

GreyStone Power Membership Corporation

Distributed Generation Policy

Approved June 1, 2008

**GREYSTONE POWER MEMBERSHIP CORPORATION
DISTRIBUTED GENERATION POLICY**

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GREYSTONE POWER MEMBERSHIP CORPORATION
DISTRIBUTED GENERATION POLICY

FOREWORD

GreyStone Power Membership Corporation (herein after referred to as “GreyStone Power” or the “Cooperative”) seeks to provide its members with the best electric service possible, and at the lowest cost consistent with sound economy and good management. In some cases, Cooperative members may become interested in installing their own electric power generation equipment. In these cases, GreyStone Power stands ready to work with its members to ensure that their generation equipment is installed in a proper and safe manner, and in accordance with all applicable codes, standards, regulations, laws and insurance requirements. In most of these cases, members will need to coordinate the installation and approval of their electric power generator with the local code inspection authority.

OBJECTIVES

This policy outlines the minimum requirements, from the system protection and operations perspective, for the connection of a member’s generator GreyStone Power’s distribution system. Such generators can be described by several different names such as distribution generator (DG), independent power producer (IPP), co-generator, or peak shaver. GreyStone Power will refer to all these as Distributed Generation (DG). DG as described in this policy is a source of electric power that is not directly connected to a bulk power transmission system, but is connected to the distribution system. DG includes rotating generators driven by steam turbine, internal combustion engines, hydro electric, windmills and photovoltaic panels (PV) with DC to AC inverter and energy storage technologies.

This policy is applicable only to distributed generation facilities defined herein. The interconnection of other DG to GreyStone Power’s distribution system will be addressed with each member on a case-by-case basis. This policy is not applicable to generation intended strictly for emergency backups, open transfer peak shaving, or any other stand-alone operations where DG is never tied directly with GreyStone Power’s distribution system.

This Distributed Generation Policy establishes the terms and conditions for the interconnection of distributed generation facilities and for providing net energy metering services.

A. Definitions

The following words and terms shall have the following meanings unless the context clearly indicates otherwise:

1. **“Billing period”** means, as to a particular member, the time period between the dates on which the Cooperative normally reads the retail service meter for billing purposes.
2. **“Bi-directional meter”** is a meter capable of measuring (but not necessarily displaying) electricity flow in both directions.
3. **“Bi-directional metering”** means measuring the amount of electricity supplied by the Cooperative and the amount of electricity fed back to the Cooperative by the member’s distributed generation facility using a single meter.
4. **“Member”** means a member of GreyStone Power.
5. **“Member generator”** means a member who is the owner and operator of a distributed generation facility.

6. **“Distributed generation facility”** means a facility owned and operated by a member of the Cooperative for the production of electrical energy that:
 - a. Uses a fuel cell or a renewable energy source;
 - b. Has peak generating capacity of not more than 10 kW for a residential application and 100 kW for a commercial application;
 - c. Is located on the member’s premises;
 - d. Operates in parallel with the Cooperative’s distribution facilities;
 - e. Is connected to the Cooperative’s distribution system on either side of the Cooperative’s retail service meter; and
 - f. Is intended primarily to offset part or all of the member generator’s requirements for electricity.
7. **“Excess net energy”** is the positive difference between the electricity generated by the member’s distributed generation facility and the electricity consumed by the member generator during the billing period.
8. **“Net metering member”** means a member generator receiving net metering service.
9. **“Net metering”** means measuring the difference, over the billing period, between electricity supplied to a member generator from the electric grid and the electricity generated and fed into the electric grid by the member generator, using a bi-directional meter or an additional single direction meter.
10. **“Renewable energy sources”** means energy supplied from technologies such as a solar photovoltaic system, wind turbine, biomass system, or other technologies approved in the Georgia Green Pricing Accreditation Program.

B. Application Process

A prospective member generator that intends to interconnect with the Cooperative’s distribution system must:

- (1) Submit a completed Application for Interconnection of Distributed Generation Facility (see Appendix A), including all attachments thereto, accompanied by payment of a \$100.00 application fee to the Cooperative at least forty-five (45) days prior to the date the member intends to interconnect the distributed generation facility to the Cooperative’s electric distribution facilities;
- (2) A representative from GreyStone Power will review the Application and notify the prospective member generator within thirty (30) days if the Application is approved or not approved. Any review or acceptance of the Application by the Cooperative shall not impose any liability on the Cooperative and does not guarantee the adequacy of the member generator’s equipment to perform its intended function. The Cooperative disclaims any expertise or special knowledge relating to the design or performance of the member’s distributed generation facility and does not warrant the efficiency, cost-effectiveness, safety, durability, or reliability of that distributed generation facility.

C. Requirements for Initial Interconnection

1. A member generator may begin operation of his distributed generation facility on an interconnected basis when:

- a. The Application Process set forth in Section B above has been completed;
- b. The member has executed the Distributed Generation Facility Interconnection Agreement with the Cooperative and is in compliance with all requirements set forth therein, including all applicable safety, power quality, and interconnection requirements established by the National Electric Code, National Electric Safety Code, the Institute of Electrical and Electronic Engineers, and Underwriters Laboratories. The Cooperative may adopt additional safety, power quality, and interconnection requirements.
- c. The member generator has paid to the Cooperative all applicable charges and fees set forth in the Distributed Generation Facility Interconnection Agreement.
- d. The member generator has made all payments required by and has otherwise complied with the conditions for extension or modification of the Cooperative's distribution system as may be determined herein and as set forth in the Cooperative's service rules and regulations.
- e. The member generator has submitted to the Cooperative a copy of the final, signed, jurisdictional approval (Permit) for the member's distributed generation facility from local government entity with jurisdiction over the member's distributed generation facility (generally the local building and inspection department).
- f. The Cooperative has provided the member generator with written authorization to begin parallel operation of his distributed generation facility.

D. Net Metering

The Cooperative will use either a single-directional or bi-directional meter depending upon how the distributed generation facility is connected to the distribution system. If the distributed generation facility is connected to the distribution system on the member generator's side of the retail service meter, the Cooperative will use a bi-directional meter for net metering. If the distributed generation facility is connected to the distribution system on the Cooperative's side of the retail service meter, the Cooperative will install an additional single directional meter for net metering at the member's expense.

E. Obligations to Purchase Excess Net Energy

When the electricity generated by the member generator's distributed generation facility exceeds the electricity supplied by the Cooperative during the billing period, the member generator shall receive payment for the excess net energy pursuant to the Cooperative's Net Metering Service, Rider NM-1. However, the Cooperative will only be required to purchase such energy from member generators on a first-come, first-served basis until the cumulative generating capacity of all the member generators' renewable energy resources equals 0.2 percent of the Cooperative's annual peak demand in the previous year.

F. Charges for Interconnection And Net Metering

The member generator shall be responsible for all costs of installing, operating and maintaining protective equipment and/or electrical facilities required to interconnect with the Cooperative's distribution system. The member generator shall be charged for the direct cost incurred by the Cooperative as a result of the interconnection and for providing net metering service. Said charges will be determined in accordance with the Cooperative's Net Metering Service, Rider NM-1.

GreyStone Power Membership Corporation
Distributed Generation Policy

Appendix A

**APPLICATION FOR
INTERCONNECTION OF
DISTRIBUTED GENERATION FACILITY**

GreyStone Power Membership Corporation
Application for Interconnection of Distributed Generation Facility

This application should be completed and returned to the GreyStone Power Corp. representative at least 30 days prior to the member's proposed interconnection date in order to begin processing the request. Members must not operate their distributed generation facilities in parallel with GreyStone Power's distribution system until they have received authorization from GreyStone Power. Unauthorized parallel operation of member's distributed generation facilities could result in injury to persons and/or damage to equipment or property.

GreyStone Power Contact: _____ Title: _____
Phone: _____ Email: _____ Fax _____

Member/Applicant Information

Name: _____
Address: _____
City: _____ County: _____ State: _____ Zip Code: _____
Phone Number: _____ Email Address: _____

Electrical Contractor (The system will be installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code and meet all local permitting guidelines.)

Company: _____
Address: _____
City: _____ State: _____ Zip Code _____
Licensed Electrician Name: _____ License# _____
Phone Number: _____ Email Address: _____

Generating Facility Information (supporting documentation/contractor invoice to be provided to GreyStone)

Solar Installer: _____
Contact Name: _____
Phone number: _____ Email: _____
Generator Manufacturer _____ Model Name and Number _____
Inverter Manufacturer _____ Type (string-micro-other) _____
Total Power Rating in Kilowatts: Direct Current (kW) _____ Alternating Current (kW) _____
Estimated Installation Date: _____

My below signature confirms that I am the owner of the property where the solar application is installed and accept responsibility for the accuracy of the above information. I have read GreyStone's Distributed Generation Policy. I also understand that the proper installation and performance of the solar application is the sole responsibility of me, the installing contractors, and the equipment manufacturers.

Signed: _____ Date _____
(Signature) (Please Print Name)

**GreyStone Power Membership Corporation
Distributed Generation Policy**

Appendix B

**DISTRIBUTED GENERATION FACILITY
INTERCONNECTION AGREEMENT**

GreyStone Power Membership Corporation

DISTRIBUTED GENERATION FACILITY INTERCONNECTION AGREEMENT

This Agreement made _____, 20____, between GreyStone Power Corporation (hereinafter called "Cooperative"), and _____ located at _____ (hereinafter called the "member generator"),

WITNESSETH:

WHEREAS, the Cooperative is an electric membership corporation providing retail electric service; and

WHEREAS, the member generator is a member of the Cooperative; and

WHEREAS, the member generator desires to install, own, operate and maintain a distributed generation facility as defined in the Cooperative's Distributed Generation Policy; and

WHEREAS, the member generator desires to interconnect with the Cooperative's electric distribution system (hereinafter called "System") of the Cooperative and has complied with the provisions for interconnection contained in the Cooperative's Distributed Generation Policy; and

WHEREAS, the member generator desires to operate its generation equipment in parallel with the Cooperative's System.

NOW THEREFORE, it is understood and agreed that the Cooperative shall permit the member generator to connect its generation system to the System and to operate its generation equipment in parallel with the System subject to the following terms and conditions:

1. COST OF INTERCONNECTION AND PROTECTIVE EQUIPMENT:

The member generator shall be responsible for all costs of installing, testing, operating and maintaining protective equipment and/or electrical facilities required to interconnect the member's generation equipment with the System and for providing net metering service.

2. OPERATING LIMITS:

Operation of member generator-owned parallel generating equipment shall not compromise the quality of electric service to other members on the System. The member generator's parallel generating equipment shall meet the following minimum requirements:

a) Voltage

The member generator shall be capable of operating its generating equipment at a voltage level of plus/minus 6% of nominal system voltage. Utility grade negative sequence/under-voltage relaying shall be used to trip the equipment off the line for negative excursions exceeding 8.25% of nominal for a maximum duration of six electrical cycles. Positive excursions exceeding 10% of nominal voltage shall cause the equipment to trip off line. Voltage regulating equipment shall maintain stable excitation levels with negligible hunting (less than 2% of nominal phase current).

b) Flicker

Parallel operation of the generating equipment shall not cause voltage flicker in excess of 2% of nominal line voltage as measured at the primary terminals of the member generator's generator interface transformer.

c) Frequency

While operating in parallel with the System, the member generator must provide a utility grade precision over/under frequency relay calibrated to trip for frequency excursions exceeding plus/minus 0.25 Hz for greater than 10 electrical cycles on a 60 Hz base.

d) Power Factor

Member generator-owned generation shall employ automatic means of reactive power regulation while operating in parallel with the System. The member generator's generating equipment shall be capable of operation within the range of 0.8 lagging to 0.8 leading power factor as required by the Cooperative.

e) Harmonics

Total current harmonic distortion shall not exceed 5.0%. Total voltage harmonic distortion shall not exceed 5.0%, with a limit of 3.0% on any individual harmonic. Special consideration will be given to regenerative drive systems and invertors reviewed on an individual case-by-case basis.

f) Stability

While operating in parallel with the System, the member generator's generating equipment shall maintain a stable output level with no noticeable hunting exhibited. In the event a system instability condition arises due to member generator-owned generation, it is the member generator's responsibility to take measures to rectify the source of instability.

3. GENERATOR INTERFACE TRANSFORMER:

The generator interface transformer is intended to provide isolation of the member generator's generating equipment from the System. The inherent impedance of the transformer will minimize the impact on the System due to faults originating at the member generator's generation equipment. This transformer may consist of an existing transformer serving the member generator's loads or a dedicated transformer dictated by generator or prevailing system characteristics. The Cooperative determines interface transformer specifications and the determination of ownership of said transformer shall be at the Cooperative's option.

4. GENERATOR PARALLELING BREAKER:

It is required that a generator-paralleling breaker be of draw-out construction, electrically operated, and rated as a five electrical cycle device for fault clearing or tripping.

5. SYNCHRONIZATION:

It is the member generator's responsibility to provide proper synchronizing of its parallel generating equipment. The Cooperative assumes no liability for any member generator-owned generation and assumes that the member generator operates its equipment at its own risk. Synchronizing equipment shall be capable of matching frequency within plus/minus 0.05 Hz and plus/minus 10 electrical degrees phase angle prior to paralleling breaker closure. Voltage shall be matched within plus/minus 4%.

6. SAFETY:

- a) Operation of member generator-owned generation equipment shall not present a safety hazard to the Cooperative employees or other members connected to the System or the public at large. Under no circumstances shall the member generator-owned generation be used or be capable of energizing a dead System circuit. A positive means of disconnecting and locking out the member generator-owned generation equipment with visible air-gap shall be provided to insure safety of Cooperative operating personnel during line maintenance. This

disconnecting means may be via a lockable air-break disconnect or by a lockable drawout circuit breaker. Islanding of the member generator-owned generation (a situation whereby the member generator's loads and generation remains connected to the bus) shall be prevented by protective relaying specified by the Cooperative based on individual review of the member generator's proposed generating system.

- b) It is not the intent of this document to specify protection of the member generator's generator. Protection of the member generator's generating equipment is the responsibility of the member generator and the Cooperative assumes no liability for damage or failure of the member generator's generation equipment.
- c) The member generator must provide verification that a qualified independent electrical engineer licensed to practice in Georgia has certified that the required manual disconnect switch has been installed properly; that the distributed generation facility has been installed in accordance with the manufacturer's specifications; and that the installation meets all applicable safety, power quality, and interconnection requirements established by the National Electrical Code, the National Electrical Safety Code and the Institute of Electrical and Electronics Engineers;
- d) The member generator must provide verification that the vendor has certified that the distributed generation facility which has been installed is in compliance with the requirements established by Underwriters Laboratories or other national testing laboratories;
- e) Prior to the initial interconnection of the member generators' distributed generation facility to the Cooperative's distribution system, the member generator will submit to the Cooperative a copy of the signed jurisdictional approval (PERMIT) for member generator's distributed generation facility from the local government entity with jurisdiction over the member generator's distributed generation facility (generally the local building and inspections department).
- f) In the case of static inverter-connected renewable fuel generators with an alternating current capacity in excess of 10 kilowatts, the member generator must have the inverter settings inspected by the Cooperative. The Cooperative may impose a fee on the member generator of no more than \$50 for such inspection;
- g) In the case of non-static inverter-connected renewable fuel generators, the member generator must interconnect according to the Cooperative's interconnection guidelines and the Cooperative must inspect all protective equipment settings. The Cooperative may impose a fee on the member generator of no more than \$50 for such inspection.

7. LIMITATION OF LIABILITY AND INDEMNIFICATION:

Notwithstanding any other provision in this Agreement, with respect to the Cooperative's provision of electric service to member generator and the services provided by the Cooperative pursuant to this Agreement, the Cooperative's liability to member generator shall be limited as set forth in accordance with this paragraph.

For the purposes of this Agreement, a Force Majeure event is any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide protection against by exercising reasonable diligence, including the following events or circumstances, but only to the extent that they satisfy the preceding requirements: acts of war, public disorder, legal cease and desist orders, rebellion or insurrection; floods, hurricanes, earthquakes, lightning, storms or other natural calamities; explosions or fires; strikes, work stoppages or labor disputes; embargoes; and sabotage. If a

Force Majeure event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing and will keep the other Party informed on a continuing basis as to the scope and duration of the Force Majeure event. The affected Party will specify the circumstances of the Force Majeure event, its expected duration and the steps that the affected Party is taking to mitigate the effect of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement but will use reasonable efforts to resume its performance as soon as possible. ALL PROVISIONS NOTWITHSTANDING, IN NO EVENT SHALL THE COOPERATIVE BE LIABLE TO THE MEMBER GENERATOR FOR ANY INTEREST, LOSS OF ANTICIPATED REVENUE, EARNINGS, PROFITS, OR INCREASED EXPENSE OF OPERATIONS, LOSS BY REASON OF SHUTDOWN OR NON-OPERATION OF MEMBER GENERATOR'S PREMISES OR FACILITIES FOR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES ARISING OUT OF OR RELATED, IN WHOLE OR PART, TO THIS AGREEMENT. The Cooperative shall not be liable in any event for consequential damages.

The member generator shall assume all liability for and shall indemnify the Cooperative and its members, trustees, directors, officers, managers, employees, agents, representatives, affiliates, successors and assigns for and shall hold them harmless from and against any claims, losses, costs, and expenses of any kind or character to the extent that they result from the member generator's design, construction, installation, operation or maintenance of the Facilities or Interconnection Facilities. Such indemnity shall include, but is not limited to, financial responsibility for (a) monetary losses; (b) reasonable costs and expenses of defending an action or claim; (c) damages related to death or injury; (d) damages to property; and (e) damages for the disruption of business.

The Cooperative and member generator shall each be responsible for the safe installation, maintenance, repair and condition of their respective lines, wires, switches, or other equipment or property on their respective sides of the point where the electric energy first leaves the wires or facilities owned by the Cooperative and enters the wires or facilities provided by the member generator (the "Point of Interconnection"). The Cooperative does not assume any duty of inspecting the member generator's lines, wires, switches, or other equipment or property. The member generator assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith, at or beyond the Point of Interconnection.

8. INSURANCE:

The member generator agrees to take out and maintain throughout the term of this Agreement adequate liability insurance and, if applicable, worker's compensation and employer's liability, as required by law, covering all the member generator's employees or representatives who perform any obligations of the member generator set forth herein.

- a. The Cooperative shall be named as an Additional Insured on all the member generator's policies of insurance.
- b. A current certification of the member generator's insurance policies with the Cooperative being named as an Additional Insured must be on file with the Cooperative at all times. The policies of insurance shall be in such form and issued by such insurer as shall be satisfactory to the Cooperative. The member generator shall furnish the Cooperative a certificate evidencing compliance with the foregoing requirements within the first 30 days of each insurance policy renewal term, and shall provide not less than 30 days prior written notice to the Cooperative of any cancellation or material change in the insurance

9. TESTING:

The member generator shall retain a qualified independent electrical engineer licensed to practice in Georgia to maintain and annually test system protective relaying for the member generator's generating equipment. Upon demand, the member generator shall produce records of testing and relay setting sheets for review by the Cooperative.

The member generator shall verify proper tripping and lockout of the generator system for all defined faults as determined by the Cooperative during final review of system relay requirements. Failure to maintain records will be grounds for refusal of permission to operate parallel generating equipment. Under no circumstances shall parallel generating equipment be operated with inoperative or defective protective relays. The Cooperative at the expense of the member generator will perform testing and maintenance of the inter-tie package.

10. ACCESS:

The Cooperative shall have access at all times to the member generator's premises for the purpose of metering reading and performing operations and maintenance activities. The Cooperative reserves the right, but not the obligation, to inspect the member generator's distributed generation facility.

11. COMPLIANCE PROCEDURE:

The Cooperative reserves the right to automatically or manually disconnect the member generator's distributed generation facility without prior notice whenever, at the Cooperative's sole discretion, the member generator is deemed by the Cooperative to not be in compliance with the minimum interconnection requirements as specified via this Agreement. The interconnection will remain open until corrective action is taken and suitable testing is completed.

12. INTERCONNECTION AND NET METERING CHARGES:

The Cooperative shall install, own and operate metering equipment that it deems necessary to permit an accurate determination of the quantity of energy delivered by the Cooperative to the member generator and the quantity of energy generated and delivered by the member generator to the Cooperative's distribution system. The member generator shall pay the Cooperative for the costs incurred by the Cooperative to provide the interconnection of the member generator's distributed generation facility to the Cooperative's distribution system and to provide net metering service, in accordance with the rates, terms and conditions of the Cooperative's Net Metering Service Rider NM-1 attached to and made a part of this Agreement.

13. TERM:

This Agreement shall become effective on the date first above written and shall remain in effect until terminated by either party giving to the other thirty (30) days' written notice; provided, however, the Cooperative may also terminate this Agreement by giving thirty (30) days' written notice to the member generator upon any breach of this Agreement by the member generator or upon failure of the member generator's distributed generation facility to generate energy in parallel with the Cooperative's distribution system for six (6) consecutive months.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement all as of the day and year first above written.

ATTEST:

GreyStone Power

By: _____

Title

ATTEST:

Member Generator

By: _____

Title

GreyStone Power Membership Corporation
Distributed Generation Policy

Appendix C
NET METERING SERVICE
RIDER NM-1

**GREYSTONE POWER MEMBERSHIP CORPORATION
NET METERING SERVICE
RIDER NM-1**

A. PURPOSE

The purpose of this Rider is to establish the methods and procedures for determining credits, payments, and charges applicable to members of the Cooperative who own and operate a distributed generation facility as defined in the Cooperative's Distributed Generation Policy.

B. APPLICABILITY

This Rider applies to any member of the Cooperative owning and operating a distributed generation facility as defined in the Cooperative's Distributed Generation Policy. The capacity of a distributed generation facilities used by residential members shall not exceed 10 kW and the capacity of a distributed generation facility used by a commercial member shall not exceed 100 kW.

C. DEFINITIONS

The following words and terms shall have the following meanings unless the context clearly indicates otherwise:

1. "Billing period" means, as to a particular member, the time period between the dates on which the Cooperative normally reads the retail service meter for billing purposes.
2. "Bi-directional meter" is a meter capable of measuring (but not necessarily displaying) electricity flow in both directions.
3. "Bi-directional metering" means measuring the amount of electricity supplied by the Cooperative and the amount of electricity fed back to the Cooperative by the member's distributed generation facility using a single meter.
4. "Member" means a member of GreyStone Power.
5. "Member Generator" means the owner and operator of a distributed generation facility.
6. "Distributed generation facility" means a facility owned and operated by a member of the Cooperative for the production of electrical energy that:
 - a. Uses a fuel cell, or a renewable energy source;
 - b. Has peak generating capacity of not more than 10 kW for a residential application and 100 kW for a commercial application;
 - c. Is located on the member's premises;
 - d. Operates in parallel with the Cooperative's distribution facilities;
 - e. Is connected to the Cooperative's distribution system on either side of the Cooperative's retail service meter; and
 - f. Is intended primarily to offset part or all of the member generator's requirements for electricity.
7. "Excess net energy" is the positive difference between the electricity generated by the member's distributed generation facility and the electricity consumed by the member generator during the billing period.
8. "Fixed charge rate" shall be a percentage factor that includes components for the recovery of operations and maintenance expense, administrative and general expense, taxes, depreciation and the cost of capital which are all associated with owning and operating the utility plant necessary for interconnection and for the provision of net Metering pursuant to

this Rider. The fixed charge rate may be modified at any time by the Cooperative to reflect prevailing costs.

9. "Net metering member" means a member generator receiving net metering service.
10. "Net metering" means measuring the difference, over the billing period, between electricity supplied to a member generator from the electric grid and the electricity generated and fed into the electric grid by the member generator, using a single bi-directional meter or an additional single direction meter.
11. "Renewable energy sources" means energy supplied from technologies as a solar photovoltaic system, wind turbine, biomass system, or other technologies approved in the Georgia Green Pricing Accreditation Program.

D. CONDITIONS OF SERVICE

The Generator Member must have met all of the conditions of interconnection contained in the Cooperative's Distributed Generation Policy, including submittal of the Application for Interconnection of Distributed Generation Facility and the execution of the Distributed Generation Facility Interconnection Agreement.

E. TYPES OF NET METERING

Net Metering will be accomplished using bi-directional metering for distributed generation facilities interconnected on the member generator's side of the retail service meter or single directional metering for distributed generation facilities interconnected with the Cooperative's distribution system on the Cooperative's side of the retail service meter.

F. DISPOSITION OF ENERGY

If the electricity consumed by the member generator during the billing period exceeds the electricity generated by the member's distributed generation facility during the billing period, then all electricity generated by the member generation shall be deemed to have been used by the member generator. If the electricity generated by the member's distributed generation facility during the billing period exceeds the electricity consumed by the member generator, then such excess net energy shall be purchased by the Cooperative as provided under the Purchase Rate section of this Rider.

G. RATES AND CHARGES FOR NET METERING SERVICE

Each member generator shall be charged for electric service under that rate schedule which would otherwise be applicable if the member was not a member generator. In addition, each member generator shall pay a monthly service charge based upon the direct costs to the Cooperative associated with interconnecting the member's distributed generation facility and with the provision of and administration of net metering services. Said monthly service charge shall include the following:

1. A facilities charge based on the total cost of all facilities installed by the Cooperative, including transformers, protective devices, controls and monitoring equipment times the Cooperative's monthly fixed charge rate;
2. A facilities charge based on the total incremental cost of metering equipment times the Cooperative's monthly fixed charge rate; and
3. \$5.00 per month administrative charge.

H. PURCHASE RATE

The rate used to determine the dollar amount paid for net energy purchased by the Cooperative shall be based upon the Cooperative's avoided average annual cost of purchased power. The purchase rate as of the effective date of this Rider shown below is:

All kWh	\$0.060 per kWh
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The above-stated rate may be adjusted annually at the sole discretion of the Cooperative, to reflect the prevailing avoided average cost of purchased power.

The Cooperative will purchase energy from member generators on a first-come, first served basis only until the cumulative generating capacity of all the member generators' renewable resources equals 0.2 percent of the Cooperative's annual peak demand in the previous year.

I. TERM OF SERVICE

The term of service under this Rider shall be the same as that set forth in the Distributed Generation Facility Interconnection Agreement between the member generator and the Cooperative.

Effective: February 1, 2008

GREYSTONE POWER
NET METERING SERVICE RIDER
NM-1
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J. PURCHASE RATE

The rate used to determine the dollar amount paid for net energy purchased by the Cooperative shall be based upon the Cooperative's avoided average annual cost of purchased power. The purchase rate as of the effective date of this Rider shown below is:

All kWh	\$0.060 per kWh
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The above-stated rate may be adjusted annually at the sole discretion of the Cooperative, to reflect the prevailing avoided average cost of purchased power.

The Cooperative will purchase energy from member generators on a first-come, first served basis only until the cumulative generating capacity of all the member generators' renewable resources equals 0.2 percent of the Cooperative's annual peak demand in the previous year.

K. TERM OF SERVICE

The term of service under this Rider shall be the same as that set forth in the Distributed Generation Facility Interconnection Agreement between the member generator and the Cooperative.

Effective: February 1, 2008