

HARNEY ELECTRIC COOPERATIVE, INC.

OPERATIONAL POLICY NO. 47

SUBJECT: Net Metering

PURPOSE: Establish guidelines and procedures for interconnection of small renewable generating resources to the Co-op's distribution system. Encourage small renewable resource contributions to the Co-op's energy mix without such contributions being subsidized by other members or reducing system reliability, service quality or safety.

POLICY:

Agreement Members requesting net metering service (hereinafter referred to as Generator) are required to sign Operational Policy No. 47, as provided below, acknowledging receipt of a copy of same and in agreement to be bound by all terms and conditions contained in such policy and future amendments thereto, before receiving net metering service. Execution by the Co-op and Generator, as provided below, shall constitute an agreement between the parties for the provision of net metering service.

Resource Type Small renewable generating resources (hereinafter referred to as net metering facility) are those not exceeding 25kW in nameplate rating or measured capacity output, powered by wind, solar, hydro or fuel cell and intended primarily to offset part or all of the member's own electrical requirements. Such net metering facility shall be sited on the member's immediate premises and accessible year around by the Co-op's employees or agents.

Interconnection Standards The Generator shall provide the interconnection on its side of the service meter. No generating equipment shall be connected to the Co-op's distribution system that does not meet, or has not been certified to meet, the applicable standards established by the National Electric Code, the National Electric Safety Code, and all applicable safety and performance standards established in the Oregon State Building Code. An inverter, if used, shall meet the requirements of IEEE 929, Recommended Practice for Utility Interface of Photovoltaic (PV) Systems and Underwriters Laboratories (UL) subject 1741, Standard for Static Inverters and Charge Controllers for Use in Photovoltaic Power Systems; and the National Electric Code (NEC), Article 705. Compliance with future standards, and other requirements as determined by the Co-op's Board of Directors, applicable to net metering facilities may be required at the Co-op's discretion and at the Generator's sole expense.

Inspections No net metering facility shall be connected to the Co-op's distribution system that has not been inspected and approved by the State Electrical Inspector, and by any other governmental authority having jurisdiction, and inspected and found to be acceptable by the Co-op's employees or its agents, and before written confirmation of such Coop's acceptance has been provided to Generator. The Co-op's cost for initial inspections, follow-up inspections, and periodic inspections thereafter for net metering installations shall be billed to the Generator at actual cost and mileage. The Co-op reserves the right to inspect the net metering facility at any time, with or without notice.

Disconnect Equipment No net metering facility shall be connected to the Co-op's distribution system that does not have Co-op approved disconnect equipment capable of automatically interrupting the net metering facility from the Co-op's distribution system, when appropriate. Such disconnect equipment shall provide for a "visual open" and a provision for locking with a padlock supplied by the Co-op. The "visual open" will be such so that it cannot be defeated without removing the Co-op's padlock. The disconnect equipment shall at all times be immediately accessible to the Co-op's employees or its agents and located such that permission to enter the Generator's premises or negotiation of other obstacles is not required. Such disconnect equipment shall be installed such that the Generator's electric service path from the Co-op is not interrupted while the disconnect is in the open position.

Operational Standards The Generator shall furnish, install, operate and maintain in good order and repair, all without cost to the Co-op, all equipment required for the safe and reliable operation of the net metering facility. This shall include, but not be limited to, equipment necessary to (1) establish and maintain automatic synchronism with the Co-op's distribution system and (2) automatically disconnect the net metering facility in the event of fault, overload or other abnormal conditions on Generator's system or in the event of overload or a power outage on the Co-op's distribution system. The net metering facility shall be designed and operated within the allowable operating standards for the Co-op's distribution system. The net metering facility shall not cause any adverse effects upon the quality or reliability of service provided to the Co-op's other members.

Safety and Reliability The Co-op shall, at any time it deems necessary, order the net metering facility to be disconnected from the Co-op's distribution system and furthermore the Co-op shall at any time have the right to open, and lock open, the Generator's disconnect when the Co-op has reasonable concern for safety or reliability, or when the Generator is not in compliance with any part of this policy. All of the Co-op's and state and federal OSHA's Lockout, Tagout procedures must be followed. If disconnected by the Co-op, the net metering facility shall remain disconnected until such time as the Co-op is satisfied, in its sole judgment, that the conditions justifying the disconnection have ended or have been corrected. If disconnected in response to abnormal conditions on either the Generator's or the Co-op's systems, such disconnect equipment shall require a "manual reconnect." No automatic reconnect, automatic start or remote control features will be allowed.

Metering The Co-op shall, at its sole discretion, install metering equipment capable of measuring and recording the flow of energy both into and out of the Generator's system. Such equipment may record both the in and out flows or only the net of the in and out flows, or other flows as determined by the Co-op. Metering shall be at the Co-op's expense. Direct time and mileage costs for meter reading, necessitated by the net metering installation, shall be billed to the Generator.

Billing and Payment Billing for the net difference of the in and out flows shall be at the Co-op's prevailing retail energy rate for the class of service. Billing strictly for the energy provided by the Generator, while the Generator pays the applicable retail rate for all energy used by the Generator, shall be at the Co-op's prevailing avoided wholesale power cost. The billing option, billing cycle and the associated metering method shall be at the Co-op's discretion. Billing shall be reconciled not less frequently than once a year and the Generator shall receive a payment for any net metered energy supplied to the Co-op's system. All monthly, or other minimum charges to Generator, will apply regardless of the amount of energy supplied by the Generator.

Responsibility The Generator shall be responsible for all costs associated with its facility and also responsible for costs related to any modification of the facility that may be required by the Co-op for purposes of safety, reliability and reading meters. Any modifications to the Co-op's system necessary to accommodate the net metering facility, except for the metering system, shall be paid by the Generator in advance of any modifications to the Co-op's system. All outage and service call costs necessary due to the connection of the Generator's equipment to the Co-op's distribution system, shall be billed to the Generator.

Fees Members requesting net metering service will not be charged for the interconnection of net metering facilities except as otherwise stated in this policy. A monthly net metering service charge, initially set at \$10, shall be billed to offset additional administrative expense. The service charge shall be reconsidered by the Co-op's Board of Directors at such time when sufficient information is available to more accurately determine the actual additional cost to the Co-op of dealing with Generator's facility, and in conjunction with other utilities' charge for this cost.

Availability The net metering service is available to any Co-op member qualifying for the service on a first come – first served basis. The Co-op reserves the right, as allowed under the Oregon statute, to limit the amount of net metering service to ½ of 1% of its prior year's peak load (26.57 mW in 1999) or 128 kW in 2000. Net metering shall be available for qualifying Generators beginning July 1, 2000.

Continuing Service This Policy is based on continuing service at each service location.

Certification Exhibit A, attached hereto and hereby made a part of the agreement contained in this policy, shall contain information specific to the net metering facility and the Generator's written certification that Generator has received the proper instruction for operating the net metering facility and that such net metering facility meets the specifications, operating characteristics and safety features incorporated in this policy.

Term This agreement shall commence on the date established below and terminate with any change in ownership, characteristic or qualification of the net metering facility or by written agreement, signed by both parties, or a change in the law eliminating the requirement that the Co-op provide net metering service to its members who qualify for the service.

Liability The Co-op shall not be liable directly or indirectly for permitting or continuing to allow the connection of a net metering facility to the Co-op's distribution system, or for the acts or omissions of the Generator that cause, damage, loss or injury, including death, to any third party. The Co-op shall bear no liability for the Generator's equipment or for any damage or injury arising out of its operation.

Indemnity Each party as indemnitor of the other shall defend, hold harmless, and indemnify the other party and the directors, officers, employees, and agents of the other party against and from any and all loss, liability, damage claim, cost, charge, demand, or expense (including any direct, indirect or consequential loss, liability, damage, claim, cost, charge, demand, or expense, including attorney's fees) for injury or death to persons, including, employees of the either party, and damage to property, including property of either party, arising

out of or in connection with (a) the engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the indemnitor's facilities, provided, however, Generator's duty to indemnify the Co-op hereunder shall not extend to loss, liability, damage, claim, cost, charge, demand, or expense resulting from interruptions of electrical service to the Co-op's members, other than the Generator. This indemnification shall apply notwithstanding the active or passive negligence of the indemnitee. However, neither party shall be indemnified hereunder for any loss, liability, damage, claim, cost, charge, demand, or expense resulting from its sole negligence or willful misconduct.

Litigation Expense In the event of commencement of any suit, action or other proceeding to enforce performance of this agreement, or to enforce the Co-op's rights relating to any issue peculiar to federal bankruptcy law, Generator agrees to pay to Co-op, whether or not the matter proceeds to final judgment or decree, in addition to costs and disbursements allowed by law, such sum as the court, arbitrator or other adjudicator may judge reasonable as an award of attorney fees in such suit, action or other proceeding, or in any appeal therefrom. Such sum shall include an amount estimated by the court, arbitrator or adjudicator, as the reasonable costs and fees to be incurred by the Co-op in collecting any monetary judgment or award or otherwise enforcing such award, order, judgment or decree entered in such suit, action or other proceeding. In the event the Co-op hires an attorney to enforce this agreement, Generator agrees to pay all reasonable attorney fees and costs incurred in any such collection efforts, including any efforts related to issues peculiar to federal bankruptcy law, whether or not suit or action is commenced.

Changes Service under this net metering policy will be subject to the rules and policies as adopted by the Co-op's Board of Directors.

RESPONSIBILITY: General Manager

DATE ADOPTED: December 12, 2000

REVIEWED: October 8, 2014

ATTESTED: \_\_\_\_\_  
Gary Miller  
Secretary-Treasurer

OPERATIONAL POLICY NO. 47

**Generator**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Harney Electric Cooperative, Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT A

### Section 1. Customer-generator Information

Name \_\_\_\_\_ HEC Customer Account Number \_\_\_\_\_

Mailing Address \_\_\_\_\_

Street Address (If different than above) \_\_\_\_\_

Daytime Phone \_\_\_\_\_ Evening Phone \_\_\_\_\_

### Section 2. Net Metering Facility Information

System Type (Check Box:         Solar     Wind     Fuel Cell     Hydroelectric

Generator Size (kW AC) \_\_\_\_\_

Inverter Manufacturer \_\_\_\_\_ Inverter Model \_\_\_\_\_

Inverter Serial Number \_\_\_\_\_ Inverter Power Rating \_\_\_\_\_

Inverter Location \_\_\_\_\_

### Section 3. Installation Information

Licensed Electrician \_\_\_\_\_ OR Contractor # \_\_\_\_\_

Mailing Address \_\_\_\_\_ NV Contractor # \_\_\_\_\_

Daytime Phone \_\_\_\_\_ Installation Date \_\_\_\_\_

### Section 4. Disposition of Excess Generation Credit

\_\_\_\_\_ to the customer-generator;        \_\_\_\_\_ to the Cooperative's low-income energy assistance program

### Section 5. Certification(s)

1. (If an inverter is used) The net metering facility's inverter meets the requirement of IEEE 929, Recommended Practice for Utility Interface of Photovoltaic (PV) Systems and Underwriters Laboratories (UL) Subject 1741, Standard for Static Inverters and Charge Controllers for Use in Photovoltaic Power Systems; and the National Electric Code (NEC), Article 705.

Signed (Equipment Vendor) \_\_\_\_\_ Date \_\_\_\_\_

Name (Printed) \_\_\_\_\_ Company \_\_\_\_\_

2. The system has been installed to my satisfaction and I have been given system warranty information and an operations manual. I have been instructed regarding the proper operation of the net metering facility and associated equipment. Also, the installation has received approval and certification from the Oregon or Nevada Building Codes Division.

Signed (Owner) \_\_\_\_\_ Date \_\_\_\_\_