

ANZA ELECTRIC COOPERATIVE, INC.
BOARD POLICY NO. 306

NET ENERGY METERING

I. Purpose

To encourage small electrical customers to install environmentally friendly sources of electrical power, the State of California has passed laws to make the process of interconnecting solar, wind, biogas, fuel cell, or hybrid powered generation system with a total installed capacity of one (1) megawatt (1000 kilowatts) or less as simple and economical as possible. The current legislation also provides for “Eligible Customer-Generators” to receive the additional benefits provided by a billing process referred to as Net Energy Metering.

This policy is adopted in accordance with Policy No. 100

II. Applicability

Applicable to all end-use Eligible Customer-Generators who execute the applicable Net Energy Metering Interconnection Agreement (NEMIA).

An Eligible Customer-Generator is a residential, small commercial, commercial, industrial or agricultural Customer who uses a solar, wind, biogas, or fuel cell electrical generating facility, or a hybrid system of both, with a capacity of not more than 1,000 kilowatts, that is located on the Customer-Generator’s premises, is interconnected and operates in parallel with Anza Electric Cooperative Inc.’s distribution facilities, and is intended primarily to offset part or all of the Customer-Generator’s own electrical requirements on the premises.

Anza Electric Cooperative Inc. is not obligated to provide net energy metering to additional Customer-Generators when the combined total peak demand of all Customer-Generators exceeds 2.5 percent of the aggregate customer peak demand.

III. Territory

Within the service area of Anza Electric Cooperative, Inc.

IV. Rates

All rates charged under this schedule will be in accordance with the Eligible Customer-Generator’s otherwise applicable tariff (rate schedule) or “OAT”, in effect from time to time, on a Net Energy Metering basis. An Eligible Customer–

Generator served under this schedule is responsible for all charges in its otherwise applicable tariff including the monthly or annual minimum charge (service availability charge), horsepower and demand charge, when applicable, regardless of the Customer-Generator's monthly or annual net generation.

Eligible Customer-Generators under this schedule are exempted from any new or additional charge imposed by Anza Electric Cooperative, Inc. that would increase Customer-Generator's charges under Customer-Generator's OAT beyond those of other customers in the rate class to which Customer-Generator would otherwise be assigned.

V. Special Conditions

A. Agreement

In order for this schedule to apply, Customer-Generator must sign Anza Electric Cooperative, Inc.'s NEMIA. The NEMIA shall contain additional terms and conditions, including without limitation, indemnification, insurance, and access to Customer-Generator's premises and Generating Facilities requirements.

B. Billing

1. Residential and Small Commercial Rate Customers

- a. The annualized Net Energy Metering calculation shall be made by measuring the difference between the electricity supplied to the Customer-Generator and the electricity generated by the Customer-Generator and fed back to the grid over a twelve-month period. At the end of each twelve-month period following the date of first interconnection, and at each anniversary date thereafter, Anza Electric Cooperative, Inc. shall determine if the Customer-Generator was a net consumer-generator or a net producer of electricity during the twelve-month time period. In the event the electricity supplied by Anza Electric Cooperative, Inc. during the twelve-month period exceeds the electricity generated by the Customer-Generator during the same period, the Customer-Generator is a net energy consumer.
- b. If the Customer-Generator is a net energy consumer, Anza Electric Cooperative, Inc. will bill the Customer-Generator for the net energy consumption during the twelve-month period based on Customer-Generator's OAT and Customer-Generator shall pay for such net energy consumption annually, unless the Customer-Generator elects to be billed monthly.

- c. The Customer-Generator may elect to be billed monthly for net energy consumption only upon initiation of service under this Schedule or upon written notice to Anza Electric Cooperative, Inc. no later than thirty days prior to the end of any twelve-month period coinciding with the anniversary of interconnection. Such change shall only be made by Anza Electric Cooperative, Inc. at the beginning of a new twelve-month period coinciding with the anniversary of interconnection.
- d. The Customer-Generator will be billed monthly for all non-energy related components of the electric service it has received. Monthly statements will also reflect amount of energy consumed or produced so that Customer-Generator can monitor the status of their account.

2. Commercial, Industrial or Agricultural Rate Customers

- a. In the event the energy supplied by Anza Electric Cooperative, Inc. to Customer-Generator during the preceding billing period exceeds the energy generated by Customer-Generator during the same period, the Customer-Generator is a net energy consumer.
- b. Anza Electric Cooperative, Inc. will bill the Customer-Generator for the net energy consumption and all non-energy related components during such billing period based on Customer-Generator's OAT and Customer-Generator shall pay for such net energy consumption and all non-energy related components monthly in accordance with the Customer-Generator's monthly billing statement.

3. All Eligible Customer-Generators

- a. If the Customer-Generator's OAT employs "time of use" rates, any net monthly consumption of electricity shall be calculated according to the terms of the OAT. When the Customer-Generator is a net generator during any discrete time of use period, the net kilowatt-hours produced shall be valued at the same price per kilowatt-hour, as Anza Electric Cooperative, Inc. would charge for retail kilowatt-hour sales during that same time of use period.
- b. If the Customer-Generator's OAT employs "baseline" and "over baseline" rates, any net monthly consumption of electricity shall be calculated according to the terms of the OAT. If the Customer-Generator is a net generator over a billing period, the net kilowatt-hours generated shall be

valued at the same price per kilowatt-hour as Anza Electric Cooperative, Inc. would charge for the baseline quantity of electricity during that billing period, and if the number of kilowatt-hours generated exceeds the baseline quantity, the excess shall be valued at the same price per kilowatt-hour as Anza Electric Cooperative, Inc. would charge for electricity over the baseline quantity during that billing period.

- c. Anza Electric Cooperative, Inc. shall provide all customer-generators with Net Energy Metering consumption information on a monthly basis. Such monthly update shall include the current accrued balance owed to Anza Electric Cooperative, Inc. for Net Energy Metering charges, or current accrued credits for Net Energy Metering generation, whichever applies.
- d. If the Customer-Generator is a net producer of energy over a normal billing cycle, any excess kilowatt-hours generated during the billing cycle shall be carried over to the following billing period (up to a maximum of twelve consecutive months upon the anniversary of interconnection).
- e. In the event the energy generated exceeds the energy consumed during the 12-month period, Anza Electric Cooperative, Inc. shall retain any excess energy generated by any Customer-Generator at which time the customer's excess energy account will be adjusted to zero and a new 12-month period will begin. In addition, no payment will be made to any Customer-Generator for the excess energy delivered to Anza Electric Cooperative, Inc.'s grid.
- f. If any Customer-Generator terminates service under this Schedule prior to the end of any twelve-month period, Anza Electric Cooperative, Inc. will reconcile the Customer-Generator's consumption and production of energy and shall bill the Customer-Generator for Net Energy charges, if any, and adjust the excess energy to zero, if any.

C. Metering

Net Energy Metering shall be accomplished using a Required Meter. Anza Electric Cooperative, Inc. shall supply, operate and maintain the Required Meter on the Customer-Generator's premises. If an additional meter or meters are installed, the net metering calculation shall yield a result identical to that of a single meter. Anza Electric Cooperative, Inc. at its expense may purchase and install additional meters with the consent of the Customer-Generator to provide the information necessary to

accurately credit or bill the Customer-Generator or to collect generating system performance information for research purposes.

D. Definitions

1. “Generating Facility” means a solar, wind, biogas, or fuel cell electrical generating facility, or hybrid system, located on the Customer-Generator’s owned, leased or rented premises, and intended primarily to offset part or all of the Customer-Generator’s own electrical requirements.
2. “Net Energy Metering” means measuring the difference between the electricity supplied through the electric grid to the Customer-Generator and the electricity generated on the Customer-Generator’s premises and fed back to the electric grid over a twelve-month period, as described in California Public Utilities Code Section 2827 (h).
3. “Otherwise Applicable Tariff” (Rate Schedule) or “OAT” means the rate schedule in Anza Electric Cooperative, Inc.’s established Electric Rules and Rates that would otherwise apply to Eligible Customer-Generator from time to time for electrical services to the premises.
4. “Required Meter” means a single meter capable of registering the flow of electricity in two directions.
5. “Small Commercial Customer” means a customer that has a maximum peak demand of less than 20 kilowatts, as defined in subdivision (h) of Section 331 of the California Public Utilities Code.
6. NEMIA means standard contract entitled “Net Energy Metering Interconnection Agreement” available to Eligible Customer-Generators, as adopted and approved by the Board of Anza Electric Cooperative, Inc. and offered in accordance with Public Utilities Code Section 2827.

VI. Summary

Net Energy Metering allows a Customer-Generator to net the energy produced by its generating facility against the energy received from its electric service provider. The “Relevant (netting) Period” is established as a 12 month rolling period following the “effective” date Net Energy Metering service is initiated for an eligible customer. During this period, if the Customer-Generator has produced more energy than has been consumed, the corresponding service account will be charged monthly only for the “non-energy” related components of the electric service it has received. If the Customer-Generator’s generation has not met all of its

energy needs, the Customer-Generator will also be billed for the shortfall or net energy supplied by Anza Electric Cooperative, Inc. Residential and small commercial customer-generators will be established on an Annual Payment Plan for the energy charges while the “non-energy” charges will continue to be due monthly. Commercial, Industrial and Agricultural Net Energy Metering commercial customer-generators will continue to be billed monthly with surplus energy credits carried forward from month to month of the Relevant Period. Please note that State code does not provide for surplus energy credits to be carried forward past the 12-month netting period and surplus energy is not purchased by Anza Electric Cooperative, Inc. In all cases, Customers will be provided with monthly statements to allow them to monitor the status of their account.

Anza Electric Cooperative, Inc. does not design, engineer or install generating systems for its customers. Anza Electric Cooperative, Inc. is also not able to recommend specific contractors or equipment suppliers. Anza Electric Cooperative, Inc. encourages its customer-generators to educate themselves with regard to the technology and equipment they may purchase and install and to determine that their installation will comply with all state and local code and zoning requirements. Anza Electric Cooperative, Inc. requires that its customer-generators provide a signed copy of their local building inspector’s final inspection and approval of their installation as part of Anza Electric Cooperative, Inc.’s approval process. If a Customer-Generator’s existing meter is not capable of measuring the flow of electricity in two directions, an appropriate meter shall be provided by Anza Electric Cooperative, Inc.

Signed: _____
President

Signed: _____
Secretary

Effective Date: February 26, 2009