

Summary of Jackson Energy Cooperative's Net Metering Tariff

Changes are coming to net metering as of January 1, 2020. The changes are due to the Kentucky legislature changes in the law governing net metering

The following information is valid until January 1, 2020. The changes to this information are listed after it.

Net Metering is limited to 30 KW maximum. Net Metering is limited to systems that generate electricity using solar energy, wind energy, biomass or biogas energy, or hydro energy.

If more electricity is generated than consumed during a given month the excess kilowatt hour amount is banked for future use. This banked kilowatt-hour amount will show up on your electric bill. In the following months if you use more than you produce then some, or all, of the banked kilowatt-hours will be taken from the banked amount and deducted from your kilowatt-hour usage for that month.

When applying for net metering there are two levels of criteria; Level 1 and Level 2.

Your application for installing net metering is classified as Level 1 if you meet the following conditions:

- The generating system is inverter based
- The inverter is certified by a nationally recognized testing laboratory to meet the requirements of Underwriters Laboratory Standard 1741 (UL 1741)
- The installation does not violate any of the provisions of IEEE 1547 "Standard for Interconnecting Distributed Resources with Electric Power Systems".
- Jackson Energy does not have to construct any facilities to accommodate the generation source that is installed.

No application fees, or other review, examination or witness test fees are charged for a level 1 system.

Your application for installing net metering is classified as Level 2 if you meet the following conditions:

- The generating system is **not** inverter based
- The generating system is **not** certified by a nationally recognized testing laboratory to meet the requirements of Underwriters Laboratory Standard 1741 (UL 1741)
- Jackson Energy has to construct facilities to accommodate the generating system.

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You are responsible for the cost of any construction by Jackson Energy to accommodate a Level 2 installation.

A level 2 generating system will require a non-refundable application, examination and processing fee up to \$100.

If an impact study is necessary with a level 2 generating system you will be responsible for any reasonable costs up to \$1,000 toward the cost of the study.

For either level 1 or level 2 you must sign an interconnection agreement.

Both level 1 and level 2 systems must meet National Electric Code (NEC) standards.

The generating system you install cannot cause power quality problems with other consumers.

You are responsible for any damage your generating system may cause to other consumers or Jackson Energy.

You are required to have liability insurance (through a standard homeowner's, commercial or other policy) for either level 1 or level 2 generating systems. Jackson Energy requires proof of liability coverage.

Both level 1 and level 2 systems must have an external disconnect switch (EDS) located near the point where you connect to Jackson Energy. If the external disconnect switch is not located near the connection point a sign or sticker shall be placed on the meter base identifying the location of the external disconnect switch. The external disconnect switch must be accessible to Jackson Energy employees at all times in case an emergency should arise.

If Jackson Energy has an outage the generating system must disconnect automatically from Jackson Energy. This is to prevent your system from energizing a power line that may be on the ground. Failure to do this may cause injury or death to other consumers or employees of Jackson Energy. It also prevents damage to your generating system as it prevents it from feeding power into a faulted power line.

The Kentucky legislature changed the law governing net metering. The following changes will go into effect January 1, 2020.

The maximum allowed amount of power produced for net metering increases from 30 KW to 45 KW.

Under the previous rules the banked production was in kilowatt-hours because the member was compensated at the full retail value for the kilowatt-hours. Under the new rules the banked

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production will be in dollars rather than in kilowatt-hours. This is because the compensation will be at a value less than full retail. At this time the compensation value has not been determined. The change in the law states that the Kentucky Public Service Commission (PSC) will determine the compensation as part of a ratemaking process. This has not yet taken place.

The members who installed a net metering installation before January 1, 2020 will be grandfathered for a period of 25 years. The previous rate of compensation will apply for the 25 year period.

All other provisions remain the same as before.