

**TABLE OF CONTENTS**

**I. General Information..... 7**

**A. The Authority’s Service Area..... 7**

**B. Abbreviations and Definitions ..... 10**

**C. General Terms and Conditions..... 25**

1. Legal Authority..... 25

2. Implementation and Administration of this Tariff ..... 25

3. Availability of this Tariff..... 25

4. Altering, Changing, and Eliminating the Provisions of this Tariff..... 25

5. Employee Identification ..... 25

6. Access to Customers’ Premises..... 26

7. Obligations of the Authority ..... 27

8. Customer’s Responsibility ..... 30

9. Ownership of Equipment on Customer’s Premises..... 30

10. Cost of Special Services on Customer’s Premises ..... 30

11. Requirements for Residential Service ..... 30

12. Requirements for Nonresidential Service..... 33

13. Combined Service ..... 33

14. Customer-Owned Electric Generating Equipment ..... 34

15. ~~Solar and Wind Electric~~ Net Metering Generators ..... 34A

16. Resale, Redistribution, and Submetering of Electricity for Residential Purposes..... 35

17. Resale, Redistribution, and Submetering of Electricity for Nonresidential Purposes..... 38

**II. How To Obtain Service ..... 39**

**A. Residential Application Procedure ..... 39**

1. Forms of Residential Application ..... 39

2. Residential Application Approval..... 39

3. Required Oral Application Information..... 39

4. Exceptions to Provision of Residential Service ..... 39

5. Conditions for Requiring a Written Application..... 40

6. Notification for Requiring a Written Application ..... 40

7. Required Written Application Information..... 40

**B. Nonresidential Application Procedure..... 41**

1. Form of Application..... 41

2. Nonresidential Application Approval..... 41

3. Required Written Application Information..... 41

4. Incomplete Applications..... 42

5. Additional Requirements for Application Approval ..... 42

**C. Denial-of-Service Procedure..... 43**

1. Time Frame for Denial of Service..... 43

2. Notification to Applicant..... 43

3. Contents of the Written Notification ..... 43

4. Record-Keeping Obligations of the Authority ..... 44

5. Reversing a Denied Application ..... 44

6. Service for a Previously Denied Application..... 44

**I. General Information (continued):****B. Abbreviations and Definitions (continued):**

**Demand Customer:** A Customer who is billed for Demand charges.

**Demand Meter:** The device that records the maximum amount of power used by the Customer over a 15-minute interval during a specific period, such as a month.

**Deposit:** A sum of money given as security for payment of service.

**Distribution Facilities:** Facilities used to distribute electric energy to consumers, including supply lines, distribution lines, service laterals, and accessory equipment.

**Distribution Line(s):** A system of poles, wires, ducts, conduits, and additional equipment used for the shared distribution of electricity to Customers.

**E**

**Easement:** (See *Right-of-way*)

**Energy:** Energy is electric power, used or supplied over time, and measured in KWH.

**Existing Overhead Areas:** Areas in which electric distribution facilities are constructed overhead, and there are no requirements to construct facilities underground.

**F**

**Farm Waste Electric Generating Equipment:** Equipment that generates electric energy from biogas produced by anaerobic digestion of agricultural wastes, such as livestock manure, farming wastes and food processing wastes with a rated capacity of not more than five hundred kilowatts (500 kW) that is manufactured, installed and operated by Customer-generator in accordance with applicable government and industry standards, connected to the electric system and operated in conjunction with the Authority's transmission and distribution facilities, operated in compliance with the Authority's standards and requirements established therefor, fueled at a minimum of ninety (90) percent on an annual basis by biogas produced from the anaerobic digestion of agricultural waste such as livestock manure materials, crop residues, and food processing waste, and fueled by biogas generated by anaerobic digestion with at least fifty (50) percent by weight of its feed stock being livestock manure on an annual basis.

**Fuel Cell Electric Generating Equipment:** A solid oxide, molten carbonate, proton exchange membrane or phosphoric acid fuel cell with a combined rated capacity of not more than ten (10) kilowatts that is manufactured, installed and operated in accordance with applicable government and industry standards, that is connected to the electric system and operated in compliance with the Authority's standards and requirements established therefor.

**Fuel and Purchased Power Cost Adjustment Clause:** Provisions made in electric rates schedules for the automatic adjustment of rates due to changes in cost of fuel and purchased power.

**Full-Requirements Customer:** A Customer whose electric power requirements are all supplied by the Authority. (See *Customer – Full Requirements Customer*)

**H**

**Heat-Related Service:** A service provided under a residential space-heating rate classification or service needed to start or operate the primary heating system. It also includes a safe, supplemental electrical heating device that is needed by the Customer because the third party who controls the primary heating system does not supply enough heat.

**I. General Information (continued):****B. Abbreviations and Definitions (continued):**

**Hybrid Electric Generating System or Hybrid System:** An electric generating system consisting exclusively of wind and solar electric generators which are metered and billed as single unit, Hybrid electric generating systems owned and/or operated by Residential, non-residential or Farm Service Customers may be eligible for net metering. Hybrid systems may not include micro- Combined Heat and Power (CHP) or micro-Fuel Cell electric generation.

**J**

**Jurisdiction:** The right and power to interpret and apply the law.

**K**

**Kilovar(s) = KVAR 1,000 reactive voltamperes (See Reactive Power)**

A unit of measure of that part of Apparent Power that is not useful, but is required by some types of electricity-consuming devices such as motors.

**Kilovoltampere = kVA = 1,000 voltamperes (See Voltamperes)**

**Kilowatt(s) = KW = 1,000 watts**

A unit of measure of that part of Apparent Power that is useful (Real Power). (See *Power*)

**Kilowatt-hour = KWH = 1,000 watt-hours**

A unit of electric energy equal to one (1) kilowatt of power supplied to or taken from an electricity-consuming device steadily for one (1) hour.

**L**

**Late Payment:** Payment made more than twenty (20) calendar days after the date payment was due. The due date is the earlier of the two (2) dates: the personal delivery date or three (3) calendar days after the mailing of the bill. The Customer must pay the bill by the "Pay by" date on the bill to avoid making a late payment.

**Letter of Credit:** A letter issued by a bank authorizing the bearer to draw a stated amount of money from the issuing bank, its branches, or other associated banks or agencies.

**Levelized Payment Plan:** (See *Balanced or Budget Billing Plan*)

**Liability:** A legal obligation.

**Line:** A system of overhead poles, wires, and accessory equipment or underground ducts, conduits, and cables used for the distribution of electricity to Customers.

**Line Extension:** The addition of poles, wires, ducts, conduits, appurtenant facilities and additional equipment to a distribution line used to expand the shared distribution of electricity to Customers.

**I. General Information (continued):****B. Abbreviations and Definitions (continued):**

**Load:** (See *Demand*)

**Load Factor:** The ratio of a Customer(s) average demand to peak demand during a specified period.

**Location:** Property with stated boundaries which is owned or occupied by a single legal entity.

**M**

**Management Services Agreement:** A contractual agreement where a system Manager operates, maintains, and manages the Authority's transmission and distribution system, in accordance with the policies established by the Authority.

**Manager:** The entity engaged by the Authority to operate, maintain and manage the Authority's system under the terms of the Management Services Agreement.

**Micro-Combined Heat and Power Generating Equipment:** An integrated cogenerating building heating and electrical power generation system, operating on any fuel and any applicable engine, fuel cell, or other technology, with a rated capacity of at least one kilowatt and not more than ten (10) kilowatts electric and any thermal output that all full load has a design total fuel use efficiency in the production of heat and electricity of not less than eighty percent, and annually produces at least two thousand (2,000) kilowatt hours of useful energy in the form of electricity that may work in combination with supplemental, or parallel conventional heating system, that is manufactured, installed and operated in accordance with applicable government and industry standards operated in conjunction with the Authority's transmission and distribution facilities.

**Month:** A Month in this document is defined as a 30-day period, and monthly rates for billing periods other than a Month are prorated.

**Multi-phase:** Producing, carrying, or powered by multiple alternating voltages, each of which reaches its highest level at different time intervals. (See *Alternating Voltage*)

**Multiple-Occupancy or Multiple Dwelling Building:** A building designed to contain three (3) or more individual residential units for permanent occupancy. Each unit should contain kitchen, bath, and sleeping areas. In some instances, the Tariff may differentiate between buildings that contain three or more units and those that contain four or more units.

**N**

**Net Energy Metering:** The use of a net energy meter to measure, during the billing period applicable to a Customer-generator, the net amount of electricity supplied by the Authority to the Customer-generator and/or the net amount of electricity provided by the Customer-generator to the Authority.

**Net Financing Cost:** The weighted average cost of debt for the Authority, including all costs of issuance of the debt.

**New York Independent System Operator (NYISO):** A not-for-profit corporation established to provide and maintain open access transmission to the power system in New York State, provide for centralized commitment and dispatch of the generation system in New York State, and provide other services.

**New York Power Authority (NYPA):** A New York utility created by New York State.

**I. General Information (continued):****B. Abbreviations and Definitions (continued):**

**Service Line or Lateral:** A system of conductors and equipment for delivering electricity from the Authority's distribution system to the wiring system of a building or address.

**Service Termination:** The point at which the service line or lateral ends and the Customer connects with the wiring system.

**Shared Meter:** Any Authority meter that measures electric service provided to a tenant's dwelling and to areas outside that dwelling, and the tenant pays for all usage recorded on the meter.

**Shared-Meter Customer:** Any tenant who rents a dwelling with a shared meter from the owner of the dwelling, and the tenant, rather than the owner, is the Authority's Customer of record.

**Short-Term or Temporary Customer - Non-Residential:** (See *Customer - Short-Term or Temporary Customer*)

**Short-Term or Temporary Customer - Residential:** (See *Customer - Short-Term or Temporary Customer*)

**Single-phase:** Producing, carrying, or powered by a single alternating voltage. (See *Alternating Voltage*)

**Solar Electric Generating Equipment:** A photovoltaic system with a rated capacity of equal to or less than twenty ~~five seven and one half (27.5)~~ kilowatts (25 KW+ 10%) for residential Customers or with a rated capacity equal to or less than the highest billing demand in the 12 months prior to the installation of the solar electric generator ~~(not to exceed 2,000 kilowatts)~~ for Non-residential Customers which is manufactured, installed and operated in accordance with applicable government and industry standards, is connected to the Authority's electric system and operated in conjunction with the Authority's transmission and distribution facilities, and which is operated in compliance with the Authority's standards and requirements. ~~Non-residential Customers may install 10% more than their highest billing demand as described above, so long as the total installed capacity of their solar electric generating equipment is less than or equal to 27.5 kW.~~

**State Agency:** Any board, authority, agency, department, commission, public corporation, body politic, or instrumentality of the State of New York.

**Subdivision:** (See *Residential Subdivision*)

**Submetering:** The redistribution of electric service to multiple meters not owned by the Authority.

**Supply Line:** A part of a distribution line that is installed between an existing electric distribution system and an underground distribution line within an underground-designated area. (See *Underground-Designated Area*)

**Surcharge:** In connection with extension of distribution facilities, a monthly, bimonthly, or annual charge assessed Residential Customers over a period that does not exceed ten years and which recovers the cost of the distribution facilities Customers are directly responsible for.

**I. General Information (continued):****B. Abbreviations and Definitions (continued):****Voltampere = VA**

The unit of measure of Apparent Power. (See *Power*) Multiplying the volts by the amperes in an electric circuit will result in the voltamperes.

**W****Watt = W**

A unit of measurement of Real Electrical Power. (See *Power*)

**Watt-hour = W-hr**

The total amount of energy used in an electricity consuming device. Energy is measured as power used over time. For example, a device using one (1) watt-hour of energy is using the equivalent of one (1) watt of power over a period of one (1) hour.

**Watt-hour Meter:** The recording device that measures energy in watt-hours.

**Wind Electric Generating Equipment:** A wind generator or generators with the combined rated capacity of not more than ~~twenty five kilowatts 27.5 kW (-25 kW plus 10%)~~ for a Residential Customer-generator, and not more than 500 kW for a Farm Service Customer-generator, and not more than or equal to or less than the highest billing demand in the 12 months prior to the installation of the wind electric generator (not to exceed 2,000 kilowatts kW) for a Non-residential Customers which is manufactured, installed and operated in accordance with applicable government and industry standards, is connected to the Authority's electric system and operated in conjunction with the Authority's transmission and distribution facilities, and which is operated in compliance with the Authority's standards and requirements.

**I. General Information (continued):****C. General Terms and Conditions (continued):**15. ~~Solar and Wind Electric Generators~~ Net Meteringa) Net Metering Requirements for Solar and Wind Customer-Generators

- (1) A Residential Solar Customer-generator shall be net metered only if the rated capacity of the Solar Electric Generating Equipment is equal to or less than twenty ~~five~~ seven and one-half (27.5) kilowatts ~~(25 kW + 10%)~~. If the rated capacity of the Solar Electric Generating Equipment owned and/or operated by the residential Customer-generators is greater than ~~twenty seven and one-half~~ (27.5) kilowatts, net metering shall not apply and Customer-generator is served under Service Classification 11-Buy-Back service.
- (2) A Residential Wind Customer-generator shall be net metered only if the rated capacity of the Wind Electric Generating Equipment is equal to or less than twenty five (27.5) kilowatts ~~(25 kW + 10%)~~. If the rated capacity of the Wind Electric Generating Equipment owned and/or operated by the residential Customer-generator is greater than ~~(27.5)~~ kilowatts, net metering shall not apply and Customer-generator is served under Service Classification 11-Buy-Back service.
- (3) A Farm Service Customer-generator shall be net metered only if the rated capacity of the Wind Electric Generating Equipment is equal to or less than 500 kilowatts. If the rated capacity of the Wind Electric Generating Equipment owned and/or operated by the Farm Service Customer-generator is greater than 500 kilowatts, net metering shall not apply and Customer-generator is served under Service Classification 11-Buy-Back service.
- ~~(4)~~ A Farm Waste Customer-generator shall be net metered only if the rated capacity of the Farm Waste Generating Equipment is equal to or less than five hundred (500) kilowatts. If the rated capacity of the Farm Waste Electric Generating Equipment owned and/or operated by the Customer-generator is greater than 500 kilowatts, net metering shall not apply and customer-generator is served under Service Classification 11-Buy-Back service.
- ~~(5)~~ A Residential Micro-Combined-Heat-and-Power (Micro-CHP) Customer-generator shall be net metered only if the rated capacity of the Micro-CHP generating equipment is at least 1 kilowatt and less than or equal to ten (10) kilowatts. If the rated capacity of the Micro-CHP generating equipment owned and/or operated by the residential Customer-generator is greater than 10 kilowatts, net metering shall not apply and Customer-generator is served under Service Classification 11-Buy Back service.
- ~~(6)~~ A Residential Fuel Cell Customer generator shall be net metered only if the rated capacity of the Fuel Cell Electric Generating Equipment is less than or equal to ten (10) kilowatts. If the rated capacity of the Fuel Cell Generating Equipment owned and/or operated by the residential Customer-generator is greater than 10 kilowatts, net metering shall not apply and Customer-generator is served under Service Classification 11-Buy Back service.
- ~~(4)~~(7) A Residential Customer-generator that combines Solar Electric and Wind Electric Generating Equipment in a hybrid system shall be net metered only if:
  - (i) The rated capacity of the combined system is equal to or less than twenty ~~five~~ seven and one-half (27.5) kilowatts, or five hundred (500) kilowatts if the Residential Solar Customer-Generator is also a Farm Service Customer-Generator, and

**I. General Information (continued):****C. General Terms and Conditions (continued):****Net Metering (continued):**

- (ii) The solar portion of the installation meets the eligibility for Residential Solar Electric Generating Equipment and
- (iii) The wind portion of the installation meets the eligibility for Residential or Farm Service Wind Electric Generating Equipment and
- (iv) (See table in Paragraph C. 15 h)(2), "Unit Price Credits to a Customer who Provides Net Energy to The Authority" for electric unit price credit applied at different types of generators and hybrid systems).

**I. General Information (continued):****C. General Terms and Conditions (continued):****Solar and Wind Net Metering Electric Generators (continued):**

~~(5)(8)~~ A Non-residential Solar or Wind Electric Customer-generator shall be net metered if the rated capacity of the Solar Electric Generating Equipment is equal to or less than that Customer's highest billing demand in the 12 months prior to the installation, not to exceed 2,000 kilowatts.

~~(i)~~ Smaller Non-residential Solar or Wind Customer-generators may install up to 110% of their highest billing demand, up to 25.5 kW.

~~(ii)~~ In the case that 12 months of billing demand is not available, including situations where the Solar or Wind Electric Generating Equipment was installed prior to eligibility for net metering, LIPA will establish the maximum allowable capacity based on its analysis of comparable facilities.

~~(iii)~~ If the rated capacity of the Solar Electric Generating Equipment is greater than the limits specified herein, net metering shall not apply and the Customer-generator may be served under Service Classification 11-Buy-Back service.

**b) Total Capacity Limitations on Net Metering for Solar and Wind Customer-Generators**

(1) The Authority will sign a contract with each of the Residential and Non-residential Solar, Farm Waste, Micro-Combined-Heat-and-Power and Fuel Cell Customer-generators meeting all applicable requirements on a first come, first served basis, until the total rated generating capacity for Solar, Farm Waste, Micro-Combined-Heat-and-Power, and Fuel Cell Electric Generating Equipment owned and/or operated by ~~e~~C customer-generators in the Authority's Service territory is equal to 51,200 kW, representing one percent (1.0%) of the Authority's electric peak demand for the year 2005.

(2) The Authority will sign a contract with each of the Residential, Farm Service and/or Non-residential Wind Customer-generators meeting all applicable requirements on a first come, first served basis, until the total rated generating capacity for Wind Electric Generating Equipment owned or operated by the Customer-generators in the Authority's service territory is equal to 15,300 kW, which represents three-tenths percent (0.3%) of the Authority's electric peak demand for the year 2005.

~~D-(3)~~ The Authority reserves the right to authorize additional solar electric and/or wind electric generating capacity.

**c) Requirements for Installation and Operation**

(1) Wiring and switches for Solar, Farm Waste, Micro-Combined-Heat-and-Power, Fuel Cell, Wind or Hybrid Electric Generating Equipment, owned and/or operated by Customer-generators to supply their load and feed energy to the Authority's electric system, shall be arranged in parallel so as to permit the flow of current from the Authority to the Customer-generator and vice-versa.

(2) Solar, Farm Waste, Micro-Combined-Heat-and-Power, Fuel Cell, Wind or Hybrid Electric Generating Equipment installed in parallel with the Authority's system must comply with the Authority's "Interconnection Guide for Independent Power Producers".

(3) The Authority shall require a Customer-generator who owns and/or operates Farm Waste, Micro-Combined-Heat-and-Power, Fuel Cell, Wind, Solar or Hybrid Electric Generating Equipment to pay for the installation of dedicated transformer(s) if it is determined that dedicated transformer(s) is (are) necessary to protect the safety and adequacy of electric service provided to other Customers.

- (4) The Authority may require a Customer-generator who owns and/or operates Solar, Farm Waste, Micro-Combined-Heat-and-Power, Fuel Cell, Wind or Hybrid Electric Generating Equipment to comply with additional safety or performance standards than those specified in the Authority's "Interconnection Guide for Independent Power Producers", perform or pay for additional tests, or purchase additional liability Insurance when the total rated generating capacity of the electric generating equipment that provides electricity to the Authority through the same local feeder line exceeds twenty (20%) of the rated capacity of the total feeder line.

**I. General Information (continued):****C. General Terms and Conditions (continued):****Solar and Wind Net Metering Electric Generators (continued):**d) Interconnection and Transformer Charges

- (1) If the Residential or Farm Service Customer-generator installs Solar, Farm Waste, Micro-Combined-Heat-and-Power, Fuel Cell and/or Wind Electric Generating Equipment with a rated capacity of equal to or less than twenty seven and one half (27.5) kilowatts (25 kW+ 10%) the Customer-generator shall not be required to pay the Authority any Interconnection charges.
- (2) If the Residential or Farm Service Customer-generator installs Solar, Farm Waste, Micro-Combined-Heat-and-Power, Fuel Cell and/or Wind Electric generating equipment with a rated capacity of more than twenty seven and one half (27.5) kilowatts (25kW + 10%), the Customer-generator shall be responsible for payment to the Authority of one-half (1/2) of the interconnection expenses of such solar and/or wind-electric generating equipment.
- (3) The Non-residential Customer-generator shall be responsible for payment to the Authority of one hundred percent (100%) of the interconnection expenses of such solar and/or wind-electric generating equipment.
- (4) If the Authority determines that it is necessary to install a dedicated transformer or transformers or other equipment to protect the safety and adequacy of the electric service provided to other Customers:
  - (i) The Residential Customer-generator installing Solar Generating Equipment, Micro-Combined-Heat-and-Power Generating Equipment or Fuel Cell Electric Generating Equipment, shall pay to the Authority the cost of installing the transformer(s) and other equipment, up to a maximum of three hundred and fifty dollars (\$350.00).
  - (ii) The Farm Waste Customer-generator installing Farm Waste Electric Generating Equipment shall pay to the Authority the cost of installing the transformer(s) and other equipment, up to a maximum of five thousand dollars (\$5,000) per farm operation.
  - ~~(iii)~~ (iii) The Non-residential Customer-generator installing Solar Generating Equipment shall pay to the Authority for the actual cost of installing the transformer(s) or other equipment with a rated capacity of equal to or less than twenty five (25) kilowatts shall pay to the Authority the cost of installing the transformer(s) or other equipment, up to a maximum of three hundred and fifty dollars (\$350.00).
  - (iv) The Non-residential Customer-generator installing Solar Generating Equipment with a rated capacity of equal to or greater than twenty five (25) kilowatts shall pay the costs as determined by the Authority.
- (5) If the Authority determines that it is necessary to install a dedicated transformer or transformers or other equipment to protect the safety and the adequacy of electric service provided to other Customers, the Customer-generator installing wind electric generating equipment shall pay to the Authority the lesser of the: (1) Actual costs, or (2) the charges identified under (i) or (ii) below. (See Paragraph(s) C.15.c)(4) and C.15.d)(5) for other applicable safety requirements and charges):
  - (i) Seven hundred and fifty dollars (\$750.00) if the Customer-generator owns and/or operates wind electric generating equipment with a rated capacity equal to or less than 27.5 kilowatts (25kW + 10%), or
  - (ii) Five thousand dollars (\$5000.00) if the Customer-generator owns and/or operates wind electric generating equipment with a rated capacity greater than 27.5kW but not more than 500 kW.

**I. General Information (continued):****C. General Terms and Conditions (continued):****Solar and Wind Electric Net Metering Generators (continued):**

- (6) If the Authority determines that it is necessary to install a dedicated transformer or transformers or other equipment to protect the safety and adequacy of the electric service provided to other Customers, the Residential or Farm Service Customer-generator installing a hybrid system shall pay to the Authority either seven hundred and fifty dollars (\$750.00) if the wind generator of the hybrid system has a rated capacity equal or less than 27.5 kW or five thousand dollars (\$5,000.00) if the wind generator of the hybrid system has a rated capacity greater than 27.5 kW but not more than 500 kW.

**e) Maintenance and Replacement Charges for Interconnection Equipment**

The Authority will maintain and replace interconnection equipment installed by the Authority for solar and/or wind electric generators, without direct cost to the Customer.

**f) Net Energy Metering**

- (1) The Authority shall use net energy metering to measure and charge or provide credit for the net electricity supplied by the Authority or provided to the Authority, respectively, by a Residential, Non-residential, ~~or~~ Farm Service or Farm Waste Customer-generator.

- (2) A common, single metering system shall be used to measure at the point of interconnection with the LIPA system as a single quantity the net energy associated with Solar and Wind Customer-generators including cases where they constitute a hybrid system.

- (3) In the event that a customer-generator chooses to install wind or solar electric generation in conjunction with Farm Waste, Micro-Combined-Heat-And-Power or Fuel Cell electric generation, the customer must choose between:

- (i) separately measuring the output of the Farm Waste, Micro-Combined Heat And Power or Fuel Cell electric generation for sale to LIPA under Service Classification so that the Solar or Wind electric generation can be billed under the applicable net metering provisions, or
- (ii) measuring at the point of interconnection with the LIPA system as a single quantity the net energy associated with the combined system as if the entire system were derived from Farm Waste, Micro-Combined Heat And Power or Fuel Cell electric generation.

**I. General Information (continued):****C. General Terms and Conditions (continued):****Solar and WindNet Metering Electric Generators (continued):****g) Termination of the Interconnection Agreement**

The "Interconnection Agreement" between the Authority and Customer-generator may be terminated as follows:

- (1) The Customer-generator may terminate the Agreement at any time, by giving the Authority sixty (60) days' written notice;
- (2) If the Customer-generator fails to seek final acceptance by the Authority within twelve (12) months after completion of construction, then the Authority may terminate the Agreement on thirty (30) days prior written notice;
- (3) Either Party may, by giving the other Party at least sixty (60) days prior written notice, terminate this agreement in the event that the other Party is in default of any of the terms and conditions of the "Interconnection Agreement". The terminating Party shall specify in the notice the basis of the termination and shall provide a reasonable opportunity to correct the default;
- (4) The Authority may, by giving the Customer-generator at least sixty (60) days prior written notice, terminate this agreement for cause. The Customer-generator's non compliance with the Authority's "Interconnection Guide for Independent Power Producers" or non compliance with the "Interconnection Agreement" shall constitute a good cause;
- (5) Unless the Interconnection Agreement is terminated pursuant to items (1) through (4) above, the net energy metering service will be provided for a term of ten years from the date of installation of service and thereafter will be automatically renewed for annual periods unless the Authority provides thirty days prior written notice of termination before the end of the term.

**h) Net Billing for Eligible Customer-generators**

The Authority shall charge or credit an eligible Customer-generator for the net electricity supplied by the Authority to a Customer-generator or for the net electricity provided to the Authority by the Customer-generator, respectively, in the following manner:

- (1) In the event that the amount of electricity supplied by the Authority during the billing period exceeds the amount of electricity provided to the Authority by the Customer-generator, the Authority shall charge the Customer-generator for the net (excess) electricity it supplied to the Customer-generator at the same rate per kilowatt-hour applicable: (a) to service provided to other Customers in the same service class who do not generate electricity on site, and (b) to the month the energy was generated.

**I. General Information (continued):****C. General Terms and Conditions (continued):****Solar and Wind Net Metering Electric Generators (continued):**

- (2) For eligible Residential Customer-generators with solar or wind electric generators whose rated capacity is equal to or less than ~~27.5kW~~~~(25kW + 10%)~~, or for eligible Residential Customer-generators with hybrid systems where the combination of the rated capacity of the Solar and Wind Electric Generating Equipment of the hybrid system is equal to or less than ~~27.5 kW~~~~(25kW + 10%)~~, in the event that the amount of electricity provided to the Authority by the Customer-generator during the billing period exceeds the amount of electricity provided by the Authority to the Customer-generator, the Authority shall apply a credit to the next bill for service at the same rate per kilowatt-hour applicable to service provided to other residential Customers in the same service class who do not generate electricity on site. (See table "Summary of Eligibility for Net Metering" on Leaf 34G).
- (3) For eligible Farm Service Customer-generators with Wind Electric Generating Equipment whose rated capacity is equal to or less than 500 kW, and for Hybrid Systems with Wind Electric Generating Equipment greater than ~~27.5 kW~~ and Solar Electric Generating Equipment equal to or less than ~~27.5 kW~~, in the event that the amount of electricity provided by the Customer-generator to the Authority during the billing period exceeds the amount of electricity provided by the Authority to the Customer-generator, the Authority shall apply a credit to the next bill for service at same rate per kilowatt-hour applicable to service provided to other Residential Customers in the same service class who do not generate electricity on site. (See table "Summary of Eligibility for Net Metering" on Leaf 34G).
- (4) For eligible Farm Service Customer-generators with Farm Waste Electric Generating Equipment whose rated capacity is equal to or less than 500 kW, in the event that the amount of electricity provided by the Customer-generator to the Authority during the billing period exceeds the amount of electricity provided by the Authority to the Customer-generator, the Authority shall apply a credit to the next bill for service at the same rate per kilowatt-hour applicable to service provided to other customers in the same service class who do not generate electricity on site. (See table "Summary of Eligibility for Net Metering" on Leaf 34G).
- (5) For eligible Residential Customer-generators with Micro-Combined-Heat-and-Power Electric Generating Equipment whose rated capacity is at least 1 kW and equal to or less than 10 kW, or for Fuel Cell Electric Generating Equipment whose rated capacity is equal to or less than 10 kW, in the event that the amount of electricity provided by the Customer-generator to the Authority during the billing period exceeds the amount of electricity provided by the Authority to the Customer-generator, the Authority shall apply a credit to the next bill for service at the SC-11 Avoided Cost Rate per kilowatt-hour.
- (4)(6) For eligible Non-residential Customer-generators with Solar, Wind or Hybrid electric generating equipment whose rated capacity is equal to or less than the highest monthly billing demand in the 12 months prior to the installation of the electric generating equipment not to exceed 2,000 kilowatts, in the event that the amount of electricity provided to the Authority by the Customer-generator during the billing period exceeds the amount of electricity provided by the Authority to the Customer-generator, the Authority shall apply a credit to the next bill for service at the same rate per kilowatt-hour applicable to service provided to other Non-residential Customers in the same service class who do not generate electricity on site. Smaller Non-residential Solar or Wind Customer-generators may install up to 110% of their highest billing demand, up to 27.5 kW. (See table "Summary of Eligibility for Net Metering" on Leaf 34G).
- ~~(5)(7)~~ (7) For Non-residential Customer-Generators that are served under a rate code with demand charges, the monthly billing demand is determined by the maximum measured kilowatt demand actually supplied to the Customer-Generator during the billing period.

I. General Information (continued):

C. General Terms and Conditions (continued):

~~Solar and Wind~~Net Metering ~~Electric Generators~~ (continued):

Summary of Eligibility for Net Metering

| Segment                            | Maximum Billing Demand in the 12 Months prior to Installation   | Installed Generating Capacity  | Excess Generation in Billing Period*                                      | Excess Generation on Anniversary Date*                      |
|------------------------------------|---|--|---|---|
| Residential Customer-Generator     | Not applicable  | Not to exceed 27.5 kW in any combination of solar and/or wind electric generation  | Carried forward for credit at retail rate in subsequent months            | Purchased by LIPA at the SC-11 Avoided Cost Rate            |
|                                    |   | <u>At least 1 kW and not to exceed 10 kW of micro-combined-heat-and-power and/or fuel cell electric generation</u>   | <u>Purchased by LIPA at SC-11 Avoided Cost Rate</u>                       | <u>Not applicable</u>                                       |
| Farm Service Customer-Generator    | Not applicable  | Solar electric generating equipment not to exceed 27.5 kW  | Carried forward for credit at retail rate in subsequent months            | Purchased by LIPA at the SC-11 Avoided Cost Rate            |
|                                    |   | Wind electric generating equipment not to exceed 500 kW  | Carried forward for credit at retail rate in subsequent months            | Purchased by LIPA at the SC-11 Avoided Cost Rate            |
|                                    |   | <u>Farm waste electric generating equipment not to exceed 500 kW</u>   | <u>Carried forward for credit at retail rate in subsequent months</u>     | <u>Purchased by LIPA at the SC-11 Avoided Cost Rate</u>     |
|                                    |   | Any combination of solar, <del>and</del> wind <u>and farm waste</u> electric generating equipment not to exceed 500 kW total, of which solar cannot exceed 27.5 kW solar | Carried forward for credit at retail rate in subsequent months            | Purchased by LIPA at the SC-11 Avoided Cost Rate            |
| Non-residential Customer-Generator | 0 kW up to and including 25 kW<br>25 kW up to and including 27.5 kW<br>27.5 kW up to and including 2,000 kW | <del>Not to exceed 110% of maximum billing demand in prior 12 months.</del>  | <del>Carried forward for credit at retail rate in subsequent months</del> | <del>Purchased by LIPA at the SC-11 Avoided Cost Rate</del> |
|                                    |   | <del>Not to exceed 27.5/2,000 kW</del>   | <del>Carried forward for credit at retail rate in subsequent months</del> | <del>Purchased by LIPA at the SC-11 Avoided Cost Rate</del> |
|                                    |   | <del>Not to exceed the maximum billing demand in prior 12 months or 2,000 kW, whichever is</del>   | <del>Carried forward for credit at retail rate in subsequent</del>        | <del>Purchased by LIPA at the SC-11 Avoided Cost Rate</del> |

---

less- months

---

Any Customer that exceeds the Limits specified above or installs electric generating equipment that does not qualify for Net Metering

Not eligible for Net Metering. Energy may qualify for purchase under SC-11.

Energy may qualify for purchase under SC-11.

---

\* Note: on termination of service, any remaining excess generation will be purchased by LIPA at the SC-11 Avoided Cost Rate for the month in which service was terminated.

---

**I. General Information (continued):**

**C. General Terms and Conditions (continued):**

**~~Solar and Wind~~ Net Metering ~~Electric Generators~~ (continued):**

- (6) At the end of the first year that service was supplied to a Solar, Wind and Farm Waste Customer-generator by means of net metering, and every anniversary date thereafter, the Authority shall promptly thereafter issue payment to the Customer-generator for any value of the remaining credit for the net (excess) electricity provided to the Authority by the Customer-generator during the previous twelve (12) month period. The payment issued to the Customer-generator shall be equal to the sum of the products of the remaining excess (net) energy generated by the Customer-generator during each of the seasons (Summer/Winter) times the corresponding seasonal avoided cost rates.
- (7) For Customer-generators that terminate service or become ineligible for net metering, the Authority shall promptly thereafter issue payment to the Customer-generator for any value of the remaining credit for the net (excess) electricity provided to the Authority by the Customer-generator. The payment issued to the Customer-generator shall be equal to the sum of the product of the remaining excess (net) energy generated by the Customer-generator times the seasonal avoided cost rate on that date.
- (8) The avoided cost rates to be used to issue payment to Customer-generator for energy sold to the Authority by the Customer-generator are:

|               | *June to September Inclusive | *All Remaining Months |
|---------------|------------------------------|-----------------------|
|               | (\$/kWh)                     | (\$/kWh)              |
| Energy Rate   | 0.0362                       | 0.0375                |
| Capacity Rate | <u>0.0191</u>                | <u>0.0000</u>         |
| Total Rate    | 0.0553                       | 0.0375                |

\*The Fuel and Purchased Power Cost Adjustment (FPPCA) Rate applicable at the time that the energy is sold to the Authority minus \$0.0392 per kWh will be added to the avoided cost rates to be paid by the Authority to the Customer-generator, if the sale took place after July 5, 2006. If the sale took place before July 5, 2006, the value of the FPPCA rate that shall be used shall be that which was in existence when the sale took place without subtracting \$0.0392 per kWh.

**IX. Long Island Choice Program (continued):****A. General Provisions (continued):**2. Who is Eligible

- a) In order to participate in the Long Island Choice Program, an Eligible Customer is a Customer who is eligible for service under Service Classification Nos. 1, 1-VMRP(L), 1-VMRP(S), 2, 2-VMRP, 2L, 2L-VMRP, 2-H, or 2-MRP, 5, 7, 7A, 10 and:
- (1) Receives metered or authorized unmetered electric service from the Authority, and
  - (2) Receives all of their electric requirements from a single supplier except for the output from Solar or Wind Electric Generating Equipment that qualifies for net metering, and
  - (3) Is not explicitly excluded in 2.b), below, and
  - (4) Is licensed by the Authority as a Direct Retail Customer (DRC) or contracts with a licensed Energy Services Company (ESCO) to act as its agent for the scheduling and delivery of Electric Generation Service, and
  - (5) During those phases of the Program where total participation is limited, has been accepted into the Program by the Authority.
- b) Customers who are not eligible to participate in the LI Choice Program are:
- (1) Customers who receive service under Service Classification Nos. 2-VRTP, 11, 12, 13 or 15.
  - (2) Customers who receive part of their electric requirements from the New York Power Authority (NYPA) including, but not limited to NYPA's Economic Development Power program, High Load Factor program, or Power-for-Jobs program.
  - (3) Customers who receive part of their electric requirements from an Economic Development Power program through a municipal distribution agency.
  - (4) Customers who sell power to the Authority as Qualifying Facilities or Solar, Farm Waste, Micro-Combined-Heat-and-Power, Fuel Cells and Wind Customer-Generators that do not qualify for net metering.
  - (5) Customers who receive a portion of their electric requirements from self-generation or on-site generation that does not qualify for net metering, and require supplemental, backup or maintenance service from the Authority.
  - (6) Customers who receive service under provisions related to Residential Offpeak Energy Storage served under Service Classification No. 1.