



**OPERATIONAL POLICY FOR THE INTERCONNECTION  
AND OPERATIONS OF DISTRIBUTION RESOURCES (DR)**

**POLICY 900**

***I. Objective***

- A. To provide compliance by the Cooperative with Rural Utilities Service (RUS) regulations, 7 C.F.R. 1730.60 through 1730.65.**
- B. To avoid significant degradation of the safety, quality and reliability of Cooperative's electric power system or other electric power systems interconnected to the Cooperative's electric power system caused by the interconnection or operation of DR.**
- C. To offer a fair, reasonable and non-discriminatory procedure through which the Cooperative may permit the interconnection and synchronization of certain electric generation facilities owned or operated by manufacturers and similar large commercial and industrial electric power and energy consumers, in parallel operation with the Cooperative's facilities.**

***II. Procedure***

**The provisions of this policy will extend to all Distributed Resource facilities, including facilities as defined by the Federal Energy Regulatory Commission as qualifying cogeneration facilities or small power production facilities, located within the service territory of the Cooperative.**

**A. Distributed Resources:**

**Distributed Resources (DR) are sources of electric power that are not directly connected to a bulk power transmission system, connected to the Cooperative's electric power system through a point of common coupling. DR facilities include both generators and energy storage technologies.**

**B. Qualifying Cogeneration Facility:**

**Cogeneration is the combined production of electric energy and useful heat by the sequential use of energy from one fuel source. A qualifying cogeneration facility is one which meets the ownership test as well as the operating and efficiency standards and all other definitional requirements of Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978, as amended, and all governmental regulations lawfully promulgated thereunder (PURPA).**



**C. Qualifying Small Power Production Facility:**

**A qualifying small power production facility is a facility generating not more than 80 megawatts of electric power through the employment of renewable resources such as water power, solar energy, wind energy, geothermal energy, biomass or waste, as a primary fuel and meeting all other definitional requirements of PURPA.**

**D. Qualifying Facility:**

**A qualifying facility means any qualifying cogeneration facility or qualifying small power production facility.**

**E. Permitted Synchronized Generation Facilities:**

**Permitted synchronized generation facilities are electric generation facilities other than qualifying facilities owned or operated by manufacturers and similar large commercial and industrial electric power and energy consumers in parallel operation with adjacent electric distribution facilities of the Cooperative under circumstances where (1) such generation facilities are operated for the sole purpose of (a) providing back-up generation when it is anticipated that there is a possibility of interruption of generation service provided by the Cooperative, or (b) minimizing or eliminating the consumer's contribution to a PJM 5-CP system annual demand, or (c) testing the consumer's electric facilities, and (2) no electric power and energy will be introduced into the electric system of the Cooperative or any other entity.**

**F. PJM 5-CP System Annual Demand:**

**PJM 5-CP system annual demand shall mean any of the five highest hourly kW coincident demands of all of the members of PJM Interconnection, LLC (or any successor thereto, "PJM"), as measured and determined by PJM for purposes of determining Buckeye's annual PJM capacity charges, or such other hourly kW demands used by PJM to determine Buckeye's responsibility for annual PJM capacity charges, for the applicable PJM planning year (June 1 – May 31), as determined by Buckeye from time to time.**



***III. Policy***

- A. The Cooperative will permit the interconnection and parallel operation of qualifying facilities, consistent with Cooperative Policy 902 and Cooperative rules and regulations.**
- B. With respect to DR facilities that are not qualifying facilities, the Cooperative will permit the interconnection and parallel operation of permitted synchronized generation facilities where (1) Buckeye has approved the same, (2) such facilities meet all of the Cooperative's rules and regulations, and (3) such facilities are equal to or greater than 25 kW but not more than 10 MVA.**
- C. DR facilities are otherwise not permitted to interconnect with and operate in parallel with the Cooperative's electric distribution facilities except as approved by the Cooperative's Board of Directors on a case by case basis.**

***IV. Responsibility***

**The Board of Directors shall be responsible for the changes and revisions to this policy. It shall be the responsibility of the CEO of the Cooperative to administer the provisions of this policy. The Cooperative shall reconsider, and if necessary update, this policy every five years or more frequently as circumstances warrant.**

**Approved Date: 6/28/2013 Reviewed:  
10/27/2016; 1/22/2019**



**AMENDED AND RESTATED OPERATIONAL POLICY  
FOR QUALIFIED COGENERATION AND SMALL POWER  
PRODUCTION FACILITIES**

**POLICY 901**

***I. Objective***

To provide compliance by the Cooperative with the requirements of Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978, as amended and all governmental regulations lawfully promulgated thereunder (PURPA).

To encourage the development of cogeneration and small power production facilities which will conserve oil, gas, coal and other nonrenewable resources in accordance with the requirements of PURPA.

To offer a fair, reasonable and nondiscriminatory procedure through which the Cooperative may interconnect with qualifying cogeneration and small power production facilities in accordance with the requirements of PURPA.

***II. Procedure***

The provisions of this policy will extend to all facilities as defined by the Federal Energy Regulatory Commission as qualifying cogeneration facilities or small power production facilities located within the service territory of the Cooperative.

**A. Qualifying Cogeneration Facility:**

Cogeneration is the combined production of electric energy and useful heat by the sequential use of energy from one fuel source. A qualifying cogeneration facility is one which meets the ownership test as well as the operating and efficiency standards and all other definitional requirements of PURPA.

**B. Qualifying Small Power Production Facility:**

A small power production facility is a facility generating not more than 80 megawatts of electric power through the employment of renewable resources such as water power, solar energy, wind energy, geothermal energy, biomass or waste, as a primary fuel and meeting all other definitional requirements of PURPA.

**C. Qualifying Facility:**

A qualifying facility means any qualifying cogeneration facility or qualifying small power production facility.



***III. Policy***

- A. The Cooperative will interconnect with and operate in parallel with any qualifying facility which meets all of the Cooperative's rules and regulations.
- B. The Cooperative will net bill the energy of each of its non-residential consumer's qualifying facilities having a design capacity of 100 kilowatts or less, and each of its residential consumer's qualifying facilities have a design capacity 25 kilowatts or less in circumstances where the output of such facility is not reasonably anticipated to exceed the annual electric energy requirements of the consumer at rates and upon terms and conditions as set forth in the rules, regulations, policies and applicable rate schedules of the Cooperative.
- C. Buckeye will purchase the energy and associated capacity of each qualifying facility, at rates and upon terms and conditions as set forth in the rules, regulations, policies and applicable rate schedules of Buckeye, in the following circumstances:
  - i. When the output of a non-residential consumer's qualifying facility is greater than 100 kilowatts but not more than 5 MVA; or
  - ii. When the output of a residential consumer's qualifying facility is greater than 25 kilowatts but not more than 5 MVA; or
  - iii. When the output of the qualifying facility up to 100 kilowatts, in the case of a non-residential consumer's facility, or up to 25 kilowatts, in the case of a residential consumer's facility, is reasonably anticipated to exceed the annual electric energy requirements of the consumer; or
  - iv. When the output of the qualifying facility is greater than 5 MVA and Buckeye, the Cooperative, and the consumer have agreed on the terms and conditions for service.



- D. Purchases of electric energy and the associated capacity from a qualifying facility having a design capacity of greater than 5 MVA shall be at rates and upon terms and conditions to be determined on a case by case basis and provided by contract between Buckeye and the qualifying facility owner. The purchase of electric energy and the associated capacity from such a qualifying facility will be at a rate which reflects at least Buckeye's actual avoided costs, taking into account all relevant factors.
- E. The Cooperative will sell electric energy and the associated capacity to any net billed qualifying facility at rates and upon terms and conditions as specified in the Cooperative's applicable rules, regulations, policies and rate schedules.
- F. The Cooperative will sell back-up and supplementary energy and the associated capacity to any qualifying facility whose output is purchased directly by Buckeye, at rates and upon terms and conditions as specified in the Cooperative's applicable rules, regulations, policies and rate schedules.
- G. The owner or operator of a qualifying facility who desires to interconnect the facility with the electric system of the Cooperative shall pay all costs associated with the interconnection.
- H. The Cooperative shall develop and administer rules, regulations and one or more rate schedules in cooperation with Buckeye covering interconnections with and purchases from qualifying facilities which have a design capacity of more than 5 MVA.
- I. The Cooperative shall cooperate with Buckeye in developing on a case by case basis, agreements covering interconnection with any qualifying facility having a design capacity of more than 5 MVA.-

***IV. Responsibility***

The Board of Trustees will be responsible for changes and revisions of this policy. The policy will be reviewed every three years. The CEO is responsible for seeing that the provisions of this policy are carried out.

Approved Date: 6/29/2006

Revision Approved: 6/28/2013; 2/23/2021

Reviewed: 10/27/2016; 1/22/2019



**RULES AND REGULATIONS FOR DISTRIBUTED  
RESOURCES (DR) WITH NET BILLING**

**POLICY 902**

**I. Objective**

To provide for the safety of consumers, Cooperative personnel and the public in general, and to assure reliable electric service consistent with the Cooperative's Operational Policy relating to DR facilities, the following rules and regulations are established for the interconnection and operation of consumer-owned or operated DR facilities. Capitalized terms used but not defined herein shall have the meanings assigned to them in Policy 900, Operational Policy for the Interconnection and Operation of Distributed Resources.

**II. Procedure and Policy:**

A. The following rules and regulations apply to all qualifying facilities having a capacity of not more than 10 MVA, and to all DR facilities that are not qualifying facilities but that are approved by Buckeye and the Cooperative. Qualifying facilities of more than 10 MVA of capacity will be treated on an individual case by case basis. These rules and regulations amend and restate the Rules and Regulations for Qualifying Cogeneration and Small Power Production Facilities, Policy 902, previously adopted by the Cooperative. These rules and regulations apply to both existing and proposed installations, and are subject to change from time to time as may be deemed necessary or desirable by the Cooperative or as may be required by governmental authorities.

1. All consumers wishing to interconnect a DR facility to the Cooperative distribution system shall submit for Cooperative review and approval detailed electrical circuit diagrams of the installation, equipment nameplate data for interface devices and control systems and a site plan. Such submittal shall be in sufficient detail to provide reasonable assurance that the DR facility can at all times be operated in a safe, reliable and lawful manner. Without limiting the generality of the foregoing, the owner or operator of the DR facility shall submit to the Cooperative a completed ***Application for Distributed Resource*** (requested through Manager, Operations and Engineering), subject to such additional changes as the CEO of the Cooperative may deem necessary or appropriate, and shall submit any application fee as may be required by the Cooperative as noted on the application. For residential solar projects under 25 kW-DC, the simplified Application for Residential Solar Generation Facility in the form attached hereto as Attachment 1-A may be used.



As a part of its application review process, the Cooperative may require an opinion as to the safety and reliability of the system from a licensed professional engineer. No DR facility shall be interconnected and synchronized with the Cooperative's electric system without the Cooperative's advance approval of such facility as being in compliance with these rules and regulations.

2. If a consumer's completed application indicates that the DR facility at issue is a qualifying facility, the interconnection and related rights and obligations of the Cooperative and the consumer shall be governed pursuant to the agreements set forth in Paragraphs 19, 20 and 21 below. If a consumer's completed application indicates that the DR facility at issue is not a qualifying facility, the interconnection and/or operation of such facilities shall be governed pursuant to the agreements set forth in Paragraphs 17 and 18 below. Only the "Responsible Party," i.e. the owner or operator of a DR facility that is proposed for interconnection to the Cooperative's distribution system, may apply for interconnection and contract with the Cooperative for the interconnection of a DR facility.
3. The Cooperative shall clearly explain all costs to be recovered from an applicant with respect to the application process or the interconnection of a DR facility prior to the incurrence of such costs, and shall incur said costs only upon the applicant's authorization thereof. The Cooperative may require separate, non-refundable deposits from an applicant prior to processing the consumer's application for the interconnection and/or operation of a DR facility, and prior to the actual interconnection of a qualifying facility or a permitted synchronized generation facility in such amounts as are sufficient to insure the applicant's intent to interconnect and/or operate the DR facility in accordance with the terms hereof.
4. The Cooperative may require that the owner or operator of a DR facility enter into a ***System Study Agreement (Agreement 2)***, subject to such additional changes as the CEO of the Cooperative may deem necessary or appropriate, setting forth the terms and conditions upon which the Cooperative will perform a system impact study to assess the ability of the existing Cooperative system to accommodate the connection and safe operation of the DR facility, including the cost to be paid by the DR facility owner or operator for such study.

The owner or operator shall pay for all costs associated with any addition or alteration to the Cooperative's system required for metering and for the safe and reliable operation of the DR facility in parallel with the Cooperative's electric system, including those set forth in the System Impact Study. Where alterations to the Cooperative's electric system are required due to the collective presence of two or more DR facilities operating in parallel with the Cooperative, the cost of such additions or alterations shall be shared by those owners or operators on an equitable basis to be determined by the Cooperative.

5. The completed installation must meet all applicable local, state and national codes, regulations or other laws, and electric utility standards for the safety of the public and personnel responsible for utility electric power system operations, maintenance and repair, and is subject to inspection by any authorities having jurisdiction before commencement of operation; the responsible party is responsible for such compliance. The installation of any qualifying facility or permitted synchronized generation facility that will operate in parallel with the Cooperative distribution system must comply with the ***Cooperative's Technical Guidelines for Interconnection and Parallel Operation (Agreement 3)***. Cooperative may inspect or require a test of the facility at any time without advance notice.





6. An approved disconnecting device operable by the Cooperative and suitable for disconnecting the DR facility may be required. Any such device shall be operated in accordance with the procedures agreed to by the owner or operator and the Cooperative.
7. After the initial installation and acceptance by the Cooperative of a DR facility, the owner or operator shall obtain approval from the Cooperative prior to making any revisions to the DR facility, interface equipment, control devices, or protective system.
8. The control and protective system and site plan of the DR facility must be approved by the Cooperative. The control and protective system must operate in accordance with these safety and reliability standards:
  - i. The system shall provide for the immediate automatic shutdown or separation of the DR facility's generator and storage devices from the Cooperative's lines in the event of any of the following conditions, whether emanating from the Cooperative's system or the DR facility:
    - a. Momentary or extended interruption of power on the Cooperative's lines serving the DR facility.
    - b. Deviation of frequency or voltage on the Cooperative's lines serving the DR facility from within the Cooperative's normal standards.
    - c. If the DR facility is operating in parallel with three phase service, existence of abnormal rotation of phases or existence on any phase or phases of a condition listed in (a) or (b) above.
  - ii. The shutdown or separation shall continue until the interruption, deviation, or abnormal condition listed in (i) above has been eliminated and all applicable parameters listed in (i) above are returned to within the Cooperative's normal standards.
9. In the event the Cooperative determines, in its sole judgment, that the DR facility poses any safety hazard to any person or property, poses a hazard to the reliability of the Cooperative's electric system or any system with which it is connected, unreasonably interferes with the use and enjoyment of property by any person, or that the DR facility's protective equipment is operating improperly, the Cooperative, through its authorized personnel, shall have the right to enter onto the property where the DR facility is located and immediately disconnect the DR facility from its lines.
10. Cooperative shall have access rights to the DR facility during normal business hours and all emergency situations.
11. Cooperative shall require the responsible party for any DR facility interconnected to and operating in parallel with Cooperative's distribution system to be responsible for the safe and effective operation and maintenance of the facility and to demonstrate that the facility will be capably developed, constructed and operated, maintained, and repaired.
12. The owner or operator shall pay all costs of changes for safety purposes or repairs or losses due to adverse effects on the equipment or facilities of other consumers or the Cooperative itself caused by the connection or operation of a DR facility.
13. Should parallel operation of a DR facility cause interference or adversely affect voltage, frequency, harmonic content, or power factor in the Cooperative's or other consumers' services, the Cooperative may require disconnection of the DR facility from the Cooperative's electric system until the condition has been corrected.




14. The Cooperative may require such liability insurance coverage by the DR facility owner or operator as the Cooperative determines in its sole judgment to be appropriate in the circumstances, and the owner or operator shall provide such proof of insurance coverage as may be required by the Cooperative. Review or testing of the DR facility by the Cooperative does not constitute assumption of liability by the Cooperative for the safe, reliable and lawful operation of the DR facility.
15. If the owner or operator of the DR facility fails to comply with the above rules and regulations, or if the DR facility at any time constitutes a safety hazard or hazard to the reliability of the Cooperative's electric system or any system with which it is connected or is in violation of any code, regulation or law, the Cooperative may at any time require termination of operation of the DR facility and the owner or operator shall be liable for any loss, damage or injury resulting from such failure, hazard or violation.
16. Connections between a DR facility and the electric system of the Cooperative shall only be made pursuant to a written contract between the Cooperative and the owner or operator of such facility which shall be in accordance with applicable laws as well as the applicable rules, regulations, policies and rate schedules of the Cooperative.
17. If a DR facility is a permitted synchronized generation facility, and will therefore interconnect to and operate in parallel with Cooperative's electric distribution system, Cooperative shall require the owner or operator of such facility to enter into an ***Agreement for Electric Service with an Appendix (Agreement 4)***, subject to such additional changes as the CEO of the Cooperative may deem necessary or appropriate, setting forth the terms and conditions for synchronization of generation, which shall be in accordance with applicable laws as well as the applicable rules, regulations, policies and rate schedules of the Cooperative.
18. If a DR facility is operated for purposes of minimizing the consumer's contribution to a PJM 5-CP System Annual Demand, i.e. peak-shaving, Cooperative may enter into an ***Agreement with Consumer and Buckeye (Agreement 5)***, subject to such additional changes as the CEO of the Cooperative may deem necessary or appropriate, setting forth the terms and conditions upon which Cooperative will sell to consumer and install, and Buckeye will control the activation of, a peak warning device.
19. If (i) a DR facility is a non-residential consumer's qualifying facility up to 100 kW, or a residential consumer's qualifying facility up to 25 kW, and (ii) the output of such facility is not reasonably anticipated to exceed the annual electric energy requirements of the consumer, Cooperative shall require the owner or operator of such facility to enter into:



- i. An *Agreement* setting forth the terms and conditions for the *Interconnection and Parallel Operation of such qualifying facility*, subject to such additional changes as the Manager/CEO of the Cooperative may deem necessary or appropriate; and
  - ii. An agreement setting forth the terms and conditions for electric service with net billing for such Qualifying Facility, subject to such additional changes as the CEO of the Cooperative may deem necessary or appropriate, and attaching the Net Billing Rate Schedule, subject to such additional changes as the CEO of the Cooperative may deem necessary or appropriate.
  - iii. For residential solar projects, in lieu of the above referenced agreements, a simplified agreement setting forth the terms and conditions for the interconnection and parallel operation of the residential solar project and terms and conditions for electric service with net billing for such residential solar project may be used. Such agreement shall be subject to such additional changes as the CEO of the Cooperative may deem necessary or appropriate, and attaching the Net Billing Rate Schedule subject to such additional changes as the CEO of the Cooperative may deem necessary or appropriate.
20. If (i) a DR facility is a non-residential consumer's qualifying facility greater than 100 kW, or a residential consumer's qualifying facility greater than 25 kW, but not more than 5 MVA, or (ii) the output of a non-residential consumer's qualifying facility up to 100 kW or a residential consumer's qualifying facility up to 25 kW is reasonably anticipated to exceed the annual electric energy requirements of the consumer, the Cooperative shall require the owner or operator of such facility to enter into:
  - i. An Agreement setting forth the terms and conditions for the *Interconnection and Parallel Operation of a Qualifying Non-Residential Cogeneration or Small Power Production Facility Greater than 100 KW or a Qualifying Residential Cogeneration or Small Power Production Facility Greater than 25 KW (Agreement 9)*, subject to such additional changes as the CEO of the Cooperative may deem necessary or appropriate; and
  - ii.
    - a. If the consumer is selling the net output of the qualifying facility to Buckeye, an *Agreement* setting forth the terms and conditions for *Back-Up and Supplementary Electric Service (Agreement 10)*, subject to such additional changes as the CEO of the Cooperative may deem necessary or appropriate, and attaching the *Back-Up and Supplementary Electric Service Rate Schedule (Agreement 11)*, subject to such additional changes as the CEO of the Cooperative may deem necessary or appropriate; or
    - b. If the consumer is selling the gross output of the qualifying facility to Buckeye, the Cooperative's standard agreement for electric service and regular retail rate schedule, subject to such additional changes as the CEO of the Cooperative may deem necessary or appropriate.
21. If a DR facility is a qualifying facility greater than 5 MVA and Buckeye, the Cooperative member, and the consumer have agreed on the terms and conditions for service, the Cooperative shall require the owner or operator of such facility to enter into such agreements as determined on a case by case basis.



**Midwest Electric, Inc.**

A Touchstone Energy® Cooperative 

**RULES AND REGULATIONS FOR DISTRIBUTED  
RESOURCES (DR) WITH NET BILLING**

**POLICY 902  
Page 6**

III. The Board of Trustees will be responsible for changes and revisions to this policy. It shall be the responsibility of the CEO to administer the provisions of this policy. The Cooperative shall reconsider, and if necessary update, this policy every five years or more frequently as circumstances warrant.


Approved Date: 6/29/2006

Revision Approved: 6/28/2013; 10/27/2016; 2/23/2021

Reviewed: 1/22/2019



**Midwest Electric, Inc.**

A Touchstone Energy® Cooperative 

**SOLAR NET BILLING (RATE 10) – RATE 20**

**POLICY 818**

**Effective Date:**

Revised October 26, 2017, effective November 15, 2017; Revised effective April 16, 2021

**Type of Service:**

Available to Consumers contracting for electric service from the Power Company who, through the operation of qualifying cogeneration or small power production facilities, as defined in the Power Company's Operational Policy relating thereto, with a design capacity of 100 kilowatts or less in the case of non-residential Consumers, or with a design capacity of 25 kilowatts or less in the case of residential Consumers, have available electric energy and the associated capacity which they desire to sell to the Power Company in accordance with the requirements of the Public Utility Regulatory Policies Act of 1978, as amended, and all governmental regulations lawfully promulgated thereunder (PURPA) and the Power Company's applicable rules, regulations, policies and rate schedules, in circumstances where the output of such facility is not reasonably anticipated to exceed the annual electric energy requirements of the Consumer. For purposes of this rate schedule, the generation facility's output will be presumed to be "not reasonably anticipated to exceed the annual electric energy requirements of the consumer" if the electric generating facility annually generates less than 120% of the consumer's annual electric energy requirements. The consumer's "annual electric requirements" shall be the average amount of electricity consumed annually by the consumer for the electric consuming facilities located on the consumer's premises over the previous three years.

**Net Billing:**

Compliance with applicable rules, regulations, policies and terms of this rate schedule is a condition precedent to purchases hereunder. The Consumer shall use the output of the qualifying facility first to meet the requirements of Consumer's electric consuming facilities located on the Premises. Any output of the qualifying facility in excess of the requirements of Consumer's electric consuming facilities shall be transferred to the Power Company and credited against the Consumer's bill for electric service hereunder. Consumer shall only be entitled to receive a billing credit for any such output of the qualifying facility in excess of the requirements of the Consumer's facilities; and (a) the Power Company will inform Buckeye of the existence of such excess kWh billing credits; (b) Buckeye will purchase such excess kWh billing credits at Buckeye's avoided cost rate, as determined by Buckeye in its sole discretion, and credit Power Company's wholesale power bill for such dollar amount; (c) the Power Company's load shall not be reduced by the amount of such excess kWh billing credits purchased by Buckeye; and (d) the Power Company shall credit Consumer's monthly power bill with the dollar amount of the billing credits paid by Buckeye to the Power Company.



**Rate:**

The rate for electric service and the rate used to calculate any billing credits shall be the same as residential off peak heating – rate 10. The rate used to calculate any billing credits for electric energy production of the consumer’s electric generating facility above the consumer’s electric energy usage shall be at Buckeye Power’s avoided cost rate.

**Metering:**

Net billing will be accomplished using a single meter or pair of meters capable of registering the flow of electricity in each direction from the power company’s electric distribution system to consumer’s electric consuming facilities located on the premises, and from consumer’s qualifying facility to the power company’s electric distribution system.

**Rules and Regulations:**

The power company’s rules and regulations relating to the purchases from qualifying cogeneration and small power production facilities as they are now in effect or as they may hereafter be amended from time to time, are incorporated into and made a part of this rate schedule as if contained herein. The consumer shall comply with all the provisions of such rules and regulations.

Approved Date: 6/28/2013;

Revision Approved: 10/26/2017; 2/23/2021

**Effective Date**

Revised October 26, 2017, effective November 15, 2017; Revised effective April 16, 2021

**Type of Service**

Available to Consumers contracting for electric service from the Power Company who, through the operation of qualifying cogeneration or small power production facilities, as defined in the Power Company's Operational Policy relating thereto, with a design capacity of 100 kilowatts or less in the case of non-residential Consumers, or with a design capacity of 25 kilowatts or less in the case of residential Consumers, have available electric energy and the associated capacity which they desire to sell to the Power Company in accordance with the requirements of the Public Utility Regulatory Policies Act of 1978, as amended, and all governmental regulations lawfully promulgated thereunder (PURPA) and the Power Company's applicable rules, regulations, policies and rate schedules, in circumstances where the output of such facility is not reasonably anticipated to exceed the annual electric energy requirements of the Consumer. For purposes of this rate schedule, the generation facility's output will be presumed to be "not reasonably anticipated to exceed the annual electric energy requirements of the consumer" if the electric generating facility annually generates less than 120% of the consumer's annual electric energy requirements. The consumer's "annual electric requirements" shall be the average amount of electricity consumed annually by the consumer for the electric consuming facilities located on the consumer's premises over the previous three years.

**Net Billing**

Compliance with applicable rules, regulations, policies and terms of this rate schedule is a condition precedent to purchases hereunder. The Consumer shall use the output of the qualifying facility first to meet the requirements of Consumer's electric consuming facilities located on the Premises. Any output of the qualifying facility in excess of the requirements of Consumer's electric consuming facilities shall be transferred to the Power Company and credited against the Consumer's bill for electric service hereunder. Consumer shall only be entitled to receive a billing credit for any such output of the qualifying facility in excess of the requirements of the Consumer's facilities; and (a) the Power Company will inform Buckeye of the existence of such excess kWh billing credits; (b) Buckeye will purchase such excess kWh billing credits at Buckeye's avoided cost rate, as determined by Buckeye in its sole discretion, and credit Power Company's wholesale power bill for such dollar amount; (c) the Power Company's load shall not be reduced by the amount of such excess kWh billing credits purchased by Buckeye; and (d) the Power Company.



**Rate**

The rate for electric service and the rate used to calculate any billing credits shall be the same as residential – rate 1. The rate used to calculate any billing credits for electric energy production of the consumer’s electric generating facility above the consumer’s electric energy usage shall be at Buckeye Power’s avoided cost rate.

**Metering**

Net billing will be accomplished using a single meter or pair of meters capable of registering the flow of electricity in each direction from the Power Company’s electric distribution system to Consumer’s electric consuming facilities located on the Premises, and from Consumer’s qualifying facility to Power Company’s electric distribution system.

**Rules and Regulations**

The Power Company’s rules and regulations relating to the purchases from qualifying cogeneration and small power production facilities as they are now in effect or as they may hereafter be amended from time to time, are incorporated into and made a part of this rate schedule as if contained herein. The Consumer shall comply with all the provisions of such rules and regulations.

Approved Date: 8/26/2015;

Revision Date: 10/26/2017; 2/23/2021