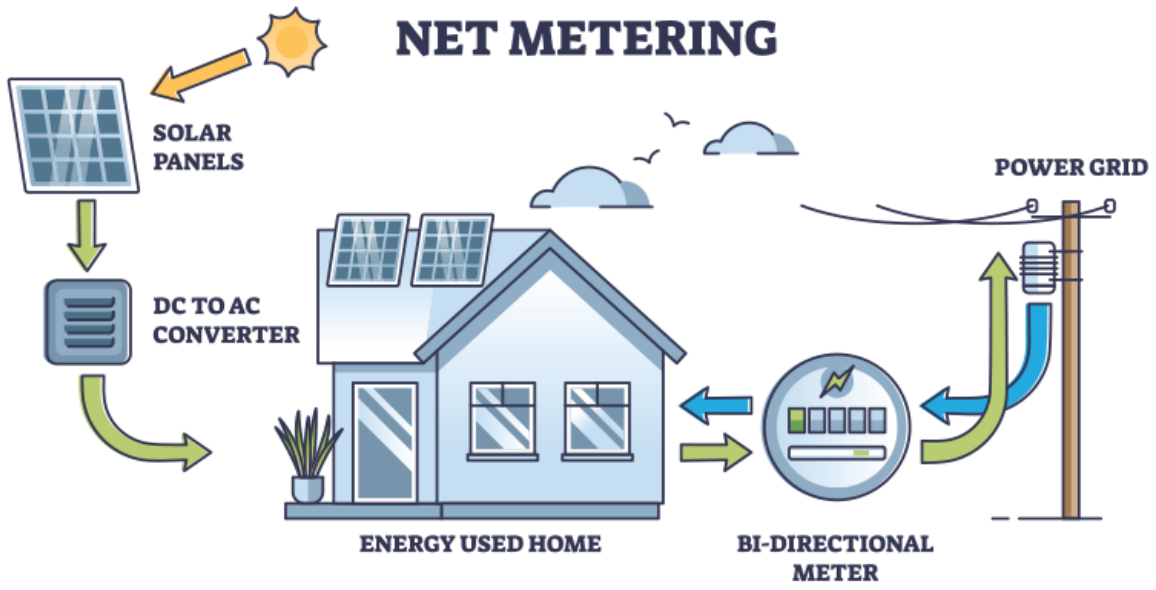
## WHAT IS NET METERING? HOW DOES IT WORK? SOLAR INTERCONNECTIONS

Net Metering is a billing mechanism that allows Grand Valley Power (GVP) members to self-generate electricity through renewable energy sources, such as a solar generating facility. This will enable members to offset the energy portion of their electric bill. The program works with the rate tariffs to allow GVP to purchase energy from our members for their own usage. This reduces the energy needed from Xcel, our power supplier. Note: This program will apply to all renewable energy generating facility types (i.e., wind power, hydro, etc.).




**Usage and Generation:**

• In instances where a member consumes more electricity than their solar facility generates, the member will source energy from the grid. This consumption is measured by the Utility Meter, which is a bi-directional meter that quantifies both delivered and received energy.

• When a member's solar facility produces more energy than the member consumes, the excess generation, referred to as the remaining energy, will be directed back onto the grid and quantified by the same Utility Meter.

• The GVP Net Metering Tariff offers retail rate compensation for excess generation utilized throughout the year. Specifically, for each kilowatt-hour (kWh) delivered to the grid, GVP will credit 1 kWh at the rate designated for the member. This policy will apply to all rate tariffs.

• Each month, GVP computes the discrepancy between the energy generated by the member and delivered to GVP and the member's energy consumption, as measured at the Utility Meter. This net result of received and delivered energy constitutes the account's usage and serves as the basis for calculating the member's monthly bill.

**Banked kWh:**

• When the generation of your solar facility exceeds your energy consumption at the utility meter, the surplus energy, referred to as "over generated" energy (measured in kilowatt-hours (kWh)), is recorded in a kWh "BANK" at the conclusion of each month. The excess kWh that are BANKED subsequently become available to offset energy consumption in a future month, contingent upon the time of day during which the energy was generated. Off-Peak Production will be used to offset Off-Peak usage, while On-Peak Production will offset On-Peak usage. This information is outlined in the monthly GVP bill.

• In instances where electricity consumption exceeds the amount generated in a future month, kilowatt-hours (kWh) stored in the bank will be allocated to meet the energy demand. Once the kWh bank is depleted, the member must remit payment for any electricity consumed from the grid. This provision enables the member to optimize the energy offset reflected on their bill.

• Annually in April, GVP will purchase a portion of the kilowatt-hours (kWh) from the member's bank (energy supplied to the grid). The Grand Valley Power Rate GEN-1 Tariff outlines this buyback process and its guidelines. If a Net Meter member leaves the GVP system, then the BANKED kWh is paid out promptly.

**Weather Dependent:**

- Renewable energy is significantly influenced by weather conditions, which implies that your solar facility may not consistently achieve its nameplate output. Anticipate fluctuations in your credit from month to month and season to season. Please consider the following points:

    - Solar energy generation relies on the availability of sunlight for the system to produce electricity. Sunlight is present only during the daytime and absent during the night.
    - Cloud cover and adverse weather conditions can obstruct the sun's rays, resulting in diminished generation capacity.
    - The generation of solar energy is also contingent upon the angle of sunlight. Typically, solar systems operate at peak efficiency (nameplate output) when the sun is perpendicular to solar panels. This condition occurs when the sun reaches its zenith during the day. The solar generation system progressively attains this peak output following sunrise and gradually declines as the sun sets.
    - The tilt of the solar panels also impacts energy generation. Depending on your geographical location and the method of installation (e.g., rooftop, ground mount, etc.), adjustments to the pitch of the solar panels may be necessary to maximize output.
    - Seasonal variations similarly influence solar generation capacity. In the summer, longer daylight hours typically lead to increased generation, whereas in the winter, shorter days and a lower sun angle result in reduced generation.
    - Furthermore, energy output generally decreases as equipment ages and as panels accumulate dirt or sustain damage.

• GVP strongly encourages individuals to research the weather conditions pertinent to their solar facility based on their residential location. This proactive approach will assist in addressing inquiries that may arise if generation levels fall short of expectations. Please note that GVP can examine your data and historical records to identify any alterations that may have influenced generation outcomes.

• Your solar equipment provider is responsible for explaining the facility's energy calculations and output. As a member-owner of GVP, we are pleased to assist in clarifying our program, calculations, and initial system sizing; however, the final system sizing and output are matters between you and your solar facility provider.

**Net-Metering Generation** is available to consumers who own or operate a Distributed Energy Resource that qualifies for net-metering, including residential, commercial, and industrial services. This rate is available if compliance with GVP's Interconnection Policy is followed and has a generating capacity that does not exceed the following:

- **Residential Services:** maximum DC rated capacity of 10 kW.
- **Commercial and Industrial Services:** maximum DC rates capacity of 25 kW, or capacity to generate up to 120% of the service location's annual energy consumption, with total DC rates capacity not to exceed 100 kW.

The GEN-I Tariff sheet provides other rate details. Interconnection Application fees apply to all new distributed energy resources.