

*Lane Electric Cooperative, Inc.*

Eugene, Oregon

**Policy 311**

(Net-Metering Services)

**I. Objective**

Net-Metering service is available, on an equal basis, to members who own and operate a Net-Metering generating Facility (“Net-Metering Facility”). Such facilities shall, at a minimum, be:

- A. Solar, wind, fuel cell or hydroelectric power to generate electrical power
- B. Nameplate generating capacity of not more than twenty-five (25) kilowatts
- C. Located on the member’s premises
- D. Interconnects and operates in parallel with the Cooperative’s existing transmission and distribution system
- E. Intended primarily to offset part or all of the member’s own electrical requirements

This Policy is offered in compliance with ORS 757.262, as amended by House Bill 3219, dated July 8, 1999.

**II. Definitions**

- A. **Avoided Cost:** “Avoided cost” is the cost for wholesale electric power purchased by the Cooperative. Excess energy generated by Net-Metering Facilities can offset or displace a portion of these wholesale electric power purchases. Consequently, the value of excess energy from a Facility is the calculated cost of equivalent wholesale electric power purchases that were offset or displaced (i.e., avoided).

“Green Avoided Cost” is calculated based on the avoided cost determination as recited above plus the Bonneville Power Administration Environmental Fund Adder. Such Green Net-Metering Facilities Avoided Cost Adder shall be determined by the Board on an annual basis for the corresponding BPA operating year (October 1 through September 30).

- B. **Bi-directional Metering:** Metering that can measure and record the flow of electrical power in two directions is termed “bi-directional metering”. This type of metering is capable of measuring both the electrical power used by members and any excess energy generated by a Facility.

- C. **Net Energy:** With respect to the Net-Metering program, “energy” refers to the total monthly amount of excess electrical energy generated by a Facility. Energy is measured in kilowatt-hours (kWh).
- D. **Excess Energy:** Any electrical energy generated by the Net-Metering Facility that is surplus to the simultaneous electrical usage of the member is termed “excess energy”. This electrical energy then flows into the Cooperative’s system and displaces wholesale electric power purchases. The value of the displaced wholesale electric power purchases is credited to the member’s account.
- E. **Net-Metering:** “Net-Metering” is the measurement of the difference between the electricity supplied to an eligible member by the Cooperative and the electricity (1) generated by an eligible member’s Net-Metering Facility and (2) fed back to the Cooperative over the applicable billing period.
- F. **Net-Metering Facility:** A “Net-Metering Facility” is a generating Facility meeting the requirements as outlined in House Bill 3219. (See also *Policy* above)

A “Green Net-Metering Facility” is a Net-Metering Facility which meets all the requirements and specifications for a Net-Metering Facility as defined and required herein, but is, in addition, a facility which qualifies as “Green” or “Renewable” pursuant to the criteria established by the Bonneville Power Administration Environmental Fund. A Green Net-Metering Facility must meet the requirements of, and is governed by, this policy and its attachments. The initial classification as a Green Net-Metering Facility is subject to reevaluation based on current BPA criteria.

### **III. General Provisions For Net-Metering Service**

- A. **Start Date:** This service shall be available to members beginning October 23, 2000.
- B. **Interconnection and Net-Metering Service:** The Cooperative shall allow interconnection of Net-Metering Facilities to its system. The Cooperative will replace, at its own expense, bi-directional metering in order to provide Net-Metering service to members with Net-Metering Facilities. (Note: The member is responsible for the installation and costs associated with the meter bases used for metering.)
- C. **Interconnection Requirements:** The State Building Codes Division has adopted safety and performance standards for Net-Metering Facilities, including interconnection requirements. However, the interconnection requirements may change over time as the impacts of Net-Metering facilities are better understood and as nationwide interconnection guidelines are developed. These developing interconnection standards may provide additional safety and performance (e.g.,

reliability) benefits to the Cooperative's system. As appropriate, the Board of Directors of the Cooperative may determine that more stringent interconnection and operating requirements should be imposed for all future Net-Metering Facilities. Also, the Board of Directors of the Cooperative may determine that some or all of the Net-Metering Facilities installed prior to the development of these interconnection standards should be required to meet the revised standards. In this event, the total costs (including those costs for the Cooperative) of meeting these revised interconnection requirements will be borne by the respective members.

- D. **Level of Net-Metering Generation:** In order to balance the interests of all Cooperative members, the aggregated level of Net-Metering generation for the Cooperative shall be limited to 0.5% of the single-hour system peak load for the previous year. The Cooperative will honor these requests on a "first come, first served" basis as Net-Metering capacity becomes available under the limit.
- E. **Fees:** A monthly basic charge as identified on Lane Electric's Rate Schedule GS-1 shall be charged to cover expenses associated with administering the net metering program. The fee is assessed due to direct costs of interconnection and administration of the Cooperative's Net Metering program outweighing the distribution system, environmental and public policy benefits of allocating such costs among the Cooperative's entire member base. The member will be charged for any expenses associated with modifying the Cooperative's system in order to interconnect the Net-Metering Facility.
- F. **Value of Excess Energy Generated:** Any excess electrical energy generated by the member and supplied to the Cooperative's system shall be valued based upon the cost of wholesale electric power purchased by the Cooperative. The valuation shall include energy charges, capacity charges, and any other applicable charges. The Cooperative may average the energy charges, capacity charges, and any other applicable charge into one rate per kWh and is separately stated in Lane Electric's Rate Schedule GS-1. The value of any excess energy generated shall be credited to the member's account or to the Cooperative's low-income energy assistance program, as determined by the member.

The Cooperative may determine it is appropriate to estimate the time of day excess energy is generated by a Net-Metering Facility, based on the appropriate load profiling model for the respective member.

- G. **Disbursement of Unused Credit:** Annually on November 1, or more frequently if determined necessary by the Cooperative, any remaining unused credit from any excess generation shall, at the member-generator's election, be returned to the member-generator or granted to the Cooperative's low-income energy assistance program.

The value of excess energy generated by a Green Net-Metering Facility shall be based upon the Cooperative's Green Avoided Cost.

#### **IV. Monthly Billing for Net-Metering Service**

The monthly billing shall be computed in accordance with the applicable standard rate schedule.

##### **Special Conditions**

- A. If the energy supplied to the Cooperative in a given billing cycle is less than the energy purchased from the Cooperative, the prices specified in the Energy Charges section of the applicable standard rate schedule shall be applied to the positive balance owed to the Cooperative. Refer to Lane Electric's Rate Schedule GS-1.
- B. If the energy supplied to the Cooperative in a given billing cycle is greater than the energy consumed from the Cooperative, the member shall be billed for the appropriate monthly charges and shall be credited for such net energy. If the Cooperative installs time-of-use metering at its sole option, the member shall be billed for the appropriate monthly charges and shall be credited for such net energy at the Cooperative's contract price for wholesale power and transmission using all applicable billing determinants.
- C. In the event the member is disconnected from service, either at the member's request or for non-payment, no credits will be calculated or issued during the period the member is not connected.
- D. The member is responsible for all costs associated with its Facility and is also responsible for costs related to any modifications to the Facility that may be required by the Cooperative for purposes of safety, reliability, and reading meters except the cost of the replacement meter(s). The member is not allowed to supply his/her own meter(s).
- E. Net-Metering Facility installations shall comply with the applicable standards established by the National Electric Code, the National Electric Safety Code, and shall meet all applicable safety and performance standards established in the Oregon State Building Code.
- F. Cooperative approved switching equipment capable of isolating the Net-Metering Facility from the Cooperative's system shall be provided by the member and shall be accessible to the Cooperative at all times and may be secured by a Cooperative owned padlock. The Cooperative shall also have the right, with or without notice, to (1) inspect the Net-Metering Facility annually and (2) disconnect the Net-Metering Facility from the Cooperative's system if there is a valid concern about system reliability or system performance. The Cooperative's inspection fee is \$35

per each inspection. Disconnect and reconnect transaction shall not operate to relieve a member from monthly minimum charges. Once operational, the Cooperative's and OR-OSHA's Lockout, Tag-out procedures must be followed.

- G. The Cooperative shall have the right to adopt future IEEE standards or other future standards that the Cooperative deems necessary to insure system reliability and performance and maintain safety.
- H. The Cooperative shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a Net-Metering Facility, or for the acts or omissions of the member that cause loss or injury, including death, to any third party.
- I. Members are required to sign a Net-Metering agreement before receiving Net-Metering service.

**V. Continuing Service**

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

**VI. Rules and Regulations**

Service under this Policy is subject to the General Rules and Regulations of the Cooperative.

**VII. Responsibility**

It will be the responsibility of the general manager to see that the provisions of this policy are carried out.

**VIII. Review Date**

The provisions of this policy should be reviewed at the first Board of Directors meeting two years after last revision or review.

Date:	10/23/00	Attested: s/Patricia C. Dymock, Secretary
Reviewed:	11/28/05	Attested: s/Loy M. Sparks, Secretary
Revised:	10/27/08	Attested: s/Patricia Dymock, Secretary



Lane Electric Cooperative, Inc.

## NET-METERING AGREEMENT

This Agreement dated and effective this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between Lane Electric Cooperative (Cooperative) and \_\_\_\_\_ (member-generator).

Whereas the Cooperative is required by law to provide Net-Metering services to member-generator;

Whereas member-generator wishes to sell and the Cooperative agrees to purchase energy produced by the approved Net-Metering Facility on the following terms and conditions:

Now, therefore, the parties agree:

- 1. Net-Metering Facility:** Member-generator's Net-Metering Facility shall mean the generating Facility described in Exhibit A. This Facility shall employ solar, wind, fuel cell or hydroelectric power generation with a maximum output capacity of twenty-five (25) kilowatts (kW). This Facility shall be located on the member-generator's premises and will interconnect and operate in parallel with the Cooperative's electric power supply system. The operation of the Net-Metering Facility is intended primarily to offset part or all of member-generator's own electrical requirements presently supplied by Cooperative. Member-generator shall be responsible for the design, installation and operation of the Net-Metering Facility and shall obtain and maintain all required permits and approvals. Any modifications to the Net-Metering Facility, including installation of replacement Facility or parts can only be made following the written approval of the Cooperative.
- 2. Term:** This agreement shall commence on the date established above and terminate with any change in ownership of the Facility or by written agreement, signed by both parties, or a change in law eliminating the requirement that the Cooperative provide Net-Metering services to its members who qualify for the service, or failure of the member-generator to abide by the terms of this agreement.
- 3. Net Energy:** Net energy is the difference between electrical energy consumed by the member-generator from the Cooperative's electrical supply system and the electrical energy generated by the member-generator and fed back into the Cooperative's electrical supply system.
- 4. Measurement of Net Energy:** Bi-directional metering equipment shall be installed by the Cooperative at its expense to measure the flow of electrical energy in each direction. This equipment shall be used only to provide information necessary to accurately bill or credit the member-generator or to collect electric generating system performance information for research purposes.
- 5. Price and Payment Methodology:** All electric service provided to the member-generator by the Cooperative shall be billed pursuant to the Cooperative's appropriate Rate Schedule. Credits for the net energy flowing into the Cooperative's electrical supply system shall be apportioned according to the net wholesale cost of power as adopted on the present rate schedule. The credits for Net-Metering energy will reflect the active rate schedule as the schedule is revised.

In the event the member is disconnected from service, either at the member's request or for non-payment, no credits will be calculated or issued during the period the member is not connected.

- 6. Interconnection:** Member-generator shall provide the electrical interconnection on its side of the meter between its Facility and the Cooperative's system. At member-generator's expense, the Cooperative shall make reasonable modifications to the Cooperative's system necessary to accommodate the Net-Metering Facility. The cost for such modifications shall be the Cooperative's actual cost, due and payable in advance of installation. The Net-Metering Facility shall include, at member-generator's expense, all equipment necessary to meet applicable safety, power quality, and interconnection requirements established by the Cooperative's policies, the National Electrical Code, National Electrical Safety Code, the Institute of Electrical and Electronic Engineers, the Oregon State Building Code and Underwriters Laboratories. Member-generator shall not commence parallel operation of the Net-Metering Facility until the Cooperative has inspected the Facility, including all interconnection equipment, and issued written approval for its operation.
- 7. Operational Standards:** Member-generator shall furnish, install, operate and maintain in good order and repair, all without cost to the Cooperative, all equipment required for the safe operation of the Net-Metering Facility operating in parallel with the Cooperative's electrical supply system. This shall include, but not be limited to, equipment necessary to (1) establish and maintain automatic synchronism with the Cooperative's electric supply system and (2) automatically disconnect the Net-Metering Facility from the Cooperative's electrical supply system in the event of overload or outage on the Cooperative's electrical supply system. The Net-Metering Facility shall be designed to operate within allowable operating standards for the Cooperative's electrical supply system. The Net-Metering Facility shall not cause any adverse effects upon the quality or reliability of service provided to the Cooperative's other members. The member-generator shall operate its Net-Metering Facility in accordance with OR-OSHA rules and regulations.
- 8. Disconnection:** Member-generator shall furnish and install, on its side of the meter, a disconnecting device capable of fully disconnecting and isolating the Net-Metering Facility from the Cooperative's electric supply system (i.e. inverter system) or a disconnecting device shall be located adjacent to the Cooperative's bi-directional metering equipment and shall be of the visible break type in a metal enclosure that can be secured by a Cooperative owned padlock. The disconnecting device shall be accessible to the Cooperative's personnel at all times and shall conform to National Electric Code standards. The Cooperative shall have the right to disconnect, with or without notice, the Net-Metering Facility from the Cooperative's electric supply system when necessary, in the Cooperative's sole judgment, in order to maintain safe and reliable electrical operating conditions. Also, the Cooperative shall have the right to disconnect, with or without notice, the Net-Metering Facility if, in the Cooperative's sole judgement, the operation of the Net-Metering Facility at any time adversely affects the operation of the Cooperative's electrical system or the quality and reliability of the Cooperative's electrical service to other members. The Net-Metering Facility shall remain disconnected until such time as the Cooperative is satisfied, in its sole judgment, that condition(s) justifying the disconnection have ended or have been corrected.

- 9. Installation and Maintenance:** Except for the bi-directional metering equipment owned and maintained by the Cooperative, all equipment on member-generator's side of the delivery point, including the required disconnecting switch, shall be provided and maintained in satisfactory operating condition by member-generator, and shall remain the property and responsibility of the member-generator. The Cooperative shall bear no liability for member-generator's equipment or for the consequences of its operation.
- 10. Indemnity and Liability:** Each Party as indemnitor 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 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, or (b) the making of replacements, additions, improvements or reconstruction of the indemnitor's facilities [provided, however, member-generator's duty to indemnify the Cooperative hereunder shall not extend to loss, liability, damage, claim, cost, charge, demand, or expense resulting from interruptions in electrical service to the Cooperative's members other than member-generator]."
- 11. Fees:** Member-generator shall pay a basic charge as identified on Lane Electric's Rate Schedule GS-1 to cover its share of the administrative cost of the Net-Metering program; the fee shall be billed and paid for at the time payment for electrical service is due.
- 12. Pre-Operation Inspection:** Prior to interconnection and operation, member-generator shall cause the Net-Metering Facility and associated interconnection and disconnection equipment to be inspected and approved by the state electrical inspector and by any other governmental authority having jurisdiction, and proof of such inspection and approval shall be furnished to the Cooperative.
- 13. Access:** Authorized Cooperative employees shall have the right to enter the member-generator's property at any time, with or without notice, for the purpose of inspecting and/or testing the interconnection, disconnecting device and bi-directional metering equipment in order to insure proper operations and compliance with applicable regulations. The member-generator shall pay the Cooperative \$35 per inspection, payable within ten days of invoice. The Cooperative shall exercise this right in a reasonable manner. **This provision does not create a duty on the part of the Cooperative to inspect and/or test the member-generator's Facility and the member shall remain entirely responsible and obligated, as provided herein, for the proper operation of such Facility.**
- 14. Litigation Expense:** In the event of commencement of any suit, action or other proceeding to enforce performance of this agreement, or to enforce the Cooperative's rights relating to any issue peculiar to federal bankruptcy law, member-generator agrees to pay to Cooperative, 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 Cooperative in collecting any monetary judgment or award or otherwise enforcing such award, order, judgment or decree entered in such suit, action or other proceeding, and to collect or realize on any such award, order, or judgment. In the event the Cooperative hires an attorney to enforce this agreement, member-generator agrees to pay all reasonable attorney fees and costs incurred in any such efforts, including any efforts related to issues peculiar to federal bankruptcy law, whether or not suit or action is commenced.

In witness whereof, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the latter of the two dates set forth below.

**MEMBER-GENERATOR**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

\_\_\_\_\_  
Signature Date: \_\_\_\_\_

**LANE ELECTRIC COOPERATIVE**

Name: Frederick Crinklaw Title: General Manager

\_\_\_\_\_  
Signature Date: \_\_\_\_\_

**Exhibit A**

**Policy 311**  
**(Net-Metering Services)**

**Net-Metering Agreement**

**Section 1. Member-generator Information**

Name \_\_\_\_\_

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

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

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

Utility Member Account Number (from utility bill): \_\_\_\_\_

**Section 2. Net-Metering Facility Information**

System Type (Check Box):  Solar  Wind  Fuel Cell  Hydroelectric  Green

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 \_\_\_\_\_

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

**Section 4. Disposition of Excess Generation Credit**

(Check one)

\_\_\_\_\_ to the member-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 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 690 (for Photovoltaic Power Systems) and 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 Building Codes Division.

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

**Example of Billing Calculations**

<b>Energy Supplied to the Cooperative is <i>Less</i> Than the Energy Purchased</b>			
Basic Charge			\$ 12.00
	Rate	KWhs	
Energy Charge	\$ 0.0275	1,000	27.50
Delivery Charge	\$ 0.0441	1,000	44.10
			<u>\$ 83.60</u>
Less: Energy Supplied to the Cooperative			
Energy Charge	\$ 0.0275	200	(5.50)
Green Power Rate	\$ 0.0110	200	<u>(2.20)</u>
Balance due to Lane Electric			<u><u>\$ 75.90</u></u>

<b>Energy Supplied to the Cooperative is <i>More</i> Than the Energy Purchased</b>			
Basic Charge			\$ 12.00
	Rate	KWhs	
Energy Charge	\$ 0.0275	500	13.75
Delivery Charge	\$ 0.0441	500	22.05
			<u>\$ 47.80</u>
Less: Energy Supplied to the Cooperative			
Energy Charge	\$ 0.0275	1,500	(41.25)
Green Power Rate	\$ 0.0110	1,500	<u>(16.50)</u>
Member Credit Balance			<u><u>\$ (9.95)</u></u>

The above calculations are for example purposes only.