

TERMS AND CONDITIONS

XXV. NET METERING

A. Applicability and Availability

1. The terms “Net Metering Service,” “Demand Charge-based Time-of-Use Tariff,” “Net Metering Customer,” “Customer,” “Time-of-Use Customer,” “Time-of-Use Tier,” “Person(s),” and “Renewable Fuel Generator,” shall be defined in accordance with Rule 20VAC5-315-20. “Customer” is used in the following paragraphs of this Section XXV in the discussion of general net metering topics. “Time-of-Use Customer” is used in this Section XXV only for topics referring specifically to time-of-use.
2. Net Metering Service is available to customers who meet all of the following criteria:
 - a. The Customer is served on either a non-time of usage rate schedule or on a Demand Charge-based Time-of-Use Tariff; and
 - b. The Customer owns and operates, or contracts with other Persons to own or operate, or both, a Renewable Fuel Generator for the primary purpose of offsetting all or part of the Customer’s own requirements for Electricity Supply Service to be provided by the Company or by a Competitive Service Provider (“CSP”); and
 - c. Customers served on a time-of-usage rate schedule, which does not have an Electricity Supply demand charge, are not eligible to receive Net Metering Service.
3. A Renewable Fuel Generator is an electrical generating facility that meets the following criteria:
 - a. Has an alternating current capacity of not more that 20 kilowatts for a residential Customer and not more than 500 kilowatts for a non-residential Customer;
 - b. Uses renewable energy, as defined by Va. Code § 56-576, as its total fuel source. Such sources are currently defined as sunlight, wind, falling water, biomass (sustainable or otherwise), energy from waste, municipal solid waste, wave motion, tides, geothermal power, or the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass;
 - c. Is owned and operated, or contracts to be owned or operated, or both, by the Customer and is located on the Customer’s premises;

(Continued)

TERMS AND CONDITIONS

XXV. NET METERING (Continued)

- d. Is interconnected to the Customer's wiring on the Customer's side of its interconnection with the Company, pursuant to a net metering arrangement, and is operated in parallel with the Company's electric transmission and distribution system.

B. Company Notification

1. The Customer shall submit a completed Notification Form and a certificate of insurance or other proof of insurance as required in Paragraph G. to the Company prior to the date that the Customer intends to interconnect his Renewable Fuel Generator to the Company's distribution facilities, according to the following time limits:
 - a. At least 30 days for Customers with a Renewable Fuel Generator having a rated capacity not exceeding 25 kilowatts.
 - b. At least 60 days for Customers with a Renewable Fuel Generator having a rated capacity exceeding 25 kilowatts.
2. If the Customer has contracted with another person to own or operate, or both, the Renewable Fuel Generator, the notice will include detailed, current and accurate contact information for the owner or operator, or both including without limitation, the name and title of one or more individuals responsible for the interconnection and operation of the Renewable Fuel Generator, a telephone number, a physical street address other than a post office box, a fax number, and an e-mail address for each such person or persons.
3. The completed Notification Form (attached to this section as Attachment 1) is to be sent to the following address:

Dominion Virginia Power
Net Metering
One James River Plaza, 8th Floor
P. O. Box 26666
Richmond, VA 23261-6666.
4. The Customer shall have all equipment necessary to complete the interconnection to the Company's distribution system installed prior to submitting the Notification Form to the Company.

(Continued)

TERMS AND CONDITIONS

XXV. NET METERING (Continued)

5. The Company shall have 30 days from the date of notification for Customers with a Renewable Fuel Generator having a rated capacity not exceeding 25 kilowatts, and 60 days from the date of notification for a Customer with a Renewable Fuel Generator having a rated capacity exceeding 25 kilowatts, to determine whether the requirements contained in Paragraphs C. and D, if applicable, have been met. The date of notification shall be considered to be the third day following the mailing of the Notification Form by the Customer.
 6. Thirty-one days after the date of notification for a Customer with a Renewable Fuel Generator having a rated capacity not exceeding 25 kilowatts, and 61 days after the date of notification for a Customer with a Renewable Fuel Generator having a rated capacity exceeding 25 kilowatts, the Customer may interconnect the Customer's Renewable Fuel Generator and begin operation, unless the Company requests a waiver of this requirement from the Commission prior to the 31st or 61st day, respectively.
 7. In cases where the Company requests a waiver, a copy of the request for a waiver will be mailed simultaneously to the Customer and to the Commission's Division of Energy Regulation.
 8. The Customer shall immediately notify the Company of any changes in the ownership of, operational responsibility for, or contact information for the Renewable Fuel Generator.
- C. Conditions of Interconnection for all Customers
1. A Customer may begin operation of Customer's Renewable Fuel Generator on an interconnected basis when:

- a. The Customer has properly notified the Company of Customer's intent to connect in accordance with Paragraph B. above, and the Company has not requested a waiver;
- b. The Customer has installed a lockable, Company accessible load breaking manual disconnect switch to disconnect the generator;
- c. A licensed electrician has certified, by signing the Notification Form, that the manual disconnect switch has been installed properly and that the Renewable Fuel Generator has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code;

(Continued)

TERMS AND CONDITIONS

XXV. NET METERING (Continued)

- d. The vendor has certified, by signing the Notification Form, that the Renewable Fuel Generator being installed is in compliance with the requirements established by Underwriters Laboratories, or other national laboratories in accordance with IEEE Standard 1547, Standard for Interconnecting Distributed Resources With Electric Power Systems, July 2003;
 - e. In the case of static inverter-connected Renewable Fuel Generators with an alternating current capacity in excess of 10 kilowatts, the Customer has had the inverter settings inspected by the Company. The Company shall impose a fee of \$50 for such inspection;
 - f. In the case of non-static inverter-connected Renewable Fuel Generators, the Customer has interconnected according to the Company's interconnection guidelines and the Company has inspected all protective equipment settings. The Company shall impose a fee of \$50 for such inspection;
2. A Customer shall not be allowed to interconnect a Renewable Fuel Generator if doing so will cause the total rated capacity of all interconnected Renewable Fuel Generators within the Company's Virginia service territory to exceed 1.0 percent of the Company's Virginia peak-load forecast for the previous year. If a Customer's proposed installation results in exceeding the limitation described above, the Customer will be notified that the interconnection will not be allowed. Upon request by the Customer, the Company will provide to the Customer the amount of capacity still available for interconnection.
- D. Additional Conditions of Interconnection for Customers with a Renewable Fuel Generator, having a Rated Capacity Exceeding 25 Kilowatts

In the case of Renewable Fuel Generators with an alternating current capacity greater than 25 kilowatts, the following requirements, in addition to Paragraph C. above, must be met before interconnection may occur:

- 1. Electric Distribution Facilities and Customer Impact Limitations: A Renewable Fuel Generator shall not be permitted to interconnect to the Company's distribution facilities if the interconnection would reasonably lead to damage to any of the Company's facilities or would reasonably lead to voltage regulation or power quality problems at other customer revenue meters due to the incremental effect of the generator on the performance of the electric distribution system, unless the Customer reimburses the Company for the Company's cost to modify any facilities needed to accommodate the interconnection.

(Continued)

TERMS AND CONDITIONS

XXV. NET METERING (Continued)

2. Secondary, Service and Service Entrance Limitations: The capacity of the Renewable Fuel Generator shall be less than the capacity of the Company-owned secondary, service and service entrance cable connected to the point of interconnection, unless the Customer reimburses the Company for the Company's cost to modify any facilities needed to accommodate the interconnection.
3. Transformer Loading Limitations: The Renewable Fuel Generator shall not have the ability to overload the Company transformer, or any transformer winding, beyond manufacturer or nameplate ratings, unless the Customer reimburses the Company for the Company's cost to modify any facilities needed to accommodate the interconnection.
4. Integration with Company Facilities Grounding: The grounding scheme of the Renewable Fuel Generator shall be consistent with the Company's grounding scheme and shall comply with IEEE 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems, July 2003. Upon the Customer's request, the Company shall assist the Customer in selecting a grounding scheme that coordinates with the Company's distribution system.
5. Balance Limitation: The Renewable Fuel Generator shall not create a voltage imbalance of more than 3.0% at any other customer's revenue meter if the Company transformer, with the secondary connected to the point of interconnection, is a three-phase transformer, unless the Customer reimburses the Company for the Company's cost to modify any facilities needed to accommodate the interconnection.

E. Metering

1. General
Net metered energy shall be measured in accordance with standard metering practices by metering equipment capable of measuring (but not necessarily displaying) power flow in both directions.
2. Off-site Metering Requested by the Customer
When the Customer requests metering equipment which is intended to be read off-site and the Company would not have normally provided such off-site metering, the Company will charge the Customer the actual cost of the meter installation.

(Continued)

TERMS AND CONDITIONS

XXV. NET METERING (Continued)

3. Time-of-Use Metering

The Time-of-Use Customer shall pay the Company's incremental metering costs associated with Net Metering Service.

4. Metering for Renewable Energy Certificates

In the event the Customer requests that metering equipment be installed to measure the total output of the Renewable Fuel Generator for the purposes of having the Company purchase the Customer's Renewable Energy Certificates, in accordance with Paragraph G., below, the Company shall install the appropriate metering equipment and the Customer shall pay to the Company the Company's incremental metering costs associated with such metering equipment.

F. Billing and Payment Considerations

1. Definitions used in this section:

- a. Net Metering Period – each successive 12-month period beginning with the first meter reading date following the date of final interconnection of the Renewable Fuel Generator with the Company.
- b. Excess Generation – the amount by which electricity generated by the Renewable Fuel Generator exceeds electricity consumed by the Customer for the Net Metering Period.

2. Compensation for Excess Generation

- a. If the Customer purchases Electricity Supply Service from the Company, and the Customer has Excess Generation during a Net Metering Period, the Customer will receive no compensation from the Company unless the Customer enters into a power purchase agreement, as may be revised from time to time, with the Company.
- b. If the Company provides the Customer Electricity Supply Service, the Company shall enter into a power purchase agreement for the Customer's Excess Generation, upon the written request of the Customer.

(Continued)

TERMS AND CONDITIONS

XXV. NET METERING (Continued)

3. The power purchase agreement shall meet the following criteria:
 - a. The power purchase agreement shall be consistent with Rule 20VAC5-315-50.
 - b. The Customer shall submit the written request for a power purchase agreement to the Company prior to the beginning of the Customer's first Net Metering Period covered by the power purchase agreement.
 - c. The Company shall purchase the Customer's Excess Generation for the Net Metering Period(s) under the power purchase agreement at a price equal to the PJM Interconnection, L.L.C. (PJM) DOMZONE day-ahead annual, simple average LMP (locational marginal price), as published by the PJM Market Monitoring Unit, for the most recent calendar year ending on or before the end of each Net Metering Period,
 - d. The price, as referenced in item c., above, shall remain in effect unless, after notice and opportunity for hearing, the Commission establishes a different price or pricing methodology.
4. The Company shall credit the Customer's account annually for the Excess Generation during the Net Metering Period within 30 days following the latter of the following:
 - a. The end of the Net Metering Period, or
 - b. The date of the PJM Market Monitoring Unit's publication of the previous calendar-year's PJM Interconnection, L.L.C. (PJM) DOMZONE day-ahead annual, simple average LMP (locational marginal price).

The Customer may choose to receive a direct payment in lieu of an account credit.

(Continued)

TERMS AND CONDITIONS

XXV. NET METERING (Continued)

5. If electricity generated by the Customer and fed back to the electric grid exceeds the electricity supplied to the Customer by the Company or a CSP during any Billing Period (“Billing Period Credit”), the Customer will pay only the Company’s non-usage sensitive charges, including any applicable standby charges, for that Billing Period. If a Time-of-Use Customer has Billing Period Credits in all Time-of-Use Tiers, during any Billing Period, the Time-of-Use Customer will pay only the Company’s demand charge(s), non-usage sensitive charges, and any applicable standby charges for that Billing Period.
 6. Billing Credits will be accumulated, carried forward and applied at the first opportunity to any billing periods having positive net consumption (by Time-of-Use Tiers in the case of a Time-of-Use Customer). However, any accumulated Billing Period Credits remaining unused at the end of a Net Metering Period shall be carried forward into the next Net Metering Period only to the extent that such accumulated Billing Period Credits carried forward do not exceed the Customer’s billed consumption for the current Net Metering Period, adjusted to exclude accumulated Billing Period Credits carried forward and applied from the previous Net Metering Period (recognizing Time-of-Use Tiers for a Time-of-Use Customer).
- G. Renewable Energy Certificates
1. General
The Customer owns any Renewable Energy Certificate (“REC” or “RECs”), associated with the total output of the Renewable Fuel Generator.
 2. Company’s Obligation to Purchase the Customer’s RECs
The Company is obligated to purchase the Customer’s RECs only when both of the following occur:
 - a. The Customer signs a power purchase agreement with the Company;

(Continued)

TERMS AND CONDITIONS

XXV. NET METERING (Continued)

- b. At the time the power purchase agreement is signed – the Customer exercises Customer’s one-time option to include a provision in the power purchase agreement that requires the Company to purchase all generated RECs over the duration of the power purchase agreement.
 3. Company Payment for the Customer’s REC
 - a. When the Company is obligated to purchase the Customer’s RECs and where the Customer has not requested the Company to meter the total output of the Renewable Fuel Generator, the Company will purchase the RECs associated with the Excess Generation purchased in accordance with the power purchase agreement.
 - b. When the Company is obligated to purchase the Customer’s RECs and where the Customer has requested the Company to meter the total output of the Renewable Fuel Generator, the Company will purchase the RECs associated with the total generation over the Net Metering Period, in accordance with the power purchase agreement.
 - c. For each REC the Company is obligated to purchase from the Customer during the Net Metering Period, in accordance with the power purchase agreement, the Company will make payment to the Customer for all whole RECs at the same time that the Company pays the Customer for any Excess Generation.
 - d. The Company will post a credit to the Customer’s account. In lieu of a credit, the Customer may request a direct payment.
 - e. The Company will not make an immediate payment to the Customer for any remaining fractional REC. Such fractional REC may be carried forward to subsequent Net Metering Periods for the duration of the power purchase agreement.
 4. Rate to be Paid for Customer’s RECs
For each whole REC that the Company is obligated to purchase from the Customer, the Company will pay the Customer the daily unweighted average for the CR component, as described in Paragraph IV of the Company’s Rider G – Renewable Energy Program, which applies during the time period for which Excess Generation is determined.

(Continued)

TERMS AND CONDITIONS

XXV. NET METERING (Continued)

H. Liability insurance

1. A Customer with a Renewable Fuel Generator with a rated capacity not exceeding 10 kilowatts shall maintain homeowners, commercial or other insurance providing coverage of at least \$100,000 for the liability of the insured against loss arising out of the use of a Renewable Fuel Generator, and for a Renewable Fuel Generator with a rated capacity exceeding 10 kilowatts the coverage shall be at least \$300,000.
2. Customers are not required to purchase additional liability insurance where the Customer's existing insurance policy provides coverage against loss arising out of the use of a Renewable Fuel Generator by virtue of not explicitly excluding coverage for such loss.

I. Additional Controls and Tests

Any costs associated with additional meters, tests or equipment shall be borne by the party desiring additional meters, tests or equipment.

(Continued)

Section 3. Information for Generators with an AC Capacity in Excess of 25 kilowatts

Generator Type (circle one): Inverter Induction Synchronous
Frequency: _____ Hz; Number of phases (circle one): One Three

Rated Capacity: DC _____ KW; AC apparent _____ KVA; AC real _____ KW;
Power factor _____%; AC voltage _____; AC amperage _____

Facility schematic and equipment layout must be attached to this form.

A prospective Net Metering Customer considering installing a Renewable Fuel Generator with a capacity in excess of 25 KW is strongly encouraged to contact the electric distribution company prior to making financial commitments to the project.

Section 4. Vendor Certification

The system hardware is listed by Underwriters Laboratories to be in compliance with UL 1741.

Signed (Vendor): _____ Date: _____

Name (printed): _____

Company: _____

Phone Number: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Section 5. Electrician Certification

The system has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.

Signed (Licensed Electrician): _____ Date: _____

Name (printed): _____

License Number: _____ Phone Number: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Utility signature signifies only receipt of this form, in compliance with the Commission's net energy metering regulations, Regulation 20 VAC 5-315-30.

Signed (Utility Representative): _____ Date: _____

I hereby certify that, to the best of my knowledge, all of the information provided in this Notice is true and correct.

Signature of Applicant: _____ **Date:** _____