



Policy No:	303
Title:	Net Metering Policy
Date Reviewed:	July 25, 2023
Date Revised :	July 25, 2023

**SUBJECT: NET METERING**

- I. OBJECTIVE: To establish policy to support the interconnection of Member-owned equipment for renewable energy generation (Net Meter System) by a Member-Generator (Member-Generator) of San Miguel Power Association, Inc. (SMPA) under a net meter arrangement, as allowed under the State of Colorado Net Metering regulations that apply to electric cooperatives.
  
- II. POLICY: It shall be the policy of (SMPA) to:
  - A. Require the SMPA net metering application and agreement forms to be completed, returned to SMPA, and approved by SMPA. SMPA interconnection agreements may be required as well.
  - B. The Member–Generator's Net Meter Systems must have a rated capacity of 10 kW or less for residential installations or 25 kW or less for commercial installations as per Colorado net meter law.
  - C. For systems greater than the above limits, but less than 100kW, a Member-Generator may select from the following options:
    - 1. Split-System: The Net Meter System is broken into separate systems. The first system sized within policy limits, per II. B. above, connects to the customer side of the meter. This provides full retail credit for that energy. A second production meter is attached to the remaining PV system output on the utility side of the meter. This meter is a new/second account with a monthly access charge. The energy rate paid for the second meter is the current Net Meter Avoided Cost (NMAC), as determined by SMPA.
    - 2. Net Billing: The Net Meter System connects to customer side of the meter. Monthly excess generation is credited to the Member-Generator account at the Net Meter Avoided Cost (NMAC), as determined by SMPA.
  - D. Any Net Meter System must use a renewable resource such as solar, wind, biomass, hydro, geothermal or any other qualifying renewable resource, as defined by Colorado net meter law.
  - E. The Net Meter System must be located on premises that are owned, leased or controlled by the Member-Generator.
  - F. All Net Meter Systems shall be installed primarily for the purpose of offsetting a part of or all of the energy requirements at that location, as calculated by SMPA. The Net Meter System shall **not** be used to offset or provide bill crediting for electric consumption at another location of the Member-Generator, or for any other member, (virtual net metering).
  - G. All net meter installations must meet all applicable requirements, regulations, policies, by-laws, and tariffs of SMPA and/or SMPA's wholesale power provider(s) as well as any governmental rule, regulation, code or statute that applies.
  - H. The generating system or Net Meter System used by the Member-Generator must meet all applicable safety and performance standards established by the National Electric Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), Underwriters Laboratory (UL), the National Electric Safety Code (NESC), applicable SMPA interconnection standards, rules,

regulations, policies, by-laws, rates, and tariffs as in place and as amended from time to time, and any other applicable regulations or standards.

- I. An approved electrical inspection by the Authority Having Jurisdiction (AHJ) of the new service and/or Net Meter System is required to complete the net meter application process.
- J. For Net Meter Systems 25 kW and under, SMPA requires the Member-Generator to carry no less than three hundred thousand dollars (\$300,000) of liability insurance that provides for coverage of all risk liability for personal injuries (including death) and damage to property arising out of or caused by the Member-Generator's Net Meter System. Insurance may be in the form of an existing insurance policy or an endorsement on an existing insurance policy. For Net Meter Systems above 25kW and up to 500kW, coverage will be (\$1,000,000), and for Net Meter Systems above 500kW, coverage will be (\$2,000,000).
- K. The Member-Generator shall reimburse SMPA for costs resulting from interconnecting with the Member-Generator's Net Meter System. The interconnection cost shall include all costs of connection, switching, transmission, distribution, safety provisions and administrative costs incurred by SMPA directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with the Member-Generator's Net Meter System.
- L. Interconnection of a Member-Generator's Net Meter System will be permitted only after all of the requirements of SMPA are met, and only after written approval of the net meter application. This authorization cannot be issued until all interconnection costs are paid and does not relieve the Member-Generator from the responsibility of installing, operating and maintaining the Net Meter System in a responsible and safe manner. If, in the opinion of SMPA, the Member-Generator fails to meet the requirements of SMPA, including subsequent operation of the Net Meter System in a non-qualifying manner, SMPA will no longer be obligated to operate in parallel and may notify the Member-Generator to disconnect the Net Meter System from SMPA's system. In the event the Member-Generator fails to immediately comply with a disconnect notice, SMPA reserves the right to make such disconnection, including the termination of electric service if necessary.
- M. Employees and authorized representatives of SMPA will have the right to enter the Member-Generator's property at any reasonable time to ensure continued compliance with SMPA's safety and operating standards and the accuracy of its meters. Such inspection by SMPA shall not relieve the Member-Generator from the responsibility of installing, operating and maintaining the Member-Generator's Net Meter System in a responsible and safe manner.
- N. Operation of the Member-Generator's Net Meter System must not cause any reduction in the quality of service to other SMPA consumers nor interfere with the operation of SMPA's system. The Member-Generator shall be responsible for taking whatever corrective action may be required and/or reimbursing SMPA for the cost of corrective action which it deems necessary to restore service to prescribed limits.
- O. The electrical characteristics of the Member-Generator's Net Meter System shall conform with standards established by SMPA. The standards include voltage, current, frequency, harmonics, and automatic synchronization, etc.; wherever possible, SMPA will base its standards on industry-wide standards.
- P. For systems within limits of II. B. above, a single meter capable of registering the flow of electricity in each direction (kWh received and kWh delivered) will be provided for net

metering, at SMPA's expense. Energy that is put onto the system by a member-generator shall be subject to the following:

1. Monthly Excess Generation. If the member generates electricity in excess of the member's monthly consumption, all such excess energy shall be carried forward from month to month and credited on a one-for-one basis against the member's energy consumption in subsequent months.
  2. Annual Excess Generation. At the end of each annual period, defined as April 1 , or November 1, SMPA shall account for the Annual Excess Generation that has been accrued, if any. The Member-Generator will have the option to make a one-time selection of which of the above true-up months is preferred. The Member-Generator must (not optional) carry forward to the subsequent year all Annual Excess Generation, up to 1,000 kWh. This Annual Excess Generation carry forward provision will expire on December 31, 2023. SMPA will pay for all Annual Excess Generation within 60 days of the end of the annual period at the Net Meter Avoided Cost of Energy, as determined by SMPA.
  3. Crediting and Payment. Bill crediting for energy that is put onto the system and payment for Annual Excess Generation shall only be made for qualified net meter accounts with a completed SMPA net metering agreement. Bill crediting will begin at the reading date immediately preceding the utility approval of the net metering agreement. In the case of a new account at a service with an existing Net Meter System, the bill crediting will begin at the opening of the new account so long as the new account owner completes and submits a new net metering agreement within 30 days of opening the account. If the net meter agreement is submitted after 30 days of opening the account, the bill crediting will begin at the reading date immediately preceding the utility approval of the net metering agreement.
  4. When a net meter account is closed, or in any situation that SMPA should have to settle up with a net-metered account monetarily, any remaining Excess Generation will be paid to the Member-Generator within 60 days at the Net Meter Avoided Cost of Energy, as determined by SMPA.
- Q. The Member-Generator must agree to assign all Renewable Energy Credits (RECs) produced by the Net Meter System to SMPA. The Member-Generator will represent they will not claim the RECs produced for any purpose.

III. **RESPONSIBILITY:** It shall be the responsibility of the General Manager/CEO to see that this policy is implemented and followed.