

NORTHERN NECK ELECTRIC COOPERATIVE

SCHEDULE NEM-5

NET ENERGY METERING RIDER

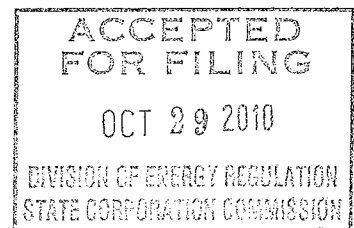
1. APPLICABILITY

This rider applies to any distribution customer in the Cooperative's service area that qualifies for and executes an agreement for net metering service. "Net metering service" means providing retail electric service to a customer operating a renewable fuel generator and measuring the difference, over the net metering period, between electricity supplied to the customer from the Cooperative's distribution system and the electricity generated and fed back to the Cooperative's distribution system by the customer. A customer may qualify for this service by owning and operating, or contracting with other persons to own, operate, or both, a renewable fuel generator that (i) uses as its total fuel source sunlight, wind, falling water, sustainable biomass, energy from waste, wave motion, tides, or geothermal power; (ii) is located on his premises and is connected to the customer's wiring on the customer's side of its interconnection with the Cooperative; (iii) is interconnected and operated in parallel with an electric company's transmission and distribution facilities; and (iv) is primarily intended to offset part or all of the member/customer's own electricity requirements.

For residential customers, the renewable fuel generator capacity may not exceed ten (10) kilowatts alternating current and for non-residential customers the renewable fuel generator capacity may not exceed five hundred (500) kilowatts alternating current. The interconnection shall be through a single meter or, as provided in 20 VAC 5-315-70, additional meters. The total connected capacity of all generators shall not exceed 1.0% of the Cooperative's Virginia peak-load forecast for the previous year.

The Cooperative will abide by the State Corporation Commission's Regulations Governing Net Energy Metering, 20 VAC 5-315-10 *et seq.* (the "Rules") in applying the provisions of this Rider.

If the Cooperative has an applicable time-of-use ("TOU") tariff, the following definitions shall apply. A TOU net metering customer is one electing to receive retail electricity supply service under a demand charge-based TOU tariff, if one is offered by the Cooperative. A TOU period is an interval of time over which the energy rate charged to a TOU customer does not change. A TOU Tier is all of those TOU periods given the same name, such as "on-peak" or "off-peak" or "critical peak." TOU Tier rates may vary. The TOU Tiers will be denominated on the Cooperative's TOU tariff.



2. MONTHLY CHARGES

The tariff for a net energy metering customer shall be that tariff under which the customer would be served if the customer were not a net energy metering customer (the customer's standard tariff), with the exception that TOU net metering is not permitted under an electricity supply service tariff having no demand charges.

3. MINIMUM MONTHLY CHARGES

For any billing period in which generation exceeds consumption, producing a billing period credit, the monthly charge shall be based only on the fixed charges of the customer's standard tariff. For net metering customers not utilizing a TOU tariff, the customer must pay only the nonusage sensitive charges for any billing period in which a billing period credit exists. Regarding TOU net metering customers, for whom excess generation is determined separately for each TOU Tier, the customer must pay only the demand charges and the nonusage sensitive charges in any billing period when there are credits in all tiers for that billing period. Billing period credits will be carried forward and applied to offset future consumption charges as provided in Rule 20 VAC 5-315-50.

4. OPTIONS FOR PURCHASE OF EXCESS ENERGY AND FOR PURCHASE OF RENEWABLE ENERGY CERTIFICATES ("RECS")

If the Cooperative is also the energy service provider of the net metering customer, the Cooperative, upon written request of the net metering customer, shall enter into an agreement to purchase excess generation for the requested net metering periods at a price equal to the simple average of the Cooperative's hourly avoidable cost of energy, including fuel, based on the energy and energy-related charges of its primary wholesale power supplier for the net metering period, unless the Cooperative and the net metering customer mutually agree to a higher price or unless, after notice and opportunity for hearing, the commission establishes a different price or pricing methodology. A net metering customer shall receive no compensation for excess generation unless the net metering customer has entered into a power purchase agreement with the Cooperative.

Net metering customers own the RECs associated with their renewable fuel generators. A net metering customer wishing to sell its RECs to the Cooperative may do so by exercising a one-time only option, at the time it executes the power purchase agreement with the Cooperative, to include a provision requiring the purchase by the supplier of all generated RECs over the duration of the power purchase agreement. Such sales shall be subject to reasonable metering and verification requirements as determined by the Cooperative. The rate payable for RECs shall be (i) determined by adherence to the Rules and (ii) reference to the "CR" component of Dominion Virginia Power's Rider G Tariff, as permitted under the Rules.

5. OPERATING REQUIREMENTS

Prior to interconnecting the renewable fuel generator the net energy metering customer must comply with all requirements of the Regulations Governing Net Energy Metering, Title 20, Agency 5, Chapter 315, Virginia Administrative Code, pursuant to provision of Section 56-594 of the Virginia Electric Utility Restructuring Act, as amended. These regulations specify insurance requirements, interconnection requirements, and govern the metering, billing and contract requirements between net energy metering customers, electric distribution companies, and energy service providers.

All net energy metering customers shall have installed a lockable, load-breaking manual disconnect switch at a suitable location, approved by the Cooperative, that allows the Cooperative round-the-clock, unobstructed access to the switch and that can be easily located and accessed by the Cooperative. Unobstructed access to the switch must be maintained at all times, at the customer's expense.

6. NET METERING ADDITIONAL COST PROVISIONS

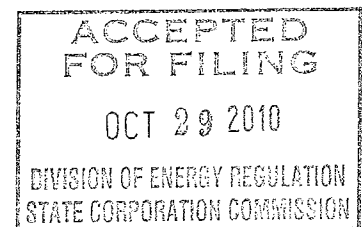
Customers who take service (see "Monthly Charges," above) under a time-of-use tariff are responsible for all incremental metering costs associated with net metering.

Any additional metering costs associated with incremental metering to measure the total output of the renewable fuel generator for the purposes of receiving RECs, as reasonably determined by the Cooperative, shall be installed at the customer's expense unless otherwise negotiated between the customer and the Cooperative.

7. CONTACT INFORMATION

If the prospective net energy metering customer has contracted with another person to own, operate, or both, the renewable fuel generator, the Cooperative must have detailed, current and accurate contact information for the owner, operator, or both, including without limitation, the name and title of one or more individuals responsible for the interconnection and operation of the generator, a telephone number, a physical street address other than a post office box, a fax number, and an e-mail address for each person or persons.

The net energy metering customer shall immediately notify the electric distribution company of any changes in the ownership of, operational responsibility for, or contact information for the generator.



8. CHARGES FOR SERVICES BY THE COOPERATIVE

Inspection of static inverter-connected generators
in excess of 10 kW - Inverter settings: \$ 50.00

Inspection of non-static inverter-connected
generators - All protective equipment: \$ 50.00

9. TERMS OF SERVICE

The contract term shall be the same as that under the customer's applicable service classification. A separate agreement with the customer is required for service provided under this Rider.

Effective: 10/29/2010

