



**DISTRICT OF COLUMBIA  
CUSTOMER NET ENERGY METERING CONTRACT  
(Facilities of 1000 Kilowatts or less)**

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**PEPCO  
CUSTOMER NET ENERGY METERING CONTRACT**

**Qualifying facility of 1000 KW or less**

Customer Name: \_\_\_\_\_

Customer Pepco Acct. #: \_\_\_\_\_

Customer Address: \_\_\_\_\_

Customer Telephone Number: \_\_\_\_\_

Customer E-Mail Address: \_\_\_\_\_

Generator Manufacturer: \_\_\_\_\_

Model: \_\_\_\_\_

Energy or Source Type (e.g. photovoltaic, wind, microturbine, fuel cell, cogeneration):  
\_\_\_\_\_

Nameplate rating AC and DC (KW): \_\_\_\_\_

Location: \_\_\_\_\_, District of Columbia

This Contract, entered into as of the date \_\_\_\_\_ is between the Potomac Electric Power Company (the Company; Pepco), and \_\_\_\_\_  
\_\_\_\_\_ (the Customer) located at  
\_\_\_\_\_

District of Columbia, for the Net Metering and interconnected operation of the Customer's generating equipment and the Company's electric system commencing on \_\_\_\_\_.

WHEREAS, Pepco is required to have this standard Net Energy Metering Contract applicable to Customer-Generators who meet the requirements set forth in D.C. Code § 34-1501 (15) and 1518 and applicable rules adopted by the Public Service Commission of the District of Columbia; and

WHEREAS, the Customer has represented to the Company that it meets those requirements.

In consideration of the agreements hereinafter set forth, the parties agree as follows:

## **ARTICLE I: DEFINITIONS**

The following terms shall have the following meanings under this Contract:

**"Billing Period" or "Billing Month"** is the period of time (approximately thirty (30) days) between the recording of metered energy delivered to and received from the Customer's Generation Facility.

**"Capacity"** is the maximum output, expressed in kilowatts, of an electric generator under specific conditions designated by the manufacturer, as indicated on a nameplate physically attached to the generator.

**"Commission"** is the Public Service Commission of the District of Columbia.

**"Competitive Electricity Supplier"** means a person, including an aggregator, broker, or marketer, who generates electricity; sells electricity; or purchases, brokers, arranges or markets electricity for sale for retail customers: The term excludes the following: (A) Building owners, lessees, or managers who manage the internal distribution system serving such building and who supply electricity solely to occupants of the building for use by the occupants; (B) (1) Any person who purchases electricity for its own use or for the use of its subsidiaries or affiliates; or (2) Any apartment building or office building manager who aggregates electric service requirements for his or her building or buildings, or who does not: (a) Take title to the electricity; (b) Market electric services to the individually-metered tenants of his or her building; or (c) Engage in the resale of electric service to others; (C) Property owners who supply small amounts of power, at cost, as accommodation to lessors or licensees of the property; and (D) A consolidator.

**"Customer-generator"** means a residential or commercial customer that owns (or leases or contracts) and operates an electric generating facility that: (a) has a capacity of not more than 1000 kilowatts; (b) uses renewable resources, cogeneration, fuel cells, or microturbines; (c) is located on the customer's premises; (d) is interconnected with the Electric Company's transmission and distribution facilities; and (e) is intended primarily to offset all or part of the customer's own electricity requirements.

**"Customer's Generation Facility"** is all of the Customer's plant and equipment, including the Customer's generator, inverter, storage devices, and Interconnection Equipment, located on the Customer's side of the Point of Delivery.

**"Customer's Interconnection Equipment"** is all equipment and facilities owned by the Customer and located on the Customer's side of the Point of Delivery installed to interconnect and deliver energy to the Company's system, including but not limited to connection, switching, transformation, protective relaying and safety equipment.

**"Eligible customer-generator"** means a customer-generator whose net energy metering system for renewable resources, cogeneration, fuel cells, and microturbines meets all applicable safety and performance standards.

**"Full Retail Distribution Rate"** means the per kilowatt-hour distribution charges applicable to the net energy billing customer during the billing period.

**"Full Retail Transmission Rate"** means the per kilowatt-hour transmission charges applicable to the net energy billing customer during the billing period.

**"Generation value"** means the product of the applicable SOS kilowatt-hour rate times the number of kilowatt-hours consumed and/or supplied, during the time period(s) associated with such usage and/or supply.

**"Net energy metering"** means the difference between the kilowatt-hours consumed by a customer-generator and the kilowatt-hours generated by the customer-generator's facility over any time period determined as if measured by a single meter capable of registering the flow of electricity in two directions.

**"Net energy billing"** means a billing and metering practice under which a customer-generator is billed on the basis of net energy over the billing period.

**"Point of Delivery"** is the location where the Customer's Interconnection Equipment and the Company's system are connected.

**"Premises"** is the Customer's building or part of a building with its appurtenances (as grounds) where the Customer takes service from the Company under a unique account number.

**"Prudent Electrical Practice"** means those practices, methods and equipment, as changed from time to time, that are commonly used in prudent electrical engineering and operations to operate electric equipment lawfully and with safety and dependability and that are in accordance with the National Electrical Code, the Institute of Electrical and Electronic Engineers Code or any other applicable Federal, State and Local government codes, and the Company's construction standards and the Commission's Interconnection Rules under Chapter 40 of Title 15 of the DCMR, the "District of Columbia Small Generator Interconnection Rules" ("DCSGIR").

**"Renewable Resources"** means one of the following sources of energy: solar, wind, tidal, geothermal, biomass, hydroelectric facilities or digester gas.

**"Standard Offer Service Provider"** means a provider of standard offer service chosen pursuant to Chapter 29 of the Commission's rules.

## **ARTICLE II: QUALIFICATIONS**

It is the purpose of this Contract to set forth rates and conditions for interconnected, parallel operation of Customer owned and operated electric generating facilities (Customer Generation Facility) using Renewable Resources, cogeneration, fuel cells or microturbines. This Contract is not available for facilities having a total generating capacity of more than 1000 kW at a single Premises. A Customer's Generation Facility must be located on the Customer's Premises and must be intended primarily to offset all or part of the Customer's own electricity requirements. Service is provided under this Contract subject to the provisions listed below.

For the interconnection of a Customer Generation Facility, the Company and the Customer shall follow the interconnection procedures set forth in the District of Columbia Small Generator Interconnection Rules, Chapter 40 of Title 15 of the DCMR, the "District of Columbia Small Generator Interconnection Rules" prior to entering into this Net Energy Metering Contract.

## **ARTICLE III: TERM**

The term of this Contract shall commence on \_\_\_\_\_ and shall extend initially for one year and thereafter on a monthly basis, unless terminated pursuant to the terms herein.

## **ARTICLE IV: NET ENERGY METERING**

Service provided under this Contract is billed under the Customer's normally applicable District of Columbia Schedules "R", "AE", "RTM", "GS ND", "GS LV", "GS 3A", "GT LV", "GT 3A", and "GT 3B" for Customer-Generators who meet the requirements set forth in D.C. Code § 34-1501 (15) and 1518; the Company's Standard Net Metering Contract; and the Commission's Net Energy Metering Rules adopted in Order No. 15837, issued June 11, 2010.

Net Energy Billing applies only to kilowatt-hour usage charges. Net energy billing customers are responsible for all other charges applicable to the customer's rate class and recovered through fixed amounts or over units other than kilowatt-hours, including customer and/or demand charges as applicable.

The application of this Rider to Schedules "RTM", "GT LV", "GT-3A", and "GT-3B" shall be on the basis of energy inflow or outflow during each Time of Use pricing period rather than on the total monthly energy registration.

### **Billing for Net Energy Metering Customers with Competitive Suppliers**

Monthly Generation and Transmission Service – Credits or charges shall be calculated by the Supplier at the rate specified in the agreement between the Customer-Generator and the Competitive Electricity Supplier.

Monthly Distribution Service Charges – If the meter has registered net inflow of electricity for the billing month, the Customer-Generator shall be billed for the net inflow at the applicable full retail rate for Distribution Services.

If the meter has registered net outflow of electricity for the billing month, and the Customer's generating facility has a capacity of 100 kilowatts or less, a dollar value credit shall be calculated by applying the full retail rate for Distribution Service excluding surcharges to the net outflow. This credit shall be applied to the next monthly bill and to subsequent monthly bills, if necessary, until fully exhausted.

If the meter has registered net outflow of electricity for the billing month, and the Customer-Generator's generating facility is greater than 100 kilowatts in size, there shall be no credit for Distribution Service for the net outflow.

### **Billing for Net Energy Metering Customers with Standard Offer Service (SOS)**

Monthly Generation Service – If the meter has registered net inflow of electricity for the billing month, the Customer-Generator shall be billed for the net inflow at the applicable SOS rate for Generation Service.

If the meter has registered net outflow of electricity for the billing month, a dollar value credit shall be calculated by applying the full SOS rate for Generation Service to the net outflow. This credit shall be applied to the next monthly bill and to subsequent monthly bills, if necessary, until fully exhausted.

Monthly Transmission and Distribution Service Charges – If the meter has registered net inflow of electricity for the billing month, the Customer Generator shall be billed for the net inflow at the applicable full retail rates for Transmission and Distribution Services.

If the meter has registered net outflow of electricity for the billing month, and the Customer's generating facility has a capacity of 100 kilowatts or less, a dollar value credit shall be calculated by applying the full retail rate for Transmission and Distribution Service excluding surcharges to the net outflow. This credit shall be applied to the next monthly bill and to subsequent monthly bills, if necessary, until fully exhausted.

If the meter has registered net outflow of electricity for the billing month, and the Customer-Generator's generating facility is greater than 100 kilowatts in size, there shall be no credit for Transmission and Distribution Service for the net outflow.

### **ARTICLE V: INTERCONNECTED EQUIPMENT**

The Customer is responsible for all costs associated with the installation and connection of its generating equipment. The Customer shall provide and maintain in good working order automatic protective equipment in compliance with the Institute of Electrical and Electronics Engineers, Inc.'s IEEE Standard 1547 ("IEEE 1547") and Sections 4002-4008 of the DCSGIR. The Company shall conduct the appropriate Level

of Review of the automatic protective equipment in accordance with Sections 4004-4007 of the DCSGIR to determine whether such equipment is fit for use with Pepco's system.

## **ARTICLE VI: INTERCONNECTED OPERATION**

Interconnection with the Company's system requires the installation of protective equipment. A Customer's Generating Facility must be in compliance with IEEE 1547 and the DCSGIR to receive Net Energy Metering service under this Contract. The Customer's equipment must be installed and configured in accordance with IEEE 1547 and Sections 4002-4008 of the DCSGIR to ensure that parallel operation ceases per the IEEE 1547 and DCSGIR requirements during Company system outages affecting the Customer's location. The Customer's Generating Facility must meet the applicable requirements of the National Electrical Code and the applicable requirements of the applicable standards issued by the Institute of Electrical and Electronic Engineers and the Underwriters Laboratories.

If the Customer fails to comply with any requirement of this Article of the Contract, the Company may terminate the Customer's service from the Company's electric system. In this event, the Customer will be provided with an opportunity to enter into a new net metering contract by (1) providing the Company with a notarized statement explaining the cause of the violation and evidence that the cause of the initial violation has been remedied in such a manner as to prevent its recurrence, including copies of all inspections performed on the Customer's Generation Facility; (2) fully re-qualifying with all provisions of the Commission's Rules and the net metering contract; and (3) fulfilling any reasonable requirements established by the Company to ensure that the Company's system is adequately protected from future violation of the Article. If the Customer and Pepco are unable to resolve any disputes as to whether the Customer has met each of the requirements to enter into a new net metering contract, the Customer may file an informal complaint with the Commission.

## **ARTICLE VII: METERING**

The Company shall furnish, install, maintain and own all metering equipment needed for measurement of the energy supplied and received. The Company will provide one or more meters capable of "Net Energy Metering", i.e. a meter that can register the flow of energy both from the Customer to the Company (out-flow) and from the Company to the Customer (in-flow),

## **ARTICLE VIII: ACCESS**

Please see Access under the Level 1 Interconnection Request Application Form and Agreement or Right of Access under the Level 2-4 Standard Agreement for Interconnection of Small Generator Facilities of the DCSGIR, which are applicable to your generating facility based on its level of review.

## **ARTICLE IX: CONTINUITY OF SERVICE**

Please see Disconnection under the Level 1 Interconnection Request Application Form and Agreement or Temporary Disconnection under the Level 2-4 Standard Agreement for Interconnection of Small Generator Facilities of the DCSGIR, which are applicable to your generating facility based on its level of review.

## **ARTICLE X: GOVERNMENTAL AUTHORIZATIONS**

The Customer shall obtain all governmental authorizations and permits required for operation of the Customer's Generation Facility and shall maintain all required governmental authorizations and permits required for the Customer's Generation Facility during the term hereof. The Customer shall provide copies of any such authorizations, permits and licenses to the Company in compliance with Chapter 40 of Title 15 of the DCMR, the DCSGIR.

## **ARTICLE XI: INDEMNIFICATION**

### **XI.1. Level 1 Indemnification**

The parties shall at all times indemnify, defend, and save the other party harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other party's action or inactions of its obligations under this agreement on behalf of the indemnifying party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

### **XI.2. Level 2 through 4 ("Level 2-4") Indemnity**

**XI.2.1** This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 6.2 of the Level 2-4 Standard Agreement for Interconnection of Small Generator Facilities for the DCSGIR.

**XI.2.2** The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

**XI.2.3** Promptly after receipt by an indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article may apply, the indemnified Party shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall



not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

**XI.2.4** If an indemnified Party is entitled to indemnification under this Article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this Article, to assume the defense of such claim, such indemnified Party may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

**XI.2.5** If an indemnifying Party is obligated to indemnify and hold any indemnified Party harmless under this Article, the amount owing to the indemnified person shall be the amount of such indemnified Party's actual loss, net of any insurance or other recovery.

## **ARTICLE XII: ASSIGNMENT**

This Contract shall not be assigned, pledged or transferred by either party without the written consent of the non-assigning party, which consent shall not be unreasonably withheld. All assignees, pledgees or transferees shall assume all obligations of the party assigning the Contract. If this Contract is assigned without the written consent of the non-assigning party, the non-assigning party may terminate the Contract.

## **ARTICLE XIII: BREACH; TERMINATION**

Except for termination of this Contract pursuant to the second paragraph of Article VI, if the Customer at any time fails to meet any of the other requirements set forth in this Contract, Pepco may immediately terminate the Contract. The Company shall not be liable to the Customer for damages of any kind resulting from a termination pursuant to this paragraph.

## **ARTICLE XIV: WAIVER**

Any waiver at any time by either party of its rights with respect to a default under this Contract, or with respect to any other matters arising in connection with this Contract, shall not be deemed a waiver with respect to any subsequent default or other matter.

## **ARTICLE XV: MODIFICATION**

No modification to this Contract shall be valid unless it is in writing and signed by both parties hereto.

## **ARTICLE XVI: APPLICABLE LAWS**

This Contract is made in accordance with the laws of the District of Columbia and shall be construed and interpreted in accordance with the laws of the District of

Columbia. The effective Net Energy Metering rules of the Commission are applicable to this Contract.

**ARTICLE XVII: INTEGRATION**

The terms and provisions contained in this Contract between the Customer and the Company constitute the entire Contract between the Customer and the Company for Net Energy Metering and shall supersede all previous communications, representations, or agreements, either verbal or written, between the Customer and the Company regarding Net Energy Metering

**ARTICLE XVIII: INTERPRETATION**

If any inconsistency exists between any provision in Articles I through XVII of this Contract, Pepco may in its sole discretion choose which provision shall control.

**ARTICLE XIX: SEVERABILITY**

The invalidity of any provision of this Contract shall not affect the validity or enforceability of any other provision set forth herein.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed, all as of the day and year first above written.

**Potomac Electric Power Company**

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Net Metering Customer**

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_