

Town of Hardwick Electric Department

Tariff No. NM-1

Net Metering

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1. Relationship to Public Utility Commission Net Metering Rules and State Statutes.

The Town of Hardwick Electric Department (“HED”) acknowledges the existence of Vermont Public Utility Commission Rule 5.100, and the Revised Net Metering Program, as ordered by the Vermont Public Utility Commission on June 8, 2017, relative to net metering, as well as various state statutes governing net metering. Rule 5.100, the Revised Net Metering Program and the applicable statutes, as they may be amended from time to time, are hereby incorporated into and made a part of this tariff. To the extent that the applicable statutes, Rule 5.100, the Revised Net Metering Program, or any part thereof, may be inconsistent with this tariff, the applicable statutes, the Revised Net Metering Program, and/or Rule 5.100 shall control in accordance with law.

2. Solar Net Metering Credit; Metering Costs

Customers of HED entitled to a credit under 30 V.S.A. section 219a(h)(1)(K), as the statute existed on December 31, 2016, shall receive a credit per kWh, as set forth below, in accordance with the terms of that section, and shall, except as provided in 30 V.S.A. § 219a(h)(1)(I), as the statute existed on December 31, 2016, own any renewable energy credits associated with the production on which the credit is calculated. Should an additional meter at the premises of the net metering customer be necessary to implement this credit, the net metering customer shall bear the cost of the additional meter.

Solar Net Metering Credit is applicable, for a period of ten years, beginning with the project's installation date, to:

All projects whose completed application was filed prior to May 8, 2014:

\$0.02115 per kWh

Projects whose completed application was filed on or after May 8, 2014 and before January 1, 2017:

Projects of 15 kW or less capacity: \$0.02115 per kWh

Projects greater than 15 kW capacity: \$0.01115 per kWh

Projects whose completed application was filed on or after January 1, 2017 are not eligible for the Solar Net Metering Credit.

3. Net Metering, Excess Generation Rate, Meter and Adjustors:

Excess Generation and the Blended Residential Rate:

A. For net metering systems whose completed certificate of public good (“CPG”) application was filed on or after January 1, 2017, the blended residential rate, as provided for in section 5.127(A) of rule 5.100 or the Revised Net Metering Program, as ordered by the Vermont Public Utility Commission on June 8, 2017, is applicable to excess generation kWh, and is set forth below:

The Blended Residential Rate: \$0.15417 per kWh

The blended residential rate is the rate multiplied by excess generation kWh and applied as an additional credit on the customer’s bill. For net metering systems directly interconnected to the electric system through a separate meter whose primary purpose is to measure the energy generated by the system, the Blended Residential Rate is applicable to all generated kWh.

B. For net metering systems who’s completed CPG application was filed prior to January 1, 2017, and while the utility was accepting net metering applications, the rate applicable to excess generation kWh during the ten years following commissioning shall be:

- 1) For net metering systems not directly connected to the distribution system, the rate applied to excess generation kWh to calculate the monetized excess generation credit shall be the highest block rate paid by the customer for electricity provided by the utility.
- 2) For net metering systems connected directly to the distribution system and not serving a demand or time of use customer, the rate applied to all generation kWh to calculate the monetized excess generation credit shall be the highest block rate paid by the customer for electricity provided by the utility.
- 3) For net metering systems serving a demand or time of use customer and connected directly to the distribution system, the rate applied to all generation kWh to calculate the monetized excess generation credit shall be the residential tail block energy rate.

At the end of the 10-year period following commissioning the rate applied to excess generation kWh to calculate the monetized excess generation credit shall be as provided in Commission Rule 5.126 or its successor.

Production Meter:

For projects whose completed application was filed on or after January 1, 2017 installation of a production meter is required. The customer shall obtain the meter and approval of the meter location from HED. For a production meter that is installed behind the billing meter, HED shall charge the customer the cost of the meter plus installation, for differing installation types, as set forth below:

| | |
|---------------------------------------|----------|
| Residential / Commercial single phase | \$185.04 |
| Commercial / Industrial 3-phase | \$300.54 |

The cost of production meter replacements will be borne by the customer. For projects that are directly connected to the distribution system through the production meter, the cost of the meter is included in the monthly customer charge for that account. All meters shall be installed in accordance with HED standards and shall remain the property of HED. The customer is responsible for owning and installing the appropriate wiring and meter socket, in accordance with HED standards, at an accessible outside location. For projects whose completed application was filed on or before December 31, 2016, and who elect to install a production meter, the requirements and charges shall be the same as for new projects set out above.

Group Net-Metering System Requirements

In addition to any other requirements set forth in 30 V.S.A. Sections 248 and 8010, and any applicable Board Rules, a group must file the following information with HED before a group system may be formed and served by the utility:

1. The meters to be included in the group system, all of which must be located within HED service territory.
2. The name and contact information for a designated person who is responsible for all communications from the group system to Hardwick, save for communications related to billing, payment, and disconnection.

3. A process for adding and removing meters in the group and an allocation of any credits among the members of the group. This allocation method must be based on percentages provided to HED by the group and may only be changed upon written notice to Hardwick by the designated contact person. Pre-Existing net metering systems whose completed application was filed prior to January 1, 2017, and while the utility was accepting net metering applications, may continue to use the allocation method established in that original application.
4. A binding process that does not include the utility, for resolving disputes among the members of a group relating to the net metering system.

Membership in Multiple Net-Metering Groups

Individual customer accounts may be enrolled only in one net-metering group at a time. Customers with multiple accounts may enroll each account in a separate net-metering group. The cumulative capacity of net-metering systems allocated to a single customer may not exceed 500 kW.

Energy Measurement For Group Net Metering Systems

For new group net metering systems that apply to receive service under this tariff after January 1, 2017, HED may require that all of the member meters be read on the same billing cycle.

For new group net metering systems that apply to receive service under this tariff after January 1, 2017, the customer must install a production meter to measure the electricity produced by the net-metering system. The customer shall obtain the meter, and approval of the meter location, from HED. For a production meter that is installed behind the billing meter, HED shall charge the customer the cost of the meter plus installation, for differing installation types, as set forth below:

| | |
|---------------------------------------|----------|
| Residential / Commercial single phase | \$185.04 |
| Commercial / Industrial 3-phase | \$300.54 |

The cost of production meter replacements will be borne by the customer. For projects that are directly connected to the distribution system through the

production meter, the cost of the meter is included in the monthly customer charge for that account. All meters shall be installed in accordance with HED standards and shall remain the property of HED. The customer is responsible for owning and installing the appropriate wiring and meter socket, in accordance with HED standards, at an accessible outside location. For projects whose completed application was filed on or before December 31, 2016, and who elect to install a production meter, the requirements and charges shall be the same as for new projects set out above.

Group Systems Not Directly Connected to Hardwick's Grid

For customers who elect to wire group-net-metering systems such that they offset consumption on the billing meter, the billing meter establishes the billing determinants for the customer's bill based on the rate schedule for the customer. HED will measure the net electricity produced or consumed during each billing period. If the electricity consumed by the customer exceeds the electricity produced by the net-metering system, the customer will be billed the difference, net of any credit accumulated in the preceding 12 months. Except in the case of a pre-existing net metering system, credits may not be applied to non-by-passable charges as identified in this tariff.

If the electricity produced by the net-metering system exceeds the electricity consumed, the excess generation kWh will be allocated to group members based on the percentage allocations specified to HED by the group. Allocated kWh will be monetized at the applicable rate identified in Section 3 of this tariff. Except in the case of a pre-existing net metering system, the monetized credit will be applied to all charges on the customer's bill not identified as non-by-passable.

If application of the credit 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 and will be tracked, applied, or carried forward on group member bills. Any accumulated monetary credits shall be used by the customer within twelve (12) months or shall revert to HED without any compensation to the individual net metering system customer. Net metering credits, once allocated to a net metering customer, shall not be sold, re-assigned, re-allocated or otherwise transferred to another customer for any reason. Accumulation of monetary credits shall not result in any financial payments to the customer.

Group Systems Directly Connected to Hardwick's Grid

For group net-metering systems where the generation is directly connected to HED's grid and does not also offset any customer's billing meter, the electricity produced by the net-metering system will be allocated to the group members based on percentages specified to HED by the group, and monetized at the applicable rate identified in Section 3 of this tariff. Except in the case of a pre-existing net metering system, the monetized credit applies to all charges not identified as non-by-passable charges in this tariff.

If application of the credit 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 and will be tracked, applied, or carried forward on group member bills. Any accumulated monetary credits shall be used by the customer within twelve (12) months or shall revert to HED without any compensation to the individual net metering system customer. Net metering credits, once allocated to a net metering customer, shall not be sold, re-assigned, re-allocated or otherwise transferred to another customer for any reason. Accumulation of monetary credits shall not result in any financial payments to the customer.

The REC adjustor:

For projects whose completed application was filed prior to January 1, 2017, the REC adjustor is not applicable. For projects whose completed application was filed on or after January 1, 2017, and prior to July 1, 2018, the applicable REC adjustor is set forth below.

Positive REC Adjustor (+\$0.03 per kWh):

A positive REC adjustor is applicable to projects that have elected to transfer all RECs to the utility and is three (3) cents per kWh to be multiplied by all kWh from the production meter and applied as an additional credit on the customer's bill for the first ten years from the date the system is commissioned.

Negative REC Adjustor (-\$0.03 per kWh):

A negative REC adjustor is applicable to projects that have elected to retain ownership of all RECs and is three (3) cents per kWh rate to be multiplied by all kWh from the production meter and applied as an additional charge on the customer's bill, in perpetuity.

For projects whose completed application was filed on or after July 1, 2018 and prior to July 1, 2019, the applicable REC adjustor is set forth below.

Positive REC Adjustor (+\$0.02 per kWh):

A positive REC adjustor is applicable to projects that have elected to transfer all RECs to the utility and is two (2) cents per kWh to be multiplied by all kWh from the production meter and applied as an additional credit on the customer's bill for the first ten years from the date the system is commissioned.

Negative REC Adjustor (-\$0.03 per kWh):

A negative REC adjustor is applicable to projects that have elected to retain ownership of all RECs and is three (3) cents per kWh rate to be multiplied by all kWh from the production meter and applied as an additional charge on the customer's bill, in perpetuity.

For projects whose completed application was filed on or after July 1, 2019, the applicable REC adjustor is set forth below.

Positive REC Adjustor (+\$0.01 per kWh):

A positive REC adjustor is applicable to projects that have elected to transfer all RECs to the utility and is one (1) cent per kWh to be multiplied by all kWh from the production meter and applied as an additional credit on the customer's bill for the first ten years from the date the system is commissioned.

Negative REC Adjustor (-\$0.03 per kWh):

A negative REC adjustor is applicable to projects that have elected to retain ownership of all RECs and is three (3) cents per kWh rate to be multiplied by all kWh from the production meter and applied as an additional charge on the customer's bill, in perpetuity.

The Siting Adjustor:

For projects whose completed application was filed prior to January 1, 2017, the Siting Adjustor is not applicable.

Positive Siting Adjustor:

A positive siting adjustor is the \$ per kWh rate to be multiplied by all kWh from the production meter and applied as an additional credit on the customer's bill for the first ten years from the date the system is commissioned.

Negative Siting Adjustor:

A negative Siting adjustor is the \$ per kWh rate to be multiplied by all kWh from the production meter and applied as an additional charge on the customer's bill, in perpetuity.

Siting Adjustor Categories

- Category I – a net-metering system that has a capacity of 15 kW or less
- Category II – a net-metering system that has a capacity greater than 15 kW and less than or equal to 150 kW, and is sited on a preferred site (as defined in Rule 5.100)
- Category III – a net-metering system that has a capacity greater than 150 kW and less than or equal to 500 kW, and is sited on a preferred site (as defined in Rule 5.100)
- Category IV – a net-metering system that has a capacity greater than 15 kW and less than or equal to 150 kW, and that is not located on a preferred site (as defined in Rule 5.100)

For projects whose completed application was filed on or after January 1, 2017 and prior to July 1, 2018, the applicable Siting Adjustor is set forth below:

- Category I = (+\$.01 per kWh) / 1 cent per kWh;
- Category II = (+\$.01 per kWh) / 1 cent per kWh;
- Category III = (-\$.01 per kWh) / negative 1 cent per kWh;
- Category IV = (-\$.03 per kWh) / negative 3 cents per kWh;

Hydroelectric facilities = (zero per kWh) / 0 cents per kWh.

For projects whose completed application was filed on or after July 1, 2018, the applicable Siting Adjustor is set forth below:

- Category I = (+\$.01 per kWh) / 1 cent per kWh;
 - Category II = (+\$.01 per kWh) / 1 cent per kWh;
 - Category III = (-\$.02 per kWh) / negative 2 cents per kWh;
 - Category IV = (-\$.03 per kWh) / negative 3 cents per kWh;
- Hydroelectric facilities = (zero per kWh) / 0 cents per kWh.

4. Net Metering Non By-passable and Other Requirements:

Non-by-passable Charges:

For net metering projects whose completed CPG applications were filed on or after January 1, 2017, the following charges on the customer's bill are non-by-passable and shall not be offset through the use of net metering credits:

- The Customer Charge
- The Energy Efficiency Charge
- Energy Assistance Program Charge
- On Bill Financing Charge and Any Equipment Rental Charge.

For net metering projects whose completed CPG applications were filed prior to January 1, 2017, and whose completed application was filed at a time when net metering was being offered by the electric company pursuant to 30 V.S.A. section 219a(h)(1)(K), as the statute existed as of December 31, 2016, net metering credits may be used to offset non-by-passable charges for the ten year period beginning with the date the project was commissioned; after the initial ten year period net metering credits may not be used to offset the non-by-passable charges enumerated above.

Other Requirements:

HED will charge a monthly Account Maintenance Fee of \$8.85 per month which shall apply to all net metering systems whose completed applications for a CPG are filed on or after January 1, 2017.

For customers seeking to install and operate a net metering system, HED requires that an energy efficiency audit be completed, and a copy of the audit report shall be provided to HED. Residential customers with historic monthly usage of less than 750 kWh are excepted from this requirement.