

MENARD ELECTRIC COOPERATIVE

POLICY MANUAL

SECTION IV – Operating Rules for Cooperative Members

50.1 NET BILLING OF EXCESS MEMBER-GENERATED ELECTRIC ENERGY

A) Objective

To provide a net billing settlement mechanism for members generating electric energy utilizing an eligible small distributed generation (Small DG) facility, as defined below, which provides a bill credit from the cooperative to the member for excess electric energy produced by the Small DG 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 #510 (Small Distributed Generation Facilities Incentive). This policy does not provide for physical interconnection and parallel operations requirements of a Small DG facility. See the Interconnection and Parallel Operation of Distributed Generation policy for such provisions.

B) Definitions

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 a Small DG facility located at and associated with the member's single specified service metering point.

Small Distributed Generation Facility (Small DG) means one or more electricity production resource(s) owned by a Cooperative member and located at and associated with the Cooperative member's single specified service metering point which meets all of the following criteria: (i) such resource(s) produce electric energy using biomass, waste, and renewable resource(s) including wind, solar and water, and (ii) the total combined Nameplate Rating for such resource(s) at the single specified service metering point is less than or equal to 100 kilowatts, and (iii) such resource(s) are intended primarily to offset the member's own electrical requirements, as determined by a calculation to ensure the total combined Nameplate Rating for such resource(s) shall offset no more than 110% of the Eligible Member's actual load over the most recent 12 months, however if 12 months of actual data is not available, the estimated average amount of load used by similar members during the same 12-month period will be utilized, and (iv) such resource(s) are not taking service pursuant to Rider NM or in accordance with Cooperative Policy #IV.49 for Interconnection of and Service to Qualifying Facilities under PURPA.

Nameplate Rating means the maximum electric energy production capability of resource(s) located at and associated with a single specified service metering point, as stated in terms of alternate current (AC) kilowatts after any power inverter device(s).

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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 the Cooperative obtains its supply of electricity in accordance with a wholesale power contract.

C) Applicability

This policy applies to an Eligible Member who applies for and is approved to interconnect a Small DG facility to the Eligible Member's low-voltage electric premises wiring associated with a single specified service metering point.

D) 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 a Small DG facility to, and the operation of such Small DG facility on, the member's low-voltage electric premises wiring associated with the single specified service metering point.
- 2) The cooperative's retail service meter serving the Eligible Member's single specified service metering point where the Small DG facility is located shall remain in place and be capable of measuring, aggregating and retaining the flow of electricity both into and out of the metering point. If the existing retail service meter serving the Eligible Member's single 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 such meter 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 Small DG facility and the Eligible Member's single specified service metering point for purposes of assuring compliance with this policy in relation to the Nameplate Rating of the Small DG facility.
- 3) For an Eligible Member with a Small DG facility, the cooperative shall measure, charge and credit the Eligible Member for the electric energy respectively delivered to and received from the single specified service metering point as follows:
 - a) The Cooperative will charge the Eligible Member for the aggregated electric energy delivered to and used by the member during the Billing Period as reflected by the Delivered retail service meter register. The rate for delivered energy charges shall be in accordance with the Rate Class of the Eligible Member.

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- b) The Cooperative will calculate and apply a bill credit for the aggregated electric energy received from the Eligible Member during the Billing Period as reflected by the Received retail service meter register. The rate for received energy credits shall be in accordance with the On-peak Energy Charge Rate stipulated in the wholesale power contract and established annually by PPI, effective each calendar year on January 1st.
 - c) In the event the single specified service meter registers a flow of excess electric energy out of the metering point in an amount greater than 100 kilowatt-hours during any clock-hour in the Billing Period, the volume of excess electric energy incorporated into the aggregated service meter register calculation for the Billing Period shall be 100 kilowatt-hours for that clock-hour, rather than a greater amount.
 - d) Any bill credit derived from the aggregated flow of excess electric energy received from the Eligible Member during a Billing Period shall be applied to: (a) all charges associated with electric energy delivered to the member during the same Billing Period, including delivered energy charges, demand charges, power adjustment charges, taxes and fees, and (b) other charges applied 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, lighting charges and facility charges.
- 4) Any upgrades or modifications to the installed Small DG facility which cause the total combined Nameplate Rating for such resource(s) at the single specified service metering point to be more than 100 kilowatts shall disqualify the member as an Eligible Member for Net Billing under this policy.
 - 5) Any actual energy consumption revision experienced by the Eligible Member over the most recent 12-month period which cause the total combined Nameplate Rating for such resource(s) to offset more than 110% of the member's actual load over the same 12-month period shall disqualify the member as an Eligible Member for Net Billing under this policy.
 - 6) All renewable energy credits, greenhouse gas emission credits and renewable energy attributes related to any electricity produced by the Eligible Member's Small DG facility shall be treated as owned by the Eligible Member.

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- 7) The cooperative shall make available Net Billing to Eligible Members until December 31, 2023, unless terminated earlier due to actions taken by PPI. On or before December 31, 2022, the cooperative shall review this policy and associated rate Rider(s) to decide whether to extend, modify, or allow the Net Billing settlement mechanism to expire.
- 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 03-23-2021