
Power Supply Cost Recovery

Power Supply Cost Recovery (PSCR) refers to a pricing mechanism commonly employed by utilities such as Cherryland Electric Cooperative (Cherryland). It is used to make short term power supply pricing adjustments. PSCR is also referred to as Fuel Cost Adjustment or Power Cost Adjustment.

A utility like Cherryland establishes retail rate energy charges. The retail rate is measured in kilowatt hours (kWh) and consists of two different components – power supply and the costs necessary to operate the utility. The portion of Cherryland’s base rate designated for power supply is \$0.08161 per kWh.

Each year Cherryland balances its actual power supply costs against the power supply base rate charge embedded in its retail rates. Depending on whether the actual power supply costs exceed or fall below the power supply charge of \$0.08161, Cherryland passes along the additional cost or savings to its members through a billing line item labeled “PSCR Adjustment”.

The maximum PSCR Cherryland can charge its members is determined by the Cooperative’s Board of Directors. PSCR can fluctuate from month-to-month but will not exceed the approved maximum.

Below is Cherryland’s PSCR billing for 2019, the Actual Factor Billed is updated on this page quarterly:

<u>Year</u>	<u>Month</u>	Maximum Authorized 2019 PSCR Factor (per kWh)	Actual Factor Billed (per kWh)
2019	January	\$0.01880	\$0.00000
	February	\$0.01880	\$0.00000
	March	\$0.01880	\$0.00000
	April	\$0.01880	\$0.00000
	May	\$0.01880	
	June	\$0.01880	
	July	\$0.01880	
	August	\$0.01880	
	September	\$0.01880	
	October	\$0.01880	
	November	\$0.01880	
	December	\$0.01880	

Power Supply Cost Recovery

Cherryland’s PSCR billing for the 2018 calendar year:

<u>Year</u>	<u>Month</u>	Maximum Authorized 2018 PSCR <u>Factor</u> (per kWh)	Actual Factor <u>Billed</u> (per kWh)
2018	January	\$0.01880	\$0.00935
	February	\$0.01880	\$0.00935
	March	\$0.01880	\$0.00935
	April	\$0.01880	\$0.00000
	May	\$0.01880	\$0.00000
	June	\$0.01880	\$0.00000
	July	\$0.01880	\$0.00000
	August	\$0.01880	\$0.00000
	September	\$0.01880	\$0.00000
	October	\$0.01880	\$0.00000
	November	\$0.01880	\$0.00000
	December	\$0.01880	\$0.00000

Energy Optimization Program Clause

This clause permits, pursuant to Section 89 of 2008 PA 295, the adjustment of distribution rates, via the application of an Energy Optimization Surcharge, to allow recovery of the energy optimization program costs incurred by the Cooperative in compliance with Section 89 of 2008 PA 295.

The approved Energy Optimization Surcharges are shown here:

<u>Sheet No.</u>	<u>Schedule</u>	<u>Rate</u>	Approved Maximum \$/kWh	2018 Surcharge Billed
D-5.00	A	Residential Service	\$ 0.00143	\$ 0.00

<u>Sheet No.</u>	<u>Schedule</u>	<u>Rate</u>	Maximum \$/meter/mo	2018 Surcharge Billed
D-7.00	C	General Service	\$ 1.64	\$ 0.00
D-12.00	LCI	Large Commercial & Industrial	\$ 247.81	\$ 0.00
D-13.00	LP	Large General Service	\$ 26.36	\$ 0.00
D-14.00	LPTOD	Large Power Time-of-Day	\$ 26.36	\$ 0.00
D-16.00	OTD	Optional Irrigation Time-of-Day	\$ 1.64	\$ 0.00
D-17.00	PSDS	Primary Service	\$ 497.36	\$ 0.00

Requirements for Pole Attachments

The Cooperative may permit a cable television company or other attaching party (as defined in paragraph 1(a) of 1980 PA 470; MCLA 460.6g) to make attachments to its poles, ducts or conduits pursuant to contract between the Cooperative and the attaching party. Upon execution, copies of such contracts shall be filed with the Michigan Public Service Commission. Effective April 1, 1997, the annual pole attachment rate shall be \$3.74 per pole per year.

Attaching parties must obtain any necessary authorizations to occupy public or private rights-of-ways prior to execution of a contract with the Cooperative.

This sheet shall not apply to attachments made or proposed to be made by utilities (as defined in paragraph 1(d) of 1980 PA 470) to the facilities of the Cooperative.

REQUIREMENTS FOR OPERATION OF PARALLEL GENERATION FACILITIES

(COGENERATORS AND SMALL POWER PRODUCERS)

In order to provide for the safety of Members, utility personnel, and others, and to assure reliable electric service consistent with the requirements of the Public Utility Regulatory Policies Act of 1978, the following requirements are established for connection and/or operation of generation facilities in parallel with the Cooperative's distribution system:

Availability

These requirements include all generation facilities that qualify under Section 210 of the Public Utility Regulatory Policy Act of 1978, and which have a total design capacity of 100 kW or less ("Generator"). Generation facilities over 100 kW will be handled on an individual basis.

If the Generator does not meet all of the requirements listed below, the Cooperative may require termination of parallel operation and the Generator shall be liable for any damages or injury resulting from unauthorized or improper connection and/or operation of the generation facility. These requirements apply to both existing and proposed installations and are subject to change with approval of the Cooperative's Board of Directors from time to time.

Safety and Reliability Requirements

The Generator shall submit for the Cooperative's review detailed electric diagrams, equipment nameplate data, including the interface device and control system of the Generator's power sources, and a site plan.

The control and protection system and site plan must be acceptable to the Cooperative and in accordance with these safety and reliability standards. This system shall provide for immediate automatic shutdown or separation of the generator and the Cooperative system in the event of momentary or extended loss of power from the Cooperative, including loss of one or more phases if the Generator is generating three phase power. The shutdown or separation must continue until normal utility service is restored. The shutdown or separation shall occur when frequency, voltage, and or current deviate from normal utility standards. The Generator shall be liable if the protection system fails to function.

A disconnecting device suitable for use as a protective tag location may be required so as to be accessible and in reasonably close proximity to the billing meter.

The completed installation must meet all local, state and national codes and regulations and is subject to inspection by proper enforcement authorities before commencement of parallel operation. In addition, the Cooperative may, at its discretion, inspect or test the facility at any time.

The Generator shall advise the Cooperative prior to making any revisions to the generation facility, the control system, or the interface between the two power systems after the installation. Any such revision must be acceptable to the Cooperative.

**REQUIREMENTS FOR OPERATION OF
PARALLEL GENERATION FACILITIES
(Continued from Sheet No. D-3.00)**

Should the parallel operation of the generation facility cause interference or adversely affect voltage, frequency, harmonic content or power factor in the Cooperative's system or Cooperative Members' service, the Cooperative may require disconnection of parallel operation until the condition has been corrected.

Reimbursement of Costs

The Generator shall pay for all costs associated with any addition to or alteration of the Cooperative's equipment required for metering and for the safe and reliable operation of the generating equipment in parallel with the Cooperative's system. The Generator shall also pay for costs of changes required due to safety or adverse effects on other Members and/or on the Cooperative caused by the connection and/or operation of the generation facility.

The Cooperative may require reasonable and adequate insurance coverage by the interconnecting Generator and the Generator shall provide proof of liability coverage as may be required by the Cooperative.

Sales to Cooperative

A Generator wishing to sell power must arrange to do so with the generation and transmission Cooperative which provides all of the Cooperative's power requirements.

**DEFINITION OF TIME PERIODS
USED IN TIME-OF-DAY RATES**

Provisions pertinent to the application of time periods used in various time-of-day rates are as follows:

- (1) Peak Period: 5:00 PM to 10:00 PM, weekdays
excluding holidays
- (2) Intermediate Period: 7:00 AM to 5:00 PM and 5:00 PM to
10:00 PM, weekends and holidays
- (3) Off Peak Period: 10:00 PM to 7:00 AM
- (4) Designated holidays:
 - (a) New Year's Day
 - (b) Good Friday
 - (c) Memorial Day
 - (d) Independence Day
 - (e) Labor Day
 - (f) Thanksgiving Day
 - (g) Christmas Day

The Cooperative may revise the above schedule of time period hours from time to time and a new schedule, effective thirty days after its issuance date, will remain in effect until the effective date of any succeeding schedule.

**RESIDENTIAL SERVICE
SCHEDULE A**

Availability

This rate is available to Members of the Cherryland Electric Cooperative for service to individual farm and permanent residential units for all usual farm and residential purposes subject to the Cooperative's established rules and regulations. When a portion of a residence or farm unit is definitely and primarily used for other than usual residential and farm purposes, this schedule is not applicable. However, if the wiring is so arranged that service for residential and farm purposes can be separately metered, this schedule is applicable to the residential and farm portion of the service and the remainder of the service will be separately metered and billed under whatever schedule is applicable. If the wiring is not so arranged that residential and farm use can be separately metered, then service must be taken under the appropriate general service schedule.

An apartment house may elect this schedule, except that the service charge shall be multiplied by the number of apartments. No credit will be given for unoccupied apartments.

Service under this schedule is limited to individual motors up to and including ten (10) horsepower unless otherwise authorized in writing by the Cooperative.

Type of Service

Alternating current, 60 hertz, single-phase, secondary voltage. The particular nature of the voltage is to be determined by the Cooperative.

Monthly Rate

Availability Charge: \$18.00 per month

Energy Charge: \$0.1191 per kWh

Energy Optimization:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

Minimum Charge

The minimum charge under the above rate shall be the Availability Charge, except in the case of apartment houses (see "Availability" above).

**RESIDENTIAL SERVICE
SCHEDULE A
(Continued from Sheet No. D-5.00)**

Michigan Sales Tax

This tax shall be added to all bills, including minimums, where applicable.

Terms of Service

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors.

Late Payment Charge

A late payment charge of 2% of the current charges, excluding taxes, will be added to any bill not paid before the due date shown thereon. The due date shall be no fewer than 18 days following the date of mailing.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Members from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

**SEASONAL RESIDENTIAL SERVICE
SCHEDULE AS**

THIS RATE HAS BEEN CANCELLED

**GENERAL SERVICE
SCHEDULE C**

Availability

This rate is available to all Members of the Cherryland Electric Cooperative for all uses at secondary voltage, subject to the established rules and regulations of the Cooperative, when the demand is less than 50 kW including Members with residential usage that do not qualify for Residential Service (Schedule A).

Type of Service

Alternating current, 60 hertz, single or three phase, at the Cooperative's standard secondary voltages.

Monthly Rate

Availability Charge:

Single Phase	\$19.50 per month
Three Phase	\$36.50 per month
Energy Charge:	\$0.10627 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00

Michigan Sales Tax

This tax shall be added to all bills, including minimums, where applicable.

Minimum Charge

The minimum monthly charge shall be the Availability Charge. For Members requiring more than 15 kVA of transformer capacity, the minimum monthly charge shall be the Availability Charge plus \$0.20 per kVA, for all kVA over 15 kVA of required transformer capacity.

**GENERAL SERVICE
SCHEDULE C
(Continued from Sheet No. D-7.00)**

Terms of Service:

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors.

Late Payment Charge

A late payment charge of 5% of the current charges, excluding taxes, will be added to any bill not paid before the due date shown thereon. The due date shall be no fewer than 18 days following the date of mailing.

Tax Adjustments:

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Members from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

MEMBER OWNED BACKUP GENERATION

Cherryland Electric Cooperative, through its wholesale power supplier, has an interest in interruptible commercial load. Members taking service under retail rate LC&I or PSDS with firm on-site generating capacity of 100 kW or greater qualify. An interconnection and operating agreement is required. Please contact our office.

Issued TBD
By Tony Anderson
General Manager
Grawn, Michigan

Effective for bills rendered on and after
September 1, 2011

Issued under authority of the Board of
Directors dated TBD

**CONTROLLED HEATING SERVICE
SCHEDULE CH**

THIS RATE IS CLOSED AND NON-TRANSFERRABLE

Availability

Available to Members of the Cooperative already taking monthly service concurrently under Rate Schedule A or C. This rate is for controlled service to space heating loads, storage domestic water heating loads and associated air conditioning loads which are controlled by the Cooperative. Service is subject to the established rules and regulations of the Cooperative. A Member Service Agreement is required for service under this schedule.

Type of Service

Alternating current, 60 hertz, at approximately 120/240 volts, single phase, three-wire, separately metered subject to service availability as follows:

Option No. 1 - Storage Heating

This option is available for electric space heating loads with sufficient heat storage capacity to withstand extended daily control of the electric supply. This option is also available to domestic storage water heaters. Domestic storage water heaters must have a minimum storage capacity of 100 gallons and a minimum heating capacity of 4,500 watts. Service under this option is available only between the hours of 10:00 PM to 7:00 AM.

Option No. 2 - Dual Fuel Heating

This option is available for electric space heating loads when used in conjunction with an alternate fuel heating system. The alternate fuel heating system must be capable of supplying the heating requirements of the Member-Consumer when the electrical supply is controlled. Service under this option is available for all hours except when controlled by the Cooperative. The number of hours when service is controlled shall not exceed 400 hours per heating season or 8 hours per 24 hour period.

**CONTROLLED HEATING SERVICE
SCHEDULE CH
(Continued from Sheet No. D-9.00)**

THIS RATE IS CLOSED AND NON-TRANSFERRABLE

Option No. 3 - Air Conditioning

This option is available for air conditioning loads when used in conjunction with one of the two options of controlled space heating load listed above. Service under this option is available for all hours except when controlled by the Cooperative. The number of hours when service is controlled shall not exceed 200 hours per cooling season.

Monthly Rate

Energy Charge:

As set forth in Rate Schedules A and C respectively discounted @ 3.0¢ per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

Terms of Payment

This rate schedule is subject to the terms of payment as set forth on the concurrent rate schedule that qualifies the Member for this service.

Michigan State Sales Tax

Michigan Sales Tax will be added to all bills, including minimum charges, where applicable.

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Members from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

**MEMBER-CONSUMER OWNED GENERATION
SCHEDULE COG**

Availability

This rate is available only to Members with on-site combined electric generating capacity of 100 kVA or greater. Service will be separately metered with a recording demand meter that uses electronic memory for recording data. The Member-Consumer, at its sole cost, shall provide a phone service to the metering location. If the Cooperative has to read the meter because the *telephone* line did not function properly, the Member-Consumer will pay the authorized meter-reading fee. There are two options for service under this rate, the LP rate and the LPTOD (Time of Day) Rate.

Type of Service

Alternating current, 60 hertz, single or three phase, at the Cooperative's standard secondary voltages.

Monthly Rate

LP Rate

Availability Charge: \$69.00 per month

Demand Charge:

Distribution Demand - maximum demand for current month or prior 11 months
\$2.90 per kW for service at secondary voltage
\$2.70 per kW for service at primary voltage

Plus: Demand - maximum demand for current month
\$7.35 per kW

Energy Charge: \$0.07558 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

Demand shall be the kilowatts (kW) supplied during the 15-minute period of maximum usage.

**MEMBER-CONSUMER OWNED GENERATION
SCHEDULE COG
(Continued from Sheet No. D-10.00)**

LPTOD Rate

Availability Charge: \$80.50 per month

Demand Charge:

Distribution Demand- maximum demand for current month or prior 11 months
\$3.00 per kW for service at secondary voltage
\$2.80 per kW for service at primary voltage

Plus: Peak Period Demand- peak period demand for current month
\$13.00 per KW

PLUS: Energy Charge \$0.07454 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

Determination of Billing Demand

Distribution Demand- The maximum kilowatt demand established by the Member-Consumer consumer for any period of 15 consecutive minutes during the current month or the previous 11 months, as indicated or recorded by a demand meter.

Peak Period Demand - The maximum kilowatt demand established by the Member-Consumer for any period of 15 consecutive minutes during the on-peak period of the month for which the bill is rendered, as indicated or recorded by a demand meter. The peak period is defined on Sheet No. D-4.00.

Minimum Charge

The Minimum Charge shall be the Availability, Demand and Energy Optimization Charges.

**MEMBER-CONSUMER OWNED GENERATION
SCHEDULE COG
(Continued from Sheet No. D-10.01)**

Parallel Generation

Service is subject to the Cooperative's Requirements for Operation of Parallel Generation Facilities as set forth on Sheet No. D-3.00-D-3.01.

Primary Service Discount

A discount of \$0.20 per kVA of contract capacity will be applied to the bill when service is taken by the consumer at the available primary voltage. If primary metering is used, an additional discount of 2.0% shall be applied to the bill. The 2.0% discount shall be applied after the \$0.20 per kVA discount

Power Factor

The above rate charges are predicated upon the Member-Consumer maintaining a power factor of not less than 90% lagging. The Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the Member-Consumer's average power factor is found to be less than 90% lagging, the current month's demand will be increased by the ratio that 90% bears to the Member-Consumer's actual power factor.

Late Payment Charge

A late payment charge of 5% of the current charges, excluding taxes, will be added to any bill not paid before the due date shown thereon. The due date shall be no fewer than 18 days following the date of mailing.

Terms of Service

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors.

**MEMBER-CONSUMER OWNED GENERATION
SCHEDULE COG
(Continued from Sheet No. D-10.02)**

Tax Adjustments

- A. Bills shall be increased or decreased, within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to recognize such special charges and thereby prevent other Members from being compelled to share such local tax increases or decreases.

- B. Bills shall be adjusted to reflect any new, increased, or decreased specific tax or excise imposed by any governmental authority which impacts the Cooperative's cost of providing electric service.

Michigan State Sales Tax

Michigan State Sales Tax will be added on all bills, where applicable.

**CONTROLLED WATER HEATER SERVICE
SCHEDULE CWH**

THIS RATE HAS BEEN CANCELLED

**LARGE COMMERCIAL AND INDUSTRIAL SERVICE
SCHEDULE LCI**

Availability

This rate is available to commercial and industrial Members for all uses at secondary voltage, subject to the established rules and regulations of the Cooperative, where monthly billing demand is 250 kW or greater. Service under this rate is not available to accounts with an average annual demand greater than 500 kW.

Service will be separately metered with a recording demand meter that uses electronic memory for recording data. The Member at its sole cost, shall provide a dedicated phone service to the metering location.

Subject to the Cooperative's Retail Access Service Tariff, this schedule is available to Members for delivery of power from the Point of Distribution Receipt to the Point of Distribution Delivery subject to the following conditions:

- A. The Member must have a Maximum Demand of at least 1 MW. Individual Members receiving demand metered service who are eligible to be taking service under the Cooperative's Schedule LP, Schedule LC&I and Schedule PSDS may achieve the 1 MW Maximum Demand threshold by aggregating or summing the Maximum Demands for each metering point occurring during a single month. The applicable rate schedule will apply to all aggregated metering points on an individual account basis.
- B. The Member must enter a Retail Access Service Agreement with the Cooperative.
- C. The transmission of power to the Distribution Point of Receipt and all related costs shall be the responsibility of the Member and/or Alternative Electric Supplier (AES).
- D. The Member must agree to purchase any default energy delivered pursuant to Schedule RASS-Retail Access Standby Service in addition to the service specified herein.

Type of Service

Alternating current, 60 hertz, single or three phase. The nature and level of the service voltage shall be determined in each case by the Cooperative.

**LARGE COMMERCIAL AND INDUSTRIAL SERVICE
SCHEDULE LCI
(Continued from Sheet No. D-12.00)**

Monthly Rate

Distribution Delivery Service

Availability Charge	\$160.00
Distribution Demand Charge	\$5.00 per kW
Distribution Energy Charge	\$0.00172 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.02.

Power Supply Service – not applicable to Retail Access Service

The monthly power supply charge for this rate shall be the actual wholesale cost as presented on the monthly power bill from Wolverine Power Cooperative

Monthly Billing Demand

Distribution Delivery Component:

The maximum kilowatt demand established by the Member, as indicated or recorded by a demand meter, for any period of 15 consecutive minutes during the month for which the bill is rendered.

Power Supply Components:

WPSC Coincidental Demand – The maximum kilowatt demand established by the Member, as indicated or recorded by a demand meter, during the 60 minute period coincident with Wolverine Power Supply Cooperative's monthly system peak demand.

MISO Coincidental Demand – The maximum kilowatt demand established by the Member, as indicated or recorded by a demand meter, during the 60 minute period coincident with the Midcontinent Independent System Operator, Inc. published annual system peak demand during the calendar year two years prior to the year in which the current usage was recorded. This demand reading is billed each month of the current billing year.

**LARGE COMMERCIAL AND INDUSTRIAL SERVICE
SCHEDULE LCI
(Continued from Sheet No. D-12.01)**

Power Factor

The above rate charges are predicated upon the Member maintaining a power factor of not less than 90% lagging. The Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the Member's average power factor is found to be less than 90% lagging, the Billing Demand will be increased by the ratio that 90% bears to the Member's actual power factor.

Minimum Charge

The minimum charge shall include the Availability Charge, and a Distribution Demand Charge of 250 kW.

Late Payment Charge

A late payment charge of 5% of the current charges, excluding taxes, will be added to any bill not paid before the due date shown thereon. The due date shall be no fewer than 18 days following the date of mailing.

Contracts

A contract may be required under this rate. The Cooperative reserves the right to require service contracts covering terms and nature of service in cases where special services are required, or where the Cooperative's investment toward construction is in excess of that provided for in the Cooperative's Rules and Regulations without contribution toward construction by the Member.

Primary Service and Metering

A discount of \$0.20 per kVA of contract capacity will be applied to the bill when service is taken by the consumer at the available primary voltage. If primary metering is used, an additional discount of 2.0% shall be applied to the bill. The 2.0% discount shall be applied after the \$0.20 per kVA discount.

Terms of Service

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors and the *Retail Access Service Tariff* where applicable.

Michigan Sales Tax

Michigan Sales Tax will be added to all bills, including minimum charges, where applicable.

**LARGE COMMERCIAL AND INDUSTRIAL SERVICE
SCHEDULE LCI
(Continued from Sheet No. D-12.02)**

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and /or sale of electric energy, to offset such special charges and thereby prevent other Members from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

**LARGE GENERAL SERVICE
SCHEDULE LP**

Availability

This rate is available to all Members of the Cherryland Electric Cooperative (Cherryland) for all uses at secondary voltage when billing demand is 25 kW or more, subject to rules and regulations of the Cooperative. This rate is not available to Members with combined generating unit capacities above 100 kVA.

Subject to the Cooperative's Retail Access Service Tariff, this schedule is available to Members for delivery of power from the Point of Distribution Receipt to the Point of Distribution Delivery subject to the following conditions:

- A. The Member must have a Maximum Demand of at least 1 MW. Individual Members receiving demand metered service at multiple metering points who are eligible to be taking service under the Cooperative's Schedule LP, Schedule LC&I and Schedule PSDS may achieve the 1 MW Maximum Demand threshold by aggregating or summing the Maximum Demands for each metering point occurring during a single month. The applicable rate schedule will apply to all aggregated metering points on an individual account basis.
- B. The Member must enter a Retail Access Service Agreement with the Cooperative.
- C. The transmission of power to the Distribution Point of Receipt and all related costs shall be the responsibility of the Member and/or Alternative Electric Supplier (AES).
- D. The Member must agree to purchase any default energy delivered pursuant to Schedule RASS-Retail Access Standby Service in addition to the service specified herein.

Type of Service

Alternating current, 60 hertz, single or three-phase, at the Cooperative's standard secondary voltages.

**LARGE GENERAL SERVICE
SCHEDULE LP
(Continued from Sheet No. D-13.00)**

Monthly Rates

Availability Charge: \$69.00 per month

Distribution Service

Distribution Demand Charge: \$2.90 per kW

Distribution Variable Charge: \$0.00400 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Service (not applicable to Retail Access Service)

Demand Charge \$5.71 per kW

Energy Charge \$0.06947 per kWh

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00

Minimum Charge

The Minimum Charge shall be the Availability Charge, Demand Charge of 25 kW, and Energy Optimization Surcharge. The Cooperative reserves the right to make special determination of the billing demand and/or minimum charge should circumstances require. Such minimum charges will be specified in a supplemental contract between the Cooperative and the Member.

Billing Demand

The Billing Demand shall be the kilowatts (kW) supplied during the 15-minute period of maximum usage in the billing period.

Power Factor

The above rate charges are predicated upon the Member maintaining a power factor of not less than 90% lagging. The Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the Member's average power factor is found to be less than 90% lagging, the Billing Demand will be increased by the ratio that 90% bears to the Member's actual power factor.

**LARGE GENERAL SERVICE
SCHEDULE LP
(Continued from Sheet No. D-13.01)**

Late Payment Charge

A late payment charge of 5% of the current charges, excluding taxes, will be added to any bill not paid before the due date shown thereon. The due date shall be no fewer than 18 days following the date of mailing.

Primary Service and Metering

A discount of \$0.20 per kVA of contract capacity will be applied to the bill when service is taken by the consumer at the available primary voltage. If primary metering is used, an additional discount of 2.0% shall be applied to the bill. The 2.0% discount shall be applied after the \$0.20 per kVA discount.

Terms of Service

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors and the *Retail Access Service Tariff* where applicable.

Tax Adjustments

- A. Bills shall be increased or decreased, within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to recognize such special charges and thereby prevent other Members from being compelled to share such local tax increases or decreases.
- B. Bills shall be adjusted to reflect any new, increased, or decreased specific tax or excise imposed by any governmental authority which impacts the Cooperative's cost of providing electric service.

**LARGE POWER TIME-OF-DAY SERVICE
SCHEDULE LPTOD**

Availability

This rate is available to all Member of the Cherryland Electric Cooperative for all uses at secondary voltage, when billing demand is 25 kW or more, subject to rules and regulations of the Cooperative. This rate is not available to Members with combined generating unit capacities above 100 *kVA*.

Type of Service

Alternating current, 60 hertz, single or three phase at the Cooperative's standard secondary voltages.

Monthly Rate

Availability Charge: \$80.50 per month

Demand Charge:

Peak Period \$11.50 per kW plus
Maximum \$ 3.00 per kW

Energy Charge: \$ 0.06947 per kWh for all kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

Minimum Charge

The Minimum Charge shall be the Demand Charge for 25 kW plus the Availability Charge, plus the Energy Optimization Surcharge.

Determination of Billing Demand

Peak Period - The Peak Period Billing Demand shall be the maximum kilowatt demand established by the Member for any period of 15 consecutive minutes recorded during the peak period for the month for which the bill is rendered, as indicated or recorded by a demand meter. The peak period is defined on Sheet No. D-4.00.

Maximum Demand - The Maximum Billing Demand shall be the maximum kilowatt demand established by the Member for any period of 15 consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter.

**LARGE POWER TIME-OF-DAY SERVICE
SCHEDULE LPTOD
(Continued from Sheet No. D-14.00)**

Primary Service Discount

A discount of \$0.20 per kVA of contract capacity will be applied to the bill when service is taken by the consumer at the available primary voltage. If primary metering is used, an additional discount of 2.0% shall be applied to the bill. The 2.0% discount shall be applied after the \$0.20 per kVA discount.

Power Factor

The above rate charges are predicated upon the Member maintaining a power factor not less than 90% lagging. The Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the Member's average power factor is found to be less than 90% lagging, the billing demand will be increased by the ratio that 90% bears to the Member's actual power factor.

Terms of Service

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors.

Late Payment Charge

A late payment charge of 5% of the current charges, excluding taxes, will be added to any bill not paid before the due date shown thereon. The due date shall be no fewer than 18 days following the date of mailing.

Tax Adjustments

- A. A. Bills shall be increased or decreased, within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to recognize such special charges and thereby prevent other Members from being compelled to share such local tax increases or decreases.
- B. Bills shall be adjusted to reflect any new, increased, or decreased specific tax or excise imposed by any governmental authority which impacts the Cooperative's cost of providing electric service.

Michigan State Sales Tax

Michigan State Sales Tax will be added to all bills, including minimums, where applicable.

**OUTDOOR LIGHTING SERVICE
SCHEDULE OL**

Availability

This rate is available to all Members of Cherryland Electric Cooperative for outdoor protective lighting service at any location where the Member is taking service from the Cooperative under a full service rate schedule.

Also available to municipalities, political subdivisions and others for public street lighting, with the provision that such users become Members of the Cooperative.

Hours of Service

Dusk to dawn, controlled by photo-sensitive device, illuminated for approximately 4,200 hours per year.

Type of Service

Lighting fixtures connected to Cooperative distribution lines. The Cooperative will own, operate and maintain the lighting fixtures. Burned out lamps must be reported by the Member, and the Cooperative will undertake to replace lamps as soon as possible during regular working hours. Broken lamps or damage to fixtures by accident or vandalism will be repaired or replaced at the Member's expense.

Monthly Rate

Using existing pole and secondary facilities:

40 watt LED lamp (3,300 Lumens)	\$9.13 per month per fixture
70 watt LED lamp (7,000 Lumens)	\$10.73 per month per fixture
100 watt high pressure sodium lamp (8,500 Lumens)	\$10.43 per month per fixture
175 watt mercury vapor lamp (7,500 Lumens)	\$13.74 per month per fixture
250 watt high pressure sodium lamp (24,000 Lumens)	\$17.77 per month per fixture

Requiring new pole and one span of new secondary facilities:

40 watt LED lamp (3,300 Lumens)	\$10.23 per month per fixture
70 watt LED lamp (7,000 Lumens)	\$11.83 per month per fixture
100 watt high pressure sodium lamp (8,500 Lumens)	\$11.53 per month per fixture
175 watt mercury vapor lamp (7,500 Lumens)	\$14.84 per month per fixture
250 watt high pressure sodium lamp (24,000 Lumens)	\$18.87 per month per fixture

For lamp sizes in excess of 250 watt high pressure sodium, a special contract is required.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

**OUTDOOR LIGHTING SERVICE
SCHEDULE OL
(Continued from Sheet No. D-15.00)**

Approximate monthly energy usage per fixture:

40 watt LED lamp	14 kwh
70 watt LED lamp	25 kwh
100 watt High Pressure Sodium Lamp	46 kWh
175 watt Mercury Vapor Lamp **	80 kWh
250 watt High Pressure Sodium Lamp	115 kWh

** The Energy Policy Act of 2005 requires that mercury vapor lamp ballasts shall not be manufactured or imported after January 1, 2008. Rates apply to existing fixtures only and are not available for new installations.

Contract Terms

Initial minimum term for each installation shall be for 48 consecutive months. When more than one new pole and one span of new secondary wires are required, or where the Member desires nonstandard poles, underground wiring or other special equipment, the Cooperative may provide these improvements where practical. The cost of any improvements or special equipment shall be at the Member's expense.

Terms of Service

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors.

Michigan State Sales Tax

Michigan State Sales Tax will be added to all bills, including minimums, where applicable.

Late Payment Charge

A late payment charge of 5% of the current charges, excluding taxes, will be added to any bill not paid before the due date shown thereon. The due date shall be no fewer than 18 days following the date of mailing.

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Members from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

**OPTIONAL IRRIGATION TIME-OF-DAY SERVICE
SCHEDULE OTD**

Availability

Available to all Members of the Cooperative who use secondary service primarily for irrigation on a seasonal basis.

Type of Service

Alternating current, 60 hertz, single or three phase, at available secondary voltages.

Monthly Rate

Availability Charge:

Single Phase	\$34.50
Three Phase	\$69.00

Energy Charge:

Peak Period	\$0.19722 per kWh
Intermediate Period	\$0.12299 per kWh
Off-Peak Period	\$0.07731 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause on Sheet No. D-1.00.

Minimum Charges

The minimum monthly charge shall be the Availability Charge. For Members requiring more than 15 kVA of transformer capacity, the minimum monthly charge shall be the Availability Charge plus \$0.20 per kVA, for all kVA over 15 kVA of required transformer capacity.

Time Periods

The time periods applicable to the rate are set forth on sheet No. D-4.00

Terms of Service

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors.

**OPTIONAL IRRIGATION TIME-OF-DAY SERVICE
SCHEDULE OTD
(Continued from Sheet No. D-16.00)**

Late Payment Charge

A late payment charge of 5% of the current charges, excluding taxes, will be added to any bill not paid before the due date shown thereon. The due date shall be no fewer than 18 days following the date of mailing.

Michigan State Sales Tax

Michigan Sales Tax will be added to all bills, including minimum charges, where applicable.

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Members from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

**PRIMARY SERVICE RATE
SCHEDULE PSDS**

Availability

This rate is available to commercial and industrial Members for service at primary voltage where monthly billing demand is 500 kW or greater. This rate is optional for commercial and industrial service locations where average annual demand is greater than 500 kW, who desire service at secondary voltage. Secondary voltage service shall be provided to the Member at a single demarcation point and measured using primary metering. Secondary voltage service is subject to an Excess Capacity Charge of \$0.20 per kVA for all kVA of installed transformer capacity.

Service will be separately metered with a recording demand meter that uses electronic memory for recording data. The Member at its sole cost, shall provide a dedicated phone service to the metering location.

Subject to the Cooperative's Retail Access Service Tariff, this schedule is available to Members for delivery of power from the Point of Distribution Receipt to the Point of Distribution Delivery subject to the following conditions:

- A. The Member must have a Maximum Demand of at least 1 MW. Individual Members receiving demand metered service who are eligible to be taking service under the Cooperative's Schedule LP, Schedule LC&I and Schedule PSDS may achieve the 1 MW Maximum Demand threshold by aggregating or summing the Maximum Demands for each metering point occurring during a single month. The applicable rate schedule will apply to all aggregated metering points on an individual account basis.
- B. The Member must enter a Retail Access Service Agreement with the Cooperative.
- C. The transmission of power to the Distribution Point of Receipt and all related costs shall be the responsibility of the Member and/or Alternative Electric Supplier (AES).
- D. The Member must agree to purchase any default energy delivered pursuant to Schedule RASS-Retail Access Standby Service in addition to the service specified herein.

Service Options

Service may be taken 1) directly from a distribution substation, 2) from an existing three phase primary line, or 3) from a new three phase primary line. "Directly from a distribution substation" is defined as service in which the delivery point to the Consumer is within 1,000 feet of a distribution substation. "Service from an existing three phase primary line" is defined as service in which the delivery point to the Consumer is within 1,000 feet of an existing three phase primary line.

All rates assume service directly from a distribution substation. For Members served from an existing three phase primary line, add \$1.10 per kW; or for Members served from a new three phase primary line, add \$2.20 per kW.

**PRIMARY SERVICE RATE
SCHEDULE PSDS
(Continued from Sheet No. D-17.00)**

Monthly Rate

Distribution Service

Availability Charge: \$160.00 per month

Firm Service Demand Charge: \$3.60 per kW

Distribution Variable Charge: \$0.001557 per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.02.

Power Supply Service – not applicable to Retail Access Service

The monthly power supply charge for this rate shall be the actual wholesale cost as presented on the monthly power bill from Wolverine Power Cooperative, including any applicable Tier A or Tier B energy credits.

Monthly Billing Demand

Distribution Delivery Component:

The maximum kilowatt demand established by the Member, as indicated or recorded by a demand meter, for any period of 15 consecutive minutes during the month for which the bill is rendered.

Power Supply Components:

WPSC Coincidental Demand – The maximum kilowatt demand established by the Member, as indicated or recorded by a demand meter, during the 60 minute period coincident with Wolverine Power Cooperative's monthly system peak demand.

MISO Coincidental Demand – The maximum kilowatt demand established by the Member, as indicated or recorded by a demand meter, during the 60 minute period coincident with the Midcontinent Independent System Operator, Inc. published annual system peak demand during the calendar year two years prior to the year in which the current usage was recorded. This demand reading is billed each month of the current billing year.

**PRIMARY SERVICE RATE
SCHEDULE PSDS
(Continued from Sheet No. D-17.01)**

Power Factor

The above rate charges are predicated upon the Member maintaining a power factor not less than ninety (90%) percent lagging. Cooperative reserves the right to measure power factor at any time by means of test or permanently installed metering equipment; and, if the Member's average power factor is found to be less than ninety (90%) percent lagging, the billing demand will be increased by the ratio that ninety (90%) percent bears to the Member's actual power factor.

Minimum Charge

The minimum monthly billing charge shall include the Availability Charge, a Distribution Demand Charge of 500 kW, the Excess Capacity Charge for service at secondary voltage, and the Energy Optimization surcharge.

Late Payment Charge

A late payment charge of 5% of the current charges, excluding taxes, will be added to any bill not paid before the due date shown thereon. The due date shall be no fewer than 18 days following the date of mailing.

Contracts

A contract may be required under this rate. The Cooperative reserves the right to require service contracts covering terms and nature of service in cases where special services are required, or where the Cooperative's investment toward construction is in excess of that provided for in the Cooperative's Rules and Regulations without contribution toward construction by the Member.

Terms of Service

Terms and conditions of service under this schedule shall be governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors and the *Retail Access Service Tariff* where applicable.

Michigan Sales Tax

Michigan Sales Tax will be added on all bills, where applicable.

**PRIMARY SERVICE RATE
SCHEDULE PSDS
(Continued from Sheet No. D-17.02)**

Tax Adjustments

- A. Bills shall be increased or decreased, within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to recognize such special charges and thereby prevent other Members from being compelled to share such local tax increases or decreases.
- B. Bills shall be adjusted to reflect any new, increased, or decreased specific tax or excise imposed by any governmental authority which impacts the Cooperative's cost of providing electric service.

**PARTIAL CONTROLLED HEATING SERVICES
SCHEDULE PCH**

THIS RATE IS CLOSED AND NON-TRANSFERRABLE

Availability

Available to Members taking monthly service concurrently under Rate Schedules A or C. This rate is for controlled service to electric space heating loads which are controlled by the Cooperative where the amount of control exercised by the Cooperative is limited as described below:

Type of Service

Single-phase, or three phase, 60 hertz, at available secondary voltage. Service under this schedule will be available at all times except when controlled by the Cooperative during times of peak system demand or system emergencies. The total number of hours that this load will be controlled shall be limited to a maximum of 400 hours per heating system. Air conditioning, which is used in conjunction with controlled space heating, is eligible for service under this rate subject to interruption up to 200 hours per cooling season. In instances where the entire electric heating load is under the control of the Cooperative, the control period is limited to a maximum of 40 minutes out of each hour for a maximum of 6 hours per day. Where 50 percent or more of the entire heating load is under the control of the Cooperative, the control may be exercised for up to six hours per day. To qualify for service under this rate, the portion of the Member's load subject to control must be either separately metered or sub-metered off the master meter.

Monthly Rate

Energy Charge for Controlled Load

As set forth in Schedule A or C, whichever is applicable, including the power supply cost recovery provision, discounted @ 1.5¢ per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge on Sheet No. D-1.02.

**PARTIAL CONTROLLED HEATING SERVICES
SCHEDULE PCH
(Continued from Sheet No. D-18.00)**

THIS RATE IS CLOSED AND NON-TRANSFERRABLE

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Members from being compelled to share such local increases.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric service.

Terms of Payment

This rate schedule is subject to the terms of payment as set forth on the concurrent rate schedule that qualifies the Member for this service.

Rules and Regulations

Service is governed by the Cooperative's Standard Rules and Regulations as authorized by its Board of Directors.

**DISTRIBUTED RENEWABLE ENERGY PROGRAM
GENERATORS WITH A CAPACITY OF 20 KW AND LESS**

THIS RATE IS CLOSED TO NEW ACCOUNTS

Availability

In order to facilitate the generation and transmission Cooperative's ("G&T") standing offer for 10 MW of solar and wind energy and to ensure the ongoing availability of net metering, this offer is available to Member-Consumers with a Distributed Renewable Energy Agreement on file with the Cooperative on or after November 1, 2016 who operate solar or wind renewable electric generation facilities with a nameplate capacity of 20 kW or less and are interconnected with the Cooperative's system, to generate a portion or all of the Member-Consumer's own electricity. If a Member-Consumer has more than one electric generator, the generator's rating(s) shall be summed and the sum may not exceed 20 kW.

The Cooperative's Distributed Renewable Energy Program is available on a first come, first serve, limited basis until the G&T's standing offer expires December 31, 2019 or upon full 10 MW subscription.

Upon enrolling in the Distributed Renewable Energy Program, Member-Consumers shall be eligible to continue participation for a term of ten years. A participating Member-Consumer may terminate participation in the Cooperative's Distributed Renewable Energy Program at any time and for any reason.

Member-Consumer Eligibility

To be eligible to participate in the Distributed Renewable Energy Program, Member-Consumers must (1) generate a portion or all of their own retail electricity requirements using a solar or wind renewable electric generator, and (2) be Full Requirements Service Member-Consumers taking service under the Cooperative's applicable service tariff. The availability charge of the applicable service tariff shall be paid in full by the Member-Consumer for each billing period - distributed renewable energy credits cannot be applied to the availability charge.

Member-Consumers wishing to participate in the Distributed Renewable Energy program shall obtain a Distributed Renewable Energy Application from the Cooperative and submit the completed application, including the \$100.00 application fee, for review. Upon approval of the Distributed Renewable Energy Application, the Cooperative shall issue a Distributed Renewable Energy and Interconnection Agreement to be signed by the Member-Consumer, the Cooperative, and the G&T. A copy of the signed agreement will be kept on file at the Cooperative. A signed Distributed Renewable Energy and Interconnection Agreement ("Agreement") is required prior to interconnection of the Member-Consumer's generator to the Cooperative's facilities.

The interconnection device used to connect the Member-Consumer's renewable energy generator with the Cooperative's facilities shall comply with the requirements of IEEE standard 519 and 1547, and Underwriters Laboratories standard UL-1741 Scope 1.1a for utility-interactive (grid-connected) power systems.

The generation equipment must be located on the Member-Consumer's premises, serving only the Member-Consumer's premises, and must be intended primarily to offset a portion or all of the Member-Consumer's requirements for electricity. At the Member-Consumer's option, the generation capacity shall be determined by one of the following methods:

**DISTRIBUTED RENEWABLE ENERGY PROGRAM
GENERATORS WITH A CAPACITY OF 20 KW AND LESS
(Continued from Sheet No. D-19.00)**

THIS RATE IS CLOSED TO NEW ACCOUNTS

- a) Aggregate nameplate capacity of the generator(s), or
- b) Aggregate projected annual kWh output of the generator(s)

The Member-Consumer is required to provide the Cooperative with the capacity rating in kW of the generating unit(s) and a projection of the annual kWh output of the generating unit(s) when completing the Cooperative's Distributed Renewable Energy Application. The Member-Consumer shall determine its annual electricity needs using one of the following methods:

- a) The Member-Consumer's annual energy usage, measured in kWh, during the previous 12 month period;
- b) Where metered demand data is available, the maximum integrated hourly demand measured in kW during the previous 12 month period; or
- c) In cases where no data, incomplete data, or incorrect data for the Member-Consumer's past annual energy usage is available, or where the Member-Consumer is making changes on-site that will affect their future total annual electric usage, the Cooperative and the Member-Consumer shall mutually agree on a method to determine the Member-Consumer's future annual energy usage.

Metering

The Member-Consumer's usage and excess generation shall be determined using a single meter with separate registers measuring power flow in each direction. If there is a significant initial incremental cost to provide a meter measuring power flow in each direction above the cost for meters provided for similarly situated non-generating Member-Consumer's, the difference in cost shall be paid by the Member-Consumer. Any service upgrades, protective or power quality equipment/devices necessary to accommodate the output of the generating unit(s), as determined by the Cooperative, shall be at the Member-Consumer's expense.

Monthly Charges and Credits

"Excess Generation" means energy and associated renewable energy attributes, including, but not limited to Renewable Energy Credits, generated by the Member-Consumer's renewable energy generator and not consumed at the Member-Consumer's location (and delivered to the Cooperative).

The Member-Consumer shall pay the full retail rate in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer for energy delivered to the Member-Consumer by the Cooperative. The Member-Consumer shall be credited 5.6 cents per kwh, for Excess Generation. Energy produced by the Member-Consumer's solar or wind renewable energy generator and consumed at the Member-Consumer's location without flowing onto the Cooperative's distribution system is not billed by the Cooperative, compensated by the Cooperative, or displayed on the billing statement.

**DISTRIBUTED RENEWABLE ENERGY PROGRAM
GENERATORS WITH A CAPACITY OF 20 KW AND LESS
(Continued from Sheet No. D-19.01)**

THIS RATE IS CLOSED TO NEW ACCOUNTS

The credit for any Excess Generation during the billing period shall only be applied to the energy charge of the standard service tariff applicable to the Member-Consumer and will be applied to the bill for that period. Any credit that is not used up during the current billing period shall be carried forward for use in subsequent billing periods. If a Member-Consumer terminates service with the Cooperative while having a distributed renewable energy credit amount on their account, the G&T shall pay, through its agent, the Cooperative, the remaining credit amount to the Member-Consumer following a final reading by the Cooperative of the Member-Consumer's meter.

**DISTRIBUTED RENEWABLE ENERGY PROGRAM PHASE 2 - (DRE)
GENERATORS WITH A CAPACITY OF 20 KW AND LESS**

Availability

In order to facilitate Phase 2 of the generation and transmission Cooperative's ("G&T") standing offer for 10 MW of solar and wind energy and to ensure the ongoing availability of net metering, this offer is available to Member-Consumers with a Distributed Renewable Energy Agreement on file with the Cooperative on or after June 18, 2018 who operate solar or wind renewable electric generation facilities with a nameplate capacity of 20 kW or less and are interconnected with the Cooperative's system, to generate a portion or all of the Member-Consumer's own electricity. If a Member-Consumer has more than one electric generator, the generator's rating(s) shall be summed and the sum may not exceed 20 kW.

The Cooperative's Distributed Renewable Energy Program is available on a first come, first serve, limited basis until the G&T's standing offer expires upon full 10 MW subscription or until December 31, 2020.

Upon enrolling in the Distributed Renewable Energy Program, Member-Consumers shall be eligible to continue participation for a term of ten years. A participating Member-Consumer may terminate participation in the Cooperative's Distributed Renewable Energy Program at any time and for any reason.

Member-Consumer Eligibility

To be eligible to participate in the Distributed Renewable Energy Program, Member-Consumers must (1) generate a portion or all of their own retail electricity requirements using a solar or wind renewable electric generator, and (2) be Full Requirements Service Member-Consumers taking service under the Cooperative's applicable service tariff. The availability charge of the applicable service tariff shall be paid in full by the Member-Consumer for each billing period - distributed renewable energy credits cannot be applied to the availability charge.

Member-Consumers wishing to participate in the Distributed Renewable Energy program shall obtain a Distributed Renewable Energy Application from the Cooperative and submit the completed application, including the \$100.00 application fee, for review. Upon approval of the Distributed Renewable Energy Application, the Cooperative shall issue a Distributed Renewable Energy and Interconnection Agreement to be signed by the Member-Consumer, the Cooperative, and the G&T. A copy of the signed agreement will be kept on file at the Cooperative. A signed Distributed Renewable Energy and Interconnection Agreement ("Agreement") is required prior to interconnection of the Member-Consumer's generator to the Cooperative's facilities.

Member-Consumers must complete construction and meet commercial operation of the Member-Consumer Facility within 180 days of signing the Agreement.

The interconnection device used to connect the Member-Consumer's renewable energy generator with the Cooperative's facilities shall comply with the requirements of IEEE standard 519 and 1547, and Underwriters Laboratories standard UL-1741 Scope 1.1a for utility-interactive (grid-connected) power systems. The Cooperative may require reasonable and adequate insurance coverage by the Member-Consumer and the Member-Consumer shall provide proof of liability coverage as may be required by the Cooperative.

**DISTRIBUTED RENEWABLE ENERGY PROGRAM PHASE 2 - (DRE)
GENERATORS WITH A CAPACITY OF 20 KW AND LESS
(Continued from Sheet No. D-19.03)**

The generation equipment must be located on the Member-Consumer's premises, serving only the Member-Consumer's premises, and must be intended primarily to offset a portion or all of the Member-Consumer's requirements for electricity. At the Member-Consumer's option, the generation capacity shall be determined by one of the following methods:

- c) Aggregate nameplate capacity of the generator(s), or
- d) Aggregate projected annual kWh output of the generator(s)

The Member-Consumer is required to provide the Cooperative with the capacity rating in kW of the generating unit(s) and a projection of the annual kWh output of the generating unit(s) when completing the Cooperative's Distributed Renewable Energy Application. The Member-Consumer shall determine its annual electricity needs using one of the following methods:

- d) The Member-Consumer's annual energy usage, measured in kWh, during the previous 12 month period;
- e) Where metered demand data is available, the maximum integrated hourly demand measured in kW during the previous 12 month period; or
- f) In cases where no data, incomplete data, or incorrect data for the Member-Consumer's past annual energy usage is available, or where the Member-Consumer is making changes on-site that will affect their future total annual electric usage, the Cooperative and the Member-Consumer shall mutually agree on a method to determine the Member-Consumer's future annual energy usage.

Metering

The Member-Consumer's usage and excess generation shall be determined using a single meter with separate registers measuring power flow in each direction. If there is a significant initial incremental cost to provide a meter measuring power flow in each direction above the cost for meters provided for similarly situated non-generating Member-Consumer's, the difference in cost shall be paid by the Member-Consumer. Any service upgrades, protective or power quality equipment/devices necessary to accommodate the output of the generating unit(s), as determined by the Cooperative, shall be at the Member-Consumer's expense.

Monthly Charges and Credits

"Excess Generation" means energy and associated renewable energy attributes, including, but not limited to Renewable Energy Credits, generated by the Member-Consumer's renewable energy generator and not consumed at the Member-Consumer's location (and delivered to the Cooperative). The Member-Consumer shall pay the full retail rate in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer for energy delivered to the Member-Consumer by the Cooperative. The Member-

**DISTRIBUTED RENEWABLE ENERGY PROGRAM PHASE 2 - (DRE)
GENERATORS WITH A CAPACITY OF 20 KW AND LESS
(Continued from Sheet No. D-19.04)**

Consumer shall be credited 5.6 cents per kwh, for Excess Generation. Energy produced by the Member-Consumer's solar or wind renewable energy generator and consumed at the Member-Consumer's location without flowing onto the Cooperative's distribution system is not billed by the Cooperative, compensated by the Cooperative, or displayed on the billing statement.

The credit for any Excess Generation during the billing period shall only be applied to the energy charge of the standard service tariff applicable to the Member-Consumer and will be applied to the bill for that period. Any credit that is not used up during the current billing period shall be carried forward for use in subsequent billing periods. If a Member-Consumer terminates service with the Cooperative while having a distributed renewable energy credit amount on their account, the G&T shall pay, through its agent, the Cooperative, the remaining credit amount to the Member-Consumer following a final reading by the Cooperative of the Member-Consumer's meter.

**NET METERING PROGRAM
GENERATORS WITH A CAPACITY OF 20 KW AND LESS**

SIGNED AGREEMENT ON FILE PRIOR TO NOVEMBER 1, 2016

Availability

In order to facilitate the generation and transmission Cooperative's ("G&T") standing offer for 10 MW of solar and wind energy and grandfather-in existing net metering Member-Consumers, this offer is available to Member-Consumers with a Net Metering Agreement on file with the Cooperative before November 1, 2016 who operate renewable electric generation, limited to solar and wind, facilities with a nameplate capacity of 20 kW or less and are interconnected with the Cooperative's system, to generate a portion or all of the Member-Consumer's own electricity. If a Member-Consumer has more than one electric generator, the generator's rating(s) shall be summed and the sum may not exceed 20 kW.

The Cooperative's Net Metering Program is available until October 30, 2016, on a limited basis until the G&T's standing offer expires by full 10 MW subscription.

Member-Consumers enrolled prior to November 1, 2016 shall be eligible to continue participation for a term of 25 years, measured from the earlier of the effective date of the Net Metering Agreement or the first month the Member-Consumer began net metering. A participating Member-Consumer may terminate participation in the Cooperative's Net Metering Program at any time and for any reason. This program and its resulting contract are neither assignable, nor transferable, to a subsequent owner.

Member-Consumer Eligibility

To be eligible to participate in the Net Metering Program, Member-Consumers must (1) generate a portion or all of their own retail electricity requirements using a solar or wind renewable electric generator, and (2) be Full Requirements Service Member-Consumers taking service under the Cooperative's applicable service tariff.

Member-Consumers wishing to participate in the Net Metering Program shall submit a completed Net Metering Application to the Cooperative for review. Upon approval of the Application, the Cooperative shall issue a Net Metering and Interconnection Agreement to be signed by the Member-Consumer, the Cooperative, and the G&T. A copy of the signed agreement will be kept on file at the Cooperative. A signed Net Metering and Interconnection Agreement is required prior to November 1, 2016 for the Member-Consumer's generator to remain connected to the Cooperative's facilities.

The interconnection device used to connect the Member-Consumer's renewable generator with the Cooperative's facilities shall comply with the requirements of IEEE standard 519 and 1547, and Underwriters Laboratories standard UL-1741 Scope 1.1a for utility-interactive (grid-connected) power systems.

The generation equipment must be located on the Member-Consumer's premises, serving only the Member-Consumer's premises, and must be intended primarily to offset a portion or all of the Member-Consumer's requirements for electricity. At the Member-Consumer's option, the generation capacity shall be determined by one of the following methods:

Issued October 24, 2016
By Tony Anderson
General Manager
Grawn, Michigan

Effective for bills rendered on and after
October 24, 2016

Issued under authority of the Board of
Directors dated October 24, 2016

**NET METERING PROGRAM
GENERATORS WITH A CAPACITY OF 20 KW AND LESS
(Continued from Sheet No. D-20.00)**

SIGNED AGREEMENT ON FILE PRIOR TO NOVEMBER 1, 2016

- a) Aggregate nameplate capacity of the generator(s)
- b) Aggregate projected annual kWh output of the generator(s)

The Member-Consumer is required to provide the Cooperative with the capacity rating in kW of the generating unit(s) and a projection of the annual kWh output of the generating unit(s) when completing the Cooperative's Net Metering Application. The Member-Consumer shall determine its annual electricity needs using one of the following methods:

- a) The Member-Consumer's annual energy usage, measured in kWh, during the previous 12 month period:
- b) Where metered demand data is available, the maximum integrated hourly demand measured in kW during the previous 12 month period: or
- c) In cases where no data, incomplete data, or incorrect data for the Member-Consumer's past annual energy usage is available, or where the Member-Consumer is making changes on-site that will affect their future total annual electric usage, the Cooperative and the Member-Consumer shall mutually agree on a method to determine the Member-Consumer's future annual energy usage.

Metering

The Member-Consumer's usage and excess generation shall be determined using a single meter with separate registers measuring power flow in each direction. If there is a significant initial incremental cost to provide a meter measuring power flow in each direction above the cost for meters provided for similarly situated non-generating Member-Consumers, the difference in cost shall be paid by the Member-Consumer. Any service upgrades, protective or power quality equipment/devices necessary to accommodate the output of the generating unit(s), as determined by the Cooperative, shall be at the Member-Consumer's expense.

Monthly Charges

"Excess Generation" means energy and associated renewable energy attributes, including, but not limited to Renewable Energy Credits, generated by the Member-Consumer's renewable energy generator and not consumed at the Member-Consumer's location (and delivered to the Cooperative).

The Member-Consumer shall pay the full retail rate in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer for all energy delivered to the Member-Consumer by the Cooperative. The Member-Consumer shall be credited the full retail rate in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer for all Excess Generation. Energy produced by the Member-Consumer's renewable energy generator and consumed at the Member-Consumer's location without flowing onto the Cooperative's distribution system is not billed by the Cooperative, compensated by the Cooperative, or displayed on the billing statement.

**NET METERING PROGRAM
GENERATORS WITH A CAPACITY OF 20 KW AND LESS
(Continued from Sheet No. D-20.01)**

SIGNED AGREEMENT ON FILE PRIOR TO NOVEMBER 1, 2016

The credit for any Excess Generation during the billing period shall be applied to the bill for that period. Any credit that is not used up during the current billing period shall be carried forward for use in subsequent billing periods. If a Member-Consumer terminates service with the Cooperative while having a net metering credit amount on their account, the G&T shall pay, through its agent, the Cooperative, the remaining credit amount to the Member-Consumer following a final reading by the Cooperative of the Member-Consumer's meter.

**RENEWABLE ENERGY STANDING OFFER LIMITED PURCHASE AND SALE PROGRAM
(BUY-ALL/SELL-ALL)**

THIS RATE IS CLOSED TO NEW ACCOUNTS

In order to provide for the safety of Member-Consumers, Cooperative personnel, and others, and to ensure reliable electric service consistent with the generation and transmission Cooperative's ("G&T") standing offer for 10 MW of solar and wind renewable energy, the following requirements are established for connection and/or operation of Member-Consumer generation facilities in parallel with the Cooperative's distribution system.

Availability

The Cooperative's Buy-All/Sell-All Program is available on a first come, first serve, limited basis until the G&T's standing offer expires December 31, 2019 or upon full 10 MW subscription.

These requirements govern all Member-Consumer-owned generation facilities, which generate all of their electricity using a solar or wind renewable energy generator ("Member-Consumer Facility"), with a nameplate of 1 MW or less.

Member-Consumers wishing to participate in the Buy-All/Sell-All program shall submit a completed Buy-All/Sell-All Application and the \$100 application fee to the Cooperative for review. Upon approval of the Buy-All/Sell-All Application, the Cooperative shall issue a Buy-All/Sell-All Interconnection and Purchase Agreement ("Agreement") between the Member-Consumer, the Cooperative, and the G&T. Member-Consumers must complete construction and meet commercial operation of the Member-Consumer Facility within 180 days of signing the Buy-All/Sell-All Interconnection and Purchase Agreement.

The nameplate of the renewable energy generator size is limited to 1 MW per Member-Consumer. The Member-Consumer's entire renewable energy generator must fit within the limit and must be located on the Member-Consumer's premises. If a Member-Consumer has more than one renewable energy generator, the generators' ratings must be summed and the sum may not exceed 1 MW.

Upon enrolling in the Buy-All/Sell-All program, the term of the Agreement is 20 years. A participating Member-Consumer may terminate participation in the Buy-All/Sell-All program at any time and for any reason.

If the Member-Consumer does not meet (or, for the term of the Agreement, continue to meet) all of the requirements of the Agreement, as well as the requirements listed below, the Cooperative may require termination of parallel operation and the Member-Consumer shall be liable for any damages or injury resulting from unauthorized or improper connection and/or operation of the Member-Consumer's Facility.

Safety and Reliability Requirements

The Member-Consumer shall submit for the Cooperative's review detailed electric diagrams, equipment nameplate data, including the interface device and control system of the Member-Consumer's power source and a site plan.

**RENEWABLE ENERGY STANDING OFFER LIMITED PURCHASE AND SALE PROGRAM
(BUY-ALL/SELL-ALL)
(Continued from Sheet No. D-21.00)**

THIS RATE IS CLOSED TO NEW ACCOUNTS

The Member-Consumer's control and protection system and site plan must be acceptable to the Cooperative and in accordance with these safety and reliability standards. This system shall provide for immediate automatic shutdown or separation of the Facility and the Cooperative system in the event of momentary or extended loss of power from the Cooperative, including loss of one or more phases if the Member-Consumer is generating three phase power. The shutdown or separation must continue until normal utility service is restored. The shutdown or separation shall occur when frequency, voltage, and/or current deviate from normal utility standards. The Member-Consumer shall be liable if the Member-Consumer's protection system fails to function.

A disconnecting device suitable for use as a protective tag location may be required so as to be accessible and in reasonably close proximity to the billing meter.

The completed installation must meet all local, state and national codes and regulations and is subject to inspection by proper enforcement authorities before commencement of parallel operation. In addition, the Cooperative may, at its discretion, inspect or test the facility at any time.

The Member-Consumer shall advise the Cooperative prior to making any revisions to the Facility, the control system, or the interface between the two power systems after the installation. Any such revision must be acceptable to the Cooperative.

Should the parallel operation of the Facility cause interference or adversely affect voltage, frequency, harmonic content or power factor in the Cooperative's system or other Member-Consumers' service, the Cooperative may require disconnection of parallel operation until the condition has been corrected.

Metering

Separate metering shall be installed to determine generation output. The Member-Consumer Facility must deliver, to the Cooperative's system, all energy generated. The Member-Consumer shall pay the incremental cost of all such metering above the cost for meters provided for similarly situated non-generating Member-Consumers. Any service upgrades or protective equipment/devices necessary to accommodate the output of the generating unit(s), as determined by the Cooperative, shall be at the Member-Consumer's expense.

Reimbursement of Costs

The Member-Consumer shall pay for all costs associated with any addition to (or alteration of) the Cooperative's equipment required for metering and for the safe and reliable operation of the Facility in parallel with the Cooperative's system, as noted above, as well as an interconnection study, at the request of the Cooperative. The Member-Consumer shall also pay for costs of changes required due to safety or adverse effects on other Member-Consumers and/or on the Cooperative caused by the connection and/or operation of the Member-Consumer's renewable energy generator.

**RENEWABLE ENERGY STANDING OFFER LIMITED PURCHASE AND SALE PROGRAM
(BUY-ALL/SELL-ALL)
(Continued from Sheet No. D-21.01)**

THIS RATE IS CLOSED TO NEW ACCOUNTS

The Cooperative may require reasonable and adequate insurance coverage by the interconnecting Member-Consumer and the Member-Consumer shall provide proof of liability coverage as may be required by the Cooperative.

Monthly Charges and Credits

The Member-Consumer shall pay the full retail rate in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer for all energy delivered to the Member-Consumer by the Cooperative, including energy necessary to operate the Member-Consumer's renewable energy generator.

The Cooperative, as agent for the G&T, shall pay the Member-Consumer 10 cents per kWh for all energy delivered to the Cooperative by the Member-Consumer as a credit on the Member-Consumer's monthly bill. The credit will be applied to the energy charge of the standard service tariff applicable to the Member-Consumer and will be applied to the bill for that period. Any credit that is not used up during the current billing period shall be carried forward for use in subsequent billing periods. If a Member-Consumer terminates service with the Cooperative while having a remaining credit amount on their account, the G&T shall pay, through its agent, the Cooperative, the remaining credit amount to the Member-Consumer following a final reading by the Cooperative of the Member-Consumer's meter.

For renewable generator installations requiring a separate service connection to the Cooperative's distribution grid, an availability charge equal to the Schedule C – General Service availability charge shall be the minimum monthly charge. For Members requiring more than 15 kVA of transformer capacity, the minimum monthly charge shall be the Availability Charge plus \$0.20 per kVA, for all kVA over 15 kVA of required transformer capacity.

**RENEWABLE ENERGY STANDING OFFER LIMITED PURCHASE AND SALE PROGRAM
PHASE 2
(BUY-ALL/SELL-ALL)**

In order to provide for the safety of Member-Consumers, Cooperative personnel, and others, and to ensure reliable electric service consistent with Phase 2 of the generation and transmission Cooperative's ("G&T") standing offer for 10 MW of solar and wind renewable energy, the following requirements are established for connection and/or operation of Member-Consumer generation facilities in parallel with the Cooperative's distribution system, beginning June 18, 2018.

Availability

The Cooperative's Phase 2 Buy-All/Sell-All Program is available on a first come, first serve, limited basis until the G&T's standing offer expires upon full 10 MW subscription.

These requirements govern all Member-Consumer-owned generation facilities, which generate all of their electricity using a solar or wind renewable energy generator ("Member-Consumer Facility"), with a nameplate of 100 kW or less.

Member-Consumers wishing to participate in the Buy-All/Sell-All program shall submit a completed Buy-All/Sell-All Application and the \$100 application fee to the Cooperative for review. Upon approval of the Buy-All/Sell-All Application, the Cooperative shall issue a Buy-All/Sell-All Interconnection and Purchase Agreement ("Agreement") between the Member-Consumer, the Cooperative, and the G&T. Member-Consumers must complete construction and meet commercial operation of the Member-Consumer Facility within 180 days of signing the Buy-All/Sell-All Interconnection and Purchase Agreement.

The nameplate of the renewable energy generator size is limited to 100 kW per Member-Consumer. The Member-Consumer's entire renewable energy generator must fit within the limit and must be located on the Member-Consumer's premises. If a Member-Consumer has more than one renewable energy generator, the generators' ratings must be summed and the sum may not exceed 100 kW.

Upon enrolling in this Buy-All/Sell-All program, the term of the Agreement is 20 years. A participating Member-Consumer may terminate participation in the Buy-All/Sell-All program at any time and for any reason.

If the Member-Consumer does not meet (or, for the term of the Agreement, continue to meet) all of the requirements of the Agreement, as well as the requirements listed below, the Cooperative may require termination of parallel operation and the Member-Consumer shall be liable for any damages or injury resulting from unauthorized or improper connection and/or operation of the Member-Consumer's Facility.

Safety and Reliability Requirements

The Member-Consumer shall submit for the Cooperative's review detailed electric diagrams, equipment nameplate data, including the interface device and control system of the Member-Consumer's power source and a site plan.

**RENEWABLE ENERGY STANDING OFFER LIMITED PURCHASE AND SALE PROGRAM
PHASE 2
(BUY-ALL/SELL-ALL)
(Continued from Sheet No. D-21.03)**

The Member-Consumer's control and protection system and site plan must be acceptable to the Cooperative and in accordance with these safety and reliability standards. This system shall provide for immediate automatic shutdown or separation of the Facility and the Cooperative system in the event of momentary or extended loss of power from the Cooperative, including loss of one or more phases if the Member-Consumer is generating three phase power. The shutdown or separation must continue until normal utility service is restored. The shutdown or separation shall occur when frequency, voltage, and/or current deviate from normal utility standards. The Member-Consumer shall be liable if the Member-Consumer's protection system fails to function.

A disconnecting device suitable for use as a protective tag location may be required so as to be accessible and in reasonably close proximity to the billing meter.

The completed installation must meet all local, state and national codes and regulations and is subject to inspection by proper enforcement authorities before commencement of parallel operation. In addition, the Cooperative may, at its discretion, inspect or test the facility at any time.

The Member-Consumer shall advise the Cooperative prior to making any revisions to the Facility, the control system, or the interface between the two power systems after the installation. Any such revision must be acceptable to the Cooperative.

Should the parallel operation of the Facility cause interference or adversely affect voltage, frequency, harmonic content or power factor in the Cooperative's system or other Member-Consumers' service, the Cooperative may require disconnection of parallel operation until the condition has been corrected.

Metering

Separate metering shall be installed to determine generation output. The Member-Consumer Facility must deliver, to the Cooperative's system, all energy generated. The Member-Consumer shall pay the incremental cost of all such metering above the cost for meters provided for similarly situated non-generating Member-Consumers. Any service upgrades or protective equipment/devices necessary to accommodate the output of the generating unit(s), as determined by the Cooperative, shall be at the Member-Consumer's expense.

Reimbursement of Costs

The Member-Consumer shall pay for all costs associated with any addition to (or alteration of) the Cooperative's equipment required for metering and for the safe and reliable operation of the Facility in parallel with the Cooperative's system, as noted above, as well as an interconnection study, at the request of the Cooperative. The Member-Consumer shall also pay for costs of changes required due to safety or adverse effects on other Member-Consumers and/or on the Cooperative caused by the connection and/or operation of the Member-Consumer's renewable energy generator.

**RENEWABLE ENERGY STANDING OFFER LIMITED PURCHASE AND SALE PROGRAM
PHASE 2
(BUY-ALL/SELL-ALL)
(Continued from Sheet No. D-21.04)**

The Cooperative may require reasonable and adequate insurance coverage by the interconnecting Member-Consumer and the Member-Consumer shall provide proof of liability coverage as may be required by the Cooperative.

Monthly Charges and Credits

The Member-Consumer shall pay the full retail rate in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer for all energy delivered to the Member-Consumer by the Cooperative, including energy necessary to operate the Member-Consumer's renewable energy generator.

The Cooperative, as agent for the G&T, shall pay the Member-Consumer 6.5 cents per kWh for all energy delivered to the Cooperative by the Member-Consumer as a credit on the Member-Consumer's monthly bill. The credit will be applied to the energy charge of the standard service tariff applicable to the Member-Consumer and will be applied to the bill for that period. Any credit that is not used up during the current billing period shall be carried forward for use in subsequent billing periods.

If the Member-Consumer requests payment of an accumulated credit the Cooperative may pay the balance to the Member-Consumer as an agent for the G&T.

If a Member-Consumer terminates service with the Cooperative while having a remaining credit amount on their account, the G&T shall pay, through its agent, the Cooperative, the remaining credit amount to the Member-Consumer following a final reading by the Cooperative of the Member-Consumer's meter.

COMMUNITY SOLAR PROGRAM

The Cooperative's generation and transmission Cooperative ("G&T") has created a standing offer for certain renewable energy, produced by solar and wind energy generators. As part of that standing offer, the G&T has developed a Community Solar Program for the Cooperative and its Member-Consumers, available from the SpartanSolar-Wolverine array in Cadillac, Michigan, the SpartanSolar-Midwest array in Cassopolis, Michigan, and any arrays built later and included in the Community Solar program by G&T (collectively, the "Facility").

Program and Availability

The Community Solar Program permits voluntary participation by Member-Consumers who may benefit from available solar resources without the cost of permanent installation, impact on property, or hassle of maintenance.

Member-Consumers wishing to participate in the Community Solar Program must submit a completed Community Solar Subscription and Credit Form to the Cooperative to commit to the desired subscription level. Upon acceptance and determination of the applicable subscription cost, the Cooperative shall issue a Community Solar Subscription and Credit Agreement between the Member-Consumer, the Cooperative, and the G&T. Acceptance into the Program is on a limited basis until the full output of the Facility has been subscribed.

Upon enrolling in the Community Solar Program, the subscription is effective for a term of 15 years. A participating Member-Consumer may terminate participation in the Community Solar Program at any time and for any reason, subject to refund provisions as outlined below. If participation is terminated, a Member-Consumer must wait 12 months before re-enrolling.

Payments

Member-Consumers have the following subscription options under the Community Solar Program, priced on a per "panel" (while the Member-Consumer will not have ownership in a solar panel, each subscription is based on the output of one solar panel) basis, as follows:

1. A single upfront subscription payment of \$600, or
2. \$10 monthly subscription payments for 5 years.

While the single upfront payment is due upon acceptance by the Cooperative, monthly subscription payment amounts will appear on the Member-Consumer's bill each month, for 60 months. The subscription payment covers the cost of solar energy, which includes cost of construction, operation and maintenance costs, financing costs, insurance, required interconnection and electric system modification costs, program management costs, and the value of all intrinsic renewable attributes, including, but not limited to, Renewable Energy Credits, associated with the solar energy output.

COMMUNITY SOLAR PROGRAM
(Continued from Sheet No. D-22.00)

Refund

If a Member-Consumer dies, terminates service with the Cooperative, has received Solar Output Energy Credits for 15 years, or requests to terminate the Community Solar Subscription and Credit Agreement, the Member-Consumer will receive a refund of their remaining solar energy subscription, which is calculated by determining the Member-Consumer's amount paid for Subscribed Solar Energy and reducing it by the amount of Solar Energy Output Credits paid to the Member-Consumer as of the date of termination.

If a Member-Consumer fails to pay three monthly subscription payments, the Cooperative may default the Member-Consumer's Community Solar Subscription and Credit Agreement at the Cooperative's sole discretion. Upon default, the Member-Consumer is eligible for refund as calculated above, minus a \$50 default fee.

Service and Credit

The Member-Consumer shall pay the full retail rate in accordance with the Cooperative's standard service tariff applicable to the Member-Consumer for all energy delivered to the Member-Consumer by the Cooperative.

In the first month where Facility output data is available and after the upfront subscription or first monthly subscription has been paid, the Cooperative shall pay the Member-Consumer \$.10/kWh every month as a bill credit, known as the Solar Energy Output Credit, equal to the Member-Consumer's pro rata share of the Facility's output (measured in kilowatt hours at the Facility), from the most recent month available.

This pro rata share will reflect the Member-Consumer's percentage subscription in the Facility when applied to the output of the Facility. The Member-Consumer is entitled to Solar Energy Output Credits for 15 years from the effective date of the Community Solar Subscription and Credit Agreement.

If the monthly Solar Energy Output Credit exceeds the energy charge of the standard service tariff applicable to the Member-Consumer, the excess credit will be rolled over and applied to the next month's applicable energy charge.

Although the value of the Solar Energy Output Credit may increase over the life of the Community Solar Program, **there should be no expectation (and there is no guarantee) that the value of the credit will be greater than the subscription payment. Participants should not enroll in this program with any expectation of profit or financial gain.**

EFFICIENT HEATING
Schedule EH-1

Availability

Rate Schedule EH-1 is available to Member's requesting service after January 1, 2015 for entire building heating loads where an electrically operated high efficiency heat pump or geothermal system is the primary source of heat. The system must have a Coefficient of Performance (COP) rating of 3.0 or greater for Geothermal units, or a COP rating of 2.3 or greater for Air Source heat pumps. A separate meter recording only the energy used by the efficient heating system is required to qualify for service under this rate, the installation of the meter will be at the Member's expense. Participating members must qualify for Rate Schedule A or C and concurrently take service under that rate. Service is subject to the established rules and regulations of the Cooperative. A Member Service Agreement is required for service under this schedule.

Type of Service

Alternating current, 60 hertz, at approximately 120/240 volts, single phase, three-wire, separately metered.

Monthly Rate

Energy Charge:

Geothermal Systems

As set forth in Schedule A or C discounted @ 3.0¢ per kWh

Air Source Heat Pumps

As set forth in Schedule A or C discounted @ 3.0¢ per kWh
for usage recorded during the months of October thru April

As set forth in Schedule A or C for usage recorded
during the months of May thru September

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause shown on Sheet No. D-1.00

Excess Capacity Charge

Members taking service under Schedule A and requiring transformer capacity in excess of 25 kVA as determined by the Cooperative, a minimum monthly charge of \$0.20 per kilovolt-ampere (kVA) for all kVA over 25 kVA of required transformer capacity shall apply. Members taking service under Schedule C, as specified in that rate.

EFFICIENT HEATING
Schedule EH-1
(Continued from Sheet No. D-23.00)

Terms of Payment

This rate schedule is subject to the terms of payment as set forth on the concurrent rate schedule that qualifies the Member for this service.

Michigan Sales Tax

Michigan Sales Tax will be added to all bills, including minimum charges, where applicable.

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Members from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

**RESISTANCE HOME HEATING
Schedule RH**

Availability

Rate Schedule RH is for whole house heating loads where resistance (resistive) electric heat is the primary source of heat. Air conditioning load is not allowed on this rate. Participating members must qualify for Rate Schedule A and concurrently take service under that rate. Service is subject to the established rules and regulations of the Cooperative. A Member Service Agreement is required for service under this schedule.

Type of Service

Alternating current, 60 hertz, at approximately 120/240 volts, single phase, three-wire, separately metered.

Monthly Rate

Energy Charge (Resistance Heating):

- First 2,500 kWh As set forth in Schedule A discounted @ 0.5¢ per kWh
- Over 2,500 kWh As set forth in Schedule A

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause as set forth on Sheet No. D-1.00

Terms of Payment

This rate schedule is subject to the terms of payment as set forth on the concurrent rate schedule that qualifies the Member for this service.

Michigan State Sales Tax

Michigan State Sales Tax will be added to all bills, including minimum charges, where applicable.

RESISTANCE HOME HEATING
Schedule RH
(Continued from Sheet No. D-24.00)

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Members from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

**EFFICIENT HOME HEATING
Schedule EH**

THIS RATE IS CLOSED TO NEW ACCOUNTS

Availability

Rate Schedule EH is for whole house heating loads where an electrically operated high efficiency heat pump or geothermal system is the primary source of heat. The system must have a Coefficient of Performance (COP) rating of 2.0 or greater. When the heating qualification is satisfied, air conditioning loads and heat pump based domestic storage water heater loads (with COP of 2.0 or greater) will be permitted on this rate. Participating members must qualify for Rate Schedule A and concurrently take service under that rate. Service is subject to the established rules and regulations of the Cooperative. A Member Service Agreement executed on or before December 31, 2014 is required for service under this schedule.

Type of Service

Alternating current, 60 hertz, at approximately 120/240 volts, single phase, three-wire, separately metered.

Monthly Rate

Energy Charge (Efficient Heating):

- As set forth in Schedule A discounted @ 3.0 ¢ per kWh

Energy Optimization Surcharge:

This rate is subject to the Energy Optimization Surcharge shown on Sheet No. D-1.02.

Power Supply Cost Recovery:

This rate is subject to the Power Supply Cost Recovery clause shown on Sheet No. D-1.00

Excess Capacity Charge

For Members requiring transformer capacity in excess of 25 kVA as determined by the Cooperative, a minimum monthly charge of \$0.20 per kilovolt-ampere (kVA) for all kVA over 25 kVA of required transformer capacity shall apply.

Terms of Payment

This rate schedule is subject to the terms of payment as set forth on the concurrent rate schedule that qualifies the Member for this service.

EFFICIENT HOME HEATING
Schedule EH
(Continued from Sheet No. D-25.00)

THIS RATE IS CLOSED TO NEW ACCOUNTS

Michigan Sales Tax

Michigan Sales Tax will be added to all bills, including minimum charges, where applicable.

Tax Adjustments

- A. Bills shall be increased within the limits of political subdivisions which levy special taxes, license fees or rentals against the Cooperative's property, or its operations, or the production and/or sale of electric energy, to offset such special charges and thereby prevent other Members from being compelled to share such local taxes.
- B. Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority which increases the Cooperative's cost of providing electric energy.

**GREEN/RENEWABLE ENERGY
RIDER REC**

Availability

This Rider is available on a first-come, first-serve basis to metered Cherryland Electric Cooperative full service and retail access service Member-Consumers to promote the development and operation of renewable power facilities in the state of Michigan. The availability of service under this Rider may be limited by the availability of Renewable Energy Certificates (RECs) from renewable power facilities in the state of Michigan, at the prices set forth in this Rider. A REC is a unique, independently certified and verifiable record of the production of 1 megawatt hour of renewable energy.

In the event sufficient RECs to provide service to all Member-Consumers desiring service under this Rider from Michigan renewable resource facilities at the prices set forth in this Rider are not available, this Rider may be closed to Member-Consumers.

Type of Service

The character of service is as specified under the applicable Rate Schedule under which the Member-Consumer takes service and with which this Rider is associated.

Monthly Rate

The following charge will be in addition to the normal charges applied under the applicable Rider(s) and Rate Schedule(s) in effect at the Member-Consumer's metered location:

\$1.50 per 100 kWh block per month.

Member-Consumers may elect fixed increments (per block) under the rate to which this Rider is attached. In the event that the energy represented in the blocks purchased exceeds the member's actual kWh delivered for the billing period, no reconciliation shall be made on the Member-Consumer's billing.

Term

The minimum term available to Member-Consumers is twelve months. If a Member-Consumer chooses to cancel their subscription during this time they must wait 12 months from the cancellation date before re-enrolling. Member-Consumers may change their subscription level each year during the month of their subscription anniversary or following any changes in pricing of 100 kwh blocks.