

# EASTERN ILLINI ELECTRIC COOPERATIVE

## REGULATION NO. 26

**SUBJECT:** Net Metering and Cooperative Purchase of Excess Member Owned Generation Capacity

### DEFINITIONS:

**Avoided Costs** means the incremental costs to the Cooperative of electric energy or capacity or both which, but for the purchase from the eligible renewable electrical facility, the Cooperative would generate itself or purchase from another source, averaged over the billing period.

**Avoided Energy Costs** are the avoided variable costs associated with the production of electric energy (kilowatt-hours). These costs represent the Avoided Costs of fuel and some operating and maintenance expenses or the cost of purchased energy. Identifiable capacity charges included in purchase power agreements shall not be included in the calculation of Avoided Energy Costs.

**Avoided Total Costs** means the total avoided system energy and new Capacity Costs (and not the average embedded system cost of capacity) or the avoided cost of a capacity purchase which result from the purchase of energy and capacity from an Eligible Renewable Electrical Generating Facility.

**Capacity Costs** are the costs associated with providing the capability to deliver energy; they consist primarily of the capital costs of facilities used to generate and transmit electricity.

**Eligible Cooperative Member/Owner** means a Cooperative member/owner that owns or operates a solar, wind, or other Eligible Renewable Electrical Generating Facility with a rated capacity of not more than 2 MW that is located on the member/owner's premises that receives electrical service from the Cooperative and is intended primarily to offset the member/owner's own electrical requirements.

**Eligible Renewable Electrical Generating Facility (EREGF)** means a generator powered by solar electric energy, wind, dedicated crops grown for electricity generation, anaerobic digestion of livestock or food processing waste, fuel cells or micro turbines powered by renewable fuels, or hydroelectric energy. For purposes of this regulation, an EREGF with a nameplate rating of 10 kW or less is governed by the provisions of Article IV (C). An EREGF with a nameplate rating of more than 10 kW up to 2 MW is governed by the provisions of Article IV (D).

**Net Electricity Metering (or "net metering")** means the measurement, during the billing period applicable to an eligible member/owner, of the net amount of electricity supplied by the Cooperative to the member/owner's premises or provided to the Cooperative by the member/owner.

**OBJECTIVE:**

To encourage member-owned on-site electric generation facilities using renewable energy resources, to comply with the Public Utility Regulatory Policies Act (PURPA), enhance the continued diversification of Illinois' energy resource mix and protect the Illinois environment through the use of renewable fuel sources while honoring the Cooperative's obligation to provide electricity to all member/owners on a cooperative basis as required by the Illinois Not-for-Profit Act and Revenue Code Section 501(c)(12).

**REGULATION:**

This net metering regulation applies to Eligible Cooperative Member/Owners that choose to interconnect their eligible renewable electrical generating facilities with the Cooperative's distribution system and operate same in parallel with the Cooperative system.

- A. The Eligible Cooperative Member/Owner who operates an EREGF at a location that receives electrical service from the Cooperative shall first comply with the provisions of the Cooperative's Regulation No. 27, Interconnection and Parallel Operation of Distributed Generation.
- B. The Cooperative will install and maintain metering equipment capable of measuring the flow of electricity both into and out of the member/owner's facility at the same rate and ratio. If member/owner's existing meter is not capable of meeting this requirement, or if the member/owner requests an additional meter, the cost of installing and maintaining same shall be paid by the member/owner.
- C. For EREGFs with a nameplate rating of 10 kilowatts and below, the Cooperative shall measure and charge or credit for the net electricity supplied to Eligible Cooperative Member/Owners or provided by Eligible Cooperative Member/Owners as follows:
  1. If the amount of electricity used by the member/owner during the billing period exceeds the amount of electricity produced by the member/owner, the Cooperative shall charge the member/owner for the net electricity supplied to and used by the member/owner at the retail rates the member would be charged if the member/owner was not a net metering member/owner.
  2. If the amount of electricity produced by a member/owner during the billing period exceeds the amount of electricity used by the member/owner during that billing period, the Cooperative will pay the eligible member/owner for that excess generation at the avoided cost rate as defined in this regulation.
- D. For EREGFs with a nameplate rating over 10 kilowatts up to 2 MW, the Cooperative's power supplier shall compensate the eligible member/owner for

any excess kilowatt-hour credits at the Cooperative's power supplier's avoided cost of electricity supply over the monthly periods or as otherwise determined by the terms of a power purchase agreement negotiated between the member/owner and the Cooperative's power supplier.

- E. All renewable energy credits, greenhouse gas emission credits and renewable energy attributes related to any electricity produced by the Eligible Renewable Electrical Generating Facility and purchased by the Cooperative shall be treated as owned by the eligible member/owner.
- F. The Cooperative shall provide net metering to eligible member/owners until the energy used by its net metering member/owners equals one percent of the total energy supplied by the Cooperative to all member/owners during the previous year.
- G. This regulation is subject to all federal, state and local laws, the Cooperative's articles of incorporation or consolidation, bylaws, regulations and existing policies, including without limitation, its disconnect policies, as well as the terms and conditions of the Cooperative's existing power supply contracts and loan agreements. To the extent any provision of this regulation conflicts with those obligations, those provisions are deemed null and void.

Adopted: 2/19/08  
Amended: 9/29/09