

STOWE ELECTRIC DEPARTMENT

Tariff No. NM-I **Net Metering Tariff**

A. AVAILABILITY

This tariff shall apply to Stowe Electric Department (“SED”) customers who: (1) take service under another applicable SED tariff, (2) have received approval pursuant to 30 V.S.A. §§ 219a and 248 from the Vermont Public Service Board (“Board”) for an individual net metered system or a group net metered system as provided for in Board Rule 5.100, and (3) employ an eligible system to generate electricity primarily for their own use and which from time to time generates electricity in excess of the customer’s then current needs and is connected to deliver such excess electricity to SED’s distribution system. Customers must conform to all applicable requirements of 30 V.S.A. §§ 219a and 248 and to Vermont Public Service Board Orders, Rules, Regulations, or electrical safety, power quality, and interconnection requirements pertaining to self-generation of energy for net metering. This tariff provision shall not supersede any terms and conditions of any other tariff provision under which the customer takes service from SED, which other terms and conditions shall continue to apply.

B. CERTIFICATE OF PUBLIC GOOD

Any customer seeking to take service in accordance with this tariff shall be required to submit written registration or application for a Certificate of Public Good (“CPG”) under 30 V.S.A. §§ 219a and 248 to the Board on forms specified by the Board, follow all procedures specified in those forms, and obtain such CPG from the Board before connecting any eligible system to SED’s distribution system or to any portion of the member’s own electric system that is itself connected to SED’s electric distribution system.

A CPG for a net metering system is automatically transferred when the property with the net metering system is sold or otherwise conveyed. The new owner may commence net metering provided that the new owner: (1) agrees to operate and maintain the net metering system according to the terms and conditions of the CPG and in compliance with the Board Rule 5.100; and (2) files a transfer form provided by the Board with SED and the Board.

C. ENERGY MEASUREMENT FOR INDIVIDUAL NET-METERING SYSTEMS

SED shall measure the net electricity produced or consumed during each billing period. The customer must install a production meter to measure the electricity produced by the net-metering system. SED shall supply the additional meter. The cost

of the additional meter shall be borne by the customer in addition to the cost of all wiring and installation on the customer side of the consumption meter. All meters shall be installed in accordance with SED's standards and shall remain the property of SED.

If, at the end of a billing period, the electricity consumed by the customer exceeds the electricity produced by the net-metering system, the customer will be billed the difference, net of any credit accumulated in the preceding 12 months. Credits may not be applied to non-bypassable charges as identified in this tariff.

If the electricity produced by the net-metering system exceeds the electricity consumed, the excess generation will be monetized at the applicable blended residential rate as provided for in this tariff. The monetized credit applies to all charges on the bill not identified as non-bypassable in this tariff. If application to such charges does not use the entire balance of the credit, the remaining balance of the credit shall appear on the customer's bill. Any accumulated monetary credits shall be used by the customer within twelve (12) months. Any credits not used by the customer within 12 months shall revert to SED without any compensation to the individual net metering system customer. Accumulation of monetary credits shall not result in any financial payments to the customer.

For the first 10 years after the system is commissioned, any zero or positive siting or REC adjustor set forth in the net-metering facility's CPG will be multiplied by the kWh from the production meter and applied to the bill as a credit.

Any negative siting or REC adjustor set forth in the net metering facility's CPG will be multiplied by the kWh from the production meter and applied to the bill as an additional charge.

If credits remain after being applied to all charges not identified in this tariff as non-bypassable charges, such credits will be tracked, applied, or carried forward on customer bills.

D. GROUP NET-METERING SYSTEM REQUIREMENTS

In addition to any other requirements set forth in 30 V.S.A. §§ 248 and 8010, and any applicable Board Rules, a group must file the following information with SED before a group system may be formed and served by the utility:

1. The meters to be included in the group system, all of which must be located within SED's service territory.
2. The name and contact information for a designated person who is responsible for all communications from the group system to SED, save for communications related to billing, payment, and disconnection.

3. A process for adding and removing meters in the group and an allocation of any credits among the members of the group. This allocation may only be changed upon written notice to SED by the designated contact person.
4. A binding process for resolving disputes among the members of a group relating to the net-metering system.

Membership in Multiple Net-Metering Groups

Individual customer accounts may be enrolled only in one net-metering group at a time. Customers with multiple accounts may enroll each account in a separate net-metering group. The cumulative capacity of net-metering systems allocated to a single customer may not exceed 500 kW.

E. ENERGY MEASUREMENT FOR GROUP NET METERING SYSTEMS

For new group net metering systems that apply to receive service under this tariff after January 1, 2017, SED may require that all of the member meters be read on the same billing cycle.

The customer must install a production meter to measure the electricity produced by the net-metering system. SED shall supply the additional meter. The cost of the additional meter shall be borne by the customer in addition to the cost of all wiring and installation on the customer side of the consumption meter. All meters shall be installed in accordance with SED's standards and shall remain the property of SED.

Group Systems Not Directly Connected to SED's Grid

For customers who elect to wire group-net-metering systems such that they offset consumption on the billing meter, the billing meter establishes the billing determinants for the customer's bill based on the rate schedule for the customer. SED will measure the net electricity produced or consumed during each billing period. If the electricity consumed by the customer exceeds the electricity produced by the net-metering system, the customer will be billed the difference, net of any credit accumulated in the preceding 12 months. Except in the case of a pre-existing net metering system, credits may not be applied to non-bypassable charges as identified in this tariff.

If the electricity produced by the net-metering system exceeds the electricity consumed, the excess generation in kWh will be allocated to group members based on the percentage allocations specified to SED by the group. Allocated kWh will be monetized at the applicable blended residential rate identified in Section (F) of this tariff. The monetized credit will be applied to all charges on the customer's bill not identified as non-bypassable.

If application of the credit to such charges does not use the entire balance of the credit, the remaining balance of the credit shall appear on the customer's bill and will

be tracked, applied, or carried forward on group member bills. Any accumulated monetary credits shall be used by the customer within twelve (12) months or shall revert to SED without any compensation to the individual net metering system customer. Accumulation of monetary credits shall not result in any financial payments to the customer.

Group Systems Directly Connected to SED's Grid

For group net-metering systems where the generation is directly connected to SED's grid and does not also offset any customer's billing meter, the electricity produced by the net-metering system will be allocated to the group members and monetized at the applicable blended residential rate identified in Section (F) of this tariff. Except in the case of a pre-existing net metering systems, the monetized credit applies to all charges not identified as non-bypassable charges.

If application of the credit to such charges does not use the entire balance of the credit, the remaining balance of the credit shall appear on the customer's bill and will be tracked, applied, or carried forward on group member bills. Any accumulated monetary credits shall be used by the customer within twelve (12) months or shall revert to SED without any compensation to the individual net metering system customer. Accumulation of monetary credits shall not result in any financial payments

Application of Adjustors to All Group Net Metering Systems

For the first 10 years after the system is commissioned, any zero or positive siting or REC Adjustor set forth in the net-metering facility's CPG will be multiplied by the kWh from the production meter, allocated to the group members and applied to the bills as credits.

Any negative Siting or REC Adjustor set forth in the net-metering facility's CPG will be multiplied by the kWh from the production meter, allocated to the group members, and applied to customers' bills as additional charges.

F. NET-METERING SYSTEM CREDITS

An individual or group that owns and operates a net-metered system which is eligible for net metering under Rule 5.100 and has filed for a CPG pursuant to the rule not before January 1, 2017 shall be entitled to a credit as described in this section.

The REC and Siting Adjustors, as outlined below, are used to calculate the net-metering credit by multiplying the applicable Total Adjustor by the total kWh produced by a net metering system.

The REC Adjustor is determined according to whether the system applicant has

elected to either: (A) retain ownership of any Renewable Energy Credits (“RECs”) generated by the system; or (B) to transfer such RECs to SED. As defined by Board Rule 5.100, REC means all of the environmental attributes associated with a single unit of energy generated by a renewable energy source where: (1) Those attributes are transferred or recorded separately from that unit of energy; (2) The party claiming ownership of the REC has exclusive legal ownership of all of the attributes associated with that unit of energy; and (3) Exclusive legal ownership can be verified through an auditable contract path or pursuant to the system established and authorized by the Board, or any system for tracking and verifying ownership that is legally recognized in any state and approved by the Board.

This election to retain or transfer the RECs associated with a net-metering system is irrevocable. A zero or positive REC Adjustor applies for a period of 10 years from the date the system is commissioned; a negative REC adjustor applies in perpetuity. The REC Adjustor for transferring the RECs to SED will be 3 cents per kWh. The applicable REC adjustors are as follows:

- a) REC Adjustor (Transfer) = 3 cents per kWh;
- b) REC Adjustor (Retention) = negative 3 cents per kWh;
- c) Hydroelectric facilities net-metering under this tariff and PSB rule 5.100 are not subject to a REC Adjustor.

The Siting Adjustor is determined by evaluating whether the system qualifies as a Category I, Category II, Category III, Category IV, or hydroelectric facility as defined by PSB Rule 5.100.

- Category I – a net-metering system that is not a hydroelectric facility and has a capacity of 15 kW or less
- Category II – a net-metering system that is not a hydroelectric facility and has a capacity greater than 15 kW and less than or equal to 150 kW, and is sited on a preferred site
- Category III – a net-metering system that is not a hydroelectric facility, that has a capacity greater than 150 kW and less than or equal to 500 kW, and is sited on a preferred site
- Category IV – a net-metering system that is not a hydroelectric facility, that has a capacity greater than 15 kW and less than or equal to 150 kW, and that is not located on a preferred site.

Board Rule 5.100 provides a comprehensive definition of a “preferred site.” Some examples include a new or existing structure whose primary use is not the generation of electricity or providing support for the placement of equipment that generates electricity, a parking lot canopy over a paved parking lot, provided that

the location remains in use as a parking lot, land certified as a brownfield by the Secretary of Natural Resources, and a sanitary landfill. Refer to Board Rule 5.100 for a full list of “preferred sites” and their respective criteria.

A zero or positive Siting Adjustor applies for a period of 10 years from the date the system was commissioned. A negative Siting Adjustor applies in perpetuity. The applicable Siting Adjustors are as follows:

- a) Category I = 1 cent per kWh;
- b) Category II = 1 cent per kWh;
- c) Category III = negative 1 cent per kWh;
- d) Category IV = negative 3 cents per kWh;
- e) Hydroelectric facilities = 0 cents per kWh.

The REC Adjustor and Siting Adjustor for net-metering system will be combined to calculate the applicable Total Adjustor, as follows:

Net Metering Total Adjustor Table (per kWh)

	REC Transfer	REC Retention
Category I	\$ 0.04	Minus \$ 0.02
Category II	\$ 0.04	Minus \$ 0.02
Category III	\$ 0.02	Minus \$ 0.04
Category IV	\$ 0.00	Minus \$ 0.06
Hydro	\$ 0.00	\$ 0.00

As provided by Rule 5.100, generation from a net-metering system in excess of the electricity consumed by the customer will be monetized at the Blended Residential Rate. The applicable Blended Residential Rate under this tariff is \$0.14919/kWh. This value reflects the weighted statewide average of all electric company blended residential retail rates, as determined by the Public Service Board.

The following table shows the credit for each kWh of generation from a net metering system in excess of that which the customer consumes in a given billing period. The credit is calculated by adding the blended residential rate and the applicable REC and Siting Adjustors outlined above.

Net Metering Credit Table for Excess Generation

	REC Transfer	REC Retention
Category I	\$ 0.1892	\$ 0.1292
Category II	\$ 0.1892	\$ 0.1292
Category III	\$ 0.1692	\$ 0.1092
Category IV	\$ 0.1492	\$ 0.0892
Hydro	\$ 0.1492	\$ 0.1492

Non-Bypassable Charges

As defined by Board Rule 5.100, non-bypassable charges are those charges on the electric bill defined in SED’s tariffs that apply to a customer regardless of whether they net-meter or not. Non-bypassable charges may not be offset using current or previous net-metering credits. A customer is liable for payment of these charges regardless of whether the customer has a credit balance resulting from net-metering. The customer charge, energy efficiency charge, any applicable energy assistance program charge, any on-bill financing payment, and any equipment rental charge are non-bypassable charges.

G. PRE-EXISTING NET-METERING SYSTEM CREDITS

Systems eligible for treatment under this section must: (1) have a complete CPG application filed with the Public Service Board prior to January 1, 2017; and (2) the complete CPG application must have been filed at a time when the electric company was accepting net-metering systems pursuant to 30 V.S.A. § 219a(h)(1)(A) as the statute existed prior to January 1, 2017.

Customers using pre-existing solar net metering systems shall, for a period of 10 years from the date of the net-metering system’s commissioning, receive the incentive provided for in V.S.A. § 219a(h)(1)(K), as the statute existed on the date of the system’s commissioning. At the end of this 10-year period, for an additional 10 years, such customers using pre-existing net metering systems shall be credited for excess generation at the applicable Blended Residential Rate as calculated according to PSB Rule 5.100.

Also for a period of 10 years from the date that a pre-existing net metering system was commissioned, a customer using that net metering system may apply any accrued net metering credits to any bill charge irrespective of whether that charge is a non-

bypassable charge as defined in Section F of this tariff. After this 10 year period, net-metering credits may not be applied to non-bypassable charges as defined in this tariff.

Credits Applicable to Pre-Existing Solar Net Metering Systems (by Registration Date)

Before or on July 7, 2013:.....	\$0.02385
On or after July 8, 2013 and on or before November 14, 2014:.....	\$0.03001
On or after November 15, 2014 and on or before September 30, 2015:	
15 kW or less in capacity:.....	\$0.03890
Greater than 15kW in capacity:.....	\$0.02001
On or after October 1, 2015 to on or before December 31, 2016:	
15 kW or less in capacity:.....	\$0.03890
Greater than 15kW in capacity:.....	\$0.02890

Pre-existing net-metering systems are not subject to any Siting Adjustors or Renewable Energy Credit (“REC”) Adjustors as outlined in this tariff. Any RECs created by pre-existing net-metering systems will continue to be either retained by the customer or transferred to SED per the election made by the customer at the time of the application for its CPG, or shall be retained by the customer if such an election was not available when the customer applied for its CPG.

An existing group or customer may have more than 500 kW of pre-existing net-metering systems attributed to the group or customer if the net-metering arrangements resulting therein were requested prior to January 1, 2017.

A net-metering system will not be treated as pre-existing if it undergoes a major amendment after January 1, 2017, as defined in Board Rule 5.100. Minor amendments shall not affect a net-metering system’s status as pre-existing.

Pre-existing systems are not subject to Sections I (Energy Efficiency Audit) and J (Advanced Metering Infrastructure) of this tariff. Pre-existing systems are subject to all other sections of this tariff, save for the application of certain Adjustors and non-bypassable charges as outlined in Section C (Energy Measurement for Individual Net-Metering Systems) and E (Energy Measurement for Group Net-Metering Systems).

New net-metering systems that apply for a CPG on or after January 1, 2017 are subject to all provisions in this tariff save for those included in this Section G (Pre-

Existing Net-Metering System Credits).

H. INTERCONNECTION REQUIREMENTS

Board Rule 5.500 governs the connection of all net-metering systems. Any customer seeking to take service in accordance with this tariff will bear the costs of any equipment necessary to interconnect the net-metering system to SED's distribution grid and any distribution system upgrades necessary to ensure system stability and reliability.

I. ENERGY EFFICIENCY AUDIT

Any residential customer seeking to take new service in accordance with this tariff, with historic energy consumption of 750 kWh per month that is based upon the past two years average kWh consumption, or any commercial or industrial customer regardless of average use shall be required to obtain an Energy Efficiency Audit prior to submitting an application to the Public Service Board as outlined above.¹ The Energy Efficiency Audit may be provided by Efficiency Vermont or any other vendor/contractor approved by SED. The Energy Efficiency Audit must provide a summary of energy efficiency options, savings, and recommendations. The customer, at its discretion, shall decide whether or not to implement the recommendations. However, this requirement shall be waived by SED in the event that the customer can demonstrate that its home and/or building that is taking service under this tariff received a 5 Star energy efficiency rating or equivalent rating or conducted an Energy Efficiency Audit accepted by SED in the past ten years. In the event that SED approves an audit from someone other than Efficiency Vermont or consents to a waiver of the Efficiency Audit upon satisfaction of the criteria set forth above, SED shall provide such approval or waiver in writing. The customer shall provide such written approval, waiver, or evidence of the completed Efficiency Vermont audit in its application for a CPG prior to the installation of the net metering system.

J. ADVANCED METER INFRASTRUCTURE

Any customer seeking to take new service in accordance with this tariff must receive their service using an Advanced Metering Infrastructure (AMI) billing meter, also known as a "smart meter," to measure their consumption, which must be provided by SED. The customer must, at their own expense, also install a separate AMI meter to measure the production of a net metering system in order to obtain a Net Metering Credit. All meters shall be installed in accordance with

¹ In the event a new residential customer seeking to take service under this tariff does not have two years of prior usage history, prior usage shall be determined by reviewing prior historic usage of the customer of a minimum of two months or the historic usage of the preexisting property owner.

SED's standards and shall remain the property of SED.

K. DISCONNECTION OF NET METERED SYSTEM

The following procedures for permanent or temporary disconnection of a net-metering system do not supplant any applicable provisions from PSB regulations.

A customer who receives service under this tariff who initiates a permanent disconnection of a net-metering system must notify SED.

Emergency Disconnection

In the event that SED must perform an emergency disconnection of a net-metering system, SED will notify the customer within 24 hours after the disconnection. For the purposes of this section, "emergency" is defined as a situation where as continued interconnection of the net-metering system is imminently likely to result in significant disruption of service or endanger life or property.

If the emergency is caused by the operation of the net-metering system, SED will communicate the nature of the problem with the customer and attempt to resolve the problem. If the problem has not been resolved within 30 days of an emergency disconnection, SED will file a disconnection petition with the Board.

Non-emergency Disconnections

Non-emergency disconnections will follow the same procedure as stated above, except that, pursuant to Rule 5.131(D), SED will give written notice of the disconnection no earlier than 10 days and no later than 3 working days prior to the first date on which the disconnection of the net-metering system is scheduled to occur, or on terms arranged with the customer.

L. EFFECTIVE DATE:

Effective October 17, 2016.