

CITY OF DESHLER, NEBRASKA

NET METERING POLICY QUALIFIED CUSTOMER GENERATION 25 KW OR SMALLER

POLICY OBJECTIVE: To set forth a policy for the interconnection and net metering of distributed generation resources in accordance with Nebraska Statutes 70-2001 to 70-2005, or as amended, for retail customers whose electric service is supplied by the City of Deshler, Nebraska (the City).

DEFINITIONS: For the purpose of this policy:

Net Metering shall mean the measured difference between the electricity supplied to a retail customer by the City and the electricity generated by the same retail customer and delivered to the City at a point of common interconnection (the metering point).

Qualified facility shall mean one or more generators that derive their energy from a renewable resource such as solar, wind, hydropower, geothermal resources, biomass, or methane from waste.

Customer-generator shall mean the end-use electricity customer that generates electricity on the customer's side of the meter from a qualified facility.

Billing Period shall mean a calendar month, regardless of rate class or actual billing cycle.

Annualized Period shall mean a 1-year period commencing on January 1 and ending on December 31 of the same calendar year.

Net Excess Generation shall mean the net amount of energy, if any, the customer-generator delivers to the City above the amount the City delivers to the customer generator in a billing period. Stated another way, the amount by which the generated energy exceeds the customer's energy consumption in a billing period.

Interconnection agreement means an agreement between the customer-generator and the City that establishes the financial, interconnection, safety, performance and reliability requirements relating to the installation and operation of a qualified facility in accordance with the standards prescribed in Nebraska Statutes 70-2001 to 70-2005.

ELIGIBILITY REQUIREMENTS:

1. Net metering will be available to retail customers who install qualified generation resources totaling not more than 25 KW and located behind the meter supplied by the City.
2. The customer-generator must complete the City's "Application for Operation of Customer-Owned Generation" and submit it at least 60 days prior to interconnecting with

the distribution system. If accepted by the City, an Interconnection Agreement between the customer-generator and the City shall then be required prior to interconnecting.

3. The customer-generator is responsible for all costs associated with the qualified facility, and any costs incurred by the City for equipment or services required for interconnection that would not be necessary if the qualified facility were not interconnected to the City's distribution system.
4. The account must be in a rate class with a monthly billing cycle and be a consistent user of electricity from month to month in order to qualify for net metering. Seasonal and irrigation accounts will not qualify.
5. The qualified facility must be located on premises that are owned, operated, leased or otherwise controlled by the retail customer.
6. The qualified facility must be able to operate in parallel with the City's electric distribution system in a manner that does not interfere with the quality of service enjoyed by other customers in proximity to the customer-generator.
7. The qualified facility can only serve the end-use needs of the customer-generator at the location of the qualified facility and not at another location. This means that net excess generation cannot be credited to another account under the control of the customer-generator or any other customer.
8. The qualified facility should be designed with the intention of meeting or partially offsetting the customer-generator's requirements for electricity from the City. In months when the customer-generator produces more electricity than required, the net excess generation will be purchased by the City as per paragraphs 14-16 below. Energy units (kWhs) may not be "banked" and carried forward for use in subsequent months.
9. A disconnect switch must be installed on any AC lines between the qualified facility and the main service disconnect if the customer chooses to wire directly to the main service disconnect. This disconnect switch must provide a visual open and be obvious and accessible to City personal as a clearance point when working on the service.
10. The qualified facility must meet all safety and performance requirements of the City of Deshler, Nebraska and applicable federal, state, and local regulations and interconnection standards, including passing a safety inspection by a Nebraska State Electrical Inspector. Documentation of a successful safety inspection must be provided to the City prior to energizing the qualified facility.
11. The qualified facility must be designed to isolate itself from the distribution system in the event of a power outage by the City. City personnel will test once the qualified facility is on line by shutting off normal service and ensuring that no power is being fed back to the distribution system.

12. Additional metering is required by the City to measure all generated AC output of the qualified facility. The City will provide the meter and an appropriate meter socket. The second meter is necessary to accurately determine the quantity and value of the energy generated. The Customer will be responsible for the cost of the meter and the appropriate meter socket; and shall pay any additional costs associated with wiring the meter socket.

NET METERING PROCEEDURES:

13. The City will install a meter that records both forward and backward power flow in separate registers. Forward power flow will represent energy (kWh) delivered to the customer from the City. Reverse power flow will represent energy (kWh) received from the customer by the City. The customer will be billed for the net, or difference, between energy delivered and energy received by the City at the end of each billing period.
14. A customer receiving service under this policy will be subject to the same retail rate schedule as those retail customers who do not operate qualified facilities. Retail customers subject to this policy shall remain responsible for all charges associated with the retail rate schedule including, but not limited to, monthly minimum charges, customer charges, horsepower charges, meter charges, facilities charges, demand charges and surcharges. These charges apply even if the customer nets zero kWh for the month and receives credit for net excess generation.
15. In months when the retail customer generates more electricity than is consumed, the customer will be credited for the net excess generation at the applicable rate as published in Appendix A, "Avoided Cost of Net Excess Generation". The credit will be applied toward the minimum monthly charge and any other charges that apply, and any remaining credit will be applied to the customer's account and carried forward to the next month.
16. Once a year, as soon as practical after January 31, any monetary credit remaining on the customer's account may be refunded to the customer to effectively negate any monetary credits and start clean with a new annualized billing period. However, if permitted by the customer, the credit may remain on the account if it's apparent that it will be used up in subsequent months and not continue to grow.

LIMITS TO NET METERING:

17. If the total generating capacity of all retail customers using net metering is equal to or exceeds one percent (1%) of the capacity necessary to meet the City's average aggregate customer monthly peak demand forecast for the calendar year, the City may deny net metering service to additional retail customers. No individual person or entity, or related persons or entities, receiving net metering service may own or operate generating capacity totaling in excess of one-third of one percent (0.33%) of the capacity necessary

to meet the City's average aggregate customer monthly peak demand forecast for the calendar year.

18. Up to 30 kW of single-phase renewable generation may be installed on any City owned single-phase distribution line without conducting an engineering study, subject to the limit imposed by the fact that Up to 100 kW of renewable generation may be installed on any City owned three-phase distribution circuit without conducting an engineering study, i.e. Capacity installed on single-phase lines will count towards the total capacity installed on the three-phase line that feeds those single-phase lines.

HOLD HARMLESS:

19. The customer-generator shall agree to indemnify and hold harmless the City of Deshler, Nebraska, its respective directors, officers, employees, agents, and representatives, from any and all losses, and any and all claims, liabilities, penalties, fines, costs, and expenses incurred or paid in connection with any threatened or completed demand, claim, suit, order, injunction, proceeding, or other action threatened or brought for any reason including (without limitation) for the loss of or damage to any property, or for any injury, disease, or death of any person, caused by in whole or in part arising from, or in any manner related to any act or omission of the customer, or any person acting for or on his behalf, in connection with any activity performed or undertaken pursuant to a net metering interconnection agreement.

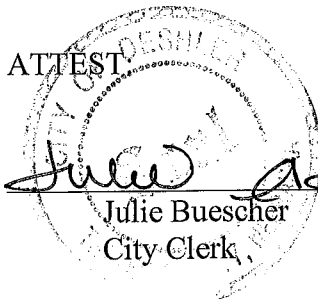
PASSED AND APPROVED this 4th day of January, 2022.

CITY OF DESHLER, NEBRASKA

By Julie A. Deepe
Julie Deepe
Mayor

ATTEST

Julie Buescher
Julie Buescher
City Clerk



APPENDIX A
AVOIDED COST OF NET EXCESS GENERATION

For monthly billing periods when the energy produced by the customer-generator exceeds the energy needs of the customer, the City will purchase, in the form of a billing credit, the net excess generation at the applicable rates outlined below, based on the avoided cost of wholesale power that would have been purchased by the City.

Summer (June-Sept):

\$.03276 per kWh

Winter (Oct-May):

\$.03039 per kWh

Note: Rates are equal to the City's current wholesale on-peak energy cost (2022).

