

DEPARTMENT: ELECTRIC OPERATIONS

EFFECTIVE DATE: 04/2011

POLICY #: 3-21

REVISION DATE: 09/01/2011

SUBJECT: COMMERCIAL NET METERING

POLICY

The objective of this policy is to accommodate the installation of renewable energy generation facilities by customers for the purpose of serving their own electric needs in a manner that is beneficial to both the customer and the other rate payers in the Town of Shrewsbury.

AVAILABILITY

A net metering facility is an electric generation facility that uses solar or wind to generate electric power. The net metering facility must be to offset part of the customer's own electric power requirements. In no circumstance shall the output from the net metering facility be sold to a third party or credited to a third party or another customer.

SELCO will enter into an agreement with an existing commercial customer that intends to own and install a net metering facility that is 600 kW or less. SELCO will enter into an agreement with an existing customer that intends to own and install a net metering facility that is greater than 600 kW once SELCO has reviewed that proposed net metering facility and determined that it will not have an adverse impact on SELCO.

The net metering facility must be located on property owned by the customer and must operate in parallel with SELCO's existing distribution facilities. Existing net metering facilities may not exceed 50% of the customer's historic peak demand.

The customer must:

1. Complete a SELCO Net Metering Facility Application;
2. Provide a one-line diagram of the proposed facility at the time of application; and
3. Sign an Interconnection Agreement for Net Metering Service prior to commencing installation.

The customer will be required to pay an application fee as determined by SELCO from time to time.

1. SELCO sets the maximum kW of solar energy panels connected to our facilities through net metering not to exceed 1% of SELCO's all time peak load. SELCO's maximum all time peak is 68,350 kW. Maximum aggregate solar capacity connected to SELCO system will be 684 kW. The amount may be adjusted from time to time as SELCO's Electric Peak changes.

2. SELCO does not allow customers to purchase solar power output from third parties
3. SELCO will adopt a net metering policy for solar projects up to an aggregate of 600 kW per site location.
4. SELCO will adopt net metering principles as set in M.G.L. c. 164, S. 1, 138, 139 for Class I, and Class II net metering facilities.

EQUIPMENT AND OPERATION

The customer shall build, operate, and maintain the net metering facility so that it meets or exceeds all applicable safety and performance standards including those established by the Massachusetts State Building Codes, the Massachusetts Department of Public Utilities, the National Electric Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Town of Shrewsbury and SELCO.

The customer shall provide a safety disconnect device located adjacent to SELCO's metering equipment that shall be accessible to SELCO personnel at all times. The disconnect switch must be lockable by means of a padlock in either the open or closed position. SELCO shall have the option of requiring ongoing testing of the disconnect equipment. SELCO may disconnect the customer's net metering facility from the power system any time it deems that the safety and stability of SELCO's system may be compromised as determined by SELCO in its sole discretion.

If the customer's net metering facility damages the SELCO system, the customer shall be responsible for all costs associated with the repair and/or replacement of the damaged portion of the SELCO system and that names SELCO as an additional insured.

The customer shall maintain insurance coverage that would cover any damage to SELCO's system in the event of the operation or misoperation of the net metering facility.

SELCO shall not be liable, directly or indirectly, for permitting or continuing to allow the attachment of a net metering facility, or for the acts of omissions of the customer that cause property damage, or loss, or injuring, including death, to any party.

METERING

SELCO shall install, at the expense of the customer, bi-directional metering that is capable of registering the flow of electricity in each direction. SELCO will be responsible for the maintenance and service of the bi-directional metering equipment.

FLOW OF POWER AND BILLING

During a billing period, if the customer uses more electricity than it feeds back in the SELCO system, the customer will be billed based on the rate applicable to the customer's class of service.

If during a billing period, the customer feeds back on to the SELCO system more electricity than is supplied by SELCO, the customer will be billed the minimum charge applicable to the customer's class of service and be credited for the excess electricity (kWh) generated and fed on to the SELCO system. Any excess kWh shall carry forward from billing period to billing period, until any excess has been utilized.

For the billing period ending in the first month following each anniversary date of the project going into service (or at the termination of service), if any unused credits have been accumulated during the previous 12 months, SELCO will credit the customer account an amount equal to the unused credited kilowatt hours times the average of the wholesale cost of energy, excluding transmission, and distribution costs, for the previous 12-month period.

In the event that the customer installs a facility that exceeds 50% of its historic peak demand, SELCO will not reimburse the customer-generator for any excess electricity fed back to the SELCO system.

TERMS AND CONDITIONS

SELCO's Terms and Conditions in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this policy.