

OVERTON POWER DISTRICT No. 5

615 North Moapa Valley Boulevard
P O Box 395
Overton, Nevada 89040-0395

Regulation No. OPD-S-9. 100

Date Approved: August 20, 2008

Approved By : _____

**OVERTON POWER DISTRICT No. 5
PERSONNEL REGULATION**

NET METERING

A. PURPOSE:

The purpose of this regulation is to establish a basis of understanding with Overton Power District No.5 (District) Residential Class Customers relative to net metering.

B. DEFINITION OF NET ENERGY METERING

Net energy is defined as measuring the difference between the electricity supplied by the District through the electric grid to the customer and the electricity generated by the customer and fed back onto the electric grid during a calendar year

C. COMPENSATION

If the electricity generated by the customer during a calendar year exceeds the amount of electricity supplied by the District the customer shall be compensated at the District's average energy cost (per Kwh) for the year. All energy generated by the Generator/Customer will be netted out at the end of each calendar year. The customer shall be entitled to a one time financial incentive based on the number of watts of power installed. The formula shall be "number of watts installed times 85% times \$.50. The financial incentive shall appear as a credit on the customer's power bill and shall be paid in 12 equal payments. No credit shall be provided in a month where the customer's generating facilities are inoperable.

D. CONDITIONS OF ELIGIBILITY

1. Applicant must maintain an active Residential Class account with the District.
2. Applicant must sign an "Interconnection Agreement for Net Metering" (Agreement) which specifies the terms and conditions of the net metering program.

3. Applicant may install generating capacity equal to their highest monthly usage.
4. Applicant intends to operate the generator in parallel with the District's electric distribution system.
5. Applicant must purchase equipment that is commercially available.

D. CONDITIONS OF INSTALLATION AND OPERATION

1. The cost, design, construction, operation and maintenance of the generator and associated facilities shall be the responsibility of the Applicant. Applicant shall insure that the design, construction and operation of the installation comply with all applicable safety and power standards of the National Electric Safety Code, Underwriters Laboratories, and the Institute Of Electrical and Electronic Engineers. The District will verify that the Project has been installed; Applicant is responsible to obtain the proper permits and have the Project inspected by the appropriate County or City governments.

2. Applicant agrees to provide the District access to all facilities, properties, and equipment as may be necessary to enable the District to operate and maintain its respective facilities, equipment and property for purposes in connection with performing its rights and obligations under this Agreement and operating its electric system. The District shall be allowed to perform a verification of Applicant's Installation prior to interconnection to the District's system and to perform periodic verification of Applicant's Installation after interconnection to the District's system for purposes of reviewing compliance with paragraph 1 above. Upon interconnecting with the District the Applicant shall become a Generator/Customer. The District has the right to disconnect Generator/Customer for purposes of protecting its employees, property or the reliability of the electric distribution system.

3. Generator/Customer shall be solely liable for any damages, including personal injury, loss of life or property damage associated with the Installation, Operation and/or any modification of the Installation, including claims based on its design, construction, location, maintenance and operation. Generator agrees that the District has no responsibility for the safety of the Installation and will fully indemnify the District from any loss, including its costs and attorneys fees, arising from any claim against the District based upon or arising out of this Agreement or the Installation and/or operation of said generation.

4. The District assumes no liability for personal injury, bodily injury or property damage claimed by any person or party resulting from or arising out of (1) the engineering, design, construction, maintenance, or operation of Generator/Customer's Installation or (2) the making of replacements, additions, or betterments to Generator/Customer's Installation. Generator/Customer shall indemnify the District against any and all liability or loss arising out of this Agreement or the Installation and/or operation of said generation.

5. The Agreement shall not be assigned by either Party without written consent of the other Party except that the District may assign or delegate its rights and obligations under the Agreement, in whole or in part without written consent, if such assignment is required by applicable laws or applicable regulations. If such assignment is made the District shall notify the Generator/Customer of the assignment.

6. The term of the Agreement will be effective from the date the District approves the completed Project and will continue thereafter until termination of the Agreement in accordance with the following: (a) At any time the Installation fails to remain in compliance with the requirements contained in section 3 above, the District may immediately terminate the Agreement, revoking Generator/Customer's right to interconnect the Installation to District's electric distribution system and may take such steps as are necessary to physically disconnect the Installation; (b) Applicant may terminate the Agreement upon written notice to the District; (c) Agreement will be terminated upon sale or transfer of property where Generator is installed. New owners will need to apply for and execute a new Net Metering Agreement.

7. Generator/Customer hereby transfers to Utility all renewable energy credits ("RECs") derived from the Applicant's ownership and operation of, or production of energy from, the Generator/Customer's Installation and any benefits derived from RECs. RECs are all renewable energy credits, offsets, or other benefits allocated, assigned or otherwise awarded or certified to the Generator/Customer or District by any governmental authority or as received in connection with Renewable Quotas, in either case in connection with the Installation, including credits, offsets or other benefits attributable to the Installation. "Renewable Quotas" are any laws which impose an obligation on the District to meet a required percentage of its retail load requirement by purchasing or generating electricity derived from renewable energy sources. Upon receipt of any such REC's, Generator/Customer shall promptly use all commercially reasonable efforts to execute all documents, including documents transferring such RECs to the District without further compensation, in order to ensure such RECs are vested in the District. The quantity of RECs transferred to the District shall be the amount of RECs attributable to Generator/Customer ownership and operation of, and all energy produced at, the Generator/Customer installation.

8. This Policy is subject to change by the Board of Directors of Overton Power District #5.