



**NET METERING AND COOPERATIVE CREDIT FOR EXCESS MEMBER-GENERATED  
ELECTRIC ENERGY**  
**Operational Procedure #J-16/Policy 421**

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**I. OBJECTIVE**

To provide for net metering of members generating electric energy utilizing an eligible renewable electrical generating facility (EREGF), as defined below, and to provide for a credit by McDonough Power to the member for excess electric energy produced by the EREGF and received by McDonough Power from the member, while honoring McDonough Power's obligation to provide electricity to all members on a cooperative basis as required by the Illinois Not-for-Profit Corporation Act and Internal Revenue Code Section 501(c)(12) and complying with McDonough Power's wholesale power contract obligations with Prairie Power, Inc. and PPI's Policy #504 (Net Metering and Delivery of Excess Member-Consumer-Generated Electricity).

**II. DEFINITIONS**

**Avoided Costs** means the incremental costs to the cooperative of electric energy or to the extent the following terms are used in this policy, the following definitions shall apply. To the extent that the same term is used in this policy and Prairie Power, Inc.'s Policy #504, the definition of such term contained in Prairie Power, Inc.'s Policy #504 shall control, in the event of a conflict between the definitions.

**"Annual period"** means the calendar year commencing on January 1 and ending on December 31.

**"Billing period"** means the period of time over which the cooperative bills a member for electric energy consumed during that time and for other applicable charges from the cooperative.

**"Eligible member"** means a cooperative member in good standing with the cooperative that owns and operates an EREGF where the EREGF is located at and associated with the cooperative member's specified service metering point and is intended primarily to offset that cooperative member's own electric energy requirements at that specified service metering point.

**"Eligible renewable electrical generating facility" or "EREGF"** means one or more generator(s) owned by a cooperative member and located at and associated with the cooperative member's specified service metering point where: (A) the total combined nameplate rating for such generator(s) at the specified service metering point is not more than 10 kilowatts and (B) such generator(s) are powered by solar electric energy, wind, dedicated crops grown for electricity generation, agricultural residues, untreated wood waste and unadulterated wood waste, landscape trimmings, livestock manure, anaerobic digestion of livestock waste or anaerobic digestion of food processing waste, fuel cells

powered by renewable fuels or microturbines powered by renewable fuels, or hydroelectric energy.

**“Hourly marginal electricity value”** or **“HMEV”** means the average of the hourly MISO Day Ahead Locational Marginal Prices (DA LMP) for electric energy at the applicable Prairie Power, Inc. Commercial Pricing (CP) Node during the applicable billing period.

**“MISO”** means the Midcontinent Independent System Operator, Inc., or its successors in interest.

**“Nameplate rating”** means the maximum electric energy production capability of a generator, specified in kilowatts, as stated on the generator device(s) placards or nameplates or in the manufacturer’s specifications, prior to any power inverter device(s).

**“Net electricity metering”** or **“net metering”** means the measurement, during the billing period applicable to an eligible member, of the electrical energy sales volume at a single specified service metering point by McDonough Power retail meter when an EREGF is owned by the eligible member and is connected to and operating on the eligible member’s low-voltage electric premises wiring associated with the specified service metering point.

**“Net purchaser of electricity”** means an eligible member whose total amount of electric energy generated by an EREGF is less than the eligible member’s total electric energy usage during an applicable billing period.

**“Net seller of electricity”** means an eligible member whose total amount of electric energy generated by an EREGF is greater than the eligible member’s total electric energy usage during an applicable billing period.

**“Prairie Power, Inc.”** or **“PPI”** means Prairie Power, Inc., an Illinois not-for-profit corporation, or its successors in interest, which is an electric generation and transmission cooperative of which McDonough Power is a member and from which, by contract, McDonough Power obtains its wholesale supply of electricity.

### **III. APPLICABILITY**

This net metering policy applies to an eligible member that chooses to connect the eligible member’s EREGF to the member’s low-voltage electric premises wiring associated with a specified service metering point.

### **IV. PROVISIONS**

- A. An eligible member shall first comply with the provisions of McDonough Power’s Interconnection and Parallel Operation of Distributed Generation agreement, as it relates to the connection of an EREGF to, and the

operation of such EREGF on, the member's low-voltage electric premises wiring associated with the specified service metering point.

- B. McDonough Power's retail service meter serving the eligible member's specified service metering point where the EREGF is located shall remain in place and be capable of measuring the flow of electricity both into and out of the eligible member's specified service metering point and recording the flow of electric energy in both directions. If the existing retail service meter serving the eligible member's specified service metering point is not capable of meeting these requirements, or if the member requests an additional meter, the cost of installing and maintaining a retail service meter having that capability or an additional meter shall be paid by the member.
- C. For an eligible member with an EREGF, McDonough Power shall measure and charge or credit for the net electric energy supplied to the eligible member or provided by the eligible member as follows:
  1. McDonough Power shall determine whether the eligible member is a net purchaser of electricity or a net seller of electricity during the billing period.
  2. If the eligible member is a net purchaser of electricity during the billing period, McDonough Power shall charge the member for the net electric energy supplied to and used by the member at the retail rate the eligible member would be charged if the member was not an eligible member.
  3. If the eligible member is a net seller of electricity during the billing period, McDonough Power will calculate a monetary credit for any metered excess kilowatt-hours of electric energy delivered to the cooperative at a rate equal to the HMEV corresponding to the billing period and apply such credit against only the electric energy-related charges derived specifically from the consumption of electric energy measured in units of kilowatt hours as denoted on a subsequent bill for service to the eligible member. McDonough Power shall continue to carry over any unused amount of such credits and apply those credits to subsequent billing periods to offset only any electric energy-related charges derived specifically from the consumption of electric energy measured in units of kilowatt-hours due from the eligible member as denoted in the billing for those subsequent billing periods until all credits are used or until the end of the annual period, whichever occurs first.

4. At the end of the annual period that service is supplied by means of net metering, or in the event that the eligible member terminates service with McDonough Power during an annual period, any remaining credits in the eligible member's account shall expire and no credit or payment shall be due to the member for such expired credits.
  5. Any credit to an eligible member under this policy derived from the eligible member being a net seller of electricity shall be applied only to the charge for electric energy delivered to the eligible member. No part of such credit shall be applied to, and the eligible member shall remain responsible for, (a) taxes, fees, and other charges that would otherwise be applicable to the net amount of electric energy purchased by the eligible member from McDonough Power, and (b) other charges to the eligible member under any McDonough Power policies, bylaws, rules, regulations, or rates, that are not based on a unitized charge per kilowatt-hour, including, but not limited to, basic service charges or facilities charges.
- D. All renewable energy credits, greenhouse gas emission credits and renewable energy attributes related to any electricity produced by the eligible member's EREGF and purchased by McDonough Power shall be treated as owned by the eligible member.
  - E. McDonough Power shall make net metering available to eligible members until the aggregate installed EREGF nameplate ratings of McDonough Power's eligible members using net metering equals 5% of McDonough Power's annual coincident peak demand during the previous calendar year.
  - F. Members who have a service that is under an incentive rate (i.e. geothermal, metered electric heat, etc.) shall not be eligible for net metering. A member may choose to be net metered in lieu of an incentive rate but both rates cannot be used in conjunction with each other.
  - G. McDonough Power reserves the right to terminate any and all net metering agreements at any time. Members may discontinue utilizing net metering at any time at which they will revert to a rate class to be determined by the cooperative. When a current net metering member is disconnected or transferred to a new member, the existing metering agreement will be null and void. The new owner must request in writing for the net metering agreement to be reestablished.
  - H. This policy is subject to all federal, state and local laws, McDonough Power's articles of incorporation, bylaws and existing policies and the

terms and conditions of McDonough Power's existing wholesale power contract with Prairie Power, Inc. and loan agreements, and the terms of Prairie Power, Inc.'s Policy #504. To the extent any provision of this policy conflicts with those obligations, those provisions of this policy are deemed null and void.

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President and CEO

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Chairman of the Board

ADOPTED: 5/23/17

Revised: (6/18)