

SURRY-YADKIN ELECTRIC MEMBERSHIP CORPORATION
DOBSON, NORTH CAROLINA

RATE RIDER LRG
Large Renewable Generation Rider

AVAILABILITY

This Rider is available only to members located in the Cooperative's service territory who have an Eligible Qualifying Facility interconnected directly with the Cooperative's system and who have contracted to sell all the generator's capacity and energy to the Cooperative. In order to be considered an Eligible Qualifying Facility, under this Rider, the generator must be hydroelectric or fueled by trash or methane derived from landfills, hog waste, or poultry waste, non-animal biomass, solar, or wind and meets the definition of a Qualifying Facility as defined by the Federal Energy Regulatory Commission's (FERC) Order No. 70 under Docket RM79-54. The size of a Renewable Generator contracting to sell all their capacity and energy under this Rider shall be greater than 25 kW. The maximum size of a generator interconnected to the Cooperative's system shall, however, be limited by the impact the generator will have on the Cooperative's system based upon its location on the system and the results of an Engineering Study commissioned by the Cooperative and paid for by the consumer.

Service necessary for the delivery of the consumer's power into the Cooperative's system under this schedule shall be furnished solely to the individual contracting consumer in a single enterprise, located entirely on a single, contiguous premise. Prior to receiving service under this schedule the consumer must have a signed "Standard Interconnection Agreement" between the consumer and the Cooperative.

The obligations of the Cooperative in regard to service under this schedule are dependent upon its securing and retaining all necessary rights-of-way, privileges, franchises, and permits for such service. The Cooperative shall not be liable to any consumer or applicant for power in the event it is delayed in, or is prevented from purchasing power by its failure to secure and retain such rights-of-way, rights, privileges, franchises, and permits. Consumers receiving service under this schedule must have their renewable generation registered with the North Carolina Utilities Commission prior to connecting to the Cooperative's system.

If the consumer requires supplemental, standby, or interruptible service, the consumer shall enter into a separate service agreement with the Cooperative in accordance to the Cooperative's applicable electric rates, riders, and established Service Rules and Regulations as filed with the North Carolina Utilities Commission.

CHARACTER OF SERVICE

Service shall be provided at one point of delivery through a single meter at one of the following voltages. Standard service shall be single-phase, 120/240 Volts, and 60 Hz. Three-phase service may be provided where available at 208/120 Volts or 480/277 Volts. Other voltages may be available with prior approval of the Cooperative.

SURRY-YADKIN EMC
 RIDER LRG – Continued

MONTHLY RATE

Interconnection Facilities Charge:	Amount calculated per next paragraph.
Supplemental Facilities Charges:	
0 – 25 kW (nameplate capacity)	\$ 3.75 per month
26 – 100 kW (nameplate capacity)	\$ 10.00 per month
101– 499 kW (nameplate capacity)	\$ 35.00 per month
500 kW and greater (nameplate capacity)	\$ 125.00 per month

Capacity Credits¹:

Qualifying Facilities eligible for the Cooperative’s Variable or Fixed Long Term Capacity Credits shall be paid a Capacity Credit for all capacity delivered to the Cooperative’s system as registered or computed from the Cooperative’s metering equipment. The Capacity Credit will be in accordance with the length of the rate term for capacity sales as established in the Purchase Agreement between the Cooperative and the member.

	<u>Variable Rate</u>	<u>Fixed Long Term Rates</u> <u>5 Years</u>
All On-Peak Energy during an On-Peak Month per kWh:	2.81¢	2.88¢
All On-Peak Energy during an Off-Peak Month per kWh:	2.19¢	2.25¢

Energy Credits¹:

Qualifying Facilities eligible for the Cooperative’s Variable or Fixed Long Term Energy Credits shall be paid an Energy Credit for all energy delivered to the Cooperative’s system as registered or computed from the Cooperative’s metering equipment. The Energy Credit will be in accordance with the length of the rate term for capacity sales as established in the Purchase Agreement between the Cooperative and the member.

	<u>Variable Rate</u>	<u>Fixed Long Term Rates</u> <u>5 Years</u>
All On-Peak Energy per kWh	4.37¢	4.93¢
All Off-Peak Energy per kWh	3.91¢	4.15¢

¹ If the capacity of the customer’s generator is less than 500 kW, the energy output from the generator will be credited to the customer by the Cooperative at the capacity and energy credits shown above. If the capacity of the customer’s generator is 500 kW or above, the energy output of the generator will be purchased by Cooperative’s wholesale power provider at its avoided cost as outlined in their Schedule QF – “Power Purchases from Qualifying Facilities”.

INTERCONNECTION FACILITIES CHARGE

The consumer shall be responsible for providing suitable control and protective devices on their equipment to assure no disturbance to other consumers of the Cooperative or to the Cooperative and for protecting the consumer's facilities from all loss or damage which could result from operation with the Cooperative's system. All interconnection equipment, including control and protective devices, must meet or exceed the National Electric Code (NEC), National Electric Safety Code (NESC), and Institute of Electrical and Electronics Engineers (IEEE) Standards.

The Cooperative will install, own, and maintain all distribution, service, and interconnection related facilities necessary for service under this schedule. Interconnection facilities include suitable control and protective devices installed on Cooperative equipment to allow operation of the consumer's generating facilities; metering facilities equipped to prevent reverse registration for the measurement of service under this schedule; and any other modifications to its system required to serve the consumer under this schedule as determined by the Cooperative.

Prior to installation, the consumer shall be responsible for paying the Cooperative a contribution-in-aid of construction equal to the estimated installation cost of all distribution, service, metering, and interconnection related facilities that must be installed by the Cooperative to serve the generator. All such facilities shall be subject to a monthly Interconnection Facilities Charge which shall be the installed cost of the Cooperative's facilities necessary to serve the generator times 1.0% per month.

The Cooperative reserves the right to install facilities necessary for the appropriate measurement of service under this Schedule and to adjust the Interconnection Facilities Charge accordingly, solely at the option of the Cooperative.

POWER FACTOR CORRECTION

When the average monthly power factor of the power supplied by the consumer to the Cooperative is less than 95 percent lagging or less than 100 percent leading, the Cooperative may correct the energy, in kilowatt-hours, as appropriate. The Cooperative reserves the right to install facilities necessary for the measurement and correction of power factor and to adjust the Interconnection Facilities Charge accordingly, solely at the option of the Cooperative.

RENEWABLE ENERGY CERTIFICATES

Payments and/or credits for Renewable Energy Certificates (RECs) and any environmental attributes produced as a result of the energy generated by the renewable generation shall be negotiated between the consumer and the Cooperative on a case-by-case basis, with the Cooperative having the first right of refusal. The negotiated price shall be based upon the type of generation and the market for similar certificates at the time the generation comes online. Consumers receiving compensation for RECs from the Cooperative shall not be eligible to participate in NC GreenPower's renewable generation program.

DETERMINATION OF ON-PEAK AND OFF-PEAK MONTHS

The On-Peak Months shall be the Months of June through September and December through February. The Off-Peak Months shall be the Months of March through May, October, and November.

DETERMINATION OF CAPACITY CREDITS

Capacity Credits will be based on the energy, in kilowatt-hours, which is supplied to the Cooperative during the On-Peak Period Hours of the Month and will be applied to the member's bill in the appropriate Month. Capacity Credits are available only to qualifying facilities classified as "new capacity" in accordance with the Federal Energy Regulatory Commission's Order No. 69 in Docket No. RM79-55.

DETERMINATION OF ON-PEAK AND OFF-PEAK ENERGY

On-Peak Energy shall be energy, in kilowatt-hours, which is supplied to the Cooperative during On-Peak Period Hours. Off-Peak Energy shall be energy, in kilowatt-hours, which is supplied to the Cooperative during the Off-Peak Period Hours.

For the period of April 1 through September 30, the hours are as follows:

On-Peak Hours: 10:00 a.m. through 10:00 p.m., Monday - Friday

Off-Peak Hours: All other times.

For the period of October 1 through March 31, the hours are as follows:

On-Peak Hours: 6:00 a.m. through 1:00 p.m. and 4:00 p.m. through 9:00 p.m.,
Monday - Friday

Off-Peak Hours: All other times.

PAYMENTS

Credit billings to the consumer shall be payable to the consumer within twenty-five (25) days of the date of the scheduled meter reading.

SALES TAX

Any applicable State and local sales taxes will be added to all services billed under this schedule.

RATE UPDATES

The Capacity and Energy Credits and Administrative Charge of this Schedule may be updated on an annual basis. Any changes in the Capacity and Energy Credits will be based upon changes in the avoided cost of the Cooperative's wholesale power supplier. Members who have contracted for the Fixed Long Term Credits will not be affected by updates in the Energy and Capacity Credits until their rate term expires. For all Qualifying Facilities selling to the Cooperative pursuant to the Variable Credit provisions of this Schedule, such credits shall be updated and changed in accordance changes in the avoided cost of the Cooperative's wholesale power supplier.

DEFINITIONS

Nameplate Capacity: The term “Nameplate Capacity” shall mean the maximum continuous electrical output capability of the generation at any time at a power factor of ninety-seven percent (97%).

Capacity: The term “Capacity” shall mean the Nameplate Capacity of the member’s generating facilities, less the portion of that capacity needed to serve the generating facilities’ Auxiliary Load.

Auxiliary Load: The term “Auxiliary Load” shall mean power used to operate auxiliary equipment in the facility necessary for power generation (such as pumps, blowers, fuel preparation machinery, and exciters).

Month: The term “Month” as used in this Schedule means the period intervening between meter readings for the purposes of monthly billing, such readings being taken once per month.

PAYMENTS

Credit billings to the member shall be payable to the member within twenty-five (25) days of the date of the scheduled meter reading.

SALES TAX

Any applicable State and local sales taxes will be added to all services billed under this schedule.

CONTRACT PERIOD

Each member shall enter into a contract which will specify the capacity of the Qualifying Facility and shall specify the initial term and the associated rate at the time the contract is executed. The initial term for members receiving credits under the variable rate and the five year fixed long term rate shall be a minimum of five (5) years.

The Cooperative reserves the right to terminate the member’s contract under this Schedule at any time upon written notice to the member in the event that the member violates any of the terms or conditions of this Schedule or operates its generating facilities in a manner which is detrimental to the Cooperative or any of its members or fails to deliver energy to the Cooperative for six (6) consecutive months. In the event of early termination of a contract under this Schedule, the member will be required to pay the Cooperative for costs due to such early termination.