

AVAILABILITY OF SERVICE

This Distributed Generation Rate (DG-1) ("Rate") is available to qualifying Member-Consumers ("Participants") of Distributor's distribution system (where "Distributor" is a rural electric distribution cooperative served by COOPERATIVE ENERGY, hereinafter "Supplier"). This rate is available where Distributor's electric distribution facilities of adequate capacity and suitable phase and voltage are adjacent to the premises to be served, and Service is taken according to the Service Policy and Character of Service Available of the Distributor. Where facilities of adequate capacity and suitable phase and voltage are not adjacent to the premises to be served, Distributor may, at its option, require a contribution, higher minimum bill, facilities charge, or other compensation to make Service available.

This Rate is available to Participants on a first-come, first-served basis until such time as the installed level of net metered capacity expressed in kW (direct current, or "dc") exceeds at any time 3 percent of the Distributor's total system peak demand expressed in kW recorded during the prior calendar year.

Note: Generally, unless otherwise specified herein, capitalized terms used throughout this document are as defined in the Distributor's or Supplier's Service Policies or in the Mississippi Public Service Commission ("MPSC") Mississippi Renewable Energy Net Metering Rule and Mississippi Distributed Generator Interconnection Rule.

APPLICABILITY

This Rate is applicable to any Participant who takes Service under the Distributor's standard Rate Schedules who has signed an Interconnection and Parallel Operation Agreement for Renewable Generation Rated 2MW and Less between Participant, Distributor and Supplier ("Agreement"), has installed an approved renewable electric energy producing distributed generation equipment system ("Qualifying System") in accordance with the Agreement and:

- If a residential Participant, has installed a Qualifying System with a net nameplate generating capacity of no more than 15 kWAC, or
- If a non-residential Participant, has installed a Qualifying System with a net nameplate generating capacity of no more than 2 MWdc (2,000 kWdc) and the Qualifying System is sized to offset no more than the Participant's average annual peak demand at that location. If the non-residential Participant is not offsetting any load or meet the stated capacity limits, they will be eligible only for Cooperative Energy Avoided Cost payment.

Such facilities must be located on the Participant's premises, be owned or leased by the Participant, and must be a Qualifying System in accordance with the Agreement.

Participants may not take Service under this Rate and simultaneously take Service under the provisions of any other alternative source generation or co-generation tariff or rate.

The provisions of the Participant's standard Rate Schedule are modified as specified herein.

This Rate and the terms and conditions set out herein are available for and applicable to purchases of energy only by Supplier from a Participant who owns (or leases) and operates a Qualifying System with a rated output no greater than 2 MWdc (2,000 kWdc). Such Qualifying System shall be installed on the property of Participant and interconnected with the distribution system of a Distributor to provide all or part of Participant requirements of electric energy, or from which Participant may elect to sell to Supplier such output of excess renewable electric energy delivered into the distribution system of Distributor ("Delivered Energy").

Supplier and Distributor will authorize the Qualifying System of Participant to interconnect and operate in parallel with the electric systems of Distributor and Supplier under conditions as outlined in the section below, **Parallel Operation**, and in accordance with the terms and conditions of the Agreement.

Rate

Supplier will purchase such excess renewable electric energy generated from the Qualifying System of Participant at the Rate as defined below and under the terms and conditions stated herein. Supplier reserves the right to change said Rate at its discretion, provided Supplier has notified Participant of such change in writing at least thirty (30) days in advance of the effective date of the revised Rate.

Distributed Generation Rate (DG-1):

- For all kWh purchased by COOPERATIVE ENERGY, \$0.045/kWh.

Rate Components considered in the development of the DG-1 Rate:

- Cooperative Energy Avoided Cost: Cooperative Energy projected annual Avoided Cost of energy.
- Distribution Line and Power Transformer Losses: Credit to DG facility for losses not incurred by distribution system.
- Renewable Energy Credit ("REC"): Credit to DG facility for the Mississippi Market Value for RECs (Note: Owners of DG facilities that do not use a renewable resource to generate electricity are not eligible for the Renewable Energy Credit).
- Ownership of RECs will be transferred to Cooperative Energy..
- Cooperative Energy DG Incentive: A Cooperative Energy Board approved temporary adder to incentivize installation of DG generation in order for critical mass to be achieved so that any cost or benefits of DG generation can be accurately assessed.

METERING

The Participant shall be responsible for the cost of installing and maintaining acceptable metering and telemetry equipment that satisfies the metering and telemetry equipment requirements as detailed in the Agreement.

Supplier and Distributor shall have access to all such meters at reasonable times during normal business hours of Participant, and shall regularly provide to Participant copies of all information provided by such meters.

PAYMENT FOR EXCESS RENEWABLE ELECTRIC ENERGY

Supplier or Distributor shall read monthly, the meter used for measuring electric energy purchases from Participant. Payment to Participant for Delivered Energy shall be rendered according to the terms and conditions of the Agreement and as follows:

A Statement from Supplier covering credits for Delivered Energy shall be rendered to Participant along with a check for the amount due if the Participant's credit for Delivered Energy exceeds \$25.00. A monthly credit of \$25.00 or less will be accumulated and paid when the total amount due Participant exceeds \$25.00.

Regardless of the accumulated amount due Participant for Delivered Energy by December 31 of each year the Agreement is in effect, Supplier shall pay the amount due Participant for sale of such Delivered Energy in the subsequent year.

PARALLEL OPERATION

Renewable electric energy producing distributed generation facilities of a Participant desiring to interconnect with the distribution system of the Distributor must meet the specifications, terms and conditions contained in the Agreement. Upon approval of the Qualifying System installation, successful completion of the Commissioning and execution of the Agreement, Supplier and Distributor will, in accordance with the terms and conditions of said Agreement, authorize Participant to interconnect and operate its Qualifying System in parallel with the electric distribution system of Distributor.

CURTAILMENT

In addition to the terms of the Agreement, Supplier and/or Distributor reserve the right to curtail a purchase from Participant when:

1. Supplier or Distributor has a system emergency and purchases would (or could) contribute to such emergency, or
2. Supplier has been directed by the regional Reliability Coordinator that the purchase of energy from Participant must be curtailed because of a system emergency or for other reliability related reasons

Participant will be notified of each curtailment in a manner as timely as possible.