

NET METERING FOR RENEWABLE CUSTOMER-GENERATORS

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PURPOSE

This Rider sets forth the eligibility, terms and conditions applicable to Customers with installed qualifying renewable customer-owned, generation using a net metering system.

APPLICABILITY

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This Rider applies to renewable customer-generators served under Rate Schedules RS, GS-1, GS-3, and LP-4 who install a device or devices which are, in the Company's judgment, subject to Commission review, a bona fide technology for use in generating electricity from qualifying Tier I or Tier II alternative energy sources, pursuant to the Alternative Energy Portfolio Standards Act, 73 P.S. §§ 1648.1 – 1648.8 ("AEPS Act") or Commission regulations, and which will be operated in parallel with the Company's system. This Rider is available to installations where any portion of the electricity generated by the renewable energy generating system offsets part or all of the customer-generator's requirements for electricity. A renewable customer-generator is a non-utility owner or operator of a net metered distributed generation system with a nameplate capacity of not greater than 50 kilowatts, if installed at a residential service (RS), or not larger than 3,000 kilowatts at other customer service locations (Rate Schedules GS-1, GS-3 and LP-4), except for Customers whose systems are above 3 megawatts and up to 5 megawatts who make their systems available to operate in parallel with the Company during grid emergencies, as defined by the regional transmission organization, or where a microgrid is in place for the purpose of maintaining critical infrastructure, such as homeland security assignments, emergency services facilities, hospitals, traffic signals, wastewater treatment plants or telecommunications facilities, provided that technical rules for operating generators interconnected with facilities of the Company have been promulgated by the Institute of Electrical and Electronic Engineers ("IEEE") and the Commission.

Qualifying renewable energy installations are limited to Tier I and Tier II alternative energy sources, as defined by the AEPS Act and the Commission's regulations. The Customer's equipment must conform to the Commission's Interconnection Standards and Regulations, pursuant to the AEPS Act. This Rider is not applicable when the source of supply is service purchased from a neighboring electric utility under Borderline Service.

Service under this Rider is available upon request to renewable customer-generators on a first-come, first-served basis as long as the total rated generating capacity installed by renewable customer-generator facilities does not adversely impact service to other Customers and does not compromise the protection scheme(s) employed on the Company's electric distribution system.

METERING PROVISIONS

A Customer may select one of the following metering options in conjunction with service under applicable Rate Schedule RS, GS-1, GS-3, or LP-4.

1. A customer-generator facility used for net metering shall be equipped with a single bi-directional meter that can measure and record the flow of electricity in both directions at the same rate. A dual-meter arrangement may be substituted for a single bi-directional meter at the Company's expense.

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2. If the customer-generator's existing electric metering equipment does not meet the requirements under Option (1) above, the Company shall install new metering equipment for the customer-generator at the Company's expense. Any subsequent metering equipment change necessitated by the customer-generator shall be paid for by the customer-generator. The customer-generator has the option of utilizing a qualified meter service provider to install metering equipment for the measurement of generation at the customer-generator's expense.

Additional metering equipment for the purpose of qualifying alternative energy credits owned by the customer-generator shall be paid for by the customer-generator. The Company shall take title to the alternative energy credits produced by a customer-generator where the customer-generator has expressly rejected title to the credits. In the event that the Company takes title to the alternative energy credits, the Company will pay for and install the necessary metering equipment to qualify the alternative energy credits. The Company shall, prior to taking title to any alternative energy credits, fully inform the customer-generator of the potential value of those credits and options available to the customer-generator for their disposition.

3. Meter aggregation on properties owned, or leased and operated, by a customer-generator shall be allowed for purposes of net metering. Meter aggregation shall be limited to meters located on properties within two (2) miles of the boundaries of the customer-generator's property. Meter aggregation shall only be available for properties located within the Company's service territory. Physical meter aggregation shall be at the customer-generator's expense. The Company shall provide the necessary equipment to complete physical aggregation. If the customer-generator requests virtual meter aggregation, it shall be provided by the Company at the customer-generator's expense. The customer-generator shall be responsible only for any incremental expense incurred by the Company to process the customer-generator's account on a virtual meter aggregation basis.

BILLING PROVISIONS:

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The following billing provisions apply to customer-generators in conjunction with service under applicable Rate Schedules RS, GS-1, GS-3, or LP-4.

1. The customer-generator will receive a credit for each kilowatt-hour received by the Company up to the total amount of electricity delivered to the Customer by the Company during the billing period at the full retail rate consistent with Commission regulations. If a customer-generator supplies more electricity to the Company than the Company delivers to the customer-generator in a given billing period, the excess kilowatt hours shall be carried forward and credited against the customer-generator's usage in subsequent billing periods at the full retail rate. Any excess kilowatt hours will continue to accumulate until the end of the PJM planning period ending May 31 of each year. On an annual basis consistent with the PJM planning period, the Company will compensate the customer-generator for kilowatt-hours received from the customer-generator in excess of the kilowatt hours delivered by Company to the customer-generator during the preceding year at the Company's Price To Compare consistent with Commission regulations. The customer-generator is responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.

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2. If the Company supplies more kilowatt-hours of electricity than the customer-generator facility feeds back to the Company's system during the billing period, all charges of the appropriate rate schedule shall be applied to the net kilowatt-hours of electricity that the Company supplied. The customer-generator is responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.
3. For customer-generators involved in virtual meter aggregation programs, a credit shall be applied first to the meter through which the generating facility supplies electricity to the Company's distribution system, then through the remaining meters (for the customer-generator's account) equally at each meter's designated rate under the applicable Rate Schedule. Virtual meter aggregation is the combination of readings and billing for all meters, regardless of rate class, installed on properties owned, or leased and operated, by a customer-generator by use of the Company's billing process, rather than through physical rewiring of the customer-generator's owned or leased property for a physical, single-point of contact. The customer-generators are responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.
4. If a net metering Customer served on Rate Schedule GS-1, GS-3, or LP-4 generates electricity such that the self-generation results in a 10% or more reduction in the Customer's purchase of electricity through the Company's transmission and distribution network for any calendar year, when compared to the calendar year immediately prior to the installation of the generation, the net metering Customer shall be responsible for its share of stranded costs to prevent inter-class or intra-class cost shifting. The Company, upon determination that the customer has or will exceed the 10% limitation, will rebill the customer for CTC charge, in an amount equal to the charges in the calendar year immediately prior to the installation of the generation unless the customer-generator initiated self-generation prior to January 1, 1999, in which case the base year will be 1996. Such rebilling of CTC charge will be at the otherwise applicable CTC rates under the appropriate Rate Schedule.

NET METERING PROVISIONS FOR SHOPPING CUSTOMERS (C)

1. Customer-generators may take net metering services from EGSs that offer such services.
2. If a net-metering customer takes service from an EGS, the Company will credit the customer for distribution and CTC charges for each kilowatt hour produced by a Tier I or Tier II resource installed on the customer-generator's side of the electric revenue meter, up to the total amount of kilowatt-hours delivered to the customer by the Company during the billing period. If a customer-generator supplies more electricity to the electric distribution system than the EDC delivers to the customer-generator in a given billing period, the excess kilowatt hours shall be carried forward and credited against the customer-generator's usage in subsequent billing periods at the Company's distribution rates. Any excess kilowatt hours at the end of the PJM planning period will not carry over to the next year for distribution and CTC charge purposes. The customer-generator is responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.

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NET METERING PROVISIONS FOR SHOPPING CUSTOMERS (Continued) (C)

3. If the Company delivers more kilowatt-hours of electricity than the customer-generator facility feeds back to the Company's system during the billing period, all charges of the applicable rate schedule shall be applied to the net kilowatt-hours of electricity that the Company delivered. The customer-generator is responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.
4. Pursuant to Commission regulations, the credit or compensation terms for excess electricity produced by customer-generators who are customers of EGSs shall be stated in the service agreement between the customer-generator and the EGS.
5. If a customer-generator switches electricity suppliers, the Company shall treat the end of the service period as if it were the end of the year.

APPLICATION

Customer-generators seeking to receive service under the provisions of this Rider must submit a written application to the Company demonstrating compliance with the Net Metering Rider provisions and quantifying the total rated generating capacity of the customer-generator facility.

MINIMUM CHARGE

The Minimum Charges under Rate Schedules RS, GS-1, GS-3, and LP-4 apply for installations under this Rider.

RIDERS

Bills rendered by the Company under this Rider shall be subject to the charges stated in any other applicable Rider.