#### **APPLICABLE:**

The following rules shall apply to Customers who: (1) take service under a rate within this electric service tariff, (2) have received approval pursuant to 30 V.S.A. Sections 248, 8002 and 8010 from the Vermont Public Service Board for an individual net metered system or a group net metered system as defined below after January 1, 2017, and (3) employ an eligible system (defined below) 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 the Company's distribution system. Customers must conform to all applicable requirements of 30 V.S.A. Sections 248, 8002 and 8010, 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.

The following rules shall also apply to Customers whose net metering system has completed a period of ten (10) years from the date of the net metering system's commissioning date and who: (1) have a complete certificate of public good application filed with the Board prior to January 1, 2017 and prior to the Company hitting the 15 percent cap, or (2) have a complete certificate of public good application meeting the requirements of the Company's published application qualification as outlined in Docket No. 8652 Order dated June 24, 2016.

This tariff provision shall not supersede any terms and conditions of any other tariff provision under which the Customer takes service from the Company, which other terms and conditions shall continue to apply.

#### CERTIFICATE OF PUBLIC GOOD:

Any Customer seeking to take service in accordance with this tariff provision shall be required to submit written application for a certificate of public good under 30 V.S.A. Sections 248, 8002 and 8010 to the Public Service Board on forms specified by the Board, follow all procedures specified in those forms, and obtain such a certificate from the Board before connecting any eligible system to the Company's distribution system or any portion of the Customer's own electric system that is itself connected to the Company's electric distribution system.

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A certificate of public good 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 certificate of public good and in compliance with Board Rule 5.100 and; (2) files a transfer form provided by the Board with the Company and the Board.

Customers may participate in the review of applications for certificates of public good by following the procedures outlined in sections 5.113 through 5.123 of Board Rule 5.100.

### INDIVIDUAL NET METERING SYSTEM:

- 1) Definition: An eligible individual net metering system is defined as a facility for generation of electricity that is no more than 500 kW capacity; operated in parallel with facilities of the Company's distribution system; is intended primarily to offset part or all of the Customer's own electricity requirements and employs a renewable energy source produced using a technology that relies on a resource that is being consumed at a harvest rate at or below its natural regeneration rate pursuant to 30 V.S.A. Section 8002(21) or is a qualified micro-combined heat and power system with a capacity up to 20 kW that meets the definition of a combined heat and power facility under 30 V.S.A. Section 8015(b)(2). The Customer shall be responsible for the maintenance, safety and condition of the eligible system.
- 2) Energy Measurement: The Company shall measure the net electricity produced or consumed during each billing period via the Customer's billing meter. The Company shall supply an additional meter at a cost to the Customer of \$110 for the purpose of measuring gross generation. The meter shall be installed in accordance with the Company's standards and shall be the property of the Company. Such additional meter shall be accessible to the Company at all reasonable times, and shall not be removed or otherwise disturbed by the Customer without advance written notice to and permission from the Company. Such additional meter shall be located in reasonable proximity to the existing billing meter and subject to testing by the Company at any time at the Company's own expense upon reasonable advance written notice to the Customer. Customers are required to utilize the Company's advanced metering for all net metering and may not opt-out.

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If, at the end of a billing period, the electricity generated and fed back to the distribution system by the Customer exceeds the electricity supplied by the Company, then the Company shall calculate a monetary credit to the Customer by \$0.14840 per kWh. The Company shall apply the monetized credit to any remaining eligible charges on the Customer's electric bill for that period. 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 months or shall revert to the Company without any compensation to the individual net metering system Customer. Accumulation of monetary credits shall not result in any financial payments to the Customer. Monetary credits created by net metering shall not be transferred to other accounts. When the net metering system is served via a time-of-use rate class and more generation is produced within a time period than was consumed in that time period, then the excess kWh generation shall be used to offset any net kWh consumption in any other time period within the billing period prior to the monetization calculation.

If, at the end of a billing period, the electricity supplied by the Company exceeds the electricity generated and fed back to the distribution system by the Customer during the billing period, then the Customer shall be billed for the net electricity supplied by the Company. When the net metering system is served via a time-of-use rate class and more generation is produced within a time period than was consumed in that time period, then the excess kWh generation shall be used to offset any net kWh consumption in any other time period within that billing period. Any monetized credit accumulated on the previous eleven bills shall be applied to offset any eligible charges on the current bill. The Company shall apply monetized credits from previous billing periods using credits that are scheduled to expire soonest first.

Eligible charges on the Customer's electric bill exclude the following charges which are defined as non-bypassable charges: customer charges, energy efficiency charges, electric assistance program charges, any on-bill financing charges and any equipment rental charges. Implementation of this non-bypassable charges provision shall not become effective until bills rendered on and after July 1, 2017.

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### GROUP NET METERING SYSTEM:

- 1) Definition: An eligible group net metering system is defined as a group of Customers, or a single Customer with multiple electric meters, located within the Company's service territory, where the Customers have elected to share monetized excess generation credits created by a net metered system defined as a facility for generation of electricity that is no more than 500 kW capacity; operated in parallel with facilities of the Company's distribution system; is intended primarily to offset part or all of the group net metering system member's own electricity requirements and employs a renewable energy source produced using a technology that relies on a resource that is being consumed at a harvest rate at or below its natural regeneration rate pursuant to 30 V.S.A. Section 8002(21) or is a qualified micro-combined heat and power system with a capacity up to 20 kW that meets the definition of a combined heat and power facility under 30 V.S.A. Section 8015(b)(2). Unmetered municipal street lighting accounts are not eligible to be members of a group. An account cannot be a member of more than one group. The group net metering system members shall be responsible for the maintenance, safety and condition of the eligible system.
- 2) A group net metering system shall file with the Board, DPS and the Company a completed net metering application provided by the Board including the following information:
  - (a) The meters identified by account number to be included in the group system;
  - (b) A procedure for adding and removing meters included in the group net metering system and directions as to the manner in which the Company shall allocate any accrued credits among the meters included in the system as outlined further below.
  - (c) A designated person responsible for all communications between the group net metering system and the Company except for communications related to individual account billing, payment and disconnection.

The Company shall bill directly and send all communications regarding billing, payment and disconnection directly to each individual group net metering system

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account. All charges for each individual account shall be based on the individual meter for that account and the rate class associated with that meter.

3) Energy Measurement: The Company shall measure the net electricity produced or consumed during each billing period via a billing meter for the group net metering system meter that has the generation not directly interconnected to the utility grid.

The Company shall supply an additional meter at a cost to the Customer of \$110 for the purpose of measuring gross generation. The meter shall be installed in accordance with the Company's standards and shall be the property of the Company. Such additional meter shall be accessible to the Company at all reasonable times, and shall not be removed or otherwise disturbed by the group net metering system members without advance written notice to and permission from the Company. Such additional meter shall be located in reasonable proximity to the existing meter and subject to testing by the Company at any time at the Company's own expense upon reasonable advance written notice to the group net metering system designated person. Customers are required to utilize the Company's advanced metering for all net metering and may not opt-out.

When the generation is directly interconnected to the utility grid and there is no electric load connected to the meter other than the parasitic load needed by the generation equipment, then the billing meter may also act as the production meter.

(a) If, at the end of a billing period, the electricity generated and fed back to the distribution system by the generating account exceeds the electricity supplied to that account by the Company, then the excess kWh shall be allocated to the group member accounts pursuant to the allocation instructions provided by the group. The allocated kWh shall then be monetized at \$0.14840 per kWh. The Company shall apply any allocated kWh that are converted to a monetized credit to any eligible charges on the group net metering system member's individual current bills for that period. If application to such charges does not use the entire balance of the credit, the remaining balance of the credit shall appear on the individual member's bill. Any accumulated monetary credits shall be used by the individual member within twelve months or shall revert to the Company without any compensation to the group net metering system member. Accumulation of monetary credits shall not result in any financial

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payments to the Customer. When the generating account of a group net metering system is served via a time-of-use rate class and more generation is produced within a time period than was consumed in that time period, then the excess kWh generation shall be used to offset any net kWh consumption in any other time period within the billing period for that account prior to the allocation of excess kWh to group members.

(b) If, at the end of a billing period, the electricity supplied by the Company to the generating account meter exceeds the electricity generated and fed back to the distribution system by the generating meter during the billing period, then each group net metering system member shall be billed for the electricity supplied by the Company based on the individual meter for that account and the rate class associated with that meter. Any monetized credit accumulated on the previous eleven bills shall be applied to offset any eligible charges on the current bill. The Company shall apply monetized credits from previous billing periods using credits that are scheduled to expire soonest first.

Eligible charges on the Customer's electric bill exclude the following charges which are defined as non-bypassable charges: customer charges, energy efficiency charges, electric assistance program charges, any on-bill financing charges and any equipment rental charges. Implementation of this non-bypassable charges provision shall not become effective until bills rendered on and after July 1, 2017.

4) Allocation of Group Net Metering Excess kWh: The designated person of the group net metering system shall provide a set of allocation percentages which the Company shall allocate any accrued credits among the meters included in the system. Such a percentage allocation shall add to 100%. Allocations may only be changed on written notice to the Company. The Company shall implement appropriate changes to the allocation of credits within thirty days after receiving written notification from the designated person. Allocations can be changed no more than four times per calendar year and shall not be applied retroactively.

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#### SITING AND REC ADJUSTORS:

Each individual and group net metering system shall be subject to positive or negative charges applied to the gross kWh of the production meter. Adjustors are based on factors related to site selection and retention of renewable energy credits (RECs) and will be determined by the Board. Pre-existing net metering systems as defined in Board Rule 5.124(A) are not subject to any siting or REC adjustors.

Each net metering system's siting and REC adjustors shall be set forth in the facility's certificate of public good. For the first ten (10) years after the system is commissioned, any zero or positive siting or REC adjustor shall be multiplied by the kWh from the production meter and applied to bills as credits. Siting and REC adjustor credits allocated to group members shall follow the same percentage allocation as directed by the group's designated person. Credits shall not apply to non-bypassable charges. Any negative siting or REC adjustor shall be multiplied by the kWh from the production meter and applied to bills as additional charges. Siting and REC adjustor credits allocated to group members shall follow the same percentage allocation as directed by the group's designated person. Negative siting or REC adjustors will continue to create additional charges in perpetuity.

#### DETERMINATION OF REC ADJUSTOR:

At the time an application for authorization to construct a net metering system is filed with the Board, the applicant must elect whether to retain ownership of any RECs generated by the system or whether to transfer such RECs to the Company. This election is irrevocable.

#### **REC ADJUSTOR RATES:**

For net metering systems who apply for a certificate of public good after January 1, 2017 shall be subject to the following REC adjustors.

- 1) REC Adjustor (Transfer) = \$0.030 per kWh.
- 2) REC Adjustor (Retention) = negative \$0.030 per kWh.
- 3) Hydroelectric facilities = \$0.000 per kWh.

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## DETERMINATION OF SITING ADJUSTOR:

At the time that the Board issues a certificate of public good it will set out a siting adjustor based on the siting criteria outlined in Board Rule 5.100.

### SITING ADJUSTOR RATES:

For net metering systems who apply for a certificate of public good after January 1, 2017 shall be subject to the following siting adjustors.

- 1) Category I = 0.010 per kWh.
- 2) Category II = 0.010 per kWh.
- 3) Category III = negative \$0.010 per kWh.
- 4) Category IV = negative \$0.030 per kWh.
- 5) Hydroelectric facilities = \$0.000 per kWh.

#### 500 KW CUSTOMER LIMIT

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The cumulative capacity of net metering systems allocated to a single customer shall not exceed 500 kW. A customer with multiple accounts shall not exceed this 500 kW limit.

#### INTERCONNECTION REQUIREMENTS:

The interconnection of all net metering systems is governed by Board Rule 5.500. The applicant bears the costs of all equipment necessary to interconnect the net metering system to the distribution grid and any distribution system upgrades necessary to ensure system stability and reliability.

### DISCONNECTION OF NET METERED SYSTEM:

Any eligible system shall be subject to emergency disconnection of the system. These emergency disconnection procedures do not supplant Board Rules 3.300 and 3.400 or other tariff rules and regulations related to Company disconnections.

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In general, an emergency shall be considered to occur when the interconnection of an eligible system represents a condition which is likely to result in imminent significant disruption of service to the Company's Customers or is imminently likely to endanger life or property.

If the Company performs an emergency disconnection of an eligible system, the Company shall notify the Customer within twenty-four hours after the disconnection. If the emergency is not caused by the eligible system, then the Company shall reconnect the system upon cessation of the emergency. If the emergency is caused by the eligible system, then the Company shall communicate the nature of the problem with the Customer within five days, and attempt to resolve the issue with the Customer. The Company shall file a disconnection petition with the Board if the Company and the Customer have not reached a mutually agreed-upon resolution within thirty days of the emergency disconnection.

Non-emergency disconnections of an eligible system by the Company shall follow the same process as set out above for emergency disconnections of such system, except that the Company shall give written notice of the disconnection no earlier than ten days and no later than three working days prior to the first date on which the disconnection of the system may occur. Such prior notice shall communicate the reason for the disconnection and the expected duration of the disconnection. If the eligible system is not the reason for the system's disconnection, the Company shall reconnect the system as soon as the activity necessitating the disconnection ceases. Temporary, non-emergency disconnections due to the removal of the meter by the Company or their representatives such as those related to a meter exchange or meter test shall not require prior notice.

A Customer shall be prohibited from reclosing a disconnect device, which has been opened and tagged by the Company, without the prior approval of the Company, or, in event of dispute, the Board.

A Customer who initiates a permanent disconnection of an eligible system shall promptly notify the Company.

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