

Jo-Carroll Energy, Inc. (NFP)
Administrative Policy

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SUBJECT: Net Metering and Avoided Cost Policy (For Accounts between August 24, 2016 and March 31, 2025)

I. OBJECTIVE

It is the objective of this policy to encourage member investment in renewable energy resources, comply with the Public Utility Regulatory Policies Act (PURPA), enhance the continued diversification of Illinois' energy resource mix and protect the Illinois environment through the use of renewable fuel sources 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).

II. DEFINITIONS

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 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 (kilowatt-hours). 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.

Hourly Marginal Electricity Value (HMEV) means the hourly integrated MISO Day Ahead or Real-Time Locational Marginal Price for electric energy at the applicable power supplier's Commercial Pricing (CP) Node.

Avoided Total Costs means the total avoided system energy and new capacity costs (and not the average embedded system cost of capacity) or the avoided cost of a capacity purchase which result from the purchase of energy and capacity from an eligible renewable electrical generating facility.

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 an electric Cooperative member that owns or operates a solar, wind, or other eligible renewable electrical generating facility with a rated capacity of not more than 40 kW that is located on the member's premises and is intended primarily to offset the member's own electrical requirements.

Eligible Renewable Electrical Generating Facility (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. For purposes of this policy, an EREGF with a nameplate rating of 20 kW or less is governed by the provisions of Article IV (D). An EREGF with a nameplate rating of more than 20 kW up to 40 kW is governed by the provisions of Article IV (E).

Nameplate Rating means the maximum AC rating of the EREGF.

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Net Electricity Metering (or “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.

Time of Use means any contract or tariff under which the kWh price for electric power and energy supply is not uniform over all of the hours in a billing period.

III. APPLICABILITY

This net metering policy applies to eligible electric Cooperative members that choose to interconnect their eligible renewable electrical generating facilities with the Cooperative’s distribution system and operate same in parallel with the Cooperative system prior to March 31st, 2025. New service applications received prior to March 31st, 2025, and not connected within 60-days of approval, and applications received after the same date shall only be eligible for Avoided Cost rates.

IV. POLICY PROVISIONS

- A. The eligible Cooperative member shall first comply with the provisions of the Cooperative’s Administrative Policy 318 - Interconnection and Parallel Operation of Distributed Generation and Board Policy 136.2 – Net Metering and Avoided Cost.
- 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 the 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. For EREGFs with a nameplate rating of 20 kW and below and subject to Article IV (A)., the Cooperative shall measure and charge or credit for the net electricity supplied to eligible Cooperative members or provided by eligible Cooperative members as follows:
 - 1. For eligible members whose electric delivery service is provided and measured on a kilowatt-hour basis and electric supply service is not provided based on hourly pricing (time of use).
 - 1.1 The cooperative shall determine whether the member is a net purchaser of electricity or a net seller of electricity during the billing period.
 - 1.2 If a member is a net purchaser of electricity during the billing period, the cooperative shall assess charges on the net amount purchased at the tariffed or contract rate, as appropriate, under which the member is taking service from the Cooperative. The tariffed or contract rates for both electric supply and delivery supply shall be non-discriminatory rates that are identical, with respect to rate structure, retail rate components, and any monthly charges, to the rates that the member would be charged if not a net metering member.

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- 1.3 If a member is a net seller of electricity during the billing period, the member shall receive a 1:1 kilowatt-hour credit from the Cooperative that is equal to the net kilowatt-hours supplied by the member during the billing period.
- 1.4 Any credits received by the member will be carried over to subsequent billing periods. Unused credits will expire either at the end of the annual period or at the time in which the member terminates service from the Cooperative. The annual period shall default to ending in April of each year; however, a member may elect an annual period ending November. Once selected, the member may not change their election for a minimum of 18 months from last change in billing period.
- 1.5 Members remain responsible for all taxes, fees, and facilities charges that would otherwise be applicable to the net amount of electricity used by the member. The 1:1 kilo-watt hour credits received, per D.1.1.3, are not permitted to offset these costs.

2. For eligible members whose electric delivery service is provided and measured on a kilowatt demand basis and electric supply service is not provided based on hourly pricing (time of use).

- 2.1 The cooperative shall determine whether the member is a net purchaser of electricity or a net seller of electricity during the billing period.
- 2.2 If the member is a net purchaser of electricity during the billing period, the Cooperative shall apply the applicable tariffed or contract rate, as applicable, to the net amount purchased.
- 2.3 If the member is a net seller of electricity, the Cooperative shall compensate the member for any excess kilowatt-hour credits at the Cooperatives avoided energy cost of electricity supply over the monthly period or as otherwise specified by the terms of a power-purchase agreement negotiated between the member and Cooperative or Cooperative's electricity supplier as allowed under Article IV (E). For purposes of calculating the member's electricity bill, any resulting credits may be used to offset other charges assessed by the electricity supplier.
- 2.4 Any credits received by the member will be carried over to subsequent billing periods. Unused credits will expire either at the end of the annual period or, at the time in which the member terminates service from the Cooperative. The annual period shall default to ending in April of each year; however, a member may elect an annual period ending November. Once selected, the member may not change their election for a minimum of 18 months from last change in billing period.
- 2.5 Members remain responsible for all taxes, fees, and facilities charges that would otherwise be applicable to the gross amount of electricity supplied to the member.

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D. For EREGFs with a nameplate rating over 20 kilowatts up to 40 kilowatts, subject to Article IV (A), including eligible members whose electric delivery service is provided and measured on a kilowatt demand basis and electric supply service is not provided based on hourly pricing (time of use), the Cooperative shall compensate the eligible member for any excess kilowatt-hour credits at the Cooperative's avoided energy cost of electricity supply over the monthly periods or as otherwise determined by the terms of a power purchase agreement negotiated between the member and Cooperative. Alternative arrangements may include but are not limited to:

- monthly capacity fees representing capacity costs,
- net billing,
- time of use rates,
- facilities charge adjustments,
- stand-by rates,
- avoided total costs,

all of which should reflect the cost of providing power to the eligible member and does not discriminate between eligible members and members without eligible renewable electrical generation.

1. The Avoided Energy Cost calculation is the monthly average of the Hourly Marginal Electricity Value (HMEV) of the respective power supplier.
2. The cooperative shall determine whether the member is a net purchaser of electricity or a net seller of electricity during the billing period.
3. If the member is a net purchaser of electricity during the billing period, the Cooperative shall apply the applicable tariffed or contract rate, as applicable, to the net amount purchased.
4. If the member is a net seller of electricity, the Cooperative shall compensate the customer for any excess kilowatt-hour credits at the Cooperatives avoided energy cost of electricity supply over the monthly period or as otherwise specified by the terms of a power-purchase agreement negotiated between the member and Cooperative or Cooperative's electricity supplier as allowed under Article IV (E). For purposes of calculating the member's electricity bill, any resulting credits may be used to offset other charges assessed by the electricity supplier.
5. Any credits received by the member will be carried over to subsequent billing periods. Unused credits will expire either at the end of the annual period or, at the time in which the member terminates service from the Cooperative. The annual period shall default to ending in April of each year; however, a member may elect an annual period ending November. Once selected, the member may not change their election for a minimum of 18 months from last change in billing period.
6. Members remain responsible for all taxes, fees, and facilities charges that would otherwise be applicable to the gross amount of electricity supplied to the member.

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- E. The Cooperative shall address all other requests to interconnect qualifying facilities (QFs) according to the provisions of PURPA 1978 or its successor.
- F. All renewable energy credits, greenhouse gas emission credits and renewable energy attributes related to any electricity produced by the eligible renewable electrical generating facility and purchased by the Cooperative shall be treated as owned by the eligible member unless otherwise stated in a power purchase agreement or other arrangement allowed under Article IV (E).
- G. The Cooperative, at its sole discretion, shall make the determination whether or not to allow meter aggregation for purposes of net metering.
- H. The Cooperative shall provide net metering to eligible members until the accumulated nameplate capacity of all net metering members equals 5% of the annual average coincident peak demand supplied by the Cooperative during the previous year. The Cooperative may offer net metering beyond the 5% level at its discretion.

Section III. RESPONSIBILITIES

Implementation of the Policy. The President and CEO is responsible for implementing this policy.

Compliance with the Policy. The Legal Department and the other Department heads are responsible for assuring compliance with this policy.

Version History			
Version	Date	Revised By	Change Description
1	6/20/16	Staff	Adopted from Original Board Policy 136.2 Reduced maximum in Article IV D. and IV E. from 2 MW to 40 kilowatts. Added provision for installations >40 kilowatts. Defined Nameplate Rating.
2	06/21/18	Staff	Revise Numbering from Admin Policy 251 to Billing Policy 411
3	03/20/19	Board	Revise Section H. from 1% to 5% interconnection allocation
4	05/27/20	Board	Add November reset option for credit reset.
5	01/31/25	Board	Added the sunset of new Net Metering interconnects