

NH Electric Cooperative “Above the Cap” Net Metering Summary¹

Who is affected?

- For existing net metered systems, nothing will change.
- Likewise, systems which both: 1) have an Interconnection Application filed **before May 1, 2015**; and 2) are installed, approved and interconnected **before December 31, 2015**, without material changes from the specifications stated in the Interconnection Application will continue to operate under the existing “below the cap” program and rates.
- The systems of members who file Interconnection Applications on or after **May 1, 2015**, or which are **not interconnected prior to December 31, 2015**, will be in NHEC’s new “Above the Cap” program.
- Systems which would otherwise be treated as “below the cap,” but which are modified after May 1, 2015 so as to increase in the system’s inverter size, will be transferred into NHEC’s new “Above the Cap” program.

What will and what will not change?

- Generation which is **used** behind the member’s meter at the time it is generated will continue to reduce all NHEC kWh charges (“full retail”), just like under the “below the cap” rates.
- Generation which is exported onto NHEC’ system, will be credited to the member at “above the cap” export rates which have been adjusted to account for unavoided transmission and capacity costs and 50% of NHEC’s distribution under recoveries.
- There is no predetermined cap for net metering going forward.
- The transmission and capacity components of the net metering export rates will be adjusted whenever Co-op Power and transmission (RAC) charges are changed. The delivery service component will be reviewed and adjusted annually to reflect changes in NHEC’s distribution under recoveries.

Rates ²	Old “Below the Cap” Export Rate		New NHEC “Above the Cap” Net Metering Export Rate		
	Up to 100 kW	Above 100 kW	Up to 20 kW	20+ kW – 100 kW	Above 100 kW
Distribution	3.9 ¢/kWh	- 0-	2.4 ¢/kWh	1.9 ¢/kWh	0.8 ¢/kWh
Transmission	2.2 ¢/kWh	-0-	0.8 ¢/kWh	0.8 ¢/kWh	0.8 ¢/kWh
Co-op Power	6.5 ¢/kWh	6.5 ¢/kWh	6.1 ¢/kWh	6.1 ¢/kWh	6.1 ¢/kWh
NH Mandates/Taxes	0.4 ¢/kWh	-0-	0.4 ¢/kWh*	0.4 ¢/kWh*	0.4 ¢/kWh*
Total	13.0 ¢/kWh	6.5 ¢/kWh	9.7 ¢/kWh	9.2 ¢/kWh	8.1 ¢/kWh
* Included with the expectation and to the extent avoided					

¹ This is only a summary of NHEC’s Net Metering Program. More details on these and Group Net Metering are available from the NHEC website, [Terms and Conditions](http://www.nhec.com/rates_summaryofrates_termsandconditions.php): http://www.nhec.com/rates_summaryofrates_termsandconditions.php.

² All rates shown will be in effect on bills rendered on and after 5/1/15, and are rounded. Rates shown are for a Residential Basic service.

NHEC's "Above the Cap" Net Metering Policy Goals

In the development of its "above the cap" net metering program NHEC was guided by the following policy principles:

- *NHEC values and supports the development of renewable generation by and to serve its members.*
- *NHEC members who install renewable generation behind their meters should be compensated for the energy which they export to NHEC's distribution system at rates which credit them for those costs which NHEC avoids because of that generation.*
- *In addition to NHEC's quantifiable avoided costs, there are social and environmental benefits to member-sited renewable generation which NHEC should recognize and support in its net metering program.*
- *In determining how, and in what amount, NHEC provides financial support for member-sited renewable generation, NHEC should take into account and minimize the resulting rate impacts for all other NHEC members who do not have renewable generation behind their meters ("cost shifting").*
- *A net metering program which fairly balances NHEC's goal of encouraging member-sited renewable generation with NHEC's goal of minimizing cost shifting will be sustainable in the long run, and if periodically adjusted, can make predetermined "caps" unnecessary.*
- *Any transition to a new net metering program should minimize uncertainty and inconvenience for members who are in the processes of installing renewable generation behind their meters.*