

Operations Procedure #43*(Replacing OP #29)*

**NET BILLING AND COOPERATIVE PURCHASE
OF EXCESS MEMBER OWNED GENERATION CAPACITY**

I. OBJECTIVE

To encourage member investment in renewable energy resources, comply with the Public Utility Regulatory Policies Act (PURPA), enhance the continued diversification of Illinois' energy resource mix and protect the Illinois environment through the use of renewable fuel sources while honoring the cooperative's obligation to provide electricity to all members on a cooperative basis as required by the Illinois Not-for-Profit Act and Revenue Code Section 501(c)(12).

II. DEFINITIONS

Avoided Costs means the incremental costs to the cooperative of electric energy or capacity or both which, but for the purchase from the eligible renewable electrical facility, the cooperative would generate itself or purchase from another source.

Avoided Energy Costs are the avoided variable costs associated with the production of electric energy (kilowatt-hours). These costs represent the avoided costs of fuel and some operating and maintenance expenses or the cost of purchased energy. Identifiable capacity charges included in purchase power agreements shall not be included in the calculation of avoided energy costs.

Avoided Total Costs means the total avoided system energy and new capacity costs (and not the average embedded system cost of capacity) or the avoided cost of a capacity purchase which result from the purchase of energy and capacity from an eligible renewable electrical generating facility.

Capacity Costs are the costs associated with providing the capability to deliver energy: they consist primarily of the capital costs of facilities used to generate and transmit electricity.

Eligible Cooperative Member means a cooperative member that owns or operates a solar, wind, or other eligible renewable electrical generating facility with a rated capacity of not more than 2000 kilowatts that is located on the member's premises and is intended primarily to offset the member's own electrical requirements.

Eligible Renewable Electrical Generating Facility (EREGF) means a generator powered by solar electric energy, wind, dedicated crops grown for electricity generation, anaerobic digestion of livestock or food processing waste, fuel cells or microturbines powered by renewable fuels, or hydroelectric energy.

Net Electricity Metering (or “net metering”) means the measurement, during the billing period applicable to an eligible member, of the net amount of electricity supplied by the cooperative to the member’s premises or provided to the cooperative by the member.

Net Billing – Net Billing is the process of calculating the monthly power bill with the difference in the dollar value of the forward energy used by the member less the dollar value of the reverse energy received onto the cooperative’s distribution system. The dollar value of the forward energy used by the member is calculated by multiplying the forward kilowatt hour register value on the co-generation meter by the member’s rate class kilowatt hour cost. The dollar value of the reverse energy received is calculated by multiplying the reverse kilowatt hour register value on the co-generation meter by the cooperative’s avoided energy cost. In the event the member’s reverse energy dollar value is greater than the forward energy dollar value the credit will be applied to future forward energy costs.

III. APPLICABILITY

This net billing policy applies to eligible cooperative members that choose to interconnect their eligible renewable electrical generating facilities with the cooperative’s distribution system and operate it in parallel with the cooperative system.

IV. PROVISIONS

- A. The eligible cooperative member shall first comply with the provisions of the Cooperative’s Policy #42, “Interconnection and Parallel Operation of Distributed Generation.”
- B. The cooperative will install and maintain metering equipment capable of measuring the flow of electricity both into and out of the member’s facility at the same rate and ratio. If member’s existing meter is not capable of meeting this requirement, or if the member requests an additional meter, the cost of installing and maintaining an additional meter shall be paid by the member.
- C. For EREGFs the cooperative shall measure and charge or credit according to the Definition of Net Billing listed above. At the end of the calendar year commencing on January 1 and ending on December 31, any credits due to the member from the co-generation shall be paid to the member.

- D. Grandfather Provision: Those EREGFs commissioned prior to June 1, 2018 shall continue to be billed pursuant to the terms of Operations Procedure #43, effective 1-23-2008 and the terms of this Operations Procedure #43, effective June 20, 2018 shall not apply until the 5th anniversary date of their respective commission. On the 5th anniversary date of the grandfathered EREGFs, said EREGFs shall be billed by Net Billing, pursuant to this Operations Procedure #43, effective 6-20-2018
- E. All renewable energy credits, greenhouse gas emission credits and renewable energy attributes related to any electricity produced by the eligible renewable electrical generating facility and purchased by the cooperative shall be treated as owned by the eligible member.
- F. This policy is subject to all federal, state and local laws, the cooperative's articles of incorporation, bylaws and existing policies and the terms and conditions of the cooperative's existing power supply contracts and loan agreements. To the extent any provision of this policy conflicts with those obligations, those provisions are deemed null and void.