

Presque Isle Electric & Gas Co-op
SPECIAL BOARD MEETING
March 28, 2017

A special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op was held on March 28, 2017 at PIE&G headquarters in Onaway, Michigan. Chairman Brown called the meeting to order at 9:00 a.m.

Roll call was taken with Directors Berg, Borowicz, Brown, Knopf, Krajniak, Lucas, Peterson, Smith, and Wozniak in attendance. A quorum was present. Also attending were Chief Executive Officer Burns, Attorney Werth, Chief Financial Officer Sobeck, Operations Manager Szymoniak, System Engineer Repke, Executive Assistant DeMaestri, and members Mr. & Mrs. Chappa.

Public Act 167 of 2008: The Electric Cooperative Member Regulation Act: CEO Burns provided a summary of PA 167 and highlighted the process and rationale for becoming a member regulated cooperative.

Enter Member Services Manager Chagnon-Hazelman (9:07 AM).

REVIEW ITEMS

CFO Sobeck indicated there were four (4) items for the board's consideration and discussed the following;

1. **Reconcile 2016 Power Supply Cost Recovery (PSCR) Factor Collections:** It was reported that PIE&G experienced an under-collection of power supply costs for the 12 month period ending December 31, 2016 and management is currently collecting this amount from the membership through the use of the 2017 PSCR Factor. Discussion ensued.

Enter Controller Cryderman (9:15 AM) and Ron Harris (9:19 AM).

2. **Review and accept the 2016 Electric Operations TIER Analysis:** The TIER analysis for the 2016 electric operating year indicated an adjusted TIER of 2.00, which falls within the TIER range of 1.60 to 2.20. No adjustment in revenue and/or rates is required.
3. **Energy Optimization Surcharge – Outdoor Lighting:** The Cooperative wishes to implement an EO surcharge on its Outdoor Lighting program to take advantage of the EO Program incentives for the benefit of the Cooperative and its individual members. A cost of service study analysis of the prospective Energy Optimization (EO) Surcharge for Outdoor Lighting (OD) results in an EO surcharge of \$0.00312/kWh for Outdoor Lighting.

4. **Revise/Implement Renewable Energy Tariffs:** PIE&G wishes to expand the renewable energy program offerings to its membership and has collaborated with its power supplier Wolverine Power Cooperative (WPC) to do so. The new tariffs address concerns related to the All Requirements Contract (ARC) between PIE&G and WPC. The tariffs affected or created are: Net Metering Program, Distributed Renewable Energy Program, Buy All/Sell All Tariff, and Community Solar Program.

GUESTS & MEMBER COMMENT

Chairman Brown welcomed members John and Patricia Chappa of Hawks to the meeting. Chairman Brown explained the all requirements contract PIE&G has with Wolverine Power Cooperative and then opened the floor for member comments. Mr. Chappa applauded PIE&G for no adjustments to electric rates and inquired about Outdoor Lighting dark sky compliance for new LED lights.

ACTION ITEMS


1. **Reconcile 2016 Power Supply Cost Recovery (PSCR) Factor Collections:** *A motion was made by Knopf, supported by Borowicz, to accept management's 2016 Electric PSCR Factor reconciliation analysis, which indicates an under-collection of \$67,372.54 and directs management to continue collecting this amount from the membership through the use of the 2017 PSCR Factor. A roll call vote was taken with all directors voting in the affirmative. Motion carried by a 9-0 vote. (Refer to Board Resolution 2017 MR-01 attached.)*
2. **Review and accept the 2016 Electric Operations TIER Analysis:** *A motion was made by Peterson, supported by Lucas, to accept management's 2016 Electric TIER analysis that indicates an adjusted TIER of 2.00 and no adjustment in revenue and/or rates is required. A roll call vote was taken with all directors voting in the affirmative. Motion carried by a 9-0 vote. (Refer to Board Resolution 2017 MR-02 attached.)*
3. **Energy Optimization Surcharge – Outdoor Lighting:** *A motion was made by Brown, supported by Peterson, to accept the analysis as provided by the cooperative staff as a reasonable basis for establishing the new Energy Optimization Surcharge for Outdoor Lighting rates for all bills rendered on or after June 1, 2017 and directs staff to amend the appropriate tariffs in its Electric Rate Book. A roll call vote was taken with all directors voting in the affirmative. Motion carried by a 9-0 vote. (Refer to Board Resolution 2017 MR-03 attached.)*
4. **Revise/Implement Renewable Energy Tariffs:** *A motion was made by Krajniak, supported by Borowicz, to accept the proposed Renewable Energy Tariffs as provided by the cooperative staff for establishing additional options for its membership to participate in Renewable Energy*

programs at PIE&G effective June 1, 2017. A roll call vote was taken with all directors voting in the affirmative. Motion carried by a 9-0 vote. (Refer to Board Resolution 2017 MR-04 attached.)

There being no further business to come before the board, Chairman Brown adjourned the meeting at 9:37 a.m.



John F. Brown, Chairman



Sandra Borowicz, Secretary

/ddm

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
MARCH 28, 2017**

**RESOLUTION 2017-MR-01
2016 POWER SUPPLY COST RECOVERY (PSCR) FACTOR
RECONCILIATION**

WHEREAS, PIE&G transitioned to member-regulation with an effective date of September 23, 2012 thus providing that its electric rates, charges, accounting standards, billing practices, and terms and conditions of service are under authority of the board of directors and not the Michigan Public Service Commission (MPSC); and

WHEREAS, PIE&G staff has reviewed the 2016 PSCR Factor reconciliation exhibits with the Board of Directors; and

WHEREAS, the 2016 PSCR Factor reconciliation indicates that PIE&G has experienced a cumulative under-collection of power supply costs of \$67,372.54 for the 12 month period ending December 31, 2016; and

WHEREAS, PIE&G has incorporated the under-collection of \$67,372.54 into its 2017 PSCR Factor reconciliation.

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts management's 2016 ELECTRIC PSCR Factor reconciliation analysis, which indicates an under-collection of \$67,372.54 and directs management to continue collecting this amount from the membership through the use of the 2017 PSCR Factor.

CERTIFICATION

I, Sandra Borowicz, Secretary of the Board of Directors of Presque Isle Electric & Gas Co-op, do hereby certify that the above is a true and correct copy of a resolution adopted at a special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op held on March 28, 2017.

By:


Sandra Borowicz, Secretary

Dated:



**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
MARCH 28, 2017**

**RESOLUTION 2017-MR-02
2016 ELECTRIC OPERATIONS TIMES INTEREST EARNED RATIO
(TIER) ANALYSIS**

WHEREAS, PIE&G transitioned to member-regulation with an effective date of September 23, 2012 thus providing that its electric rates, charges, accounting standards, billing practices, and terms and conditions of service are under authority of the board of directors and not the Michigan Public Service Commission (MPSC); and

WHEREAS, PIE&G has established Board Policy No. 307 – Energy Rate Design, which requires energy rates be developed and implemented to generate margins adequate to meet annual lender requirements and the Cooperative's long-term financial objectives; and

WHEREAS, PIE&G was authorized by the MPSC to employ the Times Interest Earned Ratio (TIER) Analysis rate setting mechanism when regulated by the Commission and continues to do so in order to satisfy the requirements of Board Policy No. 307; and

WHEREAS, the TIER rate setting mechanism provides that margins are adequate and there is no need to adjust revenue for a TIER range of 1.60 to 2.20, and PIE&G's management has reviewed with the Board of Directors and established that the TIER calculation for the 2016 operating year indicates an adjusted TIER of 2.00.

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts management's 2016 ELECTRIC TIER analysis that indicates an adjusted TIER of 2.00 and no adjustment in revenue and/or rates is required.

CERTIFICATION

I, Sandra Borowicz, Secretary of the Board of Directors of Presque Isle Electric & Gas Co-op, do hereby certify that the above is a true and correct copy of a resolution adopted at a special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op held on March 28, 2017.

By: Sandra Borowicz
Sandra Borowicz, Secretary

Dated: March 28, 2017

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
MARCH 28, 2017**

**RESOLUTION 2017-MR-03
ENERGY OPTIMIZATION SURCHARGE - OUTDOOR LIGHTING**

WHEREAS, PIE&G transitioned to member-regulation with an effective date of September 23, 2012 thus providing that its electric rates, charges, accounting standards, billing practices, and terms and conditions of service are under authority of the board of directors and not the Michigan Public Service Commission (MPSC); and

WHEREAS, PIE&G has received a cost of service study analysis of the prospective Energy Optimization (EO) Surcharge for Outdoor Lighting (OD); and

WHEREAS, PIE&G's staff has reviewed the analysis with the Board of Directors; and

WHEREAS, the Cooperative wishes to implement an EO surcharge on its Outdoor Lighting program to take advantage of the EO Program incentives for the benefit of the Cooperative and it's individual members; and

WHEREAS, results of that analysis indicate an EO surcharge of \$0.00312/kWh for Outdoor Lighting.

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts the analysis as provided by the cooperative staff as a reasonable basis for establishing the new Energy Optimization Surcharge for Outdoor Lighting rates for all bills rendered on or after June 1, 2017 and directs staff to amend the appropriate tariffs in its Electric Rate Book.

CERTIFICATION

I, Sandra Borowicz, Secretary of the Board of Directors of Presque Isle Electric & Gas Co-op, do hereby certify that the above is a true and correct copy of a resolution adopted at a special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op held on March 28, 2017.

By: *Sandra Borowicz*
Sandra Borowicz, Secretary

Dated: *March 28, 2017*

**PRESQUE ISLE ELECTRIC & GAS CO-OP
BOARD RESOLUTION
MARCH 28, 2017**

**RESOLUTION 2017-MR-04
RENEWABLE ENERGY TARIFFS**

WHEREAS, PIE&G transitioned to member-regulation with an effective date of September 23, 2012 thus providing that its electric rates, charges, accounting standards, billing practices, and terms and conditions of service are under authority of the board of directors and not the Michigan Public Service Commission (MPSC); and

WHEREAS, PIE&G wishes to expand its renewable energy program offerings to its membership and has collaborated with its power supplier Wolverine Power Cooperative (WPC) to do so; and

WHEREAS, PIE&G wishes to address concerns related to the All Requirements Contract (ARC) between PIE&G and WPC with certain revisions to its renewable energy tariffs; and

WHEREAS, PIE&G's staff has reviewed the revised and proposed renewable energy tariffs with the Board of Directors.

NOW BE IT HEREBY RESOLVED that the PIE&G Board of Directors accepts the proposed Renewable Energy Tariffs as provided by the cooperative staff as a reasonable basis for establishing additional options for its membership to participate in Renewable Energy programs at PIE&G effective June 1, 2017.

BE IT FURTHER RESOLVED, that the board directs staff to amend the attached tariffs in its Electric Rate Book.

CERTIFICATION

I, Sandra Borowicz, Secretary of the Board of Directors of Presque Isle Electric & Gas Co-op, do hereby certify that the above is a true and correct copy of a resolution adopted at a special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op held on March 28, 2017.

By: Sandra Borowicz
Sandra Borowicz, Secretary

Dated: March 28 2017

**NET METERING PROGRAM
GENERATORS WITH A CAPACITY OF 20 KW AND LESS
SIGNED AGREEMENT ON FILE PRIOR TO JUNE 1, 2017**

Availability

In order to facilitate the generation and transmission Cooperative's ("G&T") standing offer for 10 MW of solar and wind energy and grandfather-in existing net metering Member-Consumers, this offer is available to Member-Consumers with a Net Metering Agreement on file with the Cooperative before June 1, 2017 who operate renewable electric generation, limited to solar and wind, facilities with a nameplate capacity of 20 kW or less and are interconnected with the Cooperative's system, to generate a portion or all of the Member-Consumer's own electricity. If a Member-Consumer has more than one electric generator, the generator's rating(s) shall be summed and the sum may not exceed 20 kW.

The Cooperative's Net Metering Program is available until May 31, 2017, on a limited basis until the G&T's standing offer expires by full 10 MW subscription.

Member-Consumers enrolled prior to June 1, 2017 shall be eligible to continue participation for a term of 20 years, measured from the earlier from the effective date of the Net Metering Agreement or the first month the Member-Consumer began net metering. A participating Member-Consumer may terminate participation in the Cooperative's Net Metering Program at any time and for any reason. This program and its resulting contract are neither assignable, nor transferable, to a subsequent owner.

Member-Consumer Eligibility

To be eligible to participate in the Net Metering Program, Member-Consumers must (1) generate a portion or all of their own retail electricity requirements using a solar or wind renewable electric generator, and (2) be Full Requirements Service Member-Consumers taking service under the Cooperative's applicable service tariff.

Member-Consumers wishing to participate in the Net Metering Program shall submit a completed Net Metering Application to the Cooperative for review. Upon approval of the Application, the Cooperative shall issue a Net Metering and Interconnection Agreement to be signed by the Member-Consumer, the Cooperative, and the G&T. A copy of the signed agreement will be kept on file at the Cooperative. A signed Net Metering and Interconnection Agreement is required prior to November 1, 2016 for the Member-Consumer's generator to remain connected to the Cooperative's facilities.

Member-Consumers must complete construction and meet commercial operation of the Member-Consumer Facility within 180 days of signing the Agreement.

(Continued on Sheet No. D-17.01)

Issued: March 28, 2017
By: Brian Burns
President and CEO
Onaway, Michigan

Effective for bills rendered on and after
June 1, 2017

Issued under authority of the Board of
Directors dated March 28, 2017

NET METERING PROGRAM
GENERATORS WITH A CAPACITY OF 20 KW AND LESS
SIGNED AGREEMENT ON FILE PRIOR TO JUNE 1, 2017
(Continued from Sheet No. D-17.00)

The interconnection device used to connect the Member-Consumer's renewable generator with the Cooperative's facilities shall comply with the requirements of IEEE standard 519 and 1547, and Underwriters Laboratories standard UL-1741 Scope 1.1a for utility-interactive (grid-connected) power systems. The Cooperative may require reasonable and adequate insurance coverage by the Member-Consumer and the Member-Consumer shall provide proof of liability coverage as may be required by the Cooperative.

The generation equipment must be located on the Member-Consumer's premises, serving only the Member-Consumer's premises, and must be intended primarily to offset a portion or all of the Member-Consumer's requirements for electricity. At the Member-Consumer's option, the generation capacity shall be determined by one of the following methods:

- a) Aggregate nameplate capacity of the generator(s)
- b) Aggregate projected annual kWh output of the generator(s)

The Member-Consumer is required to provide the Cooperative with the capacity rating in kW of the generating unit(s) and a projection of the annual kWh output of the generating unit(s) when completing the Cooperative's Net Metering Application. The Member-Consumer shall determine its annual electricity needs using one of the following methods:

- a) The Member-Consumer's annual energy usage, measured in kWh, during the previous 12 month period:
- b) Where metered demand data is available, the maximum integrated hourly demand measured in kW during the previous 12 month period: or
- c) In cases where no data, incomplete data, or incorrect data for the Member-Consumer's past annual energy usage is available, or where the Member-Consumer is making changes on-site that will affect their future total annual electric usage, the Cooperative and the Member-Consumer shall mutually agree on a method to determine the Member-Consumer's future annual energy usage.

(Continued on Sheet No. D-17.02)

Issued: March 28, 2017
By: Brian Burns
President and CEO
Onaway, Michigan

Effective for bills rendered on and after
June 1, 2017

Issued under authority of the Board of
Directors dated March 28, 2017

**NET METERING PROGRAM
GENERATORS WITH A CAPACITY OF 20 KW AND LESS
SIGNED AGREEMENT ON FILE PRIOR TO JUNE 1, 2017
(Continued from Sheet No. D-17.01)**

Metering

The Member-Consumer's usage and excess generation shall be determined using a single meter with separate registers measuring power flow in each direction. If there is a significant initial incremental cost to provide a meter measuring power flow in each direction above the cost for meters provided for similarly situated non-generating Member-Consumers, the difference in cost shall be paid by the Member-Consumer. Any service upgrades, protective or power quality equipment/devices necessary to accommodate the output of the generating unit(s), as determined by the Cooperative, shall be at the Member-Consumer's expense.

Monthly Charges

"Excess Generation" means energy and associated renewable energy attributes, including, but not limited to Renewable Energy Credits, generated by the Member-Consumer's renewable energy generator and not consumed at the Member-Consumer's location (and delivered to the Cooperative).

The Member-Consumer shall pay the full retail rate in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer for all energy delivered to the Member-Consumer by the Cooperative. The Member-Consumer shall be credited the full retail rate in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer for all Excess Generation. Energy produced by the Member-Consumer's renewable energy generator and consumed at the Member-Consumer's location without flowing onto the Cooperative's distribution system is not billed by the Cooperative, compensated by the Cooperative, or displayed on the billing statement.

The credit for any Excess Generation during the billing period shall be applied to the bill for that period. Any credit that is not used up during the current billing period shall be carried forward for use in subsequent billing periods. If a Member-Consumer terminates service with the Cooperative while having a net metering credit amount on their account, the G&T shall pay, through its agent, the Cooperative, the remaining credit amount to the Member-Consumer following a final reading by the Cooperative of the Member-Consumer's meter.

**DISTRIBUTED RENEWABLE ENERGY PROGRAM - (DRE)
GENERATORS WITH A CAPACITY OF 20 KW AND LESS**

Availability

In order to facilitate the generation and transmission Cooperative's ("G&T") standing offer for 10 MW of solar and wind energy, this offer is available to Member-Consumers with a Distributed Renewable Energy Agreement on file with the Cooperative on or after June 1, 2017 who operate solar or wind renewable electric generation facilities with a nameplate capacity of 20 kW or less and are interconnected with the Cooperative's system, to generate a portion or all of the Member-Consumer's own electricity. If a Member-Consumer has more than one electric generator, the generator's rating(s) shall be summed and the sum may not exceed 20 kW.

The Cooperative's Distributed Renewable Energy Program is available on a first come, first serve, limited basis until the G&T's standing offer expires December 31, 2019 or upon full 10 MW subscription.

Upon enrolling in the Distributed Renewable Energy Program, Member-Consumers shall be eligible to continue participation for a term of ten years. A participating Member-Consumer may terminate participation in the Cooperative's Distributed Renewable Energy Program at any time and for any reason.

Member-Consumer Eligibility

To be eligible to participate in the Distributed Renewable Energy Program, Member-Consumers must (1) generate a portion or all of their own retail electricity requirements using a solar or wind renewable electric generator, and (2) be Full Requirements Service Member-Consumers taking service under the Cooperative's applicable service tariff. The availability charge of the applicable service tariff shall be paid in full by the Member-Consumer for each billing period - distributed renewable energy credits cannot be applied to the availability charge.

Member-Consumers wishing to participate in the Distributed Renewable Energy program shall obtain a Distributed Renewable Energy Application from the Cooperative and submit the completed application, including the \$100.00 application fee, for review. Upon approval of the Distributed Renewable Energy Application, the Cooperative shall issue a Distributed Renewable Energy and Interconnection Agreement to be signed by the Member-Consumer, the Cooperative, and the G&T. A copy of the signed agreement will be kept on file at the Cooperative. A signed Distributed Renewable Energy and Interconnection Agreement ("Agreement") is required prior to interconnection of the Member-Consumer's generator to the Cooperative's facilities.

Member-Consumers must complete construction and meet commercial operation of the Member-Consumer Facility within 180 days of signing the Agreement.

(Continued on Sheet No. D-21.01)

**DISTRIBUTED RENEWABLE ENERGY PROGRAM - (DRE)
GENERATORS WITH A CAPACITY OF 20 KW AND LESS
(CONTINUED FROM SHEET D-21.00)**

Consumer's requirements for electricity.

At the Member-Consumer's option, the generation capacity shall be determined by one of the following methods:

- a) Aggregate nameplate capacity of the generator(s), or
- b) Aggregate projected annual kWh output of the generator(s)

The Member-Consumer is required to provide the Cooperative with the capacity rating in kW of the generating unit(s) and a projection of the annual kWh output of the generating unit(s) when completing the Cooperative's Distributed Renewable Energy Application. The Member-Consumer shall determine its annual electricity needs using one of the following methods:

- a) The Member-Consumer's annual energy usage, measured in kWh, during the previous 12 month period;
- b) Where metered demand data is available, the maximum integrated hourly demand measured in kW during the previous 12 month period; or
- c) In cases where no data, incomplete data, or incorrect data for the Member-Consumer's past annual energy usage is available, or where the Member-Consumer is making changes on-site that will affect their future total annual electric usage, the Cooperative and the Member-Consumer shall mutually agree on a method to determine the Member-Consumer's future annual energy usage.

Metering

The Member-Consumer's usage and excess generation shall be determined using a single meter with separate registers measuring power flow in each direction. If there is a significant initial incremental cost to provide a meter measuring power flow in each direction above the cost for meters provided for similarly situated non-generating Member-Consumer's, the difference in cost shall be paid by the Member-Consumer. Any service upgrades, protective or power quality equipment/devices necessary to accommodate the output of the generating unit(s), as determined by the Cooperative, shall be at the Member-Consumer's expense.

Monthly Charges and Credits

"Excess Generation" means energy and associated renewable energy attributes, including, but not limited to Renewable Energy Credits, generated by the Member-Consumer's renewable energy generator and not consumed at the Member-Consumer's location (and delivered to the Cooperative).

(Continued on Sheet No. D-21.02)

**DISTRIBUTED RENEWABLE ENERGY PROGRAM - (DRE)
GENERATORS WITH A CAPACITY OF 20 KW AND LESS
(CONTINUED FROM SHEET D-21.01)**

The Member-Consumer shall pay the full retail rate in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer for energy delivered to the Member-Consumer by the Cooperative. The Member-Consumer shall be credited 5.6 cents per kwh, for Excess Generation. Energy produced by the Member-Consumer's solar or wind renewable energy generator and consumed at the Member-Consumer's location without flowing onto the Cooperative's distribution system is not billed by the Cooperative, compensated by the Cooperative, or displayed on the billing statement.

The credit for any Excess Generation during the billing period shall only be applied to the energy charge of the standard service tariff applicable to the Member-Consumer and will be applied to the bill for that period. Any credit that is not used up during the current billing period shall be carried forward for use in subsequent billing periods. If a Member-Consumer terminates service with the Cooperative while having a distributed renewable energy credit amount on their account, the G&T shall pay, through its agent, the Cooperative, the remaining credit amount to the Member-Consumer following a final reading by the Cooperative of the Member-Consumer's meter.

BUY ALL/SELL ALL TARIFF

Availability

In order to provide for the safety of Member-Consumers, Cooperative personnel, and others, and to ensure reliable electric service consistent with the generation and transmission Cooperative's ("G&T") standing offer for 10 MW of solar and wind renewable energy, the following requirements are established for connection and/or operation of Member-Consumer generation facilities in parallel with the Cooperative's distribution system.

The Cooperative's Buy-All/Sell-All Program is available on a first come, first serve, limited basis until the G&T's standing offer expires December 31, 2019 or upon full 10 MW subscription.

These requirements govern all Member-Consumer-owned generation facilities, which generate all of their electricity using a solar or wind renewable energy generator ("Member-Consumer Facility"), with a nameplate of 1 MW or less.

Member-Consumers wishing to participate in the Buy-All/Sell-All program shall submit a completed Buy-All/Sell-All Application and the \$100 application fee to the Cooperative for review. Upon approval of the Buy-All/Sell-All Application, the Cooperative shall issue a Buy-All/Sell-All Interconnection and Purchase Agreement ("Agreement") between the Member-Consumer, the Cooperative, and the G&T. Member-Consumers must complete construction and meet commercial operation of the Member-Consumer Facility within 180 days of signing the Buy-All/Sell-All Interconnection and Purchase Agreement.

The nameplate of the renewable energy generator size is limited to 1 MW per Member-Consumer. The Member-Consumer's entire renewable energy generator must fit within the limit and must be located on the Member-Consumer's premises. If a Member-Consumer has more than one renewable energy generator, the generators' ratings must be summed and the sum may not exceed 1 MW.

Upon enrolling in the Buy-All/Sell-All program, the term of the Agreement is 20 years. A participating Member-Consumer may terminate participation in the Buy-All/Sell-All program at any time and for any reason.

If the Member-Consumer does not meet (or, for the term of the Agreement, continue to meet) all of the requirements of the Agreement, as well as the requirements listed below, the Cooperative may require termination of parallel operation and the Member-Consumer shall be liable for any damages or injury resulting from unauthorized or improper connection and/or operation of the Member-Consumer's Facility.

(Continued on Sheet No. D-22.01)

BUY ALL/SELL ALL TARIFF
(Continued from Sheet D-22.00)

Safety and Reliability Requirements

The Member-Consumer shall submit for the Cooperative's review detailed electric diagrams, equipment nameplate data, including the interface device and control system of the Member-Consumer's power source and a site plan.

The Member-Consumer's control and protection system and site plan must be acceptable to the Cooperative and in accordance with these safety and reliability standards. This system shall provide for immediate automatic shutdown or separation of the Facility and the Cooperative system in the event of momentary or extended loss of power from the Cooperative, including loss of one or more phases if the Member-Consumer is generating three phase power. The shutdown or separation must continue until normal utility service is restored. The shutdown or separation shall occur when frequency, voltage, and/or current deviate from normal utility standards. The Member-Consumer shall be liable if the Member-Consumer's protection system fails to function.

A disconnecting device suitable for use as a protective tag location may be required so as to be accessible and in reasonably close proximity to the billing meter.

The completed installation must meet all local, state and national codes and regulations and is subject to inspection by proper enforcement authorities before commencement of parallel operation. In addition, the Cooperative may, at its discretion, inspect or test the facility at any time.

The Member-Consumer shall advise the Cooperative prior to making any revisions to the Facility, the control system, or the interface between the two power systems after the installation. Any such revision must be acceptable to the Cooperative.

Should the parallel operation of the Facility cause interference or adversely affect voltage, frequency, harmonic content or power factor in the Cooperative's system or other Member-Consumers' service, the Cooperative may require disconnection of parallel operation until the condition has been corrected.

Metering

Separate metering shall be installed to determine generation output. The Member-Consumer Facility must deliver, to the Cooperative's system, all energy generated. The Member-Consumer shall pay the incremental cost of all such metering above the cost for meters provided for similarly situated non-generating Member-Consumers. Any service upgrades or protective equipment/devices necessary to accommodate the output of the generating unit(s), as determined by the Cooperative, shall be at the Member-Consumer's expense.

(Continued on Sheet No. D-22.02)

BUY ALL/SELL ALL TARIFF
(Continued from Sheet D-22.01)

Reimbursement of Costs

The Member-Consumer shall pay for all costs associated with any addition to (or alteration of) the Cooperative's equipment required for metering and for the safe and reliable operation of the Facility in parallel with the Cooperative's system, as noted above, as well as an interconnection study, at the request of the Cooperative. The Member-Consumer shall also pay for costs of changes required due to safety or adverse effects on other Member-Consumers and/or on the Cooperative caused by the connection and/or operation of the Member-Consumer's renewable energy generator.

The Cooperative may require reasonable and adequate insurance coverage by the interconnecting Member-Consumer and the Member-Consumer shall provide proof of liability coverage as may be required by the Cooperative.

Monthly Charges and Credits

The Member-Consumer shall pay the full retail rate in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer for all energy delivered to the Member-Consumer by the Cooperative, including energy necessary to operate the Member-Consumer's renewable energy generator.

The Cooperative, as agent for the G&T, shall pay the Member-Consumer 10 cents per kWh for all energy delivered to the Cooperative by the Member-Consumer as a credit on the Member-Consumer's monthly bill. The credit will be applied to the energy charge of the standard service tariff applicable to the Member-Consumer and will be applied to the bill for that period. Any credit that is not used up during the current billing period shall be carried forward for use in subsequent billing periods.

If a credit accumulates to an amount greater than \$100, the Cooperative may pay the balance to the Member-Consumer as an agent for the G&T.

If a Member-Consumer terminates service with the Cooperative while having a remaining credit amount on their account, the G&T shall pay, through its agent, the Cooperative, the remaining credit amount to the Member-Consumer following a final reading by the Cooperative of the Member-Consumer's meter.

COMMUNITY SOLAR PROGRAM

Program and Availability

The Cooperative's generation and transmission Cooperative ("G&T") has created a standing offer for 10 MW of renewable energy, produced by solar and wind energy generators. As part of that standing offer, the G&T has developed a Community Solar Program for the Cooperative and its Member-Consumers, available from the SpartanSolar-Wolverine array on M-55 in Cadillac, Michigan ("Facility").

The Community Solar Program permits voluntary participation by Member-Consumers who may benefit from available solar resources without the cost of permanent installation, impact on property, or hassle of maintenance.

Member-Consumers wishing to participate in the Community Solar Program must submit a completed Community Solar Subscription and Credit Form to the Cooperative to commit to the desired subscription level. Upon acceptance and determination of the applicable subscription cost, the Cooperative shall issue a Community Solar Subscription and Credit Agreement between the Member-Consumer, the Cooperative, and the G&T. Acceptance into the Program is on a limited basis until the earlier of: (1) the full output of the Facility has been subscribed or (2) December 31, 2019.

Upon enrolling in the Community Solar Program, the subscription is effective for a term of 15 years. A participating Member-Consumer may terminate participation in the Community Solar Program at any time and for any reason, subject to refund provisions as outlined below. If participation is terminated, a Member-Consumer must wait 12 months before re-enrolling.

Payments

Member-Consumers have the following subscription options under the Community Solar Program, priced on a per "panel" (while the Member-Consumer will not have ownership in a solar panel, each subscription is based on the output of one solar panel) basis, as follows:

1. A single upfront subscription payment of \$600, or
2. \$10 monthly subscription payments for 5 years.

Each solar panel is rated at approximately 335 watts.

While the single upfront payment is due upon acceptance by the Cooperative, monthly subscription payment amounts will appear on the Member-Consumer's bill each month, for 60 months. The subscription payment covers the cost of solar energy, which includes cost of construction, operation and maintenance costs, financing costs, insurance, required interconnection and electric system modification costs, program management costs, and the value of all intrinsic renewable attributes, including, but not limited to, Renewable Energy Credits, associated with the solar energy output.

(Continued on Sheet D-23.01)

COMMUNITY SOLAR PROGRAM
(Continued from Sheet D-23.00)

Refund

If a Member-Consumer dies, terminates service with the Cooperative, has received Solar Output Energy Credits for 15 years, or requests to terminate the Community Solar Subscription and Credit Agreement, the Member-Consumer will receive a refund of their remaining solar energy subscription, which is calculated by determining the Member-Consumer's amount paid for Subscribed Solar Energy and reducing it by the amount of Solar Energy Output Credits paid to the Member-Consumer as of the date of termination.

If a Member-Consumer fails to pay three monthly subscription payments, the Cooperative may terminate the Member-Consumer's Community Solar Subscription and Credit Agreement at the Cooperative's sole discretion. Upon termination, the Member-Consumer is eligible for refund as calculated above, minus a \$50 default fee.

Service and Credit

The Member-Consumer shall pay the full retail rate in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer for all energy delivered to the Member-Consumer by the Cooperative.

In the first month where Facility output data is available and after the upfront subscription or first monthly subscription has been paid, the Cooperative shall pay the Member-Consumer \$.10/kWh every month as a bill credit, known as the Solar Energy Output Credit, equal to the Member-Consumer's pro rata share of the Facility's output (measured in kilowatt hours at the array), from the most recent month available.

This pro rata share will reflect the Member-Consumer's percentage subscription in the array when applied to the output of the entire array. The Member-Consumer is entitled to Solar Energy Output Credits for 15 years from the effective date of the Community Solar Subscription and Credit Agreement.

If the monthly Solar Energy Output Credit exceeds the energy charge of the standard service tariff applicable to the Member-Consumer, the excess credit will be rolled over and applied to the next month's applicable energy charge.

Although the value of the Solar Energy Output Credit may increase over the life of the Community Solar Program, there should be no expectation (and there is no guarantee) that the value of the credit will be greater than the subscription payment. Participants should not enroll in this program with any expectation of profit or financial gain.