

Applicability

The following tariff provisions shall be applicable to a Host Customer, as defined herein, that requests Net Metering services from the Company, with the exception of a Host Customer that is an electric company, generation company, aggregator, supplier, energy marketer, or energy broker, as those terms are used in M.G.L. c. 164, §§ 1 and 1F. Service under this rate to any Host Customer is subject to the Company's printed requirements and the Company's Terms and Conditions – Distribution Service, each as in effect from time to time.

Section 1.01 Definitions

The terms set forth below shall be defined as follows, unless the context otherwise requires.

Agricultural Net Metering Facility shall mean a Renewable Energy generating facility operated as part of an agricultural business that generates electricity that does not have a generation capacity of more than two megawatts and is located on land owned or controlled by the agricultural business and is used to provide energy to metered accounts of the business. "Agriculture" has the same meaning as provided in M.G.L. c. 128, § 1A; provided that, when necessary, the Commissioner of the Department of Agricultural Resources shall determine if a business is an agricultural business.

Billing Period shall mean the period of time set forth in the Company's terms and conditions for which a Distribution Company bills a Customer for its electricity consumed or estimated to have been consumed.

Class I Net Metering Facility shall mean a plant or equipment that is used to produce, manufacture, or otherwise generate electricity and that is not a transmission facility and that has a design capacity of 60 kilowatts or less.

Class II Net Metering Facility shall mean an Agricultural Net Metering Facility, Solar Net Metering Facility, or Wind Net Metering Facility with a generating capacity of more than 60 kilowatts but less than or equal to one megawatt; provided, however, that a Class II Net Metering Facility owned or operated by a Customer which is a municipality or other governmental entity may have a generating capacity of more than 60 kilowatts but less than or equal to one megawatt per unit.

Class III Net Metering Facility shall mean an Agricultural Net Metering Facility, Solar Net Metering Facility, or Wind Net Metering Facility with a generating capacity of more than one megawatt but less than or equal to two megawatts; provided, however, that a Class III Net Metering Facility owned or operated by a Customer which is a municipality or other governmental entity may have a generating capacity of more than one megawatt but less than or equal to two megawatts per unit.

Company shall mean _____.

Customer shall mean a customer of the Company that purchases electricity for its own consumption.

Host Customer shall mean:

- (a) Customer with a Class I, II, or III Net Metering Facility that generates electricity on the Customer's side of the meter; or
- (b) the Customer, person, group or other entity or organization that controls, owns, or operates a Neighborhood Net Metering Facility.

Interconnection Tariff shall mean the Company's Standards for Interconnecting Distributed Generation, M.D.T.E. No _____.

ISO-NE shall mean ISO New England Inc., the independent system operator for New England, or its successor, authorized by the Federal Energy Regulatory Commission to operate the New England bulk power system and administer New England's organized wholesale electricity market pursuant to the ISO-NE Tariff and operation agreements with transmission owners.

Neighborhood shall mean a geographic area within a municipality, subject to the right of the Department to grant exceptions, that:

- (a) is recognized by the residents as including a unique community of interests;
- (b) falls within the service territory of the Company and within a single ISO-NE load zone; and
- (c) may encompass residential, commercial, and undeveloped properties.

Neighborhood Net Metering Facility shall mean a Class I, II, or III Net Metering Facility that is:

- (a) owned by, or serves the energy needs of, a group of ten or more residential Customers that reside in a single Neighborhood and are served by a single Distribution Company; and
- (b) located within the same Neighborhood as the Customers that own or are served by the facility.

Net Metering shall mean the process of measuring the difference between electricity delivered by a Distribution Company and electricity generated by a Class I, Class II, Class III or Neighborhood Net Metering Facility and fed back to the Distribution Company.

Net Metering Credit shall mean the monetary value of the excess electricity generated by a Net Metering Facility, calculated pursuant to Section 1.05, below.

Renewable Energy shall mean energy generated from any source that qualifies as a Class I or Class II Renewable Energy generating source under M.G.L. c. 25A, § 11F; provided, however, that after conducting administrative proceedings, the Department of Energy Resources, in consultation with the Department of Agricultural Resources, may add technologies or technology categories.

Solar Net Metering Facility shall mean a facility for the production of electrical energy that uses sunlight to generate electricity and is interconnected to the Company.

Wind Net Metering Facility shall mean a facility for the production of electrical energy that uses wind to generate electricity and is interconnected to the Company.

Section 1.02 Interconnection

Interconnection of Net Metering Facilities shall be governed by the terms of the Company's Interconnection Tariff, which sets forth the following information for net-metering services:

- (a) Application procedures;
- (b) Information necessary for requests;
- (c) Metering and technical requirements; and
- (d) Termination and suspension provisions.

The Customer shall indicate its request for net metering on its application pursuant to the Interconnection Tariff.

Section 1.03 Qualifications for Neighborhood Net Metering Facilities

The Host Customer of a Neighborhood Net Metering Facility shall fulfill the requirements of the Company's Interconnection Tariff, as noted in Section 1.02, above, and shall further provide and maintain on file with the Company written documentation demonstrating that all parties eligible to receive Net Metering Credits from the Neighborhood Net Metering Facility meet the terms of the definition of a Neighborhood Net Metering Facility, as provided herein and in the Department's regulations at 220 C.M.R. 18.02.

Section 1.04 Administration of Net Metering Credits

1. The Company shall calculate a Net Metering Credit as set forth in Section 1.05 below, and not bill a Host Customer for kilowatt-hour ("kWh") usage, for any Billing Period in which the kilowatt-hours generated by a:
 - (a) Class I, II, or III Net Metering Facility exceed the kilowatt-hour usage of the Host Customer; or

- (b) sum of the following Company charges applicable to the rate class under which the Host Customer takes service:
 - (i) the default service kilowatt-hour charge (in the ISO-NE load zone where the Host Customer is located);
 - (ii) the transmission kilowatt-hour charge; and
 - (iii) the transition kilowatt-hour charge.
- 4. For a Neighborhood Net Metering Facility, the Company shall calculate a Net Metering Credit for each Billing Period in the same manner as set forth in Section 1.05(3), above, by using the Distribution Company charges applicable to the residential rate designated by the Host Customer.
- 5. The calculation of Net Metering Credits under this section shall not include the demand side management and renewable energy kilowatt-hour charges set forth in M.G.L. c. 25, §§ 19-20.
- 6. For any Billing Period for which the Company calculates a Net Metering Credit for a Host Customer, the Company shall apply the Net Metering Credit to the Host Customer's account, unless the Host Customer provides otherwise pursuant to Section 1.06. The Company shall carry forward, from Billing Period to Billing Period, any remaining Net Metering Credit balance.

Section 1.06 Allocation of Net Metering Credits

- 1. For a Class I or II Wind Net Metering Facility, Solar Net Metering Facility, or Agricultural Net Metering Facility; Class III Net Metering Facility; or Neighborhood Net Metering Facility, the Company shall allocate Net Metering Credits, as designated in writing by the Host Customer, to other Customers who are in the Company's service territory and are located in the same ISO-NE load zone, provided that:
 - (a) Host Customers of Class I Net Metering Facilities shall designate no less than 20 % of such Credits to each recipient (i.e., no more than five designees).
 - (b) Host Customers of Class II Net Metering Facilities shall designate no less than 10 % of such Net Metering Credits to each recipient (i.e., no more than 10 designees).
 - (c) Host Customers of Class III Net Metering Facilities shall designate no less than two % of such Credits to each recipient (i.e., no more than 50 designees).
 - (d) Host Customers of Neighborhood Net Metering Facilities shall not be limited in the number of recipients that can be designated to receive Net Metering Credits.
- 2. For a Neighborhood Net Metering Facility, the Company may allocate Net Metering Credits only to residential or other Customers who reside in the same Neighborhood in

which the Neighborhood Net Metering Facility is located and have an ownership interest in the Neighborhood Net Metering Facility.

3. For any Billing Period for which the Company allocates a Net Metering Credit to a Customer, the Company shall apply the allocated Net Metering Credit to the Customer's account. The Company shall carry forward, from Billing Period to Billing Period, any remaining Net Metering Credit balance.
4. For a Class III Net Metering Facility, the Company may elect to pay to the Host Customer Net Metering Credits, rather than allocating such Credits.

Section 1.07 Net Metering Recovery Surcharge

The charges listed below shall be applied to all kWhs delivered by the Company to a Customer.

1) RATES

The purpose of the Net Metering Recovery Surcharge (“NMRS”) is to recover the non-reconciling distribution portion of Net Metering Credits applied to customers and the non-reconciling distribution portion of revenue displaced by customers who have installed on-site generation facilities in accordance with G.L. c. 164, §§ 138 and 139. This surcharge provides the Company with a mechanism to recover such Credits and displaced revenue, and to reconcile actual NMRS revenue amounts recovered from customers with actual recoverable amounts.

2) Applicability of NMRS

The NMRS shall be applicable to all firm distribution of electricity, as measured in kWhs, delivered by the Company unless otherwise designated. Although the NMRS is a separate surcharge, it may be included in the Company's Distribution Charge for billing purposes.

3) Effective Date of Annual Surcharge

The date on which the annual NMRS becomes effective shall be the first day of each calendar year, unless otherwise ordered by the Department. The Company shall submit NMRS filings as outlined in Section 1.07(6) of this tariff at least 30 days before the NMRS is proposed to take effect.

4) NMRS Formula

$$\text{NMRS}_x = (\text{DNMC}_x + \text{DDR}_x + \text{PPRA}_{x-1}) / \text{FkWh}_x,$$

where

x = The year over which the surcharge applies;

$NMRS_x$ = The Net Metering Recovery Surcharge for year x adjusted annually;

$DNMC_x$ = The non-reconciling distribution portion of Net Metering Credits applied as forecasted for year x ;

DDR_x = The non-reconciling distribution portion of revenue displaced, as defined in Section 1.07(5), by net metering facilities as forecasted for year x ;

$PPRA_{x-1}$ = The Past Period Reconciliation Amount defined as the ending balance including interest, calculated on the average monthly reconciling balance using the customer deposit rate as outlined in 220 C.M.R. 26.09, of the difference between (a) the sum of the DNMC and DDR portion of the Net Metering Credits actually applied to customers and (b) the revenues actually collected through the NMRS as approved by the Department;

$FkWh_x$ = The Forecasted kWh for year x , defined as the forecasted amount of electricity to be distributed to the Company's distribution customers.

5) Determination of Revenue Displaced by Net metering Facilities

- a) The revenue displaced by net metering facilities is the non-reconciling distribution revenue associated with the displaced kWhs. The quantity of displaced kWhs is equal to the kWhs generated by the net metering facility minus the excess kWhs, if any, delivered to the Company's distribution system. The kWhs generated by the net metering facility shall be determined by:
 - i) actual metering of the kWh output of the generating facility; or
 - ii) estimating the kWh output of a generating facility when actual metering is not feasible.
- b) For those Host Customers with GIS accounts at the ISO-NE for renewable energy certificate ("REC") reporting, the actual metered data will be used in this determination. The Host Customer must provide this annual generation information to the Company by January 31 of each year for the prior year's generation.
- c) For those Host Customers with a Class II or Class III Net Metering Facility without a GIS account at the ISO-NE, the Company will install at the customer's expense revenue class meters to determine the generator kWh output. In

addition, the Host Customer will provide the capabilities and access needed to read the meter.

- d) For those Host Customers with a Class I Net Metering Facility without a GIS account at the ISO-NE, the Company will estimate the generator kWh output. In those instances where estimates are required, estimates will be based upon available monthly capacity factor information associated with the size and type of net metering facility installed, or as otherwise specified below. Such information shall be obtained from publicly available sources such as ISO New England, the MTC and weather data outlets as determined by the Company and subject to Department review.
 - i) For Class I Solar Net Metering Facilities without a GIS account at the ISO-NE, the estimate shall come directly from the Solar Net Metering Facility's inverter. The Host Customer must provide the inverter's annual generation information to the Company by January 31 of each year for the prior year's generation.
 - ii) For Class I Wind Net Metering Facilities without a GIS account at the ISO-NE, the estimate shall be calculated as the average wind speed at the nacelle of the Wind Net Metering Facility over the course of a year, times the Wind Net Metering Facility's production capacity at the average wind speed, times 8760.
 - iii) For all non-wind and non-solar Class I Net Metering Facilities, the estimate shall be calculated on a case-by-case basis with the best available data.

6) Information Required to be Filed with the Department

Information pertaining to the annual NMRS shall be filed with the Department at least thirty (30) days before the date on which a new NMRS is requested to be effective. Such filing shall include preliminary reconciliation data for the year in which the filing is made, with final reconciliation amounts to be submitted the subsequent year. The reconciliation data will reflect detailed accounting of distribution Net Metering Credits paid to customers and displaced distribution revenue resulting from Net Metering facilities. This information will be submitted with each annual NMRS filing, along with complete documentation of the reconciliation-adjustment calculations.

7) Customer Notification

The Company will notify customers in simple terms of changes to the NMRS, including the nature of the change and the manner in which the NMRS is applied to the bill. In the absence of a standard format, the Company will submit this notice for approval at the time of each NMRS filing. Upon approval

by the Department, the Company must immediately distribute these notices to all of its distribution customers either through direct mail or with its bills.

8) Recovery of Other Revenue Components

The Company will recover the default service, transmission and transition revenue and reconcilable distribution revenue portions of the Net Metering Credits paid to customers through the usual annual reconciliation processes in place for such charges.

9) Commodity Reconciliation

The Company will reconcile default service commodity credits allocated within the Net Metering Credits given to Class II and III Net Metering customers through the Company's current annual default service commodity reconciliation proceeding. Class II and III Net Metering Customers shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to ISO -NE. The Company will report all exported power to the ISO-NE as a settlement only generator and net this reported usage and credits earned against the amount of default service commodity earned as a portion of the Net Metering Credits. The resulting amount will then be filed within the Company's annual default service commodity reconciliation proceeding.

Section 1.08 Closure of Tariff to New Customers

Service under this tariff is closed to new applicants upon determination by the Company that the aggregate capacity of all Class I, II, III, and Neighborhood Net Metering Facilities, which are receiving Net Metering services under this Net Metering tariff, has reached one percent of the Company's actual, historic peak load. Immediately following approval of this tariff by the Department, the Company will post, to the Company's website, the Company's highest historical peak load. Each year by February 1 the Company will update the Company's highest historical peak load on the Company's website and with an informational filing to the Department. Additional applications may be accepted, for incremental aggregated capacity associated with one percent of prospective increases in the Company's peak load. The calculation of aggregated capacity shall be in accordance with 220 C.M.R. 18.07.

Section 1.09 Renewable Energy and Environmental Attributes

The provision of Net Metering services does not entitle Distribution Companies to ownership of, or title to, the renewable energy or environmental attributes, including renewable energy certificates, associated with any electricity produced by a Net Metering facility.

Section 1.10 Dispute Resolution

The Dispute Resolution provisions included in the Company's Interconnection Tariff in Section 9.0 shall be available to the Company or a Host Customer to resolve issues relating to the operation of this tariff.