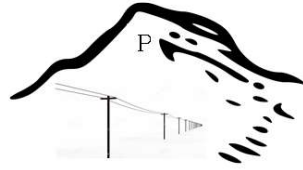


Alamo Power District No. 3



Date First Approved: May 12, 2021

Revision No.: \_\_\_\_\_

Date Last Revised: May 17, 2023

Date Approved: May 17, 2023

ALAMO POWER DISTRICT NO. 3

OPERATING REGULATION

NET METERING

**A. PURPOSE**

The purpose of this regulation is to establish a basis of understanding between ALAMO POWER DISTRICT NO. 3 (APD3) and its Customers relative to net metering. This Policy is created to provide a means for Customers to offset or eliminate their annual energy costs and to reduce their carbon footprint.

APD3, a non-profit agency, intends to accomplish this purpose without placing additional cost on other Customers or reducing power quality.

**B. TERM**

This policy shall be reviewed by the Board of Trustees every two years from the date approved and shall apply to net metering agreements signed after the approval date and before the expiration date. The terms of the existing contracts will remain in effect until their contract expires; at which time they will be subject to enter into a new contract.

This policy may be reviewed, modified, terminated or extended by the Board of Trustees.

**C. DEFINITIONS**

**Applicant** means a Customer who requests a net-meter and is in the process of establishing and Interconnection Agreement.

**Average Energy Cost** is defined as the average cost per kWh that APD3 paid to purchase power for the previous calendar year.

**Customer** means a Customer of APD3 who has applied to receive energy and capacity from APD3 and is connected electrically to APD3's power system with a revenue meter.

**Customer-Generator** is defined as a Customer who owns equipment used to generate, manage, and monitor electricity on their side of the meter.

**Interconnection Agreement** means an agreement between a Customer-Generator and APD3 which governs the connection of the Customer-generating facility to the electric distribution system.

**Irrigation Customer** is an Irrigation Customer of APD3 who receives delivery of energy and capacity utilizing a three-phase power system. Service hereunder shall only be used for water pumping and ancillary irrigation activities.

**kW** is defined as a kilowatt, which represents the capacity component of power. One kW equals 1,000 watts.

**kWh** means kilowatt-hour, which represents the energy component of power. One kWh equals 1,000 watt-hours.

**Large Commercial Customer** is a commercial Customer of APD3 who receives delivery of energy and capacity utilizing a single phase or three phase power system and more than (10,000) kWh of energy per month or have a connected load of 51kVA or greater.

**Net Metering** is defined as measuring the difference between the electricity supplied by APD3 through the electric grid to the Customer and the electricity generated by the Customer and fed back onto the electric grid.

**Net Metering Customer** is defined as a Customer that enters into a Net Metering agreement with APD3.

**APD3** means ALAMO POWER DISTRICT NO. 3

**Party or Parties** is defined as the Customer and APD3 independently or collectively. Policy means APD3's Net Metering Policy.

**Renewable Generation** means any type of renewable resource that is used to generate electrical energy and capacity such as wind, solar, and geothermal generation.

**Residential Customer** is defined as a Customer who receives delivery of energy and capacity at their place of residence.

**Small Commercial Customer** is defined as a commercial Customer of APD3 who receives delivery of energy and capacity at their business, utilizing a single phase or three phase power system but use less than (10000) kWh per month or have a connected load of 50kVA or less.

**D. RESIDENTIAL CUSTOMERS**

1. Base Charge

A Net Metering Customer shall be responsible for the monthly base charge. The monthly base charge cannot be zeroed out by using credits received from generating excess energy.

1.1 Auxiliary Fees and Other Charges

A Net Metering Customer shall be responsible for any auxiliary fees and other charges assigned to Customers who reside within specified boundaries or within a certain jurisdiction where such fees and charges are imposed. The monthly auxiliary fees and other charges cannot be zeroed out by using credits received from generating excess energy.

2. Other Rebates

The Customer may be entitled to other rebates including federal and state rebates. The Customer is responsible to seek out, apply for, and collect such rebates.

3. Excess Generation

The energy (kWh) generated each month in excess of the Customer's usage will be credited in dollars to the Customer's account at the avoided cost of power for use the following month. Accounts shall be reconciled and zeroed at the end of the December Billing Cycle each year. There will be no credit carry-over into the next calendar year.

4. Generator Size

The sum total of installed generation for residential Customers shall be limited to a maximum of 10 kW AC rating. Generation exceeding 10 kW AC rating is permitted only by approval of APD3.

**E. SMALL COMMERCIAL CUSTOMERS**

1. Base Charge

A Net Metering customer shall be responsible for the monthly base charge. The monthly base charge cannot be zeroed out by using credits received from excess energy generation.

1.1 Auxiliary Fees and Other Charges

A Net Metering Customer shall be responsible for any auxiliary fees and other charges assigned to customers who reside within specified boundaries or within a certain jurisdiction where such

fees and charges are imposed. The monthly auxiliary fees and other charges cannot be zeroed out by using credits received from generating excess energy.

## 2. Other Rebates

The Customer may be entitled to other rebates including federal and state rebates. The Customer is responsible to seek out, apply for, and collect such rebates.

## 3. Excess Generation

The energy (kWh) generated each month in excess of the Customer's usage will be credited in dollars to the Customer's account at the avoided cost of power for use the following month. Accounts shall be reconciled and zeroed at the end of the December Billing Cycle each year. There will be no credit carry-over into the next calendar year.

## 4. Generator Size

The sum total of installed generation for Small Commercial Customers shall be limited to a maximum of 10 kW AC rating. Customers requesting generation exceeding 10 kW AC rating is permitted only by approval of APD3.

## **F. LARGE COMMERCIAL CUSTOMERS**

### 1. Base Charge

A Net Metering Customer shall be responsible for the monthly base charge. The monthly base charge cannot be zeroed out by using credits received from excess energy generation.

#### 1.1 Peak Demand, Auxiliary Fees and Other Charges

A Net Metering Customer shall be responsible for any peak demand, auxiliary fees and other charges assigned to customers who reside within specified boundaries or within a certain jurisdiction where such fees and charges are imposed. The monthly peak demand, auxiliary fees and other charges cannot be zeroed out by using credits received from generating excess energy.

### 3. Other Rebates

The Customer may be entitled to other rebates including federal and state rebates. The Customer is responsible to seek out, apply for, and collect such rebates.

#### 4. Excess Generation

The energy (kWh) generated each month in excess of the Customer's usage will be credited in dollars to the Customer's account at the avoided cost of power for use the following month. Accounts shall be reconciled and zeroed at the end of the December Billing Cycle each year. There will be no credit carry-over into the next calendar year.

#### 5. Generator Size

The sum total of installed generation for Commercial Customers shall be limited to a maximum of 25 kW AC rating. Generation exceeding 25 kW AC rating is permitted only by approval of the APD3. A separate agreement may be necessary for generation exceeding 25 kW AC rating.

### **G. IRRIGATION CUSTOMERS**

#### 1. Base Charge

A Net Metering Customer shall be responsible for the monthly base charge. The monthly base charge cannot be zeroed out by using credits received from excess energy generation.

##### 1.1 Peak Demand, Auxiliary Fees and Other Charges

A Net Metering Customer shall be responsible for any peak demand, auxiliary fees and other charges assigned to customers who reside within specified boundaries or within a certain jurisdiction where such fees and charges are imposed. The monthly peak demand, auxiliary fees and other charges cannot be zeroed out by using credits received from generating excess energy.

#### 2. Other Rebates

The Customer may be entitled to other rebates including federal and state rebates. The Customer is responsible to seek out, apply for, and collect such rebates.

#### 3. Excess Generation

The energy (kWh) generated each month in excess of the Customer's usage will be credited in dollars to the Customer's account at the avoided cost of power for use the following month. Accounts shall be reconciled and zeroed at the end of the December Billing Cycle each year. There will be no credit carry-over into the next calendar year.

## 5. Generator Size

maximum of 25 kW AC rating. Generation exceeding 25 kW AC rating is permitted only by approval of the APD3. A separate agreement may be necessary for generation exceeding 25 kW AC rating.

### **G. CONDITIONS OF ELIGIBILITY**

1. Applicant must be a customer of APD3 and must maintain an active account with APD3
2. Applicant must execute an Interconnection Agreement for Net Metering which specifies the terms and conditions of the net metering program.
3. Applicant may install generating capacity equal to their average annual usage, but the Applicant shall not exceed the sizing guidelines specified herein.
4. Applicant shall operate the generator in parallel with APD3's electric distribution system.
5. Customer must purchase commercially available equipment and provide a manual disconnect of the renewable generation within three feet of the meter.
6. APD3 will accept up to a total of 1,400 kW of renewable generation on its system. Once this maximum level is achieved, APD3 reserves the right to refuse additional applications.

### **H. SIZING GUIDELINES**

1. The sum total of all Customer-Generation shall be sized to meet the Customer's average energy requirements.
2. The sum total of all Customer-Generation shall not exceed the service entrance capacity.
3. The sum total for all Residential Customer-Generation shall be limited to 10 kW AC rating. Residential Customer-Generation may exceed 10 kW AC rating with approval of APD3. The Residential Customer-Generator is responsible to pay for any upgrades to the power system that are required to accommodate Customer-Generation in excess of 10 Kw AC rating or in excess of their service entrance capacity.
4. The sum total of all Small Commercial Customer-Generation shall not exceed 10 kW AC rating. Small Commercial Customer-Generation may exceed 10 kW AC rating with approval of APD3. The Small Commercial Customer-Generator is responsible to pay for any upgrades to the power system that are required to accommodate Customer-Generation in excess of 10 kW AC rating or in excess of their service entrance capacity.

5. The sum total for Large Commercial Customer-Generation shall be limited to 25 kW AC rating. Large Commercial Customer-Generation may exceed 25 kW AC rating with the approval of APD3. A separate agreement may be necessary for generation exceeding 25 kW AC rating. The Large Commercial Customer-Generator is responsible to pay for any upgrades to the power system that are required to accommodate Customer-Generation in excess of 25 Kw AC rating or in excess of their service entrance capacity.

6. The sum total for Irrigation Customer-Generation shall be limited to 25 kW AC rating. Irrigation Customer-Generation may exceed 25 kW AC rating with the approval of APD3. A separate agreement may be necessary for generation exceeding 25 kW AC rating. The Irrigation Customer-Generator is responsible to pay for any upgrades to the power system that are required to accommodate Customer-Generation in excess of 25 Kw AC rating or in excess of their service entrance capacity.

#### **I. CONDITIONS OF INSTALLATION AND OPERATION**

1. The cost, design, construction, operation and maintenance of the generator and associated facilities shall be the responsibility of the Applicant. Applicant shall insure that the design, construction and operation of the installation complies with all applicable safety and power standards of the National Electric Code (NEC), National Electric Safety Code (NESC), Underwriters Laboratories (UL), and the Institute of Electrical and Electronic Engineers (IEEE). The Applicant is responsible to obtain the proper permits and have the Renewable Generation inspected by the appropriate county or city governments. APD3 will verify that the Renewable Generation has been installed and is operable.

2. APD3 will provide the Applicant with an estimate for the work required to install Net Metering. Applicant agrees to pay APD3's estimated fees and costs associated with the labor, meters, and meter work required for installation at the Net Metering location. APD3 is under no obligation to perform any work or connect a Net Metering Customer until the estimated fee is paid in full.

3. Applicant agrees to provide APD3 access to all facilities, properties, and equipment as may be necessary to enable APD3 to operate and maintain its respective facilities, equipment and property for purposes in connection with performing its rights and obligations under this Agreement and operating its electric system. APD3 shall be allowed to perform a verification of the Applicant's installation prior to interconnection to APD3's system and to perform periodic verification of Applicant's installation after interconnection to APD3's system for purposes of reviewing compliance with paragraph 1 above. Upon interconnecting with APD3, the Applicant shall become a Customer-Generator. APD3 reserves the right to disconnect Customer-Generator for purposes of protecting its employees, property or the reliability of the electric distribution system.

4. The Customer-Generator shall be solely liable for any damages, including personal injury, loss of life or property damage associated with the installation, operation and/or any modification of the installation, including claims based on its design, construction, location, maintenance and operation. Customer-Generator agrees that APD3 has no responsibility for the safety of the installation and will fully indemnify APD3 from any loss, including its costs and attorney's fees, arising from any claim against APD3 based upon or arising out of this Agreement or the installation and/or operation of said generation.

5. APD3 assumes no liability for personal injury, bodily injury or property damage claimed by any person or party resulting from or arising out of (1) the engineering, design, construction, maintenance, or operation of Customer-Generator's installation, or (2) the making of replacements, additions, or betterments to Customer-Generator's installation. Customer-Generator shall indemnify APD3 against any and all liability or loss arising out of this Agreement or the installation and/or operation of said generation.

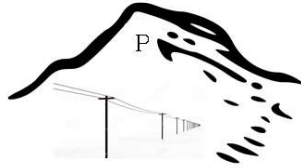
6. The Agreement shall not be assigned by either Party without written consent of the other Party. However, APD3 may assign or delegate its rights and obligations under the Agreement, in whole or in part without written consent, if such assignment is required by law or by a regulating body. If such assignment is made, APD3 shall notify the Customer-Generator of the assignment within 30 days of the assignment. Such assignments may require the Customer-Generator and APD3 to enter into a new agreement. If an assignment is made by the Customer-Generator and is agreed to by APD3, this agreement shall remain in effect for 30 days. The Party accepting such assignment shall have 30 days to enter into a new agreement with APD3 or this Agreement shall be terminated and become null and void.

7. The term of the Agreement will be effective from the date APD3 and the Applicant execute the Agreement and will continue thereafter until termination of the Agreement in accordance with the following: (1) At any time the Renewable Generation fails to remain in compliance with the requirements contained in section 3 above, APD3 may immediately terminate the Agreement, revoking Customer-Generator's right to interconnect the Renewable Generation to APD3's electric distribution system and may take such steps as are necessary to physically disconnect the installation, (2) Applicant may request termination of the Agreement by written notice to APD3. The Agreement may be terminated by mutual agreement of Applicant and APD3. (3) The Agreement will be terminated upon sale or transfer of property where Renewable Generation is installed. New owners will need to apply for and execute a new Interconnection Agreement.

8. This Policy is subject to review, modification, or termination by APD3's Board of Trustees with or without prior notification.



Alamo Power District No. 3



Approved: \_\_\_\_\_

INTERCONNECTION AGREEMENT FOR NET METERING OF  
RENEWABLE ENERGY GENERATING FACILITIES  
(CUSTOMER INFORMATION)

Name \_\_\_\_\_

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

City, State & Zip \_\_\_\_\_

Phone \_\_\_\_\_

E-Mail \_\_\_\_\_

APD3's Customer Account No. \_\_\_\_\_

Service Address \_\_\_\_\_

Location No. \_\_\_\_\_

Existing Meter No. \_\_\_\_\_

Customer Name (hereinafter called "Customer-Generator") and Alamo Power District No. 3 (hereinafter called "APD3") enter into this Interconnection Agreement ("Agreement") for Net Metering of Renewable Energy Generating Facilities (hereinafter called "Facilities"). In this Agreement the Customer-Generator and APD3 may be individually referred to as "Party" or collectively as "Parties." The Customer-Generator may install total combined generation equal to their average monthly usage (within the last 12 months) and not more than 10 kW AC rating for residential and small commercial, for large commercial the limit is 25 kW. This Agreement applies to the Customer-Generator's Facilities

identified herein with the specified characteristics and generating capacity. This Agreement does not allow interconnection or operation of Facilities different than those described herein.

The Parties hereto agree as follows:

**1. PURPOSE OF INTERCONNECTION AND REPRESENTATIONS**

The purpose of this Agreement is to allow the Customer-Generator to install Facilities equal to their monthly average usage (within the last 12 months) and not more than 10 kW AC rating for residential and small commercial, for large commercial and Irrigation the limit is 25 kW AC rating in parallel with APD3’s distribution system. The Facilities are intended primarily to offset part or all of the Customer-Generator’s own Electrical requirements.

**2. DESCRIPTION OF CUSTOMER-GENERATOR’S RENEWABLE ENERGY**

**GENERATING FACILITIES**

Type of Generator (Wind, Solar or Other)	Generator Output Rating (kW)	Inverter Mfr. And Model	Inverter Rating (Watts)	Inverter Output Voltage	Phasing Single or Three Phase
Solar					
Other					
Wind					

- If solar electric: Number of Modules: \_\_\_\_\_ Watts per Module: \_\_\_\_\_
- Solar Module Manufacturer and Model: \_\_\_\_\_

\_\_\_\_\_

- Inverter(s) [Circle One]: Central Inverter or Microinverter

- Contractor/Installer:

Name: \_\_\_\_\_ Phone# \_\_\_\_\_

Solar Production Meter: (Manufacturer and Serial Number): or Inverter -Based (Web-Based) Metering Method (describe):

\_\_\_\_\_

- Annual kWh Electric Consumption Prior to Renewable Energy System Installation: -

\_\_\_\_\_

Azimuth: \_\_\_\_\_° Array Vertical Tilt: \_\_\_\_\_° # of Modules: \_\_\_\_\_ True or Magnetic

Azimuth: \_\_\_\_\_° Array Vertical Tilt: \_\_\_\_\_° # of Modules: \_\_\_\_\_ True or Magnetic

Azimuth: \_\_\_\_\_° Array Vertical Tilt: \_\_\_\_\_° # of Modules: \_\_\_\_\_ True or Magnetic

Azimuth: \_\_\_\_\_° Array Vertical Tilt: \_\_\_\_\_° # of Modules: \_\_\_\_\_ True or Magnetic

Azimuth: \_\_\_\_\_° Array Vertical Tilt: \_\_\_\_\_° # of Modules: \_\_\_\_\_ True or Magnetic

\*Please use additional pages for more than five azimuths 9. If applicable:

a. Additional Racking Detail Vertical Tilt: \_\_\_\_\_°

b. Additional Racking Detail Direction (i.e., SW, NE, etc.): \_\_\_\_\_

c. If using axis tracking, how many axes? \_\_\_\_\_

APD3 requires the Customer-Generator to provide Facilities consisting of a minimum of a generator, an inverter, a disconnect switch, wiring and connections. The Facilities to be interconnected are generally described as follows:

The rating of the Facility shall be determined by the efficiency of the generating system, the inverter output rating and the voltage.

### 3. INTERCONNECTION REQUIREMENTS

#### Minimum System Requirements

- A. The system must contain an appropriately sized and rated grid tie inverter to prevent backfeed into Alamo Power electrical system during an outage. The grid tie inverter must meet Underwriters Laboratories (UL) 1741 and IEEE 1547 standards, which are intended to protect utility workers from electric shock as they repair power lines during a blackout and

also protect a homeowner's equipment and appliances from damage due to power quality fluctuations. To meet the standard, inverters must:

- a. Immediately disconnect from the grid if power quality falls out of specifications.
  - b. Detect and prevent feeding electricity to the utility grid when the grid source is no longer present.
  - c. Wait for five minutes of clean power from the grid before trying to reconnect.
- B. The system must contain an appropriately sized and rated AC safety disconnect switch. The safety disconnect switch shall be separate from and shall not be a feeder breaker in the Customer's load center or distribution panel. The AC safety disconnect switch shall be separate from and shall not be integral to the grid tie inverter. The AC safety disconnect switch must be accessible for operation by Alamo Power at all times. The AC safety disconnect switch must be located such that it is readily visible to utility personnel. The safety switch does not need to be fusible, but may be so at the Customer's option. The safety disconnect switch must meet the requirements of UL 98 and must:
- a. Be rated to operate under full load.
  - b. Include a lockable handle.
  - c. Be rated for outdoor applications.
  - d. Be designed such that switch, mechanism and handle are always connected, even when the enclosure door is open.
  - e. Have a single-point grounding connection, providing continuity for both the equipment grounding conductor (EGC) and the grounding electrode conductor (GEC). The grounding lug shall be permanently bonded to the metal of the AC safety disconnect cabinet.
- C. The grid tie inverter, AC safety disconnect, and the meter main or load center shall be connected by copper conductors and shall not rely on conduit connections for bonding.

### **Labels and Markings**

- A. Other labels and marking requirements of the NEC shall apply. This Supplement identifies only those labels and markings required specifically by the Power District.
- B. Any labels and field markings required by this Supplement shall meet the following requirements:
  - a. The label shall be permanently affixed to equipment or wiring method and shall not be hand written.
  - b. The label shall be of sufficient durability to withstand the environment involved and shall meet ANSI Z535.4-2011.
- C. Any disconnecting means that are not load-break-rated, such as fuses, module quick connects (leads), combiner boxes or other switches that are located in series with the safety disconnect switch must be marked, "Do not open under load" in accordance NEC Section 690.16(B).
- D. The safety disconnect switch shall be labeled in accordance with NEC Section 690.17 with the following label.



- E. The load center or meter panel at which Alamo Power’s meter is installed shall be marked with the following label.



- 3.1 The Customer-Generator and APD3 shall be subject to the terms conditions, and requirements of APD3’s Net Metering Policy. (APD3’s Net Metering Policy) is made a part of this Agreement and is contained in “Attachment C” of this Agreement.)
- 3.2 The Customer-Generator shall deliver the available energy to APD3’s meter.
- 3.3 The Customer-Generator shall install metering facilities in accordance with APD3’s requirements.

3.4 The Customer-Generator shall install a manual disconnect switch within three feet of APD3's meter that isolates the Facilities from APD3's distribution system. The disconnect switch is to be installed between the meter and the Facilities.

3.5 The Customer-Generator shall not interconnect its Facilities with APD3's distribution system until the following conditions have been satisfied:

3.5.1 Provide to APD3 a copy of the Customer-Generator's final inspection clearance from the governmental authority (hereafter referring to Lincoln County) having jurisdiction over the Facilities.

3.5.2 If the Facilities have changed from the installation described in the Customer-Generator's application or this Agreement, Customer-Generator shall submit (within 30 days) an Application Change Form, (Attachment D) which is supplied by APD3. Failure to notify APD3 and submit the change form in the specified time frame may result in the termination of this agreement.

3.5.3 APD3 provides a fully executed copy of this Agreement to the Customer-Generator.

3.5.4 APD3 inspects the disconnect switch to ensure that the Facilities can be isolated from APD3 distribution system.

3.5.5 APD3 performs the voltage testing to ensure compatibility with the existing APD3 distribution system.

3.5.6 APD3 installs the meter required for net-metering after all fees have been paid.

3.6 For a Net Metering System greater than 10 kilowatts AC rating, Customer-Generator agrees to notify APD3, five (5) working days prior to the initial testing. APD3 shall have the right to have a representative present at the initial testing of Customer-Generator's protective apparatus.

3.7 APD3 reserves the right to refuse or terminate interconnection of the Customer-Generator's Facilities if the Customer-Generator fails to meet any of the Interconnection Requirements.

#### **4. DESIGN REQUIREMENTS**

The Facilities installed and used by the Customer-Generator must meet all the applicable Safety and power quality standards established by:

- (a) The National Electrical Code (NEC)
- (b) Underwriters Laboratories Inc. (UL)
- (c) The Institute of Electrical and Electronic Engineers (IEEE) 13
- (d) Local Government (i.e., Lincoln County)
- (e) Alamo Power District No. 3

APD3 reserves the right to refuse interconnection of the Customer-Generator's facilities if the Design Requirements are not met.

## **5. MAINTENANCE PERMITS**

Customer-Generator shall:

- 5.1 Maintain the Facilities and interconnection facilities in a safe and prudent manner and in conformance with all applicable standards, laws, and regulations including, but not limited to, Section 4.
- 5.2 Obtain any governmental authorizations and permits required for the construction and operation of the interconnected Facilities. The Customer- Generator shall reimburse APD3 for any and all claims, losses, and / or penalties it incurs as a result of the Customer-Generator's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of the Facilities.
- 5.3 The Customer-Generator shall provide to APD3 a copy of all governmental authorizations and permits for the Customer-Generator Facilities.
- 5.4 APD3 reserves the right to refuse interconnection of the Customer- Generator facilities if Customer-Generator has not obtained proper authorizations and permits.

## **6. ACCESS TO PREMISES**

- 6.1 APD3 may enter the Customer-Generator's premises without prior notice to:
  - 6.1.1 Inspect, at reasonable hours, Customer-Generator's protective apparatus and to read, maintain, or test meters.

6.1.2 Disconnect the Facilities from the Utilities distribution system during an APD3 power interruption or if, in APD3's opinion, a hazardous condition exists with the Facilities or the interconnected facilities.

6.2 APD3 reserves the right to terminate this Agreement if the Customer Generator refuses access to the Facilities.

## **7. INTERRUPTION OR REDUCTION OF DELIVERIES**

7.1 District may require Customer-Generator to interrupt or reduce deliveries of available energy:

7.1.1 When necessary, in order to construct, install, maintain, repair, replace, remove, investigate or inspect any of its equipment or part of District's system; or

7.1.2 If APD3 determines that curtailment, interruption or reduction is necessary because of emergencies, forced outages, force majeure or non-compliance with prudent electrical practices.

7.2 Whenever possible, APD3 shall give the Customer-Generator reasonable notice that interruption or reduction of deliveries may be required.

7.3 Notwithstanding any other provision of this Agreement, if at any time APD3 determines that either (1) the Customer-Generator's Facilities or its operation, may endanger APD3 personnel, or (2) the continued operation of the Customer-Generator's Facilities may endanger the integrity of APD3's electric system, APD3 shall have the right to disconnect the Customer-Generator's Facilities from APD3's system without notice to the Customer. The Customer-Generator's Facilities shall remain disconnected until such time as APD3 is satisfied that the condition(s), referenced in this section, have been corrected and APD3 has provided the Customer-Generator written authorization to reconnect their Facilities.

## **8. INDEMNITY AND LIABILITY**

8.1 Each Party shall indemnify, defend and hold harmless the other Party against and from any and all claims, losses, liabilities, damages, costs and/or penalties for injury or death to persons, including employees of either Party, or damage to property, including property of either Party, arising out of connection with the Facilities and any acts or failures to act by either Party.

Customer-Generator shall be solely liable for any damages, including personal injury, loss of life or property damage arising from the Facilities or any modification of the Facilities, including claims based on design, construction, location, maintenance, and operation. Customer Generator agrees that APD3 has no responsibility for the safety of the Facilities.

APD3 assumes no liability hereunder for personal injury, bodily injury or property damage claimed by any person or party resulting from or arising out of the engineering, design,



construction, maintenance or operation of Customer-Generator's Facilities or the making of replacements, additions or betterments to Customer-Generator's Facilities.

8.2 Notwithstanding the indemnity of Section 8.1, and except for a Party's willful misconduct or sole negligence, each Party shall be responsible for damage to its facilities resulting from electrical disturbances or faults.

8.3 The provisions of this Section 8 shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.

8.4 Except as otherwise provided in Section 8.1, neither Party shall be liable to the other Party for consequential damages incurred by that Party.

## **9. GOVERNING AUTHORITY**

This Agreement shall be governed and construed under the laws of the State of Nevada as they may be amended or superseded from time to time. APD3 may amend rates and fees upon Board approval; these amendments are subject to public noticing requirements.

## **10. AMENDMENTS AND ASSIGNMENTS**

10.1 Any amendments to this Agreement must be set forth and agreed to in writing and signed by both Parties.

10.2 Customer-Generator shall not voluntarily assign or delegate this Agreement or any of its rights or duties under this Agreement. Any assignment or delegation made without such written consent shall be null and void. APD3 may assign or delegate its rights or obligations hereunder in whole or in part without the written consent if such assignment or delegation is made to affiliate, subsidiary or successor that owns or operates all or any portion of the electrical distribution system or if such assignment is required by applicable laws, rules or regulations.

10.3 Customer-Generator shall notify APD3 in writing within ten (10) business days if the Customer-Generator sells or otherwise transfers ownership of the Customer-Generator's Facilities.

10.4 If Customer sells ownership of Generator facilities, a new Agreement must be made between the new Owners and APD3.

## **11. TERMS OF AGREEMENT**

11.1 This Agreement shall become effective as of the last date on which the Agreement is signed and shall remain in effect for five years or until terminated by either Party providing a 30-day prior written notice to the other Party. This Agreement supersedes all previous agreements written or oral. This Agreement must be renewed every five years.

11.2 Any payment(s) due and owing shall survive termination of this Agreement.

**12. NOTICES FROM CUSTOMER-GENERATOR**

Notice from the Customer-Generator to APD3 must contain its Customer Account Number and Meter Numbers as applicable. All notices must be in writing and shall be directed to the appropriate District at the following address:

**Alamo Power District No. 3**

P.O. Box 189

Alamo NV, 89001

**13. EXHIBITS, ATTACHMENTS AND AGREEMENTS TO TERMS**

13.1 Attachment A, the Customer’s Net Settlement Method is incorporated into this Agreement.

13.2 Attachment B, Application Change Form

13.3 Attachment C, Net Metering Policy.

13.4 Customer-Generator acknowledges that he has reviewed and agrees to the terms and conditions set forth in this Agreement. Customer-Generator declares that he has read, understands and agrees that the interconnection of the Facilities shall be established and maintained in accordance with the terms of this Agreement as well as the applicable Rate Schedules and Rules.

**14. TERMINATION**

14.1 APD3 reserves the right to terminate this Agreement upon immediate written notice if the Customer-Generator fails to meet the terms, conditions or requirements specified herein.

14.2 Any payment(s) due and owing prior to termination of this Agreement shall survive termination of the Agreement.

**ACKNOWLEDGED AND AGREED TO**

**ACKNOWLEDGED AND AGREED TO**

**BY:**

**BY:**

Alamo Power District No. 3

CUSTOMER-GENERATOR

\_\_\_\_\_

\_\_\_\_\_

Print Name

Print Name

\_\_\_\_\_

\_\_\_\_\_

Signature

Signature

\_\_\_\_\_

\_\_\_\_\_

Date

Date

## ATTACHMENT A

### NET METERING SETTLEMENT METHOD

**Customer Class 1010: Residential**

**&**

**Customer Class 1020: Small Commercial**

At the end of each month, following the commencement of Net Metering Agreement by both Parties, the amount of the Customer's credits or payment will be calculated in accordance with the following process.

**D:** Means Delivered; This is the energy (kWh) APD3 Delivers to Customer

**R:** Means Received; This is the energy (kWh) APD3 Receives from customer.

**Step 1:** APD3 Meter Reading = D (kWh/month)

**Step 2:** Customer Net Meter Reading = R (kWh/month)

**Step 3:**  $D \text{ (kWh / month)} \times \text{APD3 Rate[s]} \text{ (\$/kWh)} = \text{APD3 Total Energy Delivered (\$/month)}$

**Step 4:**  $R \text{ (kWh / month)} \times \text{APD3 Avoided Cost of Power (\$/kWh)} = \text{Net Meter Read Received (\$/month)}$

**Step 5:**  $\text{APD3 Total Energy Delivered (\$/month)} - \text{Net Meter Received (\$/month)} - \text{Customer Credit (from previous months)} = \text{APD3 Energy charge or Customer Credit.}$

The energy delivered from APD3 to the Customer in a regular monthly billing cycle, will be charged at APD3's current rate schedule. Any energy the Customer generates that is received by APD3 in a regular monthly billing cycle will be credited to the Customer's account at APD3 avoided cost of power. The Customer will receive a monetary credit for the energy received by APD3. If credit exceeds the delivered charge, the credit will be carried forward to the next month's billing statement. At the end of each calendar year following the commencement of Interconnection Agreement by both Parties, APD3 will zero the Customer's account of any excess credits. There will be no credit or buyback for the excess energy generated by the Customer.

**ATTACHMENT A-1**

**NET METERING SETTLEMENT METHOD**

**Customer Class 1028: Large Commercial**

**&**

**Customer Class 1030: Irrigation**

At the end of each month, following the commencement of Net Metering Agreement by both Parties, the amount of the Customer's credits or payment will be calculated in accordance with the following process.

**D:** Means Delivered; This is the energy (kWh) APD3 Delivers to Customer

**R:** Means Received; This is the energy (kWh) APD3 Receives from customer.

**Step 1:** APD3 Delivered Meter Reading = D (kWh/month)

**Step 2:** Customer Received Meter Reading = R (kWh/month)

**Step 3:**  $D \text{ (kWh / month)} - R \text{ (kWh/month)} = \text{APD3 NET Energy Delivered or Received}$

**Step 4:** A Delivered NET energy total will be billed at the current customer class Energy rate. (\$/month)

**Step 5:** A Received NET energy total will be credited at the current Avoided cost (Alternate Energy) rate. (\$/month)

**Step 6:** A Delivered NET energy total (\$/month) or a Received NET energy total (\$/month) - Customer Credit (from previous months) = APD3 Energy charge or Customer Credit.

The energy delivered from APD3 to the Customer in a regular monthly billing cycle, will be charged at APD3's current customer rate schedule. Any energy the Customer generates that is received by APD3 in a regular monthly billing cycle will be credited to the Customer's account at APD3 avoided cost of power. The Customer will receive a monetary credit for the energy received by APD3. If credit exceeds the delivered charge, the credit will be carried forward to the next month's billing statement. For the purpose of this agreement the calendar year shall be established as January 1 - December 31 of each year. At the end of each calendar year following the commencement of Interconnection Agreement by both Parties, APD3 will zero the Customer's account of any excess credits. There will be no credit or buyback for the excess energy generated by the Customer carried over into the following year.

**ATTACHMENT B**

**NET METERING APPLICATION CHANGE FORM**

**(A New contract must be signed with application change form)**

Owner Name \_\_\_\_\_

Contractor Name \_\_\_\_\_

Address (where the system is installed) \_\_\_\_\_

\_\_\_\_\_

Contact Name \_\_\_\_\_

Phone Number \_\_\_\_\_ E-mail \_\_\_\_\_

Current System Size \_\_\_\_\_

New System Size \_\_\_\_\_

Describe Changes to Generation Facility \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**ACKNOWLEDGED AND AGREED TO BY:**

**ACKNOWLEDGED AND AGREED TO BY:**

**Alamo Power District No. 3**

**Customer-Generator**

\_\_\_\_\_

\_\_\_\_\_

Print Name

Print Name

\_\_\_\_\_

\_\_\_\_\_

Signature

Signature

\_\_\_\_\_

\_\_\_\_\_

Date

Date

## **Attachment C**

### **Section 16**

#### **Net Metering Policy**

Alamo Power District in conjunction with its current Interconnection Policy and Interconnection agreement, has established the following format and details of the rates associated with any customer that installs a generation system that will have an interconnection with Alamo Power District's system. The following guidelines will apply:

#### 16.1 General Provisions:

16.1.1 Generation facilities will be considered as solar, wind, or combustible engine.

16.1.2 The sum total of installed generation for Residential Customers shall be limited to a maximum of 10 kW AC rating. Generation exceeding 10 kW AC rating is permitted only by approval of APD3.

16.1.3 The sum total of installed generation for Small Commercial Customers shall be limited to a maximum of 10 kW AC rating. Generation exceeding 10 kW AC rating is permitted only by approval of APD3.

16.1.4 The sum total of installed generation for Large Commercial Customers shall be limited to a maximum of 25 kW AC rating. Generation exceeding 25 kW AC rating is permitted only by approval of APD3.

16.1.5 The sum total of installed generation for Irrigation Customers shall be limited to a maximum of 25 kW AC rating. Generation exceeding 25 kW AC rating is permitted only by approval of APD3.

16.1.6 All equipment will be inspected by Alamo Power for Safety.

16.1.7 It will be the customers responsibility to acquire all necessary permits/zoning requirements form State, County or City for such a facility.

#### 16.2 Rates:

16.2.1 Alternate Energy rates will be equal to the avoided cost of power for that customer at the interconnected location.

### 16.3 Billing:

#### 1. Base Charge

A Net Metering Customer shall be responsible for the monthly base charge. The monthly base charge cannot be zeroed out by using credits received from generating excess energy.

#### 1.2 Peak Demand, Auxiliary Fees and Other Charges

A Net Metering Customer shall be responsible for any peak demand, auxiliary fees and other charges assigned to Customers who reside within specified boundaries or within a certain jurisdiction where such fees and charges are imposed. The monthly peak demand, auxiliary fees and other charges cannot be zeroed out by using credits received from generating excess energy.

#### 2. Other Rebates

The Customer may be entitled to other rebates including federal and state rebates. The Customer is responsible to seek out, apply for, and collect such rebates.

#### 3. Excess Generation

The energy (kWh) generated each month in excess of the Customer's usage will be credited in dollars to the Customer's account at the current avoided cost of power for use the following month. Accounts shall be reconciled and zeroed at the end of the December Billing Cycle each year. There will be no credit carry-over into the next calendar year.

### 16.4 Metering Equipment:

16.4.1 It shall be the customers responsibility to pay the cost of the equipment needed for Bi-directional metering devices.