

Agenda ~~17-6~~ Item No. 20 Draft Order for discussion at utility agenda.

THIS ORDER IS NOT A FINAL ORDER AND MAY BE SUBSTANTIALLY REVISED PRIOR TO ENTRY OF A FINAL ORDER BY THE PUBLIC UTILITIES COMMISSION OF NEVADA

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Nevada Power Company d/b/a NV Energy filed under Advice Letter No. 466 to revise Tariff No. 1-B to modify Net Metering Rider-A Schedule NMR-A to establish separate rates for grandfathered private generation customers.

Docket No. 16-07028

Application of Sierra Pacific Power Company d/b/a NV Energy filed under Advice Letter No. 585-E to revise Electric Tariff No. 1 to modify Net Metering Rider-A Schedule NMR-A to establish separate rates for grandfathered private generation customers.

Docket No. 16-07029

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PUBLIC UTILITIES COMMISSION
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At a general session of the Public Utilities Commission of Nevada, held at its offices on September 16, 2016.

PRESENT: Chairman Paul A. Thomsen
Commissioner Alaina Burtenshaw
Commissioner David Noble
Assistant Commission Secretary Trisha Osborne

[PROPOSED] ORDER

The Public Utilities Commission of Nevada ("Commission") makes the following findings of fact and conclusions of law:

I. INTRODUCTION

Nevada Power Company d/b/a NV Energy ("NPC") filed with the Public Utilities Commission of Nevada ("Commission") an Application under Advice Letter No. 466, designated as Docket No. 16-07028, to revise Electric Tariff No. 1-B to modify Net Metering Rider-A Schedule NMR-A to establish separate rates for grandfathered private generation customers. Sierra Pacific Power Company d/b/a NV Energy ("SPPC") filed with the Commission an Application under Advice Letter No. 585-E, designated as Docket No. 16-07029, to modify Net

Metering Rider-A Schedule NMR-A to establish separate rates for grandfathered private generation customers.

II. SUMMARY

The Commission accepts the Stipulation, attached hereto as Attachment 1, and approves the Applications as modified by the Stipulation.

III. PROCEDURAL HISTORY

- On July 27, 2016, NPC and SPPC (together, “NV Energy”) filed the Applications.
- NV Energy filed the Applications pursuant to the Nevada Revised Statutes (“NRS”) and the Nevada Administrative Code (“NAC”), Chapters 703 and 704, including but not limited to NRS 704.100 and NAC 703.400.
- The Regulatory Operations Staff (“Staff”) of the Commission participates as a matter of right pursuant to NRS 703.301.
- On July 29, 2016, the Commission issued a Notice of Application to Revise Tariff for Docket Nos. 16-07028 and 16-07029.
- On July 29, 2016, the Presiding Officer issued a Procedural Order which consolidated Docket Nos. 16-07028 and 16-07029 for hearing purposes and required NV Energy to provide supplemental information.
- On August 2, 2016, the Attorney General’s Bureau of Consumer Protection (“BCP”) filed a Notice of Intent to Intervene pursuant to NRS 228.360.
- On August 2, 2016, the Commission issued a Notice of Prehearing Conference.
- On August 2, 2016, NV Energy filed supplemental information in accordance with the July 29, 2016 Procedural Order.
- On August 24, 2016, SolarCity filed a Petition for Leave to Intervene (“PLTI”).
- On August 25, 2016, the Presiding Officer held a prehearing conference in accordance with NAC 703.655. NV Energy, Staff, BCP, and SolarCity (collectively, the “Parties”) made appearances. SolarCity’s PLTI was discussed and the prehearing conference was continued.
- On August 29, 2016, the Presiding Officer issued an order denying SolarCity’s PLTI.
- On August 29, 2016, the Commission issued a Notice of Continued Prehearing Conference.
- On September 2, 2016, SolarCity filed a Petition for Reconsideration of its PLTI and a motion to stay the proceedings (“Petition”).

- On September 2, 2016, the Presiding Officer issued Procedural Order No. 2 requiring the Parties to address SolarCity's Petition.
- On September 6, 2016, the Presiding Officer held a continued prehearing conference. NV Energy, Staff, BCP, and SolarCity were in attendance. SolarCity was granted intervener status and a procedural schedule was set.
- On September 6, 2016, the Commission issued a Notice of Hearing.
- On September 8, 2016, NV Energy filed Prepared Direct Testimony.
- On September 12, 2016, the Parties filed a Stipulation, attached hereto as Attachment 1.
- On September 13, 2016, the Presiding Officer held a continued prehearing conference. The Parties participated and discussed the Stipulation. At the conclusion of the continued prehearing conference, Exhibits 1-6 were admitted into the record pursuant to NAC 703.730.

IV. STIPULATION

Parties' Position

1. The Parties request that the Commission accept the Stipulation and approve NV Energy's Applications as provided in the Stipulation. (Tr. at 140-143.)
2. The Parties recommend that the Commission implement Net Energy Metering ("NEM") grandfathering by creating a new NEM tariff rider to be labeled NMR-G, as set forth in the attached Schedules of the Stipulation. The "Applicability" section of the currently approved NMR-A rider would be modified to exclude customers eligible for service under the NMR-G rider. The NMR-G tariff rider will be separate and distinct from both NMR-A and NMR-B NEM rider schedules in effect and would apply solely to those customer-generators¹ that are grandfathered in accordance with the Stipulation. (Ex. 6 at 2.)
3. The Parties recommend that the NMR-G rider includes the following provisions:
 - a) Migration provisions and Special Conditions applicable to affected

¹ As defined in the Schedules, "Customer-generator" means a user of a NEM system. *See* Special Conditions Definitions sections of the proposed Schedule NMR-A and NMR-G.

customer-generators that are consistent with the “NMR Net Metering Rider” schedule that became effective on April 30, 2014;

b) Language recognizing that the performance of routine repairs and maintenance will not render a NEM system ineligible for the NMR-G rider. (Ex. 6 at 2.)

4. The Parties agree that eligible NEM customers who have already interconnected NEM systems should automatically receive service under the NMR-G rider without any action on the customer’s part. NV Energy will disseminate the information it filed on August 8, 2016, in response to the Presiding Officer’s request for supplemental information, updated with the dates and timetables for opt-in consistent with the Stipulation, to all eligible NEM customers. NV Energy will notify eligible NEM customers who have not yet interconnected a NEM system that they are eligible to opt-in, and inform eligible NEM customers that NE Energy will begin accepting opt-in requests on November 21, 2016. Eligible NEM customers who have not yet interconnected to NV Energy’s system will be given until February 28, 2017, at 11:59 p.m. Pacific Standard Time to opt-in to the grandfathering provisions of the NMR-G rider. (Ex. 6 at 2.)

5. The Parties agree that NV Energy shall track the difference in revenue earned from grandfathered customers pursuant to the NMR-G tariff rider from revenue that would have been received from those same customers, assuming identical usage and no grandfathering, under the NMR-A tariff rider. All parties reserve all existing rights to recommend, the next time NPC and SPPC respectively file a general rate application pursuant to NRS 704.110(3), that an adjustment, in whole or in part, be made based on any difference in revenue resulting from this tracking. Nothing in the Stipulation shall limit the right of any party to respond in any way to such recommendations in those proceedings. (Ex. 6 at 3.)

6. The Parties recommend that the Commission grant incentive reservation extensions to customers who applied for NEM systems through the Renewable Generations Program who are eligible for and elect to opt-in pursuant to the NMR-G tariff rider. The Parties further recommend that extensions be granted for customers with pre-existing reservations who elect to opt-in pursuant to the NMR-G tariff rider in order to construct their systems. The extension would expire on February 28, 2018. The Parties recommend that the Commission find that good cause exists, and it would be in the public interest, to grant a waiver to these customers from NAC 701B.155(4)(c). (Ex. 6 at 3.)

7. NV Energy identified a subset of customer-generators who withdrew an application or had a Renewable Generations reservation expire between December 23, 2015 and December 31, 2015. The Parties agree that those customers shall be deemed to have had an “active application” pending on December 31, 2015, for the purposes of the eligibility section of NMR-G. (Ex. 6 at 3.)

Commission Discussion and Findings

8. NAC 701B.010 states that the Commission or the Presiding Officer may allow deviation from the provisions of NAC 701B if “1) good cause appears; 2) the person requesting the deviation provides a specific reference to each provision of the chapter from which deviation is requested; and 3) the Commission finds that the deviation is in the public interest and not contrary to statute.”

9. NAC 701B.155(4)(c) states, in relevant part, that “[t]he utility shall review and approve applications in the order in which the applications are received, subject to the utility’s process for review and approval of applications. The utility shall, within 30 days after receipt of an application, review the application for completeness and determine eligibility. Once the utility

approves the application, the utility shall issue a notice confirming that a specific incentive amount is reserved for the project. The solar energy system must be installed and capable of producing electricity on or before the expiration date listed on the notice. The notice must list an expiration date for the reservation, which must be 12 months after the date of the issuance of the notice.”

10. NAC 703.845 states that “in any proceeding before the Commission, the parties to the proceeding may enter into a stipulation for the settlement of some or all outstanding issues in the proceeding. The stipulation: 1) must settle only issues relating to the instant proceeding; and 2) must not seek relief that the Commission is not otherwise empowered to grant.”

11. Pursuant to NAC 701B.010, the Commission finds good cause to allow the requested deviation from NAC 701B.155(4)(c) because it will provide certain previous NEM applicants an opportunity to complete their applications and obtain the Renewable Generations Program incentives. Such a deviation is not contrary to statute. Moreover, it is in the public interest to allow previous applicants to obtain the Renewable Generations Program incentives.

12. The Commission finds that the Stipulation complies with the requirements of NAC 703.845, in that it settles only issues relating to the instant proceeding, and does not seek relief the Commission is not otherwise empowered to grant. The Stipulation is a consensus resolution of the issues pursuant to the parties’ negotiations and is a resolution of the issues in this proceeding. Therefore, the Commission finds that it is in the public interest to accept the Stipulation.

13. All arguments of the Parties raised in these proceedings not expressly addressed herein have been considered and either rejected or found to be non-essential for further discussion in this Order. Additionally, any agreements and recommendations contained in the

Stipulation, but not expressly addressed herein, are either agreements by the Parties regarding matters non-essential to the disposition of this Docket, or are recommendations for specific findings that do not require delineation given the Commission's acceptance of the Stipulation and corresponding approval of the Applications.

14. Neither the Stipulation, nor the Commission's acceptance of recommendations contained in the Stipulation, shall have any precedential effect in other proceedings before the Commission.

THEREFORE, it is ORDERED that:

1. The Stipulation filed by Nevada Power Company d/b/a NV Energy, Sierra Pacific Power Company d/b/a NV Energy, the Attorney General's Bureau of Consumer Protection, the Regulatory Operations Staff of the Commission, and SolarCity, attached hereto as Attachment 1, is ACCEPTED.

2. The Applications filed by Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy, designated as Docket Nos. 16-07028 and 16-07029, are GRANTED AS MODIFIED by the Stipulation.

3. The Commission's acceptance of the Stipulation does not constitute precedent regarding any legal or factual issue.

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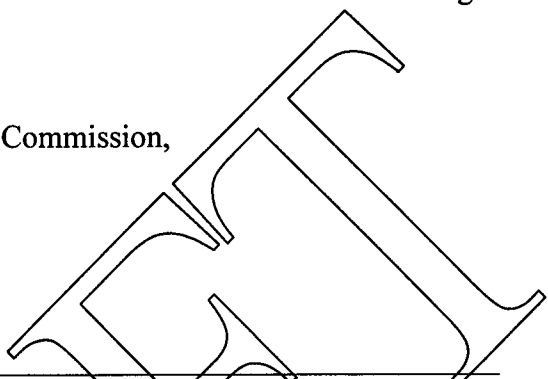
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4. The Commission may correct any errors that have occurred in the drafting or issuance of this Order without further proceedings.

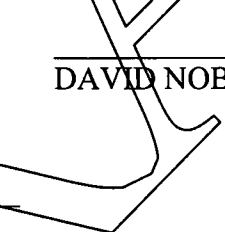
By the Commission,




PAUL A. THOMSEN, Chairman and Presiding
Officer



ALAINA BURTENSHAW, Commissioner



DAVID NOBLE, Commissioner

Attest: 

TRISHA OSBORNE,
Assistant Commission Secretary

Dated, Carson City, Nevada

(SEAL)

ATTACHMENT 1



September 12, 2016

Ms. Trisha Osborne, Assistant Commission Secretary
Public Utilities Commission of Nevada
Capitol Plaza
1150 East William Street
Carson City, Nevada 89701-3109

Re: **Docket No. 16-07028** – Nevada Power Company’s Advice Letter No. 466; and
Docket No. 16-07029 – Sierra Pacific Power Company’s Advice Letter No. 585-E

Dear Ms. Osborne:

Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy hereby submit for filing the enclosed fully executed Stipulation signed by all parties in the above referenced docket. The Stipulation constitutes a negotiated settlement which is entered into for the purpose of resolving all the issues raised by the signing parties in the case. The parties to the Stipulation request that the presiding officer vacate the current procedural schedule.

If you have any questions, please do not hesitate to contact me at (775) 834-5692.

Sincerely,

/s/Michael Greene
Michael Greene
Senior Attorney

Enclosures

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of Nevada Power Company d/b/a NV Energy filed under Advice Letter No. 466 to revise Tariff No. 1-B to modify Net Metering Rider-A Schedule NMR-A to establish separate rates for grandfathered private generation customers.

Docket No. 16-07028

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Docket No. 16-07029

STIPULATION

COMES NOW, the Regulatory Operations Staff (“Staff”) of the Public Utilities Commission of Nevada (“Commission”), Nevada Power Company d/b/a NV Energy (“NPC”), Sierra Pacific Power Company d/b/a NV Energy (“SPPC” and together with NPC are referred to herein as “NV Energy”), the Bureau of Consumer Protection (“BCP”) and SolarCity (together with Staff, NV Energy and BCP, the “Parties”), pursuant to Nevada Administrative Code (“NAC”) § 703.750 and NAC § 703.845, hereby submit this Stipulation to the Commission, and respectfully request and recommend that the Commission approve this Stipulation in full settlement of all matters at issue.

Recitals

WHEREAS, on July 27, 2016, NPC filed an Application under Advice Letter No. 466 to revise Tariff No. 1-B to modify Net Metering Rider-A Schedule NMR-A to establish separate rates for grandfathered Net Energy Metering (“NEM”) customers. That Application was designated by the Commission as Docket No. 16-07028 and included a number of revised tariff sheets.

WHEREAS, on July 27, 2016, SPPC filed an Application under Advice Letter No. 585-E to revise Electric Tariff No. 1 to modify Net Metering Rider-A Schedule NMR-A to establish separate rates for grandfathered NEM customers. That Application was designated by the Commission as Docket No. 16-07029 and included a number of revised tariff sheets (the tariffs included in Advice

Letter No. 466 and Advice Letter No. 585-E are collectively referred to herein as the “Grandfathering Tariffs”).

WHEREAS, Staff participates as a matter of right pursuant to Nevada Revised Statutes (“NRS”) § 703.301.

WHEREAS, on August 2, 2016, the BCP filed Notices of Intent to Intervene and participates as a matter of right pursuant to NRS § 228.360.

WHEREAS, on August 24, 2016, SolarCity filed Petitions for Leave to Intervene in both Docket No. 16-07028 and Docket No. 16-07029. Those Petitions for Leave to Intervene were granted on September 6, 2016.

WHEREAS, on August 26, 2016, and September 6, 2016, the Commission held a Prehearing Conference and a Continued Prehearing Conference(s) in accordance with NAC § 703.655.

WHEREAS, the Parties have independently reviewed NV Energy’s filings and formed opinions on the relief requested therein.

WHEREAS, the Parties negotiated a mutually acceptable settlement of this matter.

NOW THEREFORE, based upon the mutual agreement reflected in this Stipulation, the Parties agree as follows:

1. The Parties recommend that the Commission implement NEM grandfathering by creating a new NEM tariff rider to be labeled NMR-G. The provisions of NMR-G are set forth in Attachment A hereto. The “Applicability” section of the currently approved NMR-A rider will be modified to exclude customers eligible for service under the NMR-G rider. The NMR-G tariff rider will be separate and distinct from both the NMR-A and NMR-B net metering rider schedules in effect and will apply solely to those customer-generators that are grandfathered in accordance with this Stipulation.

2. As is set forth in Attachment A, the NMR-G rider includes the following provisions:
 - A. Migration provisions and Special Conditions applicable to affected customer-generators that are consistent with the “NMR Net Metering Rider” schedule that became effective on April 30, 2014.
 - B. Language recognizing that the performance of routine repairs and maintenance will not render a system ineligible for the NMR-G rider.

3. Eligible NEM customers who have already interconnected Net Metering Systems will automatically receive service under the NMR-G rider without any action on the customer's part. NV Energy will disseminate the information it filed, on August 8, 2016, updated with the dates and time-tables for opt-in consistent with this stipulation, in this docket in response to the Commission's request for supplementary material to all eligible NEM customers. NV Energy will notify eligible NEM customers who have not yet interconnected a Net Metering System they are eligible to opt-in and inform eligible NEM customers it will begin accepting opt-in requests on November 21, 2016. Eligible NEM customers who have not yet interconnected to NV Energy's system will be given until midnight (pacific) February 28, 2017, to opt-in to the grandfathering provisions of the NMR-G rider.

4. NV Energy will track the difference in revenue earned from grandfathered customers pursuant to the NMR-G tariff rider attached hereto as Attachment A, from that revenue that would have been received from those same customers (assuming identical usage and no grandfathering) under the NMR-A tariff rider. All Parties reserve all existing rights to recommend, the next time NPC and SPPC respectively file a general rate application pursuant to NRS § 704.110(3), that an adjustment, in whole or in part, be made based on any difference in revenue resulting from this tracking. Nothing in this Stipulation shall limit the right of any Party to respond in any way to such recommendation in those proceedings.

5. The Parties recommend that the Commission grant incentive reservation extensions to customers who applied for NEM systems through the RenewableGenerations Program and who are eligible for and elect to opt-in pursuant to the NMR-G tariff rider. The Parties further recommend that the extensions be granted along with and expire on February 28, 2018, for construction for customers with pre-existing reservations who elect to opt-in pursuant to the NMR-G tariff rider. The Parties recommend the Commission find that good cause exists and it would be in the public interest to grant a waiver to these customers from NAC § 701B.155(4)(c).

6. NV Energy identified a subset of customer-generators who withdrew an application or had a RenewableGenerations reservation expire between December 23, 2015, and December 31, 2015. The Parties agree that those customers shall be deemed to have had an "active application" pending on December 31, 2015, for the purpose of the eligibility section of NMR-G.

7. Neither this Stipulation, nor its terms, nor the Commission's acceptance of the recommendations contained in this Stipulation shall have any precedential effect in other proceedings before the Commission, in proceedings before a court of law including, but not limited to, Case No.

160C00521B before the First Judicial District Court for the State of Nevada or any state government regulatory bodies, nor shall it be admissible or otherwise used in any proceedings before a court of law, or any state or federal government regulatory bodies for any purpose, nor shall it be deemed a waiver of any position or argument made by any Party in any such proceedings. Furthermore, neither this Stipulation, nor its terms, nor the Commission's acceptance of the recommendations contained in this Stipulation, shall prohibit any party from pursuing future action that would alter the requirements of the Modified Final Order in Docket No. 15-07041 and Docket No. 15-07042. SolarCity shall not, by signing this Stipulation, be deemed to have acknowledged or conceded that net energy metering results in an unreasonable cost shift. Furthermore, SolarCity shall not, by signing this stipulation, waive any existing right it has to advocate for the application of different rates to net energy metering customers.

8. This Stipulation is made upon the express understanding that it constitutes a negotiated settlement. The provisions of this Stipulation are not severable. In the event the Commission does not adopt the recommendations contained in the Stipulation in total, then this Stipulation shall be void and no signatory shall be bound by any of the agreements or provisions.

9. This Stipulation may be signed in one or more counterparts, all of which together shall constitute the original executed document. This Stipulation may be executed by signatures provided by electronic facsimile transmission (i.e., fax copies), which facsimile signatures shall be as binding and effective as original signatures.

10. The Parties recommend that the presiding officer vacate the current procedural schedule.

**REGULATORY OPERATIONS STAFF OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

By: _____
Samuel S. Crano
Assistant Staff Counsel

Dated: _____

**NEVADA POWER COMPANY D/B/A NV ENERGY
SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY**

By: _____
Michael Greene
Associate General Counsel

Dated: 9/12/16

BUREAU OF CONSUMER PROTECTION

By: _____
Michael Saunders
Senior Deputy Attorney General

Dated: _____

SOLARCITY

By: _____
Kathleen M. Drakulich
Curt R. Ledford

Dated: _____


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**REGULATORY OPERATIONS STAFF OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

By: 
Samuel S. Crano
Assistant Staff Counsel

Dated: 9-17-16

**NEVADA POWER COMPANY D/B/A NV ENERGY
SIERRA PACIFIC POWER COMPANY D/B/A NV ENERGY**

By: _____
Michael Greene
Associate General Counsel

Dated: _____

By: _____
Michael Greene
Associate General Counsel

Dated: _____

BUREAU OF CONSUMER PROTECTION

By: Michael Saunders
Michael Saunders
Senior Deputy Attorney General

Dated: 9-12-16

SOLARCITY

By: _____
Kathleen M. Drakulich
Curt R. Ledford

Dated: _____

By: _____
Michael Greene
Associate General Counsel

Dated: _____

BUREAU OF CONSUMER PROTECTION

By: _____
Michael Saunders
Senior Deputy Attorney General

Dated: _____

SOLARCITY

By: *Kathleen M. Drakulich*
Kathleen M. Drakulich
Curt R. Ledford

Dated: 9-12-16

SCHEDULES

Schedule NMR-A
RESIDENTIAL AND SMALL GENERAL SERVICE
NET METERING RIDER-A

APPLICABLE

This Rider is applicable to all Customer-generators in conjunction with any of the Utility's NEM Rate Schedules (i.e., RS-NEM, ORS-TOU-NEM, RM-NEM, ORM-TOU-NEM, LRS-NEM, OLSR-TOU-NEM, GS-NEM, OGS-TOU-NEM), except those eligible for the NMR-G rider. This Rider is applicable to all Customer-generators who are Users of electricity from either one of the following two types of generating facilities:

First, a facility or energy system for the generation of electricity that uses renewable energy, as that term is defined in NRS 704.7811, as its primary source of energy to generate electricity that:

1. Has a Generating Capacity of not more than 1,000 kilowatts;
2. Is located on the Customer-generator's Premises;
3. Operates in parallel with the Utility's transmission and distribution facilities; and
4. Is intended primarily to offset part or all of the Customer-generator's requirements for electricity being supplied from the Utility.

Second, a facility or energy system for the generation of electricity that uses waterpower as its primary source of electricity that:

1. Has a generating capacity of not more than 1,000 kilowatts;
2. Is located on property owned by the Customer-generator;
3. Generates electricity that is delivered to the transmission and distribution facilities of the Utility;
4. Is intended primarily to offset all or part of the Customer-generator's requirements for electricity on that property or contiguous property owned by the Customer-generator.

In either case, a Net Metering System shall not have a Generating Capacity that exceeds the greater of: a) The limit on the demand that the class of Customer of the Customer-generator may place on the Utility's system; or b) one hundred percent of the Customer-generator's annual requirements for electricity.

The Commission may close this Rider to new customers if it finds that doing so is in the public interest.

TERRITORY

Throughout the Utility's Nevada service territory.

RATES

All rates charged under this Rider will be in accordance with the Customer-generator's Applicable Rate Schedule as defined subject to the Rate Schedule Designation section below. This Rider is not applicable to Schedule No. SSR – Small Standby Service Rider or Schedule No. LSR-Large Standby Service Rider. Transition to full cost-based rates for NMR-A customers will take place over 12 years. The first adjustment was effective January 1, 2016 and will continue through December 31, 2018. The first adjustment was effective January 1, 2016 and will continue through December 31, 2018.

RATES

Beginning on January 1, 2019, the second adjustment will be implemented and continue through December 31, 2021. Beginning on January 1, 2022 the third adjustment will be implemented and continue through December 31, 2024. Beginning January 1, 2025, the fourth adjustment will be implemented and continue through December 31, 2027. The fifth and final adjustment to cost-based rates will be implemented on January 1, 2028. All NEM rates will continue to be updated during each general rate case to reflect cost of service elements not related to the 12 year NMR-A transition. The step changes defined for the 12 year NMR-A transition will continue to be made on the schedule stated above, and rates will be updated to reflect each step change and the then-current cost of service.

RATE SCHEDULE DESIGNATION

Customer-generators served under this rider, will not be eligible to migrate between rate schedules once initially designated, except under the conditions discussed in this section. The Applicable Rate Schedule for the Customer-generator's service under this rider shall be determined as follows:

1. If the Customer is a Domestic Customer the Applicable Rate Schedule will be RS-NEM, RM-NEM, LRS-NEM, ORS-TOU-NEM, ORM-TOU-NEM, or OLSR-TOU-NEM as applicable.
2. If the Customer is a non-Domestic Customer where consumption of energy does not exceed 3,500 kWh in any one Billing Period absent generation the Applicable Rate Schedule will be GS-NEM or OGS-TOU-NEM.

Once designated, the Applicable Rate Schedule will be applied in every billing period for the duration of the Agreement. However, in the event the non-residential Customer-generator's underlying load permanently changes due to circumstances such as growth, reduction in service or the undertaking of significant energy efficiency measures (i.e., load reduction measures separate from the effect of the Net Metering System), such changes may affect the Applicable Rate Schedule under which the Customer-generator would most typically or predominantly be served absent generation. In such instances the Utility may adjust the designated Applicable Rate Schedule if it determines such changes to be long-term or permanent, absent the effect of the Net Metering System.

SPECIAL CONDITIONS

1. Definitions.

As used in this Rider, unless the text otherwise requires, the capitalized words and terms defined in this condition and Rules 1 and 15 shall have the meaning ascribed to them.

- A. Customer-generator means a user of a Net Metering System.
- B. Generating Capacity shall be stated in the net metering agreement based on the AC rating. If the customer-generator has more than one Net Metering System, the capacity of all systems shall be totaled for purposes of determining eligibility under this Rider.

- C. Metering means the measurement of electrical power flowing in kilowatts or kilowatt hours.
- D. Metering Equipment means the bidirectional billing meter and all associated equipment, hardware, and software including meter cabinets and conduit that is necessary for metering.
- E. Applicable Rate Schedule means the schedule designated pursuant to the Rate Schedule Designation section above.
- F. User means a Customer-generator of the Utility at the premises where a Net Metering System is located that serves part or all of that Customer-generator's electrical load.
- G. For the purpose of the APPLICABLE Section B. of this Rider contiguous means either abutting directly on the boundary or separated by a street, alley, public right-of-way, creek, river or the right-of-way of a railroad or other public service corporation.

2. **Metering Equipment.**

- A. For all Net Metering Systems:
 - (1) Electricity delivered by the utility to the Customer-generator or received by the Utility from the Customer-generator shall be measured using an Interval Meter, as defined in Rule 1, capable of registering the flow of electricity in two directions, for intervals no greater than 15 minutes. The electrical power measurements will be used for billing the Customer Generator.
 - (2) The Utility shall furnish, install and own the appropriate Meter used for billing. A Meter installation location and a Meter socket shall be furnished by the Customer-generator and approved by the Utility, and shall, at reasonable times, be accessible for installing, reading, testing and maintaining the Meter.
 - (3) If the cost of purchasing and installing a Net Metering System was paid for in whole or in part by the Utility, the electricity generated by the Net Metering System shall be measured using a Meter ("generation meter"), furnished, installed and owned by the Utility, which is capable of measuring generation output. A Meter installation location and Meter socket shall be furnished by the Customer-generator and approved by the Utility, and shall at reasonable times, be accessible for installing, reading, testing and maintaining the generation meter.
 - (4) If the cost of purchasing and installing a Net Metering System was not paid for in any way by the Utility, electricity generated by the Net Metering System may, at the Utility's discretion, be measured using a Meter ("generation meter"), furnished, installed and owned by the Utility, which is capable of measuring generation output. A Meter installation location shall be furnished by the Customer-generator and approved by the Utility, and shall at reasonable times, be accessible for installing, reading, testing and maintaining the generation meter.

- (5) Service switches, Meter sockets, Meter Enclosures, cutouts and similar devices, irrespective of voltage, normally required in connection with billing under the Utility's Applicable Rate Schedule, shall be furnished, installed, maintained and owned by the Customer-generator at no cost to the Utility.

3. Net Energy Metering and Billing

A. For Net Metering Systems of any size:

- (1) The Utility shall measure during the billing period, in kilowatt-hours, the
- (2) Energy delivered and received after the Customer-generator contemporaneously serves their own load in accordance with the Utility's normal procedures that are described in its tariffs. Banked Energy accumulated prior to January 1, 2016, if any, will be netted against the delivered energy.
- (3) Excess energy received by the Utility after January 1, 2016 will not be included in the measurement of net delivered energy.
- (4) In the event the energy generated exceeds the energy consumed and therefore is received by the Utility, the Customer will receive a credit at the Excess Energy Credit Rate based on the long term avoided cost. If the Customer-generator's Applicable Rate Schedule contains time-of-use rates, such Excess Energy Credits will be valued based on the received energy and the Excess Energy Credit Rate by time-of-use period in which the excess energy was delivered to the Utility. The Excess Energy Credit rates are reflected in the Statement of Rates.
- (5) In the event that energy is supplied to the customer by the Utility during the billing period, the Utility shall bill the Customer-generator consumption charges, excluding the consumption charges described in 3. D., for the net energy supplied by the Utility, reduced by any balance of banked energy accumulated prior to January 1, 2016, if any, based on the Customer-generator's Applicable Rate Schedule.
- (6) In addition to the consumption charges described in 3.A.(5) and 3.D., the monthly basic service charges shall apply pursuant to the Customer-generator's Applicable Rate Schedule.
- (7) In the event that the Excess Energy Credit results in a credit due to the Customer in any monthly billing, the credit will be rolled over and applied to the next monthly bill. If at the end of the year a credit still exists, the Customer will be paid the credit balance without interest.

B. The Customer-generator's net excess electrical energy received by the Utility after January 1, 2016 will not be banked and carried forward to subsequent periods. The Customer-generator is not entitled to receive compensation for any banked energy accumulated prior to January 1, 2016 in any scenario, including, without limitation if:

- (1) The Net Metering System ceases to operate or is disconnected from the Utility's system;

