

**City of Shelby
Renewable Energy Credit Rider
Electric Rate Rider RECR-1**

AVAILABILITY

This optional rate rider is available to customers on any City of Shelby (“City”) rate schedule who operate solar photovoltaic, wind powered, or biomass-fueled generating systems, without battery storage, located and utilized at the customer’s primary residence or business. To qualify for this rate rider, the customer must have complied with the City’s Interconnection Standards and have an approved Interconnection Request Form. As part of the Interconnection Request Form approval process, the City retains the right to limit the number and size of renewable energy generating systems installed on the City’s System. The generating system that is in parallel operation with service from the City and located on the customer’s premises must be manufactured, installed, and operated in accordance with all governmental and industry standards, in accordance with all requirements of the local code official, and fully conform with the City’s applicable renewable energy interconnection interface criteria. Qualified customers must be generating energy for purposes of a “buy-all/sell-all” arrangement to receive credits under this rate rider. That is, the City agrees to buy all and the customer agrees to sell all of the energy output and associated energy from the renewable energy resource. Customers with qualified systems may also apply for NC GreenPower credits or North Carolina Municipal Power Agency 1 (“NCMPA1”) Renewable Energy Certificate (“REC”) credits.

The Fixed Long-Term Rates on this Rider are available only to Customers who have executed a Power Purchase Agreement with the City on or before July 1, 2017 [or other date determined by City] for delivery of power beginning on or before the earlier of thirty (30) months from the date of execution of the Power Purchase Agreement.

Notwithstanding the above, all qualifying facilities have the option to sell energy to the City on an “as available” basis and receive energy credits based on the Variable Rates identified in this Rider for the delivered energy.

MONTHLY CREDIT

Monthly credits are paid according to the type of renewable generation.

Wind and Biomass Energy Credit (\$ Per kWh):

		<u>Fixed Long-term Rate</u>		
	<u>Variable</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Years</u>
On-peak energy*	\$0.028	\$0.0315	\$0.0337	\$0.0361
Off-peak energy	\$0.0103	\$0.0108	\$0.0110	\$0.0117

Solar Photovoltaic Energy Credit (\$ Per kWh):

	<u>Fixed Long-term Rate</u>			
	<u>Variable</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Years</u>
All energy*	\$0.0304	\$0.0336	\$0.0359	\$0.0383

* These energy credits include a capacity component.

MONTHLY ENERGY

Monthly Energy shall be the total kWh of energy produced by the generating facility during the current calendar month. All energy produced by the Customer’s renewable energy generating system must be delivered to the City, since the city does not offer net metering at this time.

ON-PEAK ENERGY

On-Peak Energy shall be the metered energy during the On-Peak Energy Period of the current calendar month, whereby the On-Peak Energy Period is defined as non-holiday weekdays from 7:00 AM to 11:00 PM EPT.

OFF-PEAK ENERGY

Off-Peak Energy shall be the Monthly Energy less the amount of energy billed as On-Peak Energy.

CONTRACT PERIOD

Prior to receiving service under this Rider, the City and the customer shall have entered either an Interconnection Agreement or executed a Certificate of Completion (inverter-based generators less than 10 kW) and a Power Purchase Agreement which covers the special terms and conditions for the customer’s requirements related to the interconnection of the customer’s renewable energy generating system.

Each of these agreements shall have a minimum term of one (1) year. Either party may terminate the agreements after one year by giving at least thirty (30) days previous notice of such termination in writing.

GENERAL

Service under this Rider is subject to the provisions of the Service Regulations of the City contained in the *City of Shelby Terms and Conditions of Electric Service and Electric Service Regulations*.

SPECIAL CONDITIONS

The customer’s service shall be metered with two meters, one of which measures all energy provided by the City and used by the customer, and the other measures the amount of energy generated by the customer’s renewable energy generator which is provided to the City.

In the event that the City determines that it is necessary to install any additional equipment to protect the safety and adequacy of electric service provided to other customers, the customer shall pay for the cost of such equipment in accordance with the terms of its Power Purchase Agreement.

Effective July 1, 2016.