

**NET METERING**  
**POWER PURCHASE AGREEMENT**  
**and**  
**RENEWABLE ENERGY CERTIFICATE PURCHASE AGREEMENT**

**RAPPAHANNOCK ELECTRIC COOPERATIVE**

**REC ACCOUNT NUMBER \_\_\_\_\_**

**This Net Metering Power Purchase Agreement** (“PPA” or “Agreement”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 202\_ (the ‘Effective Date’) between Rappahannock Electric Cooperative (“Cooperative”), a Virginia utility consumer services cooperative with its headquarters located at 247 Industrial Court, Fredericksburg, Virginia 22408, and \_\_\_\_\_ (“Customer”) (each individually a “Party”; collectively, the “Parties”), a member-owner of the Cooperative that has a Renewable Fuel Generator (“RFG”) , as defined herein, located at Customer’s residence or business, at service location \_\_\_\_\_, that is interconnected through the Cooperative’s distribution system, and that qualifies for net metering service pursuant to REC’s Net Energy Metering Tariff. The RFG’s installed capacity is \_\_\_\_\_kW(AC).

**RECITALS**

**Whereas**, Customer, by correspondence dated \_\_\_\_\_, 202\_, has requested, in writing, that Cooperative enter into this Purchase Agreement to purchase any Excess Generation from its RFG; and

[**Whereas**, Customer, by correspondence dated \_\_\_\_\_, 202\_ has requested, in writing, that Customer wishes to make a one-time election regarding the sale to the Cooperative of any Renewable Energy Certificates (“RECs”) created by its RFG [*write “Not Applicable” in date line above if Customer is not electing to sell RECs to the Cooperative*]; and]

**Whereas**, the Cooperative is willing to purchase Customer’s Excess Generation, if any, at the end of the Net Metering Period. The Cooperative will purchase the Customer’s Excess Generation at the Excess Generation Value described in Section 5 of this Agreement; and

**Whereas**, if the Customer has made a one-time election to sell to the Cooperative the RECs created by its RFG, the Cooperative is willing to purchase such RECs. The Cooperative will purchase such RECs at the value described in Section 8 of this Agreement; and

**Whereas**, the Customer agrees to abide by the Commonwealth of Virginia’s Regulations Governing Net Energy Metering; and

**Whereas**, the Customer agrees to abide by the Cooperative’s applicable Tariffs, its Terms and Conditions of Service, particularly with regard to the operation and maintenance of the RFG and the Cooperative’s most current Net Energy Metering Rider, and this Agreement.

**Now therefore,** the Parties mutually agree to be bound by the terms described herein for such sale and purchase of Excess Generation, and RECs if applicable.

**1. Definitions** – The following definitions apply for purposes of this PPA:

“Excess Generation” means the amount of electricity generated by the Customer-owned qualifying RFG in excess of the electricity consumed by the Customer over the course of the Net Metering Period. For time-of-use net metering Customers, excess generation is determined separately for each time-of-use tier.

“Excess Generation Value” means the value, based on the price established herein, of any Excess Generation credited to Customer that remains at the end of the Net Metering Period.

“Billing Period” means the time period between the two meter readings upon which Cooperative calculates Customer’s bills.

“Billing Period Credit” means the quantity of electricity generated and fed back into the electric grid by Customer-owned RFG in excess of the electricity supplied to Customer by Cooperative over the Billing Period. For time-of-use net metering Customers, billing period credits are determined separately for each time-of-use tier.

“Interconnection Agreement” means the agreement between the Cooperative and the Customer to operate the RFG per the specifications in the Net Metering Interconnection Notification (NMIN) form, or other approved form, as agreed at time of interconnection.

“Net Metering Period” means each successive 12-month period beginning with the first meter reading date following the final interconnection of a RFG that qualifies the Customer for Net Energy Metering.

“Net Metering Service” means providing retail electric service to Customer operating a RFG and measuring the difference, over the Net Metering Period, between electricity supplied to Customer from the Cooperative’s distribution system and the electricity generated and fed back to the Cooperative’s distribution system by Customer. Customer may qualify for this service by owning and operating, or contracting with other persons to own, operate, or both, a RFG on Customer’s premises.

“Renewable Energy Certificate” (“REC”) means a certificate issued by a recognized certifying agency that represents the renewable energy attributes associated with the production of one megawatt-hour (MWh) of electrical energy generated by a RFG.

“Renewable Fuel Generator” (RFG) means an electric generating facility that:

1. Uses, as its total fuel source, a renewable energy (solar, wind, hydro, energy from waste, wave motion, tides, sustainable biomass, and geothermal) as defined by § 56-576 of the Code of Virginia;

2. The net metering customer owns and operates, or has contracted with other persons to own or operate, or both;

3. is located on the net metering customer's premises and connected to the net metering customer's wiring on the net metering customer's side of its interconnection with the distributor;

4. is interconnected pursuant to a net metering arrangement and operated in parallel with Cooperative's facilities; and

5. is intended primarily to offset part or all of Customer's own electricity requirements at Customer's premises and is of a size that makes it reasonably equipped to do so.

## **2. Term and Termination**

2.1 This Agreement shall become effective upon execution by all Parties, and shall remain in effect for one (1) year from the Execution Date and thereafter on an annual basis until terminated by any Party upon thirty (30) days written notice to all other Parties.

2.2 This Agreement shall terminate immediately and without notice upon: (a) termination or disconnection of the electric distribution service by the Cooperative to Customer; or (b) failure by Customer to comply with any of the terms and conditions of this Agreement or the Cooperative's Net Energy Metering Tariff, the Interconnection Agreement or the Commonwealth's Regulations Governing Net Energy Metering as have been promulgated and may be from time to time amended by the State Corporation Commission.

## **3. Terms of Sale and Purchase**

3.1 If the Customer fails to comply with the Cooperative's most current Net Energy Metering Rider during the entire term of this Agreement, no sale or purchase of Excess Generation or RECs shall occur.

3.2 For residential Customers, the capacity of the RFG may not exceed twenty (20) kilowatts alternating current, or the expected annual energy consumption based on the previous 12 months of billing history, whichever is less. For non-residential Customers, the capacity of the RFG may not exceed one megawatt alternating current, or the expected annual energy consumption based on the previous 12 months of billing history, whichever is less. The total connected capacity of all generators shall not exceed the limits established by § 56-594.01 of the Code of Virginia.

3.3 The Customer shall receive service from the Cooperative pursuant to the retail tariff under which Customer would be served if Customer were not a net energy metering Customer (the Customer's standard tariff). Time-of-use net metering is not permitted under an electricity supply service tariff having no demand charges.

- 3.4 Electricity generated by Customer's RFG shall be metered and shall be netted against the electricity supplied to Customer by Cooperative over the Billing Period. Customer shall receive a Billing Period Credit in any Billing Period in which the quantity of electricity generated and fed back into the electric grid by Customer's RFG exceeds the electricity supplied to Customer for the Billing Period.
- 3.5 For any Billing Period in which generation exceeds consumption, producing a Billing Period Credit pursuant to Section 3.4, the Customer is responsible for all distribution charges, demand charges, facility charges, and taxes as stated in the Customer's standard tariff. If Customer is under a time-of-use tariff with net metering, Excess Generation is determined separately for each time-of-use tier. Customer must pay only the demand charges and all charges that do not vary by usage in any Billing Period when there are credits in all tiers for that Billing Period. Any amounts required to be collected by law will still be billed.
- 3.6 Customers shall be responsible for installing, a lockable, load-breaking manual disconnect switch at a suitable location, approved by Cooperative, that can be easily located and accessed by Cooperative. The Customer, at Customer's expense, shall be responsible for maintaining the switch and ensuring that the Cooperative has round-the-clock, unobstructed access to the switch.
- 3.7 If Customer has contracted with another person to own and/or operate the RFG, Cooperative must have detailed, current and accurate contact information for the owner and operator, including without limitation, the name and title of one or more individuals responsible for the interconnection and operation of the RFG, a telephone number, a physical street address other than a post office box, a fax number, and an e-mail address for each person or persons.
- 3.8 Customer shall immediately notify Cooperative of any changes in the ownership of, operational responsibility for, or contact information for the RFG.
- 3.9 Customer shall be solely responsible for complying with any and all other requirements of federal, state, or local law or regulation regarding the operation or maintenance of its RFG. Cooperative shall not be responsible for any additional cost related to ensuring the RFG's compliance with any legal or regulatory requirements.

#### **4. Metering**

- 4.1 Interconnection of Customer's RFG shall be through a single meter, or additional meters as provided in the State Corporation Commission's rules.
- 4.2 Except as otherwise provided for in this Agreement or as required by law or regulation, Customer shall not be required to pay for additional metering, testing, or controls in order to interconnect with Cooperative. Customer may request, and Cooperative may install, additional controls or meters, or conduct additional tests. The expenses associated with these additional meters, tests or equipment shall be borne by the Party desiring the additional meters, tests, or equipment.

4.3 If Customer takes service under a time-of-use tariff, Customer is responsible for all incremental metering costs associated with net metering.

## **5. Price**

5.1 During the initial Net Metering Period and extensions thereof, Excess Generation shall be valued at a price equal to the simple average (by tiers for time-of-use Customers) of Cooperative's avoidable cost of energy, including fuel, based on the energy and energy-related charges of its primary wholesale power supplier for the Net Metering Period.

5.2 In subsequent Net Metering Periods, a different price may be applied if the State Corporation Commission, after notice and opportunity for hearing, establishes a different price or pricing methodology.

## **6. Billing and Payment**

6.1 After a deduction is made for any outstanding balances due from Customer, Cooperative shall make full payment for Excess Generation annually to Customer within 30 days following the end of the Net Metering Period.

6.2 The Customer acknowledges that calculations and obtaining necessary data for REC payments may delay payment for Excess Generation.

6.3 The Customer acknowledges that if any payout is due for the Excess Generation at the end of the Net Metering period, all existing Billing Period Credits on the Customer's account will be removed on an annual basis.

6.4 In lieu of a direct payment, Customer may choose to have the Cooperative credit the annual Excess Generation payment to Customer's account.

6.5 If both Parties agree to terminate the Agreement under Section 2.1, payment of Excess Generation will be made up to the termination date.

## **7. Insurance**

7.1 Customer shall maintain homeowners, commercial, or other appropriate insurance providing coverage in for the liability of the insured against loss arising out of the use of a RFG. If Customer's RFG has a rated capacity not exceeding ten (10) kilowatts, such insurance coverage shall be in the amount of, at a minimum, \$100,000. If Customer's RFG has a rated capacity exceeding ten (10) kilowatts, such insurance coverage shall be in the amount of, at a minimum \$300,000.

7.2 Customer shall not be required to obtain liability insurance with limits higher than that which is stated in this section; nor shall Customer be required to purchase additional liability insurance where Customer's existing insurance policy provides coverage against loss arising out of the use of a RFG by virtue of not explicitly excluding coverage for such loss. The Customer shall, upon reasonable request by the Cooperative, provide a copy of their insurance policy declaration page showing compliance with Section 7.1.

## **8. Renewable Energy Certificates**

- 8.1 Customer owns any RECs associated with the total output of its RFG. Cooperative is obligated to purchase Customer's RECs only if Customer has exercised, at the time of signing this Agreement, its one-time option to include a provision requiring the purchase by Cooperative of all generated RECs over the duration of this Agreement.
- 8.2 Customer shall provide the necessary data to calculate REC payment within 30 days following the end of the Net Metering Period.
- 8.3 Payment for all whole RECs purchased by Cooperative during a Net Metering Period in accordance with this Agreement shall be made at the same time as the payment for any Excess Generation. Any fractional REC remaining may not receive immediate payment but may be carried forward to subsequent Net Metering Periods for the duration of the Agreement in the reasonable discretion of the Cooperative, to accommodate billing system limitations.
- 8.4 The rate of the payment by the Cooperative for Customer's Renewable Energy Certificates shall be the daily unweighted average of the "CR" component of Virginia Electric and Power Company's Virginia jurisdiction Rider G tariff in effect over the period for which the rate of payment for the Customer's RECs is determined.
- 8.5 Any additional costs associated with metering the total output of the RFG for the purposes of receiving RECs, as reasonably determined by the Cooperative, shall be installed at Customer's expense unless otherwise negotiated between the Parties.
- 8.6 Customer must provide completed Attestation Form on an annual basis to Cooperative before purchase of RECs by Cooperative will be considered. The Attestation Form will be provided by the Cooperative and will meet requirements necessary to transfer or retire RECs.
- 8.7 Cooperative, with appropriate notification to Customer, reserves the right to require registration of any future RECs purchased in PJM Generation Attribute Tracking System.

## **9. Miscellaneous**

- 9.1 Assignment. This PPA is not assignable by Customer to another account or other third party without the written expressed consent of Cooperative in its sole discretion.
- 9.2 Amendment. It is understood and agreed that Cooperative reserves the right, on no less than an annual basis, to change any of the terms and conditions, including pricing, in this Agreement on sixty (60) days advance written notice. Cooperative may make such changes on an immediate basis in the event any applicable law, rule, regulation, or court order requires them. In such event Cooperative will give Customer as much notice as reasonably practical under the circumstances.

- 9.3 Indemnification. To the fullest extent permitted by laws and regulations, and in return for adequate, separate consideration, Customer shall defend, indemnify, and hold harmless Cooperative, its officers, directors, agents, guests, invitees, and employees from and against all claims, damages, losses to persons or property, whether direct, indirect, or consequential (including but not limited to fees and charges of attorneys, and other professionals and court and arbitration costs) arising out of, resulting from, occasioned by, or otherwise caused by the operation or mis-operation of the Customer's RFG, or the acts or omissions of any other person or organization directly or indirectly employed by the Customer to install, furnish, repair, replace or maintain the RFG, or anyone for whose acts any of them may be liable.
- 9.4 Governing Law. The validity and interpretation of this Agreement and the rights and obligations of the Parties shall be governed and construed in accordance with the laws of the Commonwealth of Virginia without regard for any conflicts of law provisions that might cause the law of other jurisdictions to apply. All controversies, claims, or disputes arising out of or related to this Agreement or any agreement, instrument, or document contemplated hereby, shall be brought exclusively in the Circuit Court or General District Court for Spotsylvania County, Virginia.
- 9.5 Severability. To the extent any provision of this Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.
- 9.6 Third Party Beneficiaries. This Agreement is solely for the benefit of Cooperative and Customer and no right nor any cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person or corporation other than Cooperative or Customer, any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and, all provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and be binding upon Cooperative and Customer and their respective representatives, successors, and assigns.

**IN WITNESS WHEREOF**, Customer and Cooperative have executed this Agreement the day and year first written above.

**For Customer by:**

**For Cooperative by:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signatory's Name Printed)

\_\_\_\_\_  
(Signatory's Name Printed)

\_\_\_\_\_  
(Signatory's Title (if applicable))

\_\_\_\_\_  
(Signatory's Title)

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

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

Type of Agreement(s): *Initial All that Apply*

Power Purchase (\_\_\_\_\_)

Renewable Energy Certificate Purchase (\_\_\_\_\_)

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

Official Interconnection Date: \_\_\_\_\_

Net Metering Period Begins: \_\_\_\_\_