

2018 McLEOD COOPERATIVE POWER ASSOCIATION COGENERATION AND SMALL POWER PRODUCTION

AVAILABILITY

Available to all members where the member has qualified small power production or cogeneration facilities connected in parallel with the Cooperative's facilities. The member is required to execute an Interconnection Agreement with the Cooperative. A Qualifying Facility (QF) is a cogeneration and small power production facility that satisfies the conditions in 18 Code of Federal Regulations, Section 292.101(b).

CHARACTER OF SERVICE

Alternating current, 60 hertz, at available secondary voltages.

RATE

The Cooperative shall pay the member monthly for all energy furnished during the month at the rate shown in Section 1 - 4 below. In addition, the Grid Access Charge may be applied depending on the cogeneration rate selected.

Grid Access Charge: Pursuant to MN State Statute 216B.164 Subd. 3(a) the Grid Access Charge is applied to all distributed generation systems interconnected after March 1, 2016 that select either Net Energy Billing or Roll Over Credits as a cogeneration rate. The Grid Access Charge is applied against the kW of nameplate capacity of the qualified facility above the first 3.5 kW. System greater than 3.5 will be charged the monthly rate on the additional kW of nameplate capacity, not to exceed the monthly maximum charge.

<u>Service Type</u>	<u>Rate Schedule</u>	<u>Monthly Charge per kW</u>	<u>Max Monthly Charge</u>
General Service – Single Phase	2	\$ 2.99	\$ 27.00
General Service – Multi-Phase	5	\$ 2.63	\$ 70.00

1. Net Energy Billing: Available to any QF of less than 40 kW capacity that do not select either the Roll Over Credits, Simultaneous Purchase and Sale Billing or Time of Day rates.

The Cooperative shall bill the qualifying facility for the excess of energy supplied by the Cooperative above energy supplied by the qualifying facility during each billing period according to the Cooperative's applicable retail rate schedule. The Cooperative shall pay the member for the energy generated by the qualifying facility that exceeds that supplied by the Cooperative during a billing period as follows:

<u>Service Type</u>	<u>Rate Schedule</u>	<u>ARCER</u>
General Service – Single Phase	2	\$ 0.1232/kWh
General Service – Multi-Phase	5	\$ 0.1158/kWh

2. Roll Over Credits: Available to any QF of less than 40 kW that do not select either Net Energy Billing, Simultaneous Purchase and Sale Billing or Time of Day rates.

Kilowatt-hours produced by the QF in excess of the monthly usage shall be supplied as an energy credit on the member's energy bill, carried forward and applied to subsequent energy bills, with an annual true-up on December 31. Excess energy credits existing as of December 31 shall default back to the Cooperative with no compensation to the QF.

3. Simultaneous Purchase and Sale Billing: Available to any QF of less than 40 kW capacity that do not select or qualify for either the Net Energy Billing, Roll Over Credits or Time of Day rates and does not receive a time of day retail electric service from the Cooperative.

Cooperative shall pay the member for all energy delivered as follows:

	<u>November - April</u>	<u>May - October</u>
Energy Payment (\$/kWh)	\$ 0.02367	\$ 0.02406
Capacity Payment for Firm Power (\$/kWh)	\$ 0.00	\$ 0.00

4. Time-of-Day Purchase Rate: Available to any QF of 100 kW capacity or less and available to QFs with capacity of more than 100 kW if firm power is provided.

Cooperative shall pay the member for all energy delivered as follows:

	<u>November - April</u>	<u>May - October</u>
On Peak Energy Payment (\$/kWh)	\$ 0.02856	\$ 0.03148
Off Peak Energy Payment (\$/kWh)	\$ 0.01974	\$ 0.01801
Capacity Payment for Firm Power (\$/kWh)	\$ 0.00	\$ 0.00

TAXES

The rates set forth are based on currently effective taxes and the amount of any increase in existing or new taxes on the transmission, distribution or sale of electricity allocable to sales hereunder shall be added to the rates as appropriate to be paid by the member.