



Policy No: 9.03
Title: Net Metering Policy
Date Adopted: December 17, 2013

SUBJECT: NET METERING

- I. OBJECTIVE: To establish policy to support the interconnection of Member owned equipment and facilities for renewable energy generation by a Member-Generator (Member-Generator) of San Miguel Power Association, Inc. (SMPA) under a net meter arrangement.
- II. POLICY: It shall be the policy of (SMPA) to:
 - A. Require the SMPA net metering application and agreement forms be completed, returned to SMPA, and approved by SMPA. SMPA interconnection agreements may be required as well.
 - B. The Member-Generator's facilities must have a rated capacity of 10 kW or less for residential installations or 25 kW or less for commercial installations as per Colorado net meter law.
 - C. Proposed net metering installations greater than the limits stated above must obtain approval from the SMPA Board of Directors as per Colorado net meter law. Approval of such installations, if granted, may include requirements beyond those set forth in this policy.
 - D. Any net meter facility must use a renewable resource such as solar, wind, biomass, hydro, geothermal or any other qualifying renewable resource, as defined by Colorado net meter law.
 - E. The Facility must be located on premises that are owned, leased or controlled by the Member-Generator.
 - F. All net metering facilities shall be installed primarily for the purpose of offsetting a part of or all of the energy requirements at that location. The facility shall **not** be used to offset or provide bill crediting for electric consumption at another location of the Member-Generator, or for any other member. (virtual net metering)
 - G. All net meter installations must meet all applicable requirements, regulations, policies, by-laws, and tariffs of SMPA and/or Tri-State Generation and Transmission Association, Inc, as well as any governmental rule, regulation, code, or statute that applies.

- H. The generating system or facilities used by the Member-Generator must meet all applicable safety and performance standards established by the National Electric Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), Underwriters Laboratory (UL), the National Electric Safety Code (NESC), applicable SMPA interconnection standards, rules, regulations, policies, by-laws, rates, and tariffs as in place and as amended from time to time subsequent, and any other applicable regulations or standards.
- I. When an inverter is used, the Member-Generator's facilities must use a "non-islanding" inverter that is listed with and in compliance with Underwriters Laboratory (UL) 1741 standard. Photovoltaic systems must be installed in compliance with the relevant NEC articles for Solar Photovoltaic Systems.
- J. An approved electrical inspection by the Authority Having Jurisdiction (AHJ) of the new service and/or net meter system is required to complete the net meter application process.
- K. For Facilities 25 kW and under, SMPA requires the Member-Generator to carry no less than three hundred thousand dollars (\$300,000) of liability insurance that provides for coverage of all risk liability for personal injuries (including death) and damage to property arising out of or caused by the Member-Generator's facilities. Insurance may be in the form of an existing insurance policy or an endorsement on an existing insurance policy
- L. The Member-Generator shall reimburse SMPA for costs resulting from interconnecting with the Member-Generator's facilities. The interconnection cost shall include all costs of connection, switching, transmission, distribution, safety provisions and administrative costs incurred by SMPA directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with the Member-Generator's facilities.
- M. Interconnection of a Member-Generator's facility will be permitted only after all of the requirements of SMPA are met, and only after written approval of the net meter application. This authorization cannot be issued until all interconnection costs are paid, and does not relieve the Member-Generator from the responsibility of installing, operating and maintaining the facilities in a responsible and safe manner. If in the opinion of SMPA, the Member-Generator fails to meet the requirements of SMPA, including subsequent operation of the facilities in a non-qualifying manner, SMPA will no longer be obligated to operate in parallel and may notify the Member-Generator to disconnect the facilities from SMPA's system. In the event the Member-Generator fails to immediately comply with a disconnect notice, SMPA reserves the right to make such disconnection including the termination of electric service if necessary.
- N. Should the Member-Generator desire to sell power to a person or entity outside the SMPA territory, SMPA will calculate the applicable wheeling charge for the energy based on the capacity and facilities required for such wheeling. The Member-

Generator will be responsible to negotiate with Tri-State, or other entity for wheeling across their facilities.

- O. Employees and authorized representatives of SMPA will have the right to enter the Member-Generator's property at any reasonable time to insure continued compliance with SMPA's safety and operating standards and the accuracy of its meters. Such inspection by SMPA shall not relieve the Member -Generator from the responsibility of installing, operating and maintaining the Member-Generator's facilities in a responsible and safe manner.
- P. Operation of the Member-Generator's facilities must not cause any reduction in the quality of service to other SMPA consumers nor interfere with the operation of SMPA's system. The Member-Generator shall be responsible for taking whatever corrective action may be required and/or reimbursing SMPA for the cost of corrective action which it deems necessary to restore service to prescribed limits.
- Q. The electrical characteristics of the Member-Generator's facilities shall conform with standards established by SMPA. The standards include voltage, current, frequency, harmonics, and automatic synchronization, etc. Wherever possible SMPA will base its standards on industry wide standards.
- R. A single meter capable of registering the flow of electricity in each direction (kWh received and kWh delivered) will be provided for net metering, at SMPA's expense. Energy that is put onto the system by a member-generator shall be subject to the following:
 - a. Monthly Excess Generation. If the member generates electricity in excess of the member's monthly consumption, all such excess energy shall be carried forward from month to month and credited on a one-for-one basis against member's energy consumption in subsequent months.
 - b. Annual Excess Generation. At the end of each annual period, defined as March 1, SMPA shall account for the Annual Excess Generation that has been accrued, if any. The Member-Generator must (not optional)carry forward to the subsequent year all Annual Excess Generation, up to 10,000 kWh. SMPA will pay for all Annual Excess Generation beyond this limit within 60 days of the end of the annual period at the Avoided Cost of Energy, as determined by SMPA.
 - c. Crediting and Payment. Bill crediting for energy that is put onto the system and payment for Annual Excess Generation shall only be made for qualified net meter accounts with a completed SMPA net metering agreement. Bill crediting will begin at the reading date immediately preceding the utility approval of the net metering agreement. In the case of a new account at a service with an existing net meter system, the bill crediting will begin at the opening of the new account so long as the new account owner completes and submits a new net metering agreement within 30 days of opening the account. If the net meter agreement is submitted after 30 days of opening the account, the bill crediting will begin at the reading date immediately preceding the utility approval of the net metering agreement.
 - d. When a net meter account is closed, or in any situation that SMPA should have to settle-up with a net metered account monetarily, any remaining Excess Generation

will be paid to the Member-Generator within 60 days at the Avoided Cost of Energy, as determined by SMPA.

- S. The Member-Generator must agree to assign all Renewable Energy Credits (RECs) produced by the facilities to SMPA for a period of ten (10) years from the utility approval date indicated on the net metering application. The Member-Generator will represent they will not claim the RECs produced for any purpose. After this period SMPA will continue to own all REC's produced by the system unless the owner of the system makes a written request to the SMPA Board of Directors for another arrangement, which would be considered by the SMPA Board at that time on a case by case basis.

- III. **RESPONSIBILITY:** It shall be the responsibility of the General Manager/CEO to see that this policy is implemented and followed.