DAWSON PUBLIC POWER

CUSTOMER POLICY 208
Customer-Owned Generation

OBJECTIVE

To establish a policy for interconnecting customer-owned generation. This policy shall be carried out in accordance with provisions of the current federal and state laws, as may relate to consumer-owned generation activity including but not limited to wind, solar, methane, geothermal and fuel cell applications.

CLASSIFICATIONS

Dawson PPD will use four main classifications to describe and define customer-owned interconnected generation, not including emergency backup generators:

A) **Net metering** as defined by Nebraska statutes 70-2001 to 70-2005. This includes projects up to 25 kW in size that are designed to offset the customer's energy usage (kwh). Net metering is billed using Dawson PPD's Net Metering Rider Rate (NMRR).

B) **Distributed generation** is defined as projects over 25 kW that are designed to offset or exceed the customer's energy usage (kwh). These types of services will be billed and credited using a Simultaneous Buy-Sell Rate (SBS-1).

C) **Local generation** is defined as projects that are designed to sell power to the District. The rate will be defined in a Purchase of Power Agreement.

D) **Co-generation** produces electric energy and forms of useful thermal energy (such as heat or steam) used for industrial, commercial, heating or cooling purposes, through the sequential use of energy. The rate will be established in a Purchase of Power Agreement.

DEFINITIONS

Offset or offsetting generation is defined as customer-owned generation that provides a portion or all of the customer's energy consumption (kWh) at the same site. The customer's energy consumption is based upon the average of the preceding 36 months of energy consumption prior to the date of application onset. If a customer does not have 36 months of billing history, Dawson PPD will request information about the service to estimate the load. After one year of customer-generator production, the account will be reviewed. During this review, metering records will be examined to determine if the customer-generator is offsetting energy consumption at the site, or generating excess power.

Net metering shall mean the measured difference between the electricity supplied to a retail customer by Dawson PPD and the electricity generated by the same retail customer and delivered to Dawson PPD at the same point of interconnection.

POLICY

It shall be the policy of Dawson Public Power District that:

A. A retail customer receiving service under this policy will be subject to the same retail rate schedule as those retail customers who are not generators.

B. Any request by a consumer or prospective consumer to interconnect with the District's power lines shall be subject to the provisions of the DAWSON PUBLIC POWER DISTRICT POLICIES AND PROCEDURES MANUAL.

C. All projects will be subject to an application process and engineering review. Dawson PPD shall be contacted 60 days prior to installation.

D. Net metering, distributed generation, and local generation projects use solar, wind, biomass, geothermal or hydropower resources as the fuel source. Co-generation uses thermal energy as defined above.

E. Is located on premises that are owned, operated, leased or otherwise controlled by the retail customer.

F. Interconnected generation must operate in parallel with Dawson PPDs electric distribution system

G. Interconnected generation must meet all safety and performance requirements of Dawson Public Power District and applicable federal, state, and local regulations and interconnection standards.

H. Prior to beginning operation of the generation equipment, the Customer-Generator must complete and file, as appropriate, with the District as follows:
    i. Application for Interconnection
    ii. Interconnection and Power Purchase Agreement
    iii. Electrical inspection from the Nebraska State Electrical Board

I. Proof of insurance may be required, except where excluded by state law.

J. Compensation for the purchased distributed generation will be as outlined in the District's Rate Schedules and/or the power purchase agreement, which may be amended from time to time by the District's Board of Directors.

K. In some situations, generation projects may be waived to Nebraska Public Power District for consideration. Dawson PPPD will notify the customer in writing if the proposed project requires an interconnection agreement with NPPD.

METERING

Dawson PPD will provide metering for each of the following types of generators. Refer to the rate and contract for specific metering information.

A. Net metering customers will utilize a single meter that is capable of recording usage and generation at the metering point.

B. Distributed generation customers will require two electric meters. One will measure the electric consumption and the other will measure generation.

C. Local generation installations can be metered using a single meter or a two-meter system. The meter configuration will be determined on a case by case basis.

D. Co-generation installations will utilize a two-meter system. One will measure the electric consumption and the other will measure generation.

RESPONSIBILITIES

A. The Board of Directors shall be responsible for any change or revision of this policy.

B. The General Manager shall be responsible for the administration of this policy and for making recommendations on necessary or required changes.

C. This district policy shall conform to all state and federal regulations.