement, during the billing period applicable to an eligible member, of the 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.

6. **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.
7. **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.
8. **Southern Illinois Power Cooperative (SIPC)** is 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.
9. **Avoided Distribution Capacity Cost Savings** means any capacity savings realized by TCEC due to the operation of an EREGF during TCEC's coincidental peak with SIPC during an applicable billing period. The savings will be calculated as the weighted average for an annual period and will be credited on a per kwh basis.
10. **Avoided Distribution System Losses** means any distribution line losses that are avoided due to the operation of an EREGF during an applicable billing period. Savings will be based off of TCEC's weighted annual average distribution line losses and will be credited on a per kWh basis.

B. APPLICABILITY

This cooperative credit for excess member-owned, member-generated electric energy policy applies to eligible members that choose to interconnect their EREGF to the member's low-voltage electric premises wiring associated with a specified service metering point.

C. PROVISIONS

1. The eligible cooperative member shall first comply with the provisions of the cooperative's Policy 340 Interconnection and Parallel Operation of Distributed Generation.
2. The cooperative will install and maintain metering equipment capable of measuring the flow of electricity both into and out of the customer's facility at the same rate and ratio. If member's existing meter is not capable of meeting all requirements, or if the customer requests an additional meter, the cost of installing and maintaining same shall be paid by the member.
3. For EREGFs with a nameplate rating up to 40 KW, the cooperative shall compensate or credit the eligible member for any metered excess kilowatt-hours of electric energy delivered to the cooperative at a rate equal to the per kilowatt-hour energy charge as shown on the applicable month's SIPC power bill plus any avoided distribution capacity and system loss savings.
4. For EREGFs with a nameplate rating 40 KW and above, consistent with the cooperative's full-requirements power supply contract with Southern Illinois Power Cooperative (SIPC), the purchase of capacity and energy from the customer's renewable energy generating will be made by SIPC.
5. All renewable energy credits, greenhouse gas emission credits and renewable energy attributes related to any electricity produced by the EREGF and purchased by the cooperative shall be treated as owned by the eligible member.

6. The cooperative provided net metering to eligible members until the date the load of its net metering members equaled 1% of cooperative's total peak demand during the previous calendar year. This occurred in November 2020. Members that were billed under net metering at the time the cooperative reached the 1% level were allowed to remain under net metering for a period of five (5) years through November 2025 usage. The cooperative shall measure and charge or credit for the net electricity supplied to these cooperative members or provided by these cooperative members as follows:

a. 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 rate the eligible member would be charged if the member was not an eligible member.

b. If the eligible member is a net seller of electricity during the billing period, the cooperative will calculate a monetary credit for any metered excess kilowatt-hours of electric energy delivered to the cooperative at a rate equal to the per kilowatt-hour energy charge as shown on the applicable month's SIPC power bill plus any avoided distribution capacity and system loss savings, and apply such credit against only the electric energy charges derived specifically from the consumption of electric energy measured in units of kilowatt hours as denoted on a subsequent bill for service to the eligible member. The cooperative shall continue to carry over any unused amount of such credits and apply those credits to subsequent billing periods to offset only any electric energy-related charges derived specifically from the consumption of electric energy measured in units of kilowatt-hours due from the eligible member as denoted in the billing for those subsequent billing periods until all credits are used or until the end of the annual period, whichever occurs first.

c. At the end of the annual period that service is supplied by means of net metering, or in the event that the eligible member terminates service with the cooperative during an annual period, any remaining credits in the member's account shall expire and no credit or payment shall be due to the member for such expired credits.

d. Any credit 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 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 unitized charges per kilowatt hour, including, but not limited to, basic services charges or service availability charges.

Following the five-year period, the cooperative shall compensate or credit the member for any metered excess kilowatt-hours of electric energy delivered to the cooperative the same as EREGFs installed after the 1% threshold was reached.

8. 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 deemed null and void.

I have read and understand Policy 341.5, Distributed Generation and Cooperative Credit for Excess Member-Owned, Member-Generated Electric Energy.

Signature

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