

Karnes Electric Cooperative, Inc.

Distributed Generation Rider

Application

Applicable to Distributed Generation Facilities smaller than 700 kW of connected generation connected in parallel operation to the Cooperative's electric system in accordance with the Cooperative's service rules and regulations and the Cooperative's *Distributed Generation Procedures and Guidelines Manual for Members* (available on request).

This rate is not applicable to temporary, shared, or resale service. This rate is applicable to service supplied at one point of delivery.

Sales to Member

Sales to a Distributed Generation Customer shall be consistent with the applicable retail rate tariff established by the Cooperative and in use by the Member as if there were no Distributed Generation installation.

Purchases from a Member – Facility classified as 50 kW of connected generation and smaller

Determination of billing shall be accomplished by interconnection through one meter with two registers capable of measuring in-flow and out-flow at the point of delivery of electric service.

When the energy supplied by the Cooperative exceeds the energy supplied by the Member during a billing period, the net energy (kWh) supplied by the Cooperative to the Member, shall be billed by the Cooperative in accordance with the rates and charges under the cooperative's applicable rate schedule.

When the energy supplied by the Member exceeds the energy supplied by the Cooperative during a billing period, the monthly charge and/or minimum of the retail rate schedule shall be billed, and the excess energy (kWh) generated by the Member and delivered back to the Cooperative, within the billing period, shall be credited to the Member at the Cooperative's Monthly Avoided Cost Rate provided by the Cooperative's wholesale power supplier. If credits for excess energy are greater than the member's monthly bill, the credit will be carried forward to the following billing period. If a credit balance remains at the end of the calendar year, a refund of the entire credit balance will be provided to the member.

Monthly banking of energy (kWh) supplied by the Member, exceeding the energy supplied by the Cooperative during a billing period, will not be allowed.

Any renewable energy credits (REC's) resulting from the operation of the DG are the property of the DG Member unless sold or otherwise transferred by the Member.

Purchases from a Member – Facility classified as greater than 50 kW and less than 700 kW of connected generation

Determination of billing shall be accomplished by interconnection through one meter with two registers capable of measuring in-flow and out-flow at the point of delivery of electric service.

All energy (kWh) supplied by the Cooperative to the Member, during the billing period, shall be billed by the Cooperative in accordance with the rates and charges under the cooperative's applicable rate schedule for the Member.

There will be no netting of energy (kWh). All excess energy (kWh) generated by the Member's qualifying facility during the billing period, not consumed instantaneously by the Member, and delivered back to the Cooperative within the billing period, shall be credited to the Member at the Cooperative's Monthly Avoided Cost Rate provided by the Cooperative's wholesale power supplier. If credits for excess energy are greater than the member's monthly bill, the credit will be carried forward to the following billing period. If a credit balance remains at the end of the calendar year, a refund of the entire credit balance will be provided to the member.

In addition to all other charges, the Cooperative may bill the Member for any additional facilities charges as determined by the Cooperative and appended to the Interconnection Agreement.

Any renewable energy credits (REC's) resulting from the operation of the DG are the property of the DG Member unless sold or otherwise transferred by the Member.

Contracts

An Interconnection Agreement between the Member and the Cooperative shall be required in all cases.