

COGENERATION SERVICE

BILLING RATE GV

AVAILABILITY

This schedule is available to customers with small power production facilities which qualify under Section 210 of the Public Regulatory Policies Act of 1978, and which have a total design capacity of 100 kilowatts or less. Power generated by the customers' facilities will be purchased by the Cooperative under this schedule. Power will be sold to the customer under the terms and of the applicable rate schedule.

TYPE OF SERVICE

Type of service is 60 Hertz, alternating current. Installations of up to 10kW capacity shall be 240 volt, single phase. Installations with greater than 10kW capacity shall be three phase at the Cooperative's standard voltages unless otherwise specified by the Cooperative.

MONTHLY RATE

A. Energy:

Energy shall be purchased from the customer at the previous 12 month average of the PJM locational marginal price delivered to the Dominion Zone. The energy price shall be updated the beginning of each Delivery Year, currently the period of June 1st through May 31<sup>st</sup> of each year.

B. Capacity Credits for PJM Reliability Pricing Model ("PJM-RPM")

The customer shall receive a PJM-RPM credit determined as follows:  
The Customer's electrical production at the time of the PJM 5 Coincident Peaks (5CP) of the prior summer as determined in accordance with PJM's rules for the PJM Delivery Year prior to the current Delivery Year times the current PJM-RPM charge (\$/MW-Day). The applicable PJM-RPM credit will be updated at the beginning of each PJM Delivery Year. The Customer's actual electrical production will be adjusted to compensate for distribution and transmission losses based on the applicable loss expansion factor. For electrical production delivered to the NOVEC distribution system, the losses will be 4%. The Cooperative will use the current PJM loss factor as determined and updated by PJM each Delivery Year as applicable.

C. Transmission Credits for Network Integration Transmission Services ("NITS")

The customer shall receive a NITS credit determined as follows:  
The Customer's actual coincidental electrical production during the single highest Dominion Virginia Power (DVP) transmission annual hourly peak load used to establish NOVEC's transmission cost obligation times the current DVP transmission charge. The applicable NITS credit will be updated at the beginning of each calendar year. The Customer's actual electrical production will be adjusted to compensate for distribution and transmission losses based on the applicable loss expansion factor. For electrical production delivered to the NOVEC distribution

system, the losses will be 4%. The Cooperative will use the current PJM loss factor as determined and updated by PJM each Delivery Year as applicable.

### INTERCONNECTION CHARGE

Interconnection costs shall be paid by the customer. Interconnection costs are defined as the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions and administrative costs incurred by the Cooperative directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operation with the customer's facilities to the extent such costs are in excess of the corresponding costs, if any, which the Cooperative would have incurred if it had not engaged in the interconnected operations but instead, purchased an equivalent amount of energy or capacity from other sources. Payment of the one-time interconnection charges shall be made by either of the following methods:

- A. The estimated full amount to be paid in advance of construction. Adjustments to correct for the difference between the actual and estimated costs shall be billed or credited immediately following completion of construction.
- B. The amortized total costs, payable in equal monthly or annual installments over a three year period, or such period as may be mutually agreeable. Under this method, the customer may be required to purchase a surety bond with the Cooperative as beneficiary to guarantee payment of the total cost. Interest on the unpaid balance shall be at the composite rate paid by the Cooperative on its most recent issue of long-term debt.

### TERMS OF PAYMENT

The Cooperative shall make payment to the customer within thirty (30) days after the meter is read.

### TERMS OF CONNECTION

Interconnection of customers' generation with Cooperative's system will be permitted only under the terms of a contract between customer and Cooperative. Minimum contract term shall be one year.

**ACCEPTED FOR FILING  
PUBLIC UTILITY REGULATION  
STATE CORPORATION COMMISSION**

**MAY · 1 2017**

EFFECTIVE 5/1/2017