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## DG Billing Process Overview

*January 1, 2021*

As of January 1, 2021, the method of metering an account with distributed generation switched from a “*annual true-up*” to a “*monthly true-up*” format as outlined in the amended Policy 5.26, which was approved by the board in September 2020. These updates will bring added flexibility and direction for members that have taken advantage of distributed generation.

- A. Members who are Distributed Generation (DG) accounts were moved to one of two new rate classes. These new rate classes are DG1 – Distributed Generation Single Phase and DG3 – Distributed Generation Three Phase.
- B. All DG members’ billing cycles were changed to the 10<sup>th</sup> of the month with the usage period being from the 1<sup>st</sup> through the last day of the previous month.
- C. The facility charge on the billing statement was separated into two charges. DG Members will see a \$0.833 daily *facility charge* and a daily *grid access charge* of \$0.667 for DG1 or \$1.334 for DG3 on their statements going forward.
- D. DG Members will be paid monthly for over-generation and provided a credit on their billing statement. The rate for energy delivered back into the grid monthly will be two-times our wholesale power supplier, Dairyland Power Cooperative’s, avoided cost rate not to exceed .05/kWh each month. The avoided cost is the price it costs Dairyland Power Cooperative to generate a kilowatt of energy. The cost of energy PPCS pays Dairyland as our wholesale provider includes added charges for the transmission of energy, substation costs, and fixed fees.

Under the previous rate, members were paid on a yearly basis in January on the average avoided cost amount for the entire year.

The new change will more closely align the value of each member’s generation with the market price of energy. When demand of energy is high, the avoided cost per kWh is higher, members will receive the benefit of this demand.

- E. When a parallel off-peak meter is co-located at the premise but not configured into the DG system, the DG member may receive a kWh credit for excess-generation over their own usage against the off-peak meter at monthly or more granular intervals as PPCS so chooses.
- F. DG Members who carry a credit on their bill may elect for a payout in January of each year provided they have had no past due payments during the past 12 months.

Our cooperative exists to serve all our members equitably. Although our members are individuals with specific circumstances at each account, PPCS strives to treat all members as equally as possible through board policy and rate designs. These approved policy changes by the board of directors will create long-term incentives for members to take part in Distributed Generation while ensuring that all members pay a fair share of the fixed expenses that PPCS requires to pay for operational costs.

Pierce Pepin is proud of our efforts to help members interconnect to our electric grid. We will continue to support renewable generation systems and their environmental benefits.