

## PURPOSE

To provide support for renewable resources located in the service territory of McDonough Power Cooperative (MPC). The overall intent of this policy is to result in MPC being financially indifferent to the purchase of excess power generated by Small Distributed Generation Facilities owned by an Eligible member-consumer of MPC from the annual On-peak Energy Charge Rate as stated in dollars per kWh established annually by the Cooperative Board in Rate Schedule A of the Wholesale Power Contract between Prairie Power, Inc. (PPI) and MPC.

## I. DEFINITIONS

- **“Eligible member-consumer”** means an MPC member in good standing that owns and operates an EREGF where the EREGF is located at and associated with a specified metering point and is intended primarily to offset that member-consumers own 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 100 kilowatts (kW) AC 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.
- **“Nameplate Rating”** means the maximum electric energy production capability of a resource, specified in alternating current ("AC") kilowatts after the inverter.
- **“Small DG Incentive”** means a monetary payment in the form of a bill credit by the cooperative to the owner of a Small DG for excess energy generated by the Small DG and registered on the designated meter.
- **“Small Distributed Generation Facilities”** or **“Small DG”** means one or more electricity production resources which meet all of the following criteria: (1) owned by the eligible member-consumer (2) connected to and operating on the member-consumer’s low-voltage electric premises wiring associated with a single, specified service metering point, (3) the total combined Nameplate Rating for such resources at the single, specified service metering point is less than or equal to 100 kilowatts AC and sized to offset no more than 110% of the member-consumer's load over the previous 12 months (if 12 months of data is not available, the average amount of similar member-consumers shall be used), (4) such resources produce electric energy using biomass, waste, renewable resources, including wind, solar energy, and water, and (5) such resources are not taking service as either an EREGF under Policy #421 or a Qualifying Facility under Policy #427 or any other special incentive rate as designated by MPC.

## **II. APPLICABILITY**

This incentive is available to Small Distributed Generation Facilities as defined above in service territory of MPC.

## **III. PROVISIONS**

This policy applies to an eligible member-consumer that chooses to connect a Small Distributed Generation Facility to the low-voltage electric premises wiring associated with a specified metering point.

- A. An eligible member-consumer shall comply with all provisions of MPC's Interconnection and Parallel Operation of Distributed Generation agreement.
- B. MPC will maintain a retail service meter serving the specified metering point where the Small DG is located and be capable of measuring the flow of electricity both into and out of the eligible member-consumers specified metering point and recording the flow of electric energy in both directions.
- C. For an eligible member-consumer with a small distributed generation facility, MPC shall measure all power flowing back on to the system and any excess kWh's returned to MPC shall be credited back to the member-consumer in the form of the Small DG incentive.
- D. The Small DG Incentive is equal to: the product of the kWh per month produced by the Small DG which are in excess of the member consumer's electrical consumption, received by MPC, and registered and recorded by MPC's retail service meter multiplied by the annual On-peak Energy Charge Rate as stated in dollars per kWh established annually by the PPI Board in Rate Schedule A of the Wholesale Power Contract between MPC and PPI.
- E. Any small DG incentive credit will be applied to the eligible member-consumers bill the following month. 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-consumer from MPC, and (b) other charges to the eligible member-consumer under any MPC 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.

**IV. LIMITATIONS OF INCENTIVE**

The Small DG Incentive provided under this Policy is available until December 31, 2023, unless terminated earlier due to financing obligations of the Cooperative. On or before December 31, 2022, the Cooperative shall revisit this Policy to decide whether to extend it, modify it, or allow it to expire.

**V. REVISION OF POLICY**

This Policy and its terms and conditions may be adjusted or changed at the sole discretion of the Cooperative.

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President and CEO

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Chairman of the Board

ADOPTED: \_\_\_\_\_