

ARKANSAS PUBLIC SERVICE COMMISSION



NET-METERING RULES

Last Revised: June 1, 2020
Order No. 28
Docket No. 16-027-R
Effective: x x - x x -
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**NET-METERING RULES
ADMINISTRATIVE HISTORY**

<u>Docket</u>	<u>Date</u>	<u>Order</u>	<u>Subject Matter of Docket/ Order</u>
02-046-R	07/26/02	4	Adopted rules relating to the terms and conditions of – Net-Metering.
06-105-U	11/27/07	8	Amended definitions; Rules 1.02, 2.01, and 2.04; Section 1 of the Standard Interconnection Agreement, Appendix A; and X.1.1, X.2.3, and X.2.4 of the Net-Metering Tariff, Appendix B.
	11/29/07	10	Amended Rule 4.02 to delete reference to Docket No. 86-033-A.
	11/30/07	11	Amended the Standard Interconnection Agreement, Appendix A to add e-mail address lines to the signature block.
	12/19/07	12	Errata order correcting clerical errors in the amendments adopted in Order No. 8.
12-001-R	06/15/12	6	Amended Section 7 of the Standard Interconnection Agreement, Appendix A to exempt state governmental agencies and entities, local governmental entities, and federal entities from the indemnity requirement.
12-060-R	09/03/13	7	Amended Rule 2.04 to provide for meter aggregation, incorporated the provisions of Act 1221 of 2013 concerning the carryover of net-metering credits, and added a definition of Net-Metering Customer to track the definition in Ark. Code Ann. § 23-18-603.
	10/11/13	10	Updated the Net-Metering Tariff to reflect the amendments adopted in Order No. 7.
16-027-R	03/08/17	10	Revised Rules to comply with Act 827 of 2015.
	08/16/17	14	Errata Order.
	06/01/20	28	Revised Rules to comply with Act 464 of 2019.

NET METERING RULES

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SECTION 1. GENERAL PROVISIONS

Rule 1.01 Definitions

The following definitions shall apply throughout the Net-Metering Rules (NMRs) except as otherwise required by the context, and any references to the NMRs shall include these definitions:

(a) Additional Meter

A meter associated with the Net-Metering Customer's account that the Net-Metering Customer may credit with Net Excess Generation from the Generation Meter. Additional Meter(s): 1) shall be under common ownership within a single Electric Utility's service area; 2) shall be used to measure the Net-Metering Customer's requirements for electricity; 3) may be in a different class of service than the Generation Meter; 4) shall be assigned to one, and only one, Generation Meter; 5) shall not be a Generation Meter; and 6) shall not be associated with unmetered service.

(b) Annual Billing Cycle

The normal annual fiscal accounting period used by the utility.

(c) Avoided Cost

As defined in Ark. Code Ann. § 23-18-603(1).

(d) Billing Period

The billing period for net-metering will be the same as the billing period under the customer's applicable standard rate schedule.

(e) Biomass Resource

A resource that may use one or more organic fuel sources that can either be processed into synthetic fuels or burned directly to produce steam or electricity, provided that the resources are renewable, environmentally sustainable in their production and use, and the process of conversion to electricity results in a net environmental benefit. This includes, but is not limited to, dedicated energy crops and trees, agricultural food and feed crops, agricultural crop wastes and residues, wood wastes and residues, aquatic plants, animal wastes, and other accepted organic, renewable waste materials.

(f) Commission

The Arkansas Public Service Commission.

(g) Electric Utility

As defined in Ark. Code Ann, § 23-18-603(3). A person who acts as a lessor or service provider as described in Ark. Code Ann. § 23-18-603(7)(B) or (C) shall not be considered an Electric Utility .

(h) Energy Storage Device

A device that captures energy produced at one time, stores that energy for a period of time, and delivers that energy as electricity for use at a future time.

(i) Fuel Cell Resource

A resource that converts the chemical energy of a fuel directly to direct current electricity without intermediate combustion or thermal cycles.

(j) Generation Meter

The meter associated with the Net-Metering Customer's account to which the Net- Metering Facility is physically attached.

(k) Geothermal Resource

A resource in which the prime mover is a steam turbine. The steam is generated in the earth by heat from the earth's magma.

(l) Hydroelectric Resource

A resource in which the prime mover is a water wheel. The water wheel is driven by falling water.

(m) Micro Turbine Resource

A resource that uses a small combustion turbine to produce electricity.

(n) Net Excess Generation

As defined in Ark. Code Ann, § 23-18-603(5).

(o) Net-Metering

As defined in Ark. Code Ann, § 23-18-603(6).

(p) Net-Metering Customer

As defined in Ark. Code Ann, § 23-18-603(7).

(q) Net-Metering Facility

As defined in Ark. Code Ann, § 23-18-603(8).

(r) Parallel Operation

The operation of on-site generation by a customer while the customer is connected to the Electric Utility's distribution system.

(s) Qualifying Facility

As defined in Ark. Code Ann. § 23-3-702(4).

(t) Quantifiable Benefits

As defined in Ark. Code Ann, § 23-18-603(9).

(u) Renewable Energy Credit

As defined in Ark. Code Ann, § 23-18-603(10).

(v) Residential Use

Service provided under an Electric Utility's standard rate schedules applicable to residential service.

(w) Solar Resource

A resource in which electricity is generated through the collection, transfer and/or storage of the sun's heat or light.

(x) Wind Resource

A resource in which an electric generator is powered by a wind-driven turbine.

Rule 1.02 Purpose

The purpose of these Net-Metering Rules is to establish rules for net energy metering and interconnection.

Rule 1.03 Statutory Provisions

- A. These Rules are developed pursuant to the Arkansas Renewable Energy Development Act of 2001 (Ark. Code Ann. § 23-18-601 *et seq.* as amended.)
- B. These Rules are promulgated pursuant to the Commission's authority under Ark. Code Ann. §§ 23-2-301, 23-2-304(a)(3), and 23-2-305.

- C. Nothing in these Rules shall govern, limit, or restrict the Commission's authority under Ark. Code Ann. § 23-18-604.

Rule 1.04 Other Provisions

- A. These Rules apply to all Electric Utilities, as defined in these Rules, that are jurisdictional to the Commission.
- B. The Net-Metering Rules are not intended to, and do not affect or replace any Commission approved general service regulation, policy, procedure, rule, or service application of any utility which addresses items other than those covered in these Rules.
- C. Net-Metering Customers taking service under the provisions of the Net-Metering Tariff may not simultaneously take service under the provisions of any other alternative source generation or cogeneration tariffs except as provided herein.

SECTION 2. NET-METERING REQUIREMENTS

Rule 2.01 Electric Utility Requirements

An Electric Utility shall allow Net-Metering Facilities to be interconnected using a standard meter capable of registering the flow of electricity in two (2) directions.

Rule 2.02 Metering Requirements

- A. Metering equipment shall be installed to both accurately measure the electricity supplied by the Electric Utility to each Net-Metering Customer and also to accurately measure the electricity generated by each Net-Metering Customer that is fed back to the Electric Utility over the applicable Billing Period. If nonstandard metering equipment is required, the customer is responsible for the cost differential between the required metering equipment and the utility's standard metering equipment for the customer's current rate schedule.
- B. Accuracy requirements for a meter operating in both forward and reverse registration modes shall be as defined in the Commission's Special Rules - Electric. A test to determine compliance with this accuracy requirement shall be made by the Electric Utility either before or at the time the Net-Metering Facility is placed in operation in accordance with these Rules.

Rule 2.03 New or Additional Charges

Any new or additional charge which would increase a Net-Metering Customer's costs beyond those of other customers in the rate class shall be filed by the Electric Utility with the Commission for approval. The filing shall be supported by the cost/benefit analysis described in Ark. Code Ann. § 23-18-604(b)(4).

Rule 2.04 Billing for Net Metering

- A. On a monthly basis, the Net-Metering Customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules. Under Net-Metering, only the kilowatt hour (kWh) units of a customer's bill are netted, except as provided herein.
 - 1. For Net-Metering Customers who receive service under a rate that does not include a demand component:
 - a. Except as provided in Rule 2.04 A.1.b, an Electric Utility shall credit a Net-Metering Customer with the amount of any accumulated Net Excess Generation as measured in kilowatt hours or kilowatt hours multiplied by the applicable retail rate in the next applicable billing period and base the bill of the Net-Metering Customer on the net amount of electricity as measured in kilowatt hours or kilowatt hours multiplied by the applicable retail rate that the Net-Metering Customer has received from or fed back to the electric utility during the billing period.
 - b. After December 31, 2022, an Electric Utility or any other party

authorized by law may file an application to establish an alternative net-metering class and rate structure pursuant to Ark. Code Ann. § 23-18-604(b)(2)(B)-(D). The application shall include a cost of service study and substantial evidence that the Electric Utility's proposed rate structure is in the public interest and will not result in an unreasonable allocation of or increase in costs to the Electric Utility's other customers.

2. For Net-Metering Customers who receive service under a rate that includes a demand component with a generating capacity of 1,000 kW or less:

An Electric Utility shall credit a Net-Metering Customer with the amount of any accumulated Net Excess Generation as measured in kilowatt hours in the next applicable billing period and base the bill of the Net-Metering Customer on the net amount of electricity as measured in kilowatt hours that the Net-Metering Customer has received from or fed back to the electric utility during the billing period.

3. For Net-Metering Customers who receive service under a rate that includes a demand component with a generating capacity over 1,000 kW and up to 20 MW and who receive approval to exceed the statutory limits under Ark. Code Ann. § 23-18-604(b)(9):

- a. An Electric Utility shall credit a Net-Metering Customer with the amount of any accumulated Net Excess Generation as measured in kilowatt hours in the next applicable billing period and base the bill of the Net-Metering Customer on the net amount of electricity as measured in kilowatt hours that the Net-Metering Customer has received from or fed back to the electric utility during the billing period.

- b. An Electric Utility shall also bill the Net-Metering Customer a grid charge.

- c. The grid charge rate shall initially be set at zero effective June 1, 2020.

- d. After the effective date of these NMRs, an Electric Utility may file an application to revise the grid charge rate. The application shall include a cost-of-service study and evidence demonstrating that an unreasonable cost shift to non-Net-Metering Customers is occurring or has already occurred on a cumulative basis rather than on the basis of an individual Net-Metering Customer's proposed facility(ies) and that the Electric Utility's proposed grid charge rate is in the public interest. Once approved, the Electric Utility shall bill these Net-Metering Customers in accordance with the Electric Utility's approved grid charge.

- B. If the kWh supplied by the Electric Utility exceeds the kWh generated by the

Net- Metering Facility and fed back to the Electric Utility during the Billing Period, the Net-Metering Customer shall be billed for the net kWh supplied by the Electric Utility in accordance with the rates and charges under the customer's standard rate schedule.

- C. If the kWh generated by the Net-Metering Facility and fed back to the Electric Utility exceed the kWh supplied by the Electric Utility to the Net-Metering Customer during the applicable Billing Period, the Electric Utility shall credit the Net-Metering Customer with any accumulated Net Excess Generation as measured in kilowatt hours pursuant to Rule 2.04(A)(1)(a) or kilowatt hours multiplied by the applicable rate established by the Commission pursuant to Rule 2.04(A)(1)(b) in the next applicable Billing Period.
1. Net Excess Generation shall first be credited to the Net-Metering Customer's Generation Meter.
 2. After application of subsection C.1. and upon request of the Net-Metering Customer pursuant to subsection D., any remaining Net Excess Generation shall be credited to one or more of the Net-Metering Customer's Additional Meters in the rank order provided by the customer.
 3. Net Excess Generation shall be credited as described in subsections C.1. and C.2. during subsequent Billing Periods. The amount of Net Excess Generation credits remaining in a Net-Metering Customer's account at the close of a Billing Period shall not expire and shall be carried forward to subsequent Billing Periods indefinitely.
 - a. For Net Excess Generation credits older than 24 months, a Net-Metering Customer may elect to have the Electric Utility purchase the Net Excess Generation Credits in the Net-Metering Customer's account at the Electric Utility's Avoided Cost plus any additional sum determined by the Commission if the sum to be paid to the Net-Metering Customer is at least \$100.
 - b. An Electric Utility shall purchase at the Electric Utility's Avoided Cost, plus any additional sum determined by the Commission, any Net Excess Generation credits remaining in a Net-Metering Customer's account when the Net-Metering Customer:
 - i. ceases to be a customer of the Electric Utility;
 - ii. ceases to operate the Net-Metering Facility; or
 - iii. transfers the Net-Metering Facility to another person.
- D. Upon request from a Net-Metering Customer, an Electric Utility must apply Net Excess Generation to the Net-Metering Customer's Additional Meters provided that:

1. The Net-Metering Customer must give at least 30 days' notice to the Electric Utility of its request to apply Net Excess Generation to the Additional Meter(s).

2. The Additional Meter(s) must be identified at the time of the request.

3. In the event that more than one of the Net-Metering Customer's Additional Meters is identified, the Net-Metering Customer must designate the rank order for the Additional Meters to which Net Excess Generation is to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

4. At the time an Electric Utility processes a request for applying any remaining Net Excess Generation as a credit to one (1) or more of a Net-metering Customer's meters in the rank order provided by the Net-metering Customer pursuant to Ark. Code Ann. § 23-18-604(c), the Electric Utility shall synchronize the billing cycles of each additional customer meter with the customer's primary net-metering meter.

E. Any Renewable Energy Credit created as a result of electricity supplied by a Net-Metering Customer is the property of the Net-Metering Customer that generated the Renewable Energy Credit.

Rule 2.05 Meter Aggregation

A. Except as provided in subsections (B) and (C) of this Rule 2.05, an electric utility shall separately meter, bill, and credit each net-metering facility even if one (1) or more net-metering facilities are under common ownership.

B. At the Net-Metering Customer's discretion, an electric utility may apply net-metering credits from a net-metering facility to any separate meter locations if the net-metering facility and the separate meter locations are under common ownership within a single electric utility's service area.

C. Subsection (B) of this Rule 2.05 does not apply if more than two (2) customers that are governmental entities or other entities that are exempt from state and federal income tax defined under § 23-18-607(7)(C) co-locate at a site hosting the net-metering facility.

D. A Net-Metering Customer seeking to aggregate multiple accounts under common ownership shall submit a request to the Electric Utility identifying the accounts that are under common ownership. The request shall include the following documents:

1. Standard Application Form and Affidavit as approved by the Commission.

2. Sworn Affidavit: The Net-Metering Customer shall submit a sworn affidavit by a person with personal knowledge affirming that the Net-Metering Customer is in fact the legal owner or authorized representative responsible for paying the bill for all accounts listed in the application form.

Rule 2.06 Application to Exceed Generating Capacity Limit

A. 1. A Net-Metering Customer shall file an application with the Commission seeking approval to install a Net-Metering Facility with a generating capacity of more than 1,000 kW for non-residential use under Ark. Code Ann. §§ 23-18- 604(b)(9) as appropriate.

2. For purposes of Rule 2.06(A)(1), “generation capacity” includes the aggregate ability to produce electricity from all Net-Metering Facilities under common ownership that are located within a single utility’s service territory.

B. The application shall be filed in conformance with Section 3 of the Commission’s Rules of Practice and Procedure and shall, at a minimum, include:

1. Evidence that the Net-Metering Facility in excess of 1,000 kW satisfies the requirements of Ark. Code Ann. §§ 23-18-604(b)(9);

2. A description of the proposed Net-Metering Facility for each discrete location including:

- a. Project proposal;
- b. Project location (street address, town, utility service area);
- c. Generator type (wind, solar, hydro, energy storage device, etc.);
- d. Generator rating in kW (DC or AC);
- e. Capacity factor;
- f. Point of interconnection with the Electric Utility;
- g. Single Phase or Three Phase interconnection;
- h. Planned method of interconnection consistent with Rule 3.01.B.;
- i. Expected facility performance calculated using an industry recognized simulation model (PVWatts, etc.);

3. Evidence that the electrical energy produced by the Net-Metering Facility

is not intended to exceed the amount necessary to offset part or all of the Net- Metering Customer requirements for electricity in the form of:

- a. The monthly electric bills for the 12 months prior to the application for the Generation Meter and Additional Meter(s), if any, to be credited with Net Excess Generation or
 - b. In the absence of historical data reasonable estimates for the class and character of service may be made; and
4. A copy of the Preliminary Interconnection Review Request submitted to the Electric Utility and the results of the utility's interconnection site review conducted pursuant to Rule 3.03.

Rule 2.07 Grandfathering Net-Metering Rate Structures

- A. Net-Metering Facilities for residential use or for other than residential use that does not exceed one thousand (1,000) kW:
1. The Net-Metering Facility of a Net-Metering Customer who submits a Standard Interconnection Agreement to the Electric Utility before December 31, 2022, shall remain under the Net-Metering rate structure in effect when the Standard Interconnection Agreement was signed by the Net-Metering Customer, for a period of twenty (20) years beginning June 1, 2020.
 2. A Net-Metering Facility may be upgraded and retain grandfathered status so long as the Net-Metering Facility still meets the statutory definition under Ark. Code Ann. § 23-18-603(8).
- B. Net-Metering Facilities for which approval is required to exceed one thousand (1,000) kW:
1. If a Net-Metering Customer (a) requests approval to exceed the statutory limit for a Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(b)(9), and (b) has submitted a Standard Interconnection Agreement to the Electric Utility before December 31, 2022, the Net-Metering Customer may request that the Net-Metering Facility remain under the Net-Metering rate structure in effect when the Standard Interconnection Agreement was signed by the Net-Metering Customer. The request will be considered on a case-by-case basis for a grandfathering period up to twenty (20) years. The request to be grandfathered shall be made when the request to exceed the statutory limit is made.
 2. If a Net-Metering Customer proposes to upgrade a Net-Metering Facility under 1,000 kW and add additional generating capacity by either (a) an upgrade to the existing Net-Metering Facility, or (b) an

additional Net-Metering Facility, and such upgrade would cause the total generating capacity to exceed 1,000 kW, then the original capacity of the Net-Metering Facility shall retain any grandfathered status and the additional capacity shall be subject to the Net-Metering rate structure in effect when the Standard Interconnection Agreement for the additional capacity is signed by the Net-Metering Customer.

3. If a Net-Metering Customer proposes to upgrade a Net-Metering Facility for which approval was previously granted by the Commission pursuant to Ark. Code Ann. § 23-18-604(b)(9) and add additional generating by either (a) an upgrade to the existing Net-Metering Facility, or (b) an additional Net-Metering Facility, then the original capacity of the Net-Metering Facility shall retain any grandfathered status and the additional capacity shall be subject to the Net-Metering rate structure in effect when the Standard Interconnection Agreement for the additional capacity is signed by the Net-Metering Customer.
 4. The cost of any additional metering equipment required under subsections B.2. or B.3. above shall be borne by the Net-Metering Customer.
- C. The Electric Utility need not have approved and signed the Standard Interconnection Agreement for the date of eligibility for grandfathering to be established.
 - D. The grandfather period shall attach to the Net-Metering Facility on the premises rather than the Net-Metering Customer.
 - E. If the Net-Metering Customer sells a premises with a Net-Metering Facility, the Standard Interconnection Agreement may be transferred to the new Net-Metering Customer and the grandfather period shall continue for the remainder of the twenty (20) year term, assuming no other triggering event occurs.
 - F. A Net-Metering Customer may not transfer a Net-Metering Facility to a new premises or location and continue to operate under the grandfather period.
 - G. Maintenance and repair of existing Net-Metering Facilities shall not be a triggering event which ends the grandfather period.
 - H. A Net-Metering Facility grandfathered under this Rule remains subject to any other change or modification in rates, terms, or conditions.

Rule 2.08 Leases and Safe Harbor for Service Agreements

- A. A Net-Metering Customer entering into a lease for a Net-Metering Facility shall provide to the Electric Utility a standard Notice and Affidavit approved by the Commission to the Electric Utility certifying that the lease is in

compliance with all Commission Rules and Ark. Code Ann. § 23-18-603(7)(B).

- B. A Net-Metering Customer entering into a service agreement for a Net-Metering Facility who is relying on Ark. Code Ann. § 23-18-603(7)(C) to qualify for net metering shall submit a standard Notice and Affidavit approved by the Commission to the Electric Utility certifying that the customer qualifies for safe-harbor protection as provided by Ark. Code Ann. § 23-18-603(7)(C) and 26 U.S.C. § 7701(e)(3)(A)) and that the service agreement is in compliance with all Commission Rules.
- C. Disputes over compliance with Subsection (A) or (B) above shall be submitted to Staff for review and attempted resolution. Thereafter, a Net-Metering Customer or Electric Utility who disagrees with Staff's resolution may petition the Commission to resolve the dispute. Electric Utilities shall presume that any person who submits a completed Notice and Affidavit form is in compliance with the Commission's Rules and the provisions under Ark. Code Ann. § 23-18-603(7)(B) or (C) until the Commission makes a finding otherwise.

SECTION 3. INTERCONNECTION OF NET- METERING FACILITIES TO EXISTING ELECTRIC POWER SYSTEMS

Rule 3.01 Requirements for Initial Interconnection of a Net-Metering Facility

- A. A Net-Metering customer and owner of the Net-Metering Facility, if different, shall execute a Standard Interconnection Agreement for Net-Metering Facilities (Appendix A) prior to interconnection with the utility's facilities.
- B. A Net-Metering Facility shall be capable of operating in parallel and safely commencing the delivery of power into the utility system at a single point of interconnection. To prevent a Net-Metering Facility from back-feeding a de-energized line, a Net-Metering Facility shall have a visibly open, lockable, manual disconnect switch which is accessible by the Electric Utility and clearly labeled. This requirement for a manual disconnect switch shall be waived if the following three conditions are met: 1) The inverter equipment must be designed to shut down or disconnect and cannot be manually overridden by the customer upon loss of utility service; 2) The inverter must be warranted by the manufacturer to shut down or disconnect upon loss of utility service; and 3) The inverter must be properly installed and operated, and inspected and tested by utility personnel.
- C. The customer and owner of the Net-Metering Facility, if different, shall submit a Standard Interconnection Agreement to the Electric Utility at least thirty (30) days prior to the date the customer intends to interconnect the Net-Metering Facilities to the utility's facilities. Part I, Standard Information, Sections 1 through 4 of the Standard Interconnection Agreement must be completed for the notification to be valid. The customer shall have all equipment necessary to complete the interconnection prior to such notification. If mailed, the date of notification shall be the third day following the mailing of the Standard Interconnection Agreement. The Electric Utility shall provide a copy of the Standard Interconnection Agreement to the customer upon request.
- D. Following notification by the customer or owner as specified in Rule 3.01.C., the utility shall review the plans of the facility and provide the results of its review to the customer, in writing, within 30 calendar days. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.
- E. The Net-Metering Facility, at the Net-Metering Customer's expense, shall meet safety and performance standards established by local and national electrical codes including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL).

- F. The Net-Metering Facility, at the Net-Metering Customer's expense, shall meet all safety and performance standards adopted by the Electric Utility and filed with and approved by the Commission pursuant to these Rules that are necessary to assure safe and reliable operation of the Net-Metering Facility to the Electric Utility's system.
- G. If the Electric Utility's existing facilities are not adequate to interconnect with the Net-Metering Facility, the Net-Metering Customer shall pay the cost of additional or reconfigured facilities prior to the installation or reconfiguration of the facilities.

Rule 3.02 Requirements for Modifications or Changes to a Net-Metering Facility

- A. Prior to being made, the Net-Metering Customer or owner of the Net-Metering Facility shall notify the Electric Utility of, and the Electric Utility shall evaluate, any modifications or changes to the Net-Metering Facility described in Part I, Standard Information, Section 2 of the Standard Interconnection Agreement for Net-Metering Facilities. The notice provided by the Net-Metering Customer or owner of the Net-Metering Facility shall provide detailed information describing the modifications or changes to the Electric Utility in writing, including a revised Standard Interconnection Agreement for Net-Metering Facilities that clearly identifies the changes to be made. The utility shall review the proposed changes to the facility and provide the results of its evaluation to the customer, in writing, within thirty (30) days of receipt of the customer's proposal. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.
- B. If the Net-Metering Customer or owner of the Net-Metering Facility makes such modification without the Electric Utility's prior written authorization and the execution of a new Standard Interconnection Agreement, the Electric Utility shall have the right to suspend Net-Metering service pursuant to the procedures in Section 6 of the Commission's General Service Rules.
- C. A Net-Metering Facility shall not be modified or changed to generate electrical energy in excess of the amount necessary to offset all of the Net-Metering Customer requirements for electricity.

Rule 3.03 Requirements for Preliminary Interconnection Site Review Request

- A. For the purpose of requesting that the Electric Utility conduct a preliminary interconnection site review for a proposed Net-Metering Facility pursuant to Rule 2.06.B.4, or as otherwise requested by the customer, the customer shall notify the Electric Utility by submitting a completed Preliminary Interconnection Site Review Request. The customer shall submit a separate Preliminary Interconnection Site Review Request for each point of interconnection if information about multiple

points of interconnection is requested. Each Preliminary Interconnection Site Review Request will be considered separately and in the order in which received. Part 1, Standard Information, Sections 1 through 4 of the Preliminary Interconnection Site Review Request must be completed for the notification to be valid. If mailed, the date of notification shall be the third day following the mailing of the Preliminary Interconnection Site Review Request. The Electric Utility shall provide a copy of the Preliminary Interconnection Site Review Request to the customer upon request.

- B. Following notification by the customer as specified in Rule 3.03.A., the Electric Utility shall review the plans of the facility interconnection and provide the results of its review to the customer, in writing, within 30 calendar days. If the customer requests that multiple interconnection site reviews be conducted the Electric Utility shall make reasonable efforts to provide the customer with the results of the review within 30 calendar days. If the Electric Utility cannot meet the deadline it will provide the customer with an estimated date by which it will complete the review. The customer may request parallel processing of multiple reviews but must pay actual costs of conducting the review and any subsequent costs associated with site screening that may be required under Rule 3,03.C. In such event, the Electric Utility shall respond to the request and shall process and present the results of the multiple reviews within a reasonable time, not to exceed ninety (90) days. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.
- C. The preliminary interconnection site review is non-binding and need only include existing data and does not require the Electric Utility to conduct a study or other analysis of the proposed interconnection site in the event that data is not readily available. The utility shall notify the customer if additional site screening may be required prior to interconnection of the facility. The customer shall be responsible for the actual costs of conducting the preliminary interconnection site review and any subsequent costs associated with site screening that may be required.
- D. The preliminary interconnection site review does not relieve the customer of the requirement to execute a Standard Interconnection Agreement prior to interconnection of the facility

**SECTION 4. STANDARD INTERCONNECTION AGREEMENT,
PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST, AND
STANDARD NET-METERING TARIFF FOR NET-METERING FACILITIES**

**Rule 4.01 Standard Interconnection Agreement, Preliminary
Interconnection Site Review Request, and Standard Net- Metering Tariff**

Each Electric Utility shall file, for approval by the Commission, a Standard Interconnection Agreement for Net-Metering Facilities (Appendix A), Preliminary Interconnection Site Review Request (Appendix A-1) and a Net-Metering Tariff in standard tariff format (Appendix B).

Rule 4.02 Filing and Reporting Requirements

Each Electric Utility shall file in Docket No. 06-105-U by March 15 of each year, a report individually listing each Net-Metering Facility, the type of resource (Solar, Wind, Storage, etc.), its use (by specific rate class(es), generator capacity rating, inverter capacity rating, and if the Net-Metering Facility is associated with Additional Meters (Yes or No), as of the end of the previous calendar year. The annual report shall be provided in spreadsheet format

SECTION 5. RULES TO GUARD AGAINST GAMING

Rule 5.01 Gaming Defined

Gaming is defined as manipulating, misrepresenting, or otherwise configuring a Net-Metering Facility or Facilities in a manner that is intended to result in, or that actually results in, the avoidance of statutory or Commission limits or rules.

Gaming of the Net-Metering Rules includes, but is not limited to, the following actions:

- A. Adding additional capacity to an existing Net-metering Facility without notifying the Electric Utility to which the Net-Metering Facility is interconnected;
- B. Changing the ownership, lease, or service contact of a Net-Metering Facility for the purpose of avoiding the 1,000 kW generation capacity threshold;
- C. Failing to include any and all facilities used for Net-Metering under common ownership in a single utility's service area as a single facility for generation capacity purposes pursuant to Rule 2.06, regardless of the location of the facility and the customer's decision to aggregate for meter, bill, and crediting purposes;
- D. Unauthorized interconnections.

Rule 5.02 Gaming Prohibited

Gaming of the Net-Metering Rules is prohibited.

Rule 5.03 Penalties for Gaming

Any Net-Metering Customer found to be engaged in activity considered to be gaming under the Net-metering Rules may have its qualification as a Net-Metering Customer suspended or terminated by the Commission following notice and opportunity for hearing.

APPENDIX A

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES

I. STANDARD INFORMATION

Section 1. Customer Information

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Facility Location (if different from above): _____
Daytime Phone: _____ Evening Phone: _____
Utility Customer Account Number (from electric bill) to which the Net-Metering Facility is physically attached: _____
Type of Facility (circle one)
Customer-owned _____ Leased _____ Service Agreement _____

Section 2. Owner Information

Name: _____
Contact Person: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Daytime Phone: _____ Evening Phone: _____
E-Mail Address: _____ Fax: _____

Section 3. Generation Facility Information

System Type: Solar Wind Hydro Geothermal Biomass Fuel Cell
Micro turbine Energy Storage Device (circle all that apply)
Generator Rating (kW): _____ DC
Inverter Rating (kW): _____ AC

Describe Location of Accessible and Lockable Disconnect: _____

Inverter Manufacturer: _____ Inverter Model: _____
Inverter Location: _____ Inverter Power Rating: _____
Expected Capacity Factor: _____
Expected annual production of electrical energy (kWh) calculated using industry recognized simulation model (PVWatts, etc.): _____

Section 4. Installation Information

Attach a detailed electrical diagram of the Net-Metering Facility.
Installed by: _____
Qualifications/Credentials: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Daytime Phone: _____ Installation Date: _____

Section 5. Certification

The system has been installed in compliance with the local Building/Electrical Code of _____
(City/County)

Signed (Inspector): _____ Date: _____

(In lieu of signature of inspector, a copy of the final inspection certificate may be attached.)

The system has been installed to my satisfaction and I have been given system warranty information and an operation manual, and have been instructed in the operation of the system.

Signed (Net Metering Customer): _____ Date: _____

Signed (Owner if different from Customer): _____ Date: _____

Section 6. E-mail Addresses for parties

Customer's e-mail address: _____

Owner's email address (if different from Customer): _____

Utility's e-mail address: _____

(To be provided by utility.)

Section 7. Utility Verification and Approval

Facility Interconnection Approved: _____ Date: _____

Metering Facility Verification by: _____ Verification Date: _____

II. INTERCONNECTION AGREEMENT TERMS AND CONDITIONS

This Interconnection Agreement for Net-Metering Facilities ("Agreement") is made and entered into this _____ day of _____, 20_____, by _____ ("Electric Utility") and _____ ("Customer"), a _____ (specify whether corporation or other) and _____ ("Owner"), a _____ (specify whether corporation or other), each hereinafter sometimes referred to individually as "Party" or collectively as the "Parties". In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Section 1. The Net-Metering Facility

The Net-Metering Facility meets the requirements of Ark. Code Ann. § 23-18-603(8) and the Arkansas Public Service Commission's *Net-Metering Rules*.

Section 2. Governing Provisions

The Parties shall be subject to the provisions of Ark. Code Ann. § 23-18-604 and the terms and conditions set forth in this Agreement, the Commission's *Net-Metering Rules*, the Commission's *General Service Rules*, and the Electric Utility's applicable tariffs.

Section 3. Interruption or Reduction of Deliveries

The Electric Utility shall not be obligated to accept and may require Customer to interrupt or reduce deliveries when necessary in order to construct, install, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices. Whenever possible, the Utility shall give the Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required. Notwithstanding any other provision of this Agreement, if at any time the Utility reasonably determines that either the facility may endanger the Electric Utility's personnel or other persons or property, or the continued operation of the Customer's facility may endanger the integrity or safety of the Utility's electric system, the Electric Utility shall have the right to disconnect and lock out the Customer's facility from the Electric Utility's electric system. The Customer's facility shall remain disconnected until such time as the Electric Utility is reasonably satisfied that the conditions referenced in this Section have been corrected.

Section 4. Interconnection

Customer shall deliver the as-available energy to the Electric Utility at the Electric Utility's meter.

Electric Utility shall furnish and install a standard kilowatt hour meter. Customer shall provide and install a meter socket for the Electric Utility's meter and any related interconnection equipment per the Electric Utility's technical requirements, including safety and performance standards.

The customer shall submit a Standard Interconnection Agreement to the Electric Utility at least thirty (30) days prior to the date the customer intends to interconnect the Net-Metering Facilities to the utility's facilities. Part I, Standard Information, Sections 1 through 6 of the Standard Interconnection Agreement must be completed to be valid.

The customer shall have all equipment necessary to complete the interconnection prior to such notification. If mailed, the date of notification shall be the third day following the mailing of the Standard Interconnection Agreement. The Electric Utility shall provide a copy of the Standard Interconnection Agreement to the customer upon request.

Following submission of the Standard Interconnection Agreement by the customer, the utility shall review the plans of the facility and provide the results of its review to the customer, in writing, within 30 calendar days. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

If the Electric Utility's existing facilities are not adequate to interconnect with the Net-Metering Facility, the Customer shall pay the cost of additional or reconfigured facilities prior to the installation or reconfiguration of the facilities.

To prevent a Net-Metering Customer from back-feeding a de-energized line, the customer shall install a manual disconnect switch with lockout capability that is accessible to utility personnel at all hours. This requirement for a manual disconnect switch will be waived if the following three conditions are met: 1) The inverter equipment must be designed to shut down or disconnect and cannot be manually overridden by the customer upon loss of utility service; 2) The inverter must be warranted by the manufacturer to shut down or disconnect upon loss of utility service; and 3) The inverter must be properly installed and operated, and inspected and/or tested by utility personnel.

Customer, at customer's expense, shall meet all safety and performance standards established by local and national electrical codes including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL).

Customer, at customer's expense, shall meet all safety and performance standards adopted by the utility and filed with and approved by the Commission that are necessary to assure safe and reliable operation of the Net Metering Facility to the utility's system.

Customer shall not commence Parallel Operation of the Net-Metering Facility until the Net Metering Facility has been inspected and approved by the Electric Utility. Such approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Electric Utility's approval to operate the Customer's Net-Metering Facility in parallel with the Utility's electrical system should not be construed as an endorsement, confirmation, warranty, guarantee, or representation concerning the safety, operating characteristics, durability, or reliability of the Customer's Net-Metering Facility.

Section 5. Modifications or Changes to the Net-Metering Facility Described in Part 1, Section 2

Prior to being made, the Customer shall notify the Electric Utility of, and the Electric Utility shall evaluate, any modifications or changes to the Net-Metering Facility described in Part 1, Standard Information, Section 2 of the Standard Interconnection Agreement for Net-Metering Facilities. The notice provided by the Customer shall provide detailed information describing the modifications or changes to the Utility in writing, including a revised Standard Interconnection Agreement for Net-Metering Facilities that clearly identifies the changes to be made. The Electric Utility shall review the proposed changes to the facility and provide the results of its evaluation to the Customer, in writing, within thirty (30) calendar days of receipt of the Customer's proposal. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

If the Customer makes such modification without the Electric Utility's prior written authorization and the execution of a new Standard Interconnection Agreement, the Electric Utility shall have the right to suspend Net-Metering service pursuant to the procedures in Section 6 of the Commission's General Service Rules.

A Net-Metering Facility shall not be modified or changed to generate electrical energy in excess of the amount necessary to offset all of the Net-Metering Customer requirements for electricity.

Section 6. Maintenance and Permits

The customer shall obtain any governmental authorizations and permits required for the construction and operation of the Net-Metering Facility and interconnection facilities. The Customer shall maintain the Net-Metering Facility and interconnection facilities in a safe and reliable manner and in conformance with all applicable laws and regulations.

Section 7. Access to Premises

The Electric Utility may enter the Customer's premises to inspect the Customer's protective devices and read or test the meter. The Electric Utility may disconnect the interconnection facilities without notice if the Electric Utility reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, or the Electric Utility's facilities, or property of others from damage or interference caused by the Customer's facilities, or lack of properly operating protective devices.

Section 8. Indemnity and Liability

The following is Applicable to Agreements between the Electric Utility and to all Customers and Owners except the State of Arkansas and any entities thereof, local governments, and federal agencies:

Each Party shall indemnify the other Party, its directors, officers, agents, and employees against all loss, damages, expense and liability to third persons for injury to or death of persons or injury to property caused by the indemnifying party's engineering, design, construction, ownership, maintenance or operations of, or the making of replacements,

additions or betterment to, or by failure of, any of such Party's works or facilities used in connection with this Agreement by reason of omission or negligence, whether active or passive. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs that may be incurred by the other Party in enforcing this indemnity. It is the intent of the Parties hereto that, where negligence is determined to be contributory, principles of comparative negligence will be followed and each Party shall bear the proportionate cost of any loss, damage, expense and liability attributable to that Party's negligence. Nothing in this paragraph shall be applicable to the Parties in any agreement entered into with the State of Arkansas or any entities thereof, or with local governmental entities or federal agencies. Furthermore, nothing in this Agreement shall be construed to waive the sovereign immunity of the State of Arkansas or any entities thereof. The Arkansas State Claims Commission has exclusive jurisdiction over claims against the state.

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to or any liability to any person not a Party to this Agreement. Neither the Electric Utility, its officers, agents or employees shall be liable for any claims, demands, costs, losses, causes of action, or any other liability of any nature or kind, arising out of the engineering, design, construction, ownership, maintenance or operation of, or the making of replacements, additions or betterment to, or by failure of, the Customer's facilities by the Customer or any other person or entity.

Section 9. Notices

The Net-Metering Customer shall notify the Electric Utility of any changes in the information provided herein.

All written notices shall be directed as follows:

Attention:
 [Electric Utility Agent or Representative] [Electric
 Utility Name and Address]
 [Electric Utility Email Address]

Attention:
 [Customer]
 Name: _____
 Address: _____
 City: _____
 Email: _____

Customer notices to Electric Utility shall refer to the Customer's electric service account number set forth in Section 1 of this Agreement.

Section 10. Term of Agreement

The term of this Agreement shall be the same as the term of the otherwise applicable standard rate schedule. This Agreement shall remain in effect until modified or terminated in accordance with its terms or applicable regulations or laws.

Section 11. Assignment

This Agreement and all provisions hereof shall inure to and be binding upon the

respective Parties hereto, their personal representatives, heirs, successors, and assigns. The Customer and/or Owner shall not assign this Agreement or any part hereof without the prior written consent of the Electric Utility, and such unauthorized assignment may result in termination of this Agreement.

Section 12. Net-Metering Customer and Owner Certification

I hereby certify that all of the information provided in this Agreement is true and correct, to the best of my knowledge, and that I have read and understand the Terms and Conditions of this Agreement.

Signature (Customer): _____ Date: _____

Signature (Owner if different from Customer): _____ Date: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

Dated this _____ day of _____, 20__.

Customer:

Electric Utility:

By: _____

By: _____

Title: _____

Title: _____

Mailing Address:

Mailing Address:

E-mail Address:

E-mail Address:

Third-Party Owner (if applicable):

By: _____

Title: _____

Mailing Address:

E-mail Address:

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES

Disclaimer

POSSIBLE FUTURE RULES OR RATE CHANGES, OR BOTH AFFECTING YOUR NET-METERING FACILITY

The following is a supplement to the Interconnection Agreement you signed with _____ [Electric Utility].

1. Electricity rates, basic charges, and service fees, set by [Electric Utility] and approved by the Arkansas Public Service Commission (Commission), are subject to change.
2. I understand that I will be responsible for paying any future increases to my electricity rates, basic charges, or service fees from [Electric Utility].
3. My Net-Metering System is subject to the current rates of [Electric Utility], and the rules and regulations of the Commission. The [Electric Utility] may change its rates in the future with approval of the Commission or the Commission may alter its rules and regulations, or both may happen. If either or both occurs, my system will be subject to those changes.

By signing below, you acknowledge that you have read and understand the above disclaimer.

Name (printed)

Signature (Customer)

Date

APPENDIX A1

PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST

I. STANDARD INFORMATION

Section 1. Customer Information

Name: _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Facility Location (if different from above): _____

Daytime Phone: _____ Evening Phone: _____

E-Mail Address: _____ Fax: _____ If

the requested point of interconnection is the same as an existing electric service, provide the electric service account number: _____

Additional Customer Accounts (from electric bill) to be credited with Net Excess Generation: _____

Annual Energy Requirements (kWh) in the previous twelve (12) months for the account physically attached to the Net-Metering Facility and for any additional accounts listed (in the absence of historical data reasonable estimates for the class and character of service may be made): _____

Type of Facility (circle one)

Customer-owned _____ Leased _____ Service Agreement _____

Section 2. Owner Information (if different from customer information)

Name: _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Daytime Phone: _____ Evening Phone: _____

E-Mail Address: _____ Fax: _____

Section 3. Generation Facility Information

System Type: Solar Wind Hydro Geothermal Biomass Fuel Cell

Micro Turbine Energy Storage Device (circle all that apply)

Generator Rating (kW): _____ DC

Inverter Rating (kW): _____ AC

Capacity Factor: _____

Expected annual production of electrical energy (kWh) of the facility calculated using industry recognized simulation model (PVWatts, etc): _____

Section 4. Interconnection Information

Attach a detailed electrical diagram showing the configuration of all generating facility equipment, including protection and control schemes.

Requested Point of Interconnection: _____

Customer-Site Load (kW) at Net-Metering Facility location (if none, so state):

Interconnection Request: Single Phase: _____ Three Phase: _____

A1-2

Section 5. Signature

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

Net-Metering Customer Signature: _____ Date: _____

Owner Signature (if different from Customer): _____ Date: _____

II. TERMS AND CONDITIONS

Section 1. Requirements for Request

For the purpose of requesting that the Electric Utility conduct a preliminary interconnection site review for a proposed Net-Metering Facility pursuant to the requirement of Rule 2.06.B.4, or as otherwise requested by the customer, the customer shall notify the Electric Utility by submitting a completed Preliminary Interconnection Site Review Request. The customer shall submit a separate Preliminary Interconnection Site Review Request for each point of interconnection if information about multiple points of interconnection is requested. Part 1, Standard Information, Sections 1 through 4 of the Preliminary Interconnection Site Review Request must be completed for the notification to be valid. If mailed, the date of notification shall be the third day following the mailing of the Preliminary Interconnection Site Review Request. The Electric Utility shall provide a copy of the Preliminary Interconnection Site Review Request to the customer upon request.

Section 2. Utility Review

Following submission of the Preliminary Interconnection Site Review Request by the customer the Electric Utility shall review the plans of the facility interconnection and provide the results of its review to the customer, in writing, within 30 calendar days. If the customer requests that multiple interconnection site reviews be conducted the Electric Utility shall make reasonable efforts to provide the customer with the results of the review within 30 calendar days. If the Electric Utility cannot meet the deadline it will provide the customer with an estimated date by which it will complete the review. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

The preliminary interconnection site review is non-binding and need only include existing data and does not require the Electric Utility to conduct a study or other analysis of the proposed interconnection site in the event that data is not readily available. The Electric Utility shall notify the customer if additional site screening may be required prior to interconnection of the facility. The customer shall be responsible for the actual costs for conducting the preliminary interconnection site review and any subsequent costs associated with site screening that may be required.

Section 3. Application to Exceed 1,000 kW Net-Metering Facility Size Limit

This Preliminary Interconnection Site Review Request and the results of the Electric Utility's review of the facility interconnection shall be filed with the Commission with the customer's application to exceed the 1,000 kW facility size limit pursuant to Net Metering Rule 2.06.B.4.

Section 4. Standard Interconnection Agreement

The preliminary interconnection site review does not relieve the customer of the requirement to execute a Standard Interconnection Agreement prior to interconnection of the facility.

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Original	Sheet No.	
Replacing:	Sheet No.	
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		
Title: NET-METERING		PSC File Mark Only

X. NET-METERING**X.1. DEFINITIONS****X.1.1. Avoided Cost**

As defined in A.C.A. 23-18-603(1)

X.1.2. Net Metering

As defined in A.C.A. 23-18-603(6)

X.1.3. Net Metering Customer

As defined in A.C.A. 23-18-603(7)

X.1.4. Net Metering Facility

As defined in A.C.A. 23-18-603(8)

X.1.5. Electric Utility

As defined in A.C.A. 23-18-603(3)

X.1.6. Net Excess Generation

As defined in A.C.A. 23-18-603(5)

X.1.7. Renewable Energy Credit

As defined in A.C.A. 23-18-603(10)

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Title: NET-METERING		

X.1.8. Quantifiable Benefits

As defined in A.C.A. 23-18-603(9)

X.2. AVAILABILITY

X.2.1. Service under the provisions of this tariff is available to any residential or any other customer who takes service under standard rate schedule(s) _____ (list schedules) who is a Net-Metering Customer and who has obtained a signed Standard Interconnection Agreement for Net-Metering Facilities with an Electric Utility. The generating capacity of Net-Metering Facilities may not exceed the greater of: 1) twenty-five kilowatts (25 kW) or 2) one hundred percent (100%) of the Net-Metering Customer’s highest monthly usage in the previous twelve (12) months for Residential Use. The generating capacity of Net- Metering Facilities may not exceed one thousand kilowatts (1,000 kW) for non-residential use unless otherwise allowed by the Commission. Net-Metering is intended primarily to offset part or all of the customer’s energy use.

The provisions of the customer’s standard rate schedule are modified as specified herein.

X.2.2. Net-Metering Customers taking service under the provisions of this tariff may not simultaneously take service under the provisions of any other alternative source generation or co-generation tariff except as provided in the Net-Metering Rules.

X.3. MONTHLY BILLING

X.3.1. The Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.

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Part III. Rate Schedule No. <u>X</u>		
Title: NET-METERING		PSC File Mark Only

- X.3.2. On a monthly basis, the Net-Metering Customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules. Under Net-Metering, only the kilowatt hour (kWh) units of a Net-Metering Customer's bill are netted.
- X.3.3. If the kWhs supplied by the Electric Utility exceeds the kWhs generated by the Net-Metering Facility and fed back to the Electric Utility during the Billing Period, the Net-Metering Customer shall be billed for the net billable kWhs supplied by the Electric Utility in accordance with the rates and charges under the Net-Metering Customer's standard rate schedule.
- X.3.4. For Net-Metering Customers who receive service under a rate that does not include a demand component, the Electric Utility shall credit a Net-Metering Customer with the amount of any accumulated Net Excess Generation as measured in kWh or kWh multiplied by the applicable retail rate in the next applicable billing period and base the bill of the Net-Metering Customer on the net amount of electricity as measured in kWh or kWh multiplied by the applicable retail rate that the Net-Metering Customer has received from or fed back to the Electric Utility during the billing period.
- X.3.5. For Net-Metering Customers who receive service under a rate that includes a demand component with a generating capacity of 1,000 kW or less, the Electric Utility shall credit the Net-Metering Customer with any accumulated Net Excess Generation as measured in kWh in the next applicable billing period and base the bill of the Net-Metering Customer on the net amount of electricity as measured in kWh that the Net-Metering Customer has received from or fed back to the Electric Utility during the billing period.
- X.3.6 For Net-Metering Customers who receive service under a rate that includes a demand component with a generating capacity over 1,000 kW and up to 20 MW and who receive approval to exceed the statutory limits under Ark. Code Ann. §

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Part III. Rate Schedule No. <u>X</u>		
Title: NET-METERING		PSC File Mark Only

23-18-604(b)(9), the Electric Utility shall credit a Net-Metering Customer with the amount of any accumulated Net Excess Generation as measured in kWh in the next applicable billing period and base the bill of the Net-Metering Customer on the net amount of electricity as measured in kWh that the Net-Metering Customer has received from or fed back to the electric utility during the billing period.

The Electric Utility shall also bill the Net-Metering Customer a grid charge.

Grid charge rate: \$0.00.

- X.3.7. If the kWhs generated by the Net-Metering Facility and fed back to the Electric Utility during the Billing Period exceed the kWhs supplied by the Electric Utility to the Net-Metering Customer during the applicable Billing Period, the Electric Utility shall credit the Net-Metering Customer with any accumulated Net Excess Generation in the next applicable Billing Period.
- X.3.8. Net Excess Generation shall first be credited to the Net-Metering Customer's meter to which the Net-Metering Facility is physically attached (Generation Meter).
- X.3.9. After application of X.3.8. and upon request of the Net-Metering Customer pursuant to X.3.11., any remaining Net Excess Generation shall be credited to one or more of the Net-Metering Customer's meters (Additional Meters) in the rank order provided by the Net-Metering Customer.
- X.3.10. Net Excess Generation shall be credited as described in X.3.8. and X.3.9. during subsequent Billing Periods; the Net Excess Generation credits remaining in a Net-Metering Customer's account at the close of a billing cycle shall not expire and shall be carried forward to subsequent billing cycles indefinitely. For Net Excess Generation credits older than twenty-four (24) months, a Net-Metering Customer may elect to have the Electric Utility purchase the Net Excess Generation credits in the Net-Metering Customer's

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Part III. Rate Schedule No. <u>X</u>		
Title: NET-METERING		PSC File Mark Only

account at the Electric Utility's Avoided Cost plus any additional sum determined under the Net Metering Rules, if the sum to be paid to the Net-Metering Customer is at least one hundred dollars (\$100). An Electric Utility shall purchase at the Electric Utility's Avoided Cost, plus any additional sum determined under the Net Metering Rules any Net Excess Generation Credits remaining in a Net-Metering Customer's account when the Net-Metering Customer:

- 1) ceases to be a customer of the Electric Utility;
- 2) ceases to operate the Net-Metering Facility; or
- 3) transfers the Net-Metering Facility to another person.

When purchasing Net Excess Generation credits from a Net-Metering Customer, the Electric Utility shall calculate the payment based on its Avoided Costs plus any additional sum determined under the Net Metering Rules for the current year.

X.3.11. Upon request from a Net-Metering Customer an Electric Utility must apply Net Excess Generation to the Net-Metering Customer's Additional Meters provided that:

- (a) The Net-Metering Customer must give at least 30 days' notice to the Electric Utility.
- (b) The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility's service area; shall be used to measure the Net-Metering Customer's requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; and shall not be associated with unmetered service.

However, the common ownership requirement shall not apply if more

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than two customers that are governmental entities or other entities that are exempt from state and federal income tax defined under 23-18-603(7)(c) co-locate at a site hosting the Net Metering Facility.

- (c) In the event that more than one of the Net-Metering Customer's meters is identified, the Net-Metering Customer must designate the rank order for the Additional Meters to which excess kWh are to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

X.3.12. Any Renewable Energy Credit created as the result of electricity supplied by a Net-Metering Customer is the property of the Net-Metering Customer that generated the Renewable Energy Credit.

X.3.13. Grandfathering shall be governed by Ark. Code Ann. § 23-18-604(b)(10).

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