

Schedule SP
SOLAR PURCHASE
(Experimental)

I. APPLICABILITY & AVAILABILITY

This Schedule is available in conjunction with the Company's Solar Purchase Program ("Program") and is applicable only where the Customer elects to receive Electricity Supply Service and Electric Delivery Service from the Company in accordance with Schedule 1, 1P, 1S, GS-1, GS-2, GS-2T, 5C, or 5P, and where the Customer: (1) owns and operates, contracts with other Persons to own or operate, or both, a Solar Photovoltaic Distributed Generation System ("System") (a) on the Customer's premises, (b) connected to the Customer's wiring on the Customer's side of the interconnection, and (c) that is rated at 20 kW alternating current ("AC") or less for residential applications, or rated at 50 kW AC or less for non-residential applications; (2) desires to sell all of the output of such System to the Company, including all environmental attributes and associated Renewable Energy Certificates ("RECs"); and (3) enters into a *Solar Purchase Program Service Agreement* ("Agreement") for the sale of electrical output to the Company. Such Customer, meeting all of the above criteria shall be termed a "Solar Customer-Generator" and also shall be defined as an Interconnection Customer pursuant to the Commission's *Regulations Governing Interconnection of Small Electrical Generators* (20 VAC 5-314-10, *et seq.*) and Section XXVI of the Company's Terms and Conditions on file with the Commission. The System is the aggregate of one or more solar arrays, and an inverter to convert the production of direct current electricity into AC electricity, along with associated wiring, switches, and support racks.

This Schedule shall be closed to new Solar Customer-Generators on August 23, 2018 ("the Closure Date"). However, existing Solar Customer-Generators, served under this Schedule and Solar Customer-Generators with reservations under this Schedule on the Closure Date, shall have the option to continue to participate under this Schedule in accordance with Paragraph VIII, below.

Capacity will be allocated 60 percent to residential Solar Customer-Generators and 40 percent to non-residential Solar Customer-Generators; however, the Company, at its discretion, may increase the residential Solar Customer-Generator allocation in the event the non-residential Solar Customer-Generator allocation is not fully subscribed.

II. MONTHLY CHARGES TO THE SOLAR CUSTOMER-GENERATOR

The provision of Electricity Supply Service and Electric Delivery Service from the Company to the Solar Customer-Generator will be in accordance with the applicable filed rate schedule. In addition, the Company will bill the Solar Customer-Generator for metering costs associated with measuring the output of the Solar Customer-Generator's generator based on the type of meter required. The following charges shall apply:

(Continued)

Schedule SP
SOLAR PURCHASE
(Experimental)

(Continued)

II. MONTHLY CHARGES TO THE SOLAR CUSTOMER-GENERATOR (Continued)

- A. For a single-phase, 200 Amps or less meter installation, a monthly charge of \$4.21.
- B. For a single-phase, 320 Amps meter installation, a monthly charge of \$6.60.
- C. Where neither Paragraph II.A. nor II.B. is applicable, the Company will develop a monthly charge for the specific metering requirements.

III. SOLAR PURCHASE PRICE FOR THE COMPANY'S PURCHASE OF ENERGY, ALL ENVIRONMENTAL ATTRIBUTES AND ASSOCIATED RECS

The Company will purchase energy and all environmental attributes and associated RECs from the Solar Customer-Generator at a Solar Purchase Price of 15¢ per kWh.

The Solar Purchase Price will be fixed for the term of the Agreement.

IV. COMPENSATION

The Solar Purchase Price specified in Paragraph III has two components: (1) an Avoided Cost component and (2) a Voluntary Environmental Contribution component that is funded through the Company's Green Power Program. The Avoided Cost component shall be the same rate payable to Qualified Facilities for energy under Paragraphs IV.A.1. and IV.A.2. and for capacity under Paragraph IV.B. of the Company's avoided cost tariff approved by the Commission (currently designated as Schedule 19 – Power Purchase from Cogeneration and Small Power Production Qualifying Facilities). The amount of the Voluntary Environmental Contribution component shall be the difference between the Solar Purchase Price and the Avoided Cost component.

V. STANDARD REQUIREMENTS

The Solar Customer-Generator's System shall be engineered, designed, installed, maintained and operated by the Solar Customer-Generator at the Solar Customer-Generator's own expense. The Solar Customer-Generator shall provide all equipment necessary to meet applicable safety, power quality and interconnection requirements.

(Continued)

Schedule SP
SOLAR PURCHASE
(Experimental)

(Continued)

VI. SOLAR CUSTOMER-GENERATOR'S COST

The Company agrees to provide interconnection and metering capability at the Solar Customer-Generator's service location at the Solar Customer-Generator's expense. In addition to any initial interconnection and metering installation costs, the Solar Customer-Generator also is responsible for all monthly and on-going operation and maintenance costs associated with the Solar Customer-Generator's System. Based on existing facilities and project scope, the Company reserves the right to require the Solar Customer-Generator to execute a Chapter 314 Level 1 Interconnection Request Form (Exhibit A), if the Solar Customer-Generator's generator interconnection requires the Company to provide facilities other than a meter, as specified in Paragraphs II.A. and II.B, above, or as otherwise may be required.

VII. RESERVATION OF RIGHTS

The Company shall have the right, but not the obligation, to inspect from time to time the portions of the Solar Customer-Generator's System that interconnect or relate to the safety of the provision of energy to the Company. Pursuant to the Company's Terms and Conditions on file with the Commission and the Commission's *Regulations Governing Interconnection of Small Electrical Generators* (20 VAC 5-314-10, *et seq.*), the Company reserves the right to disconnect the Solar Customer-Generator's System from Company lines and facilities when, in the Company's sole judgment, continued parallel operation of the Solar Customer-Generator's System is unsafe or may cause damage to persons or property. The Company also shall disconnect the Solar Customer-Generator's System if the Solar Customer-Generator fails to comply with the Company's parallel operation requirements. Upon such disconnection, the Company shall promptly notify the Solar Customer-Generator so that any unsafe condition can be corrected.

VIII. TERM AND TERMINATION

Unless the Agreement is terminated for default in accordance with the provisions of the Agreement, the Agreement is for a term of five (5) years (the "Initial Term"). Energy purchased by the Company from the Solar Customer-Generator during the Initial Term shall be at a fixed price based upon the Schedule SP Solar Purchase Price in effect as of the Agreement's Effective Date. Upon expiration of the Initial Term, the Agreement shall be considered renewed for a renewal term of one (1) year, continuing annually thereafter, until either the Solar Customer-Generator or the Company gives written notice of termination, such written notice to be provided to the other party thirty (30) days prior to the commencement of the next renewal term. Energy purchased from the Solar Customer-Generator by the Company during the renewal term shall be purchased at the currently approved Schedule SP Solar Purchase Price as of the date of renewal.

(Continued)

Schedule SP
SOLAR PURCHASE
(Experimental)

(Continued)

VIII. TERM AND TERMINATION (Continued)

Due to current rules regarding resource eligibility for inclusion in Green-e Certified Programs, the Company shall not purchase energy through Schedule SP from the Solar Customer-Generator's System for a term beginning more than fifteen (15) years from the initial operation date of the Solar Customer-Generator's System.

IX. INTERCONNECTION

The interconnection process will follow the Commission's *Regulations Governing Interconnection of Small Electrical Generators* (20 VAC 5-314-10, *et seq.*) and Section XXVI of the Company's Terms and Conditions on file with the Commission. In addition to the Agreement, the Solar Customer-Generator may be required to execute a Chapter 314 Level 1 Interconnection Request Form (Exhibit A). Should the Solar Customer-Generator's interconnection require the Company to incur costs, such costs shall be borne by the Solar Customer-Generator.

The Solar Customer-Generator shall be responsible for ensuring a safe and reliable interconnection with the Company's system. Every interconnection is unique and is handled individually by the Company. The Company, if necessary, may require the Solar Customer-Generator to enter into a separate excess facilities charge agreement.

X. FAILURE TO INTERCONNECT IN A TIMELY MANNER

If the Solar Customer-Generator's System is not interconnected to the Company's distribution system within six (6) months from the Effective Date of the Agreement, the Solar Customer-Generator will be in default and the Company shall terminate the Agreement.

XI. CAPACITY FACTOR

If the Solar Customer-Generator's monthly capacity factor is less than 10%, the Solar Customer-Generator must make necessary adjustments or repairs to improve monthly capacity factor to greater than or equal to 10%. If the monthly capacity factor for any four months within a calendar year is less than 10%, the Company has the right to terminate the Agreement.

(Continued)

Schedule SP
SOLAR PURCHASE
(Experimental)

(Continued)

XI. CAPACITY FACTOR (Continued)

If the Solar Customer-Generator's monthly capacity factor is greater than 20%, the Company has the right to inspect the Solar Customer-Generator's System to ensure its applicability. Due to the limitations of current solar photovoltaic technology, if the monthly capacity factor is greater than 20% in a second month, the Company may ask the Solar Customer-Generator to explain why the capacity factor is greater than 20%. If in the Company's sole judgment, the Solar Customer-Generator's reason does not justify a capacity factor greater than 20%, the Company may consider the Solar Customer-Generator to be in default and terminate the Agreement.

Calculation of monthly capacity factor percentage:

$$\% \text{ CF} = 100 * [\text{Monthly kWh} / (\text{Hours in Month} * \text{Installed DC kW})]$$

Where:

% CF = Capacity Factor;

DC = Direct Current.

XII. TERM OF CONTRACT

The term of contract under this Schedule between the Company and the Solar Customer-Generator shall coincide with the term of the Agreement. However, the Solar Customer-Generator may terminate the Agreement at any time by providing thirty (30) days advance written notice to the Company. However, early termination in the Program will preclude further participation by the Solar Customer-Generator in the Program.