

FREQUENTLY ASKED QUESTIONS

Interconnection and Net Metering Of Customer-Owned Renewable Generation

1. What is net metering?

Net metering is a service option offered by some electric utilities that permits customer-owned renewable generation to be interconnected with the utility's distribution system and used to offset part or all of a customer's electric usage. Any excess customer generation is delivered into the utility's distribution system and is credited on the customer's monthly electric bill.

2. Why offer net metering?

Net metering and interconnection standards provide a number of benefits. The top benefits are: 1) it promotes the development of renewable energy, 2) it enables customers to offset purchases from their electric utility, and 3) it enables customers to sell excess generation to their electric utility. Net metering is a valuable service for customers who want to install renewable generation.

3. How does net metering work?

Net metering enables qualified, customer-owned renewable generation to offset some or all of the customer's electricity consumption from the local electric utility. First, the customer-owned renewable generation is used to supply the customer's own electricity usage, offsetting the need for electricity from their utility. When the customer needs more electricity than their system generates, the deficit is purchased from the utility. Conversely, when the customer uses less electricity than their system generates, the surplus is delivered to the utility's distribution system and credited to the customer. The customer's monthly bill will reflect the net charge for electricity consumed by the customer against electricity sold back to the utility.

4. What types of renewable generation qualify?

There are several types of customer-owned renewable generation that qualify. Solar and wind systems are the most common. Other qualified renewables include biomass, waste heat, hydrogen, geothermal energy, ocean energy and hydroelectric power. The system must be located on the customer's property and have a generating capacity of less than 2 megawatts.

5. Who is eligible?

Any customer with qualified renewable generation can participate. The only limit is that the total rated generating capacity of all customer-owned renewable generation on the utility's system cannot exceed 2.5% of the utility's aggregate peak demand. If that limit is reached, subsequent applicants for net metering will be considered on an individual basis.

6. Is there a need for a new meter?

Generally, there will be a need to replace the existing electric billing meter with a meter that has separate registers to record the energy received by the consumer from the utility and the energy received by the utility from the consumer. The utility has an additional requirement to install a utility

quality meter to record the output of the renewable generation. The existing meter enclosure that houses the existing billing meter will generally be adequate to accommodate the new billing meter. A second meter enclosure will be required to house the meter recording the generator output. The utility will provide and install the two meters without additional cost to the consumer.

7. How is the customer billed?

Net metering adds a credit to the billing process. The customer will be billed for the total amount of electricity delivered to the home by the utility. The customer will then be credited for the total amount of excess electricity that is generated by the customer and delivered to the utility. In the event that a customer's credit for its self-generation is greater than its bill for utility electricity, the excess credit amount will be applied to the following month's bill. The customer's monthly bill will reflect the net of electricity purchased from the utility versus electricity sold to the utility. The rate applied to the electricity delivered by the utility is established by the applicable City of Leesburg electric tariff. The rate applied to the electricity delivered by the consumer to the utility is established by Appendix A "Net Metering Rates and Billing."

8. How do I get started?

There are three main steps to implement net metering. First, prepare by reviewing all the program information, and then, research the types of systems that best suit your household and choose a contractor to install it. Second, apply for net metering by submitting all required paperwork to the utility. Finally, review the utility's interconnection and system requirements, install the generating system, and complete the necessary documentation allowing the system to be connected to the utility's distribution system.

9. What documents are necessary to participate in net metering?

Several documents are required to participate in net metering. The three principal documents include: 1) Application for Interconnection, 2) Standard Interconnection Agreement for Customer-Owned Renewable Generation, and 3) Tri-Party Net Metering Power Purchase Agreement. These documents, together with the utility's Net Metering Tariff, establish the terms and conditions for net metering.

10. What are the requirements for interconnecting?

There are several interconnection requirements established for safety reasons. In addition to completing the necessary documents and agreements, the Interconnection Agreement requires that participants provide: 1) certification that the generation equipment and its installation, operation and maintenance are in compliance with applicable codes and standards, 2) a copy of the manufacturer's installation, operation, and maintenance instructions, and 3) certification that the renewable generation system has been inspected and approved by local code officials. In addition, the customer must notify the utility in writing of the date and time the system will be placed in service. This must be completed at least 10 days prior to the beginning date of service.

11. What are the costs associated with net metering?

There are two main costs associated with net metering. These costs include: 1) applicable permit fee for the planned construction and an application fee to the utility, and 2) purchasing

and installing the generation equipment. Additionally, system maintenance and inspections are costs to be considered. Insurance, while recommended, is not necessary for participation when using systems that produce 10 kilowatts or less. These are the main costs, though other costs may apply.

12. The Tri-Party Agreement involves the Florida Municipal Power Agency (FMPA). What is FMPA?

The Florida Municipal Power Agency (FMPA) is an Orlando-based wholesale power agency. FMPA is our utility's exclusive wholesale electricity supplier, so FMPA's policies must be coordinated with the utility since net metering involves selling electricity to the utility.

13. Where can I find additional information about net metering?

Additional information can be found on the following Web sites:

[U.S. Department of Energy](#): The U.S. Department of Energy provides an overview of net metering.

[Database for State Incentives for Renewables & Efficiency \(DSIRE\)](#): DSIRE provides a summary of Florida's net metering incentives, rules and regulations.

[Florida Public Service Commission](#): The Florida Public Service Commission provides information on net metering, as well as regulations associated with the electric industry. Municipal electric utilities are not subject to PSC rules on net metering. Instead, each municipal electric utility adopts its own net metering and interconnection policy.



FACT SHEET

Interconnection and Net Metering Of Customer-Owned Renewable Generation

WHAT	<p>Florida Municipal Power Agency (FMPA) and its All-Requirements Project members promote the development of customer-owned renewable generation by:</p> <ul style="list-style-type: none">• Expediting the interconnection of qualified, customer-owned renewable generation with the local utility's distribution system, and• Enabling qualified, customer-owned renewable generation to offset the customer's electricity consumption from the local electric utility, which is known as net metering.
WHO	<p>The net metering policy is a joint effort among 15 municipal electric utilities that obtain all their wholesale electricity from the FMPA.</p> <p>The 15 cities include Bushnell, Clewiston, Fort Meade, Fort Pierce, Green Cove Springs, Havana, Jacksonville Beach, Key West, Kissimmee, Lake Worth, Leesburg, Newberry, Ocala, Starke and Vero Beach. These utilities have policies for the interconnection and net metering of customer-owned renewable generation.</p> <p>FMPA is an Orlando-based wholesale power agency owned by the municipal electric utilities it serves. FMPA is the cities' exclusive wholesale electricity supplier, so FMPA's policies are coordinated with the cities' to enable net metering from the retail customer to their local municipal electric utility.</p>
WHAT IT MEANS	<p>The policies provide several benefits for customers:</p> <ol style="list-style-type: none">1. Promotes the development of customer-owned renewable energy2. Enables customers to offset purchases from their electric utility3. Enables customers to sell excess generation to their electric utility
WHAT QUALIFIES	<ul style="list-style-type: none">• An electric generating system located on a customer's premises that is primarily intended to offset part or all of the customer's electricity requirements with renewable energy that is generated using one or more of the following fuels or energy sources: solar energy, wind energy, biomass, waste heat, hydrogen, geothermal energy, ocean energy or hydroelectric power.• The generating system must also be less than two megawatts in generating capacity. (One megawatt serves on average 200 homes for the 15 municipal electric utilities.)
HOW TO APPLY	<p>Interested customers should contact their local utility for application information.</p>

EXHIBIT A

**APPLICATION for INTERCONNECTION OF
CUSTOMER-OWNED RENEWABLE
GENERATION SYSTEM**

TIER 1 - 10 KW or Less

TIER 2 - Greater than 10 KW and Less Than or Equal to 100 KW

TIER 3 - Greater than 100 KW and Less Than or Equal to 2 MW

City of Leesburg electric (Utility) customers who install customer-owned renewable generation systems and desire to interconnect those facilities with Utility's electrical system are required to complete this application. This application can be obtained from the Utility office located at 2010 Griffin Road or call (352) 728-9815. When the completed application and fees are returned to Utility, the process of completing the appropriate Tier 1, Tier 2 or Tier 3 Interconnection Agreement can begin. The Interconnection Agreements may be obtained at the Utility office.

1. Customer Information

Name: _____

Mailing Address: _____

City: State: Zip Code: _____

Phone Number: _____ Alternate Phone Number: _____

Email Address: _____ Fax Number: _____

2. Facility Information

Facility Location: _____

Leesburg Account Number: _____

Manufacturers Name/Address: _____

Reference or Model Number: _____

Serial Number: _____

3. Facility Rating Information

Gross Power Rating: _____ kW ("Gross power rating" means the total manufacturer's AC nameplate generating capacity of an on-site customer-owned renewable generation system that

will be interconnected to and operate in parallel with the utility's distribution facilities. For inverter-based systems, the AC nameplate generating capacity shall be calculated by multiplying the total installed DC nameplate generating capacity by 0.85 in order to account for losses during the conversion from DC to AC.

Fuel or Energy Source: _____

Anticipated In- Service Date: _____

4. Application Fee

The application fee is based on the Gross Power Rating and must be submitted with this application. The non-refundable application fee is \$300.00 for Tier 2 and \$1,000 for Tier 3 installations. There is no application fee for Tier 1 installations.

5. Interconnection Study Fee

For Tier 3 installations, a deposit in the amount of \$3,000.00 will be paid along with this application. Should Utility determine that an interconnection study is necessary; the Customer will be responsible for actual costs of the study. When the study is completed, the Customer will be responsible for any underpayment or will be refunded any overpayment.

6. Required Documentation

Prior to completion of the Interconnection Agreement, the following information must be provided to the Company by the Customer.

A. Documentation demonstrating that the installation complies with:

1. IEEE 1547 (2003) Standard for Interconnecting Distributed Resources with Electric Power Systems.
2. IEEE 1547.1 (2005) Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems.
3. UL 1741 (2005) Inverters, Converters, Controllers and Interconnection System Equipment for Use with Distributed Energy Resources.

B. Documentation that the customer-owned renewable generation has been inspected and approved by local code officials prior to its operation in parallel with Utility's system to ensure compliance with applicable local codes.

C. Proof of general liability insurance for Tier 1 generators (100,000.00 Recommended but not mandatory); Tier 2 generators (\$1,000,000.00) or Tier 3 generators (\$2,000,000.00).

**Standard Interconnection Agreement for
Customer-Owned Renewable Generation System
System Size: _____ kW**

This Agreement is made and entered into this _____ day of _____, 20____, by and between _____, (hereinafter called "Customer"), located at _____ in _____, Florida, and City of Leesburg (hereafter called "Utility"), a municipal electric utility. Customer and Utility shall collectively be called the "Parties". The physical location/premise where the interconnection is taking place is: _____.

WITNESSETH

Whereas, Utility operates an electric distribution system serving the City of Leesburg, City of Fruitland Park and portions of unincorporated Lake County; and

Whereas, Customer has made a written Application to Utility, a copy being attached hereto, to allow connection of an Customer-Owned Renewable Generation system for any length of time to the distribution system at the location listed above; and

Whereas, Utility desires to provide interconnection of Customer-Owned Renewable Generation under conditions which will insure the safety of Utility customers and employees, reliability and integrity of its distribution system;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein set forth, the parties hereto covenant and agree as follows:

Section 1. Definitions

“Customer-owned renewable generation” means an electric generating system located on a customer’s premises that is primarily intended to offset part or all of the Customer’s electricity requirements with renewable energy that is generated using one or more of the following fuels or energy sources: hydrogen, biomass, solar energy, geothermal energy, wind energy, ocean energy, waste heat, or hydroelectric power.

“Gross power rating” (GPR) means the total manufacturer’s AC nameplate generating capacity of an on-site customer-owned renewable generation system that will be interconnected to and operate in parallel with Utility distribution facilities. For inverter-based systems, the GPR shall be calculated by multiplying the total installed DC nameplate generating capacity by .85 in order to account for losses during the conversion from DC to AC.

Section 2. Scope of Agreement

2.01. This Agreement defines the terms and conditions under which Utility and Customer agree to interconnect Customer-Owned Renewable Generation of _____ kW or less (as described in Exhibit A) at a standard Utility primary or secondary voltage to the distribution system.

Section 3. Interconnection Application

3.01. In order to commence the process for interconnection of the customer-owned renewable generation system, Customer shall complete and submit to Utility a Standard Interconnection Application (a copy of which is attached hereto as Exhibit A, and incorporated in the Agreement by this reference).

Section 4. Applicable Codes and Standards

4.01. Prior to operating in parallel with Utility's electric system, Customer shall certify that the customer-owned renewable generation equipment, its installation, its operation and its maintenance shall be in compliance with the following standards:

- a. IEEE-1547 (2003) Standard for Interconnecting Distributed Resources with Electric Power System;
- b. IEEE-1547.1 (2005) Standard Conformance Test Procedures for Equipment Interconnection Distributed Resources with Electric Power Systems;
- c. UL-1741 (2005) Inverters, Converters, Controllers and Interconnection System Equipment for Use with Distributed Energy Resources.
- d. The National Electric Code, state and/or local building codes, mechanical codes and/or electrical codes;
- e. The manufacturer's installation, operation and maintenance instructions.

4.02. Customer shall provide a copy of the manufacturer's installation, operation and maintenance instructions to Utility.

Section 5. Inspection Requirements

5.01. Prior to commencing parallel operation with Utility's electric system, Customer shall have the customer-owned renewable generation system inspected and approved by the appropriate code authorities having jurisdiction. Customer shall provide a copy of this inspection and approval to Utility.

5.02. Prior to and after operation of the customer-owned renewable generation in parallel with Utility's electric system, authorized Utility representatives may inspect the customer-owned renewable generation system to verify that it is and continues to be in compliance with the standards and codes contained in this Agreement. At least ten (10) business days prior to initially placing the customer-owned renewable generation system in service, Customer shall provide written notification to Utility advising Utility of the date and time at which Customer intends to place the system in service, and Utility shall have the right to have personnel present on the in-service date in order to ensure compliance with the requirements of this Agreement.

5.03. Utility shall provide Customer with as much notice as is reasonably practicable; either in writing, email, or facsimile or by phone as to when Utility may conduct inspection and/or documentation review. Upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, Utility shall have access to Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed by this Agreement, or, if necessary, to meet Utility's obligations to provide service to its customers.

5.04. In no event shall any statement, representation, or lack thereof, either express or implied, by Utility, relieve the Customer of exclusive responsibility for the Customer's system. Specifically, any Utility inspection of the customer-owned renewable generation system shall not be construed as confirming or endorsing the system design or its operating or maintenance procedures nor as a warranty or guarantee as to the safety, reliability, or durability of the customer-owned renewable generation equipment. Utility's inspection, acceptance, or its failure to inspect shall not be deemed an endorsement of any customer-owned renewable generation equipment or procedure.

Section 6. Electric System Protection Requirements

6.01. Customer certifies that the customer-owned renewable generation equipment includes a utility-interactive inverter or interconnection system equipment that ceases to interconnect with the utility upon a loss of utility power. The inverter shall be considered certified for interconnected operation if it has been submitted by a manufacturer to a nationally recognized testing laboratory (NRTL) to comply with UL 1741. The NRTL shall be approved by the Occupational Safety & Health Administration (OSHA).

Section 7. Modifications and/or Additions to the Customer-Owned Renewable Generation System

7.01. It is Customer's responsibility to notify Utility of any change to the GPR of the customer-owned renewable generation by submitting a new application for interconnection specifying the modifications at least thirty (30) days prior to making the modifications.

7.02. If Customer adds another customer-owned renewable generation system which (i) utilizes the same utility-interactive inverter for both systems; or (ii) utilizes a separate utility-interactive inverter for each system, then Customer shall provide Utility with sixty (60) days written notice of the addition.

Section 8. Gross Power Rating

8.01. The customer-owned renewable generation must have a GPR that does not exceed 90% of the Customer's utility distribution service rating at the Customer's location. If the GPR does exceed that 90% limit, the Customer shall be responsible to pay the cost of upgrades for that distribution service to accommodate the GPR capacity and ensure the 90% threshold is not breached.

Section 9. Administrative Requirements

9.01. Subject to an approved inspection, including installation of acceptable disconnect switch, this Agreement shall be executed by Utility within twenty-one (21) calendar days of receipt of a completed application. Customer must execute this Agreement and return it to Utility at least ten (10) calendar days prior to beginning parallel operations with Utility's electric system and within one (1) year after Utility executes this Agreement.

9.02. Once Utility has received Customer's written documentation that the requirements of this Agreement have been met and the correct operation of the manual switch has been demonstrated to a Utility representative, Utility will, within five (5) business days, send written notice that parallel operation of the customer-owned renewable generation system may commence.

Section 10. Customer Insurance Requirements

10.01. Utility strongly recommends Customer maintain general liability insurance for personal injury and property damage in the amount of not less than one hundred thousand dollars (\$100,000).

Section 11. Customer Equipment

11.01. Customer is responsible for the protection of its generation equipment, inverters, protection devices, and other system components from damage from the normal and abnormal operations that occur on Utility's electric system in delivering and restoring system power. Customer is also responsible for ensuring that the customer-owned renewable generation equipment is inspected, maintained, and tested regularly in accordance with the manufacturer's instructions to ensure that it is operating correctly and safely. Such inspection should occur after large storms have traversed Customer's location and after connection with Utility's system has been restored.

Section 12. Manual Disconnect Switch

12.01. Customer shall install, at Customer's expense a manual disconnect switch of the visible load break type to provide a separation point between the AC power output of the customer-owned renewable generation system and any Customer wiring connected to Utility's electric system such that back feed from the customer-owned renewable generation system to Utility's electric system cannot occur when the switch is in the open position. The manual disconnect switch shall be mounted separate from the meter socket on an exterior surface adjacent to the meter. The switch shall be readily accessible to Utility and capable of being locked in the open position with a Utility padlock. When locked and tagged in the open position by Utility, this switch will be under the control of Utility.

12.02. Utility may open the switch, isolating the customer-owned renewable generation system, without prior notice to Customer. To the extent practical, however, prior notice shall be

given. If prior notice is not given, Utility shall at the time of disconnection leave a door hanger notifying the Customer that the RGS has been disconnected, including an explanation of the condition necessitating such action. The switch will be re-closed by Utility as soon as practical once the conditions causing the disconnection cease to exist. Typical conditions which may require the switch to be opened include, but are not limited to:

- Utility electric system emergencies or maintenance requirements.
- Hazardous conditions existing on Utility's electric system due to the operation of the Customer's RGS generation or protective equipment as determined by Utility.
- Adverse electrical effects (such as power quality problems) on the electrical equipment of Utility's other electric consumers caused by the RGS as determined by Utility.

12.03. On termination of services pursuant to this Agreement, Utility shall open and padlock the manual disconnect switch and remove any additional metering equipment related to this Agreement. At the Customer's expense, within ten (10) working days following the termination, the Customer shall permanently isolate the customer-owned renewable generation and any associated equipment from Utility's electric supply system, notify Utility that the isolation is complete, and coordinate with Utility for return of Utility's lock.

Section 13. Metering Equipment

13.01. Utility will furnish, install, own and maintain metering equipment capable of measuring the flow of kilowatt-hours (kWh) of energy. The Customer's service associated with the customer-owned renewable generation will be metered at a single metering point and the metering equipment will measure energy delivered by Utility to Customer, and also measure energy delivered by Customer to Utility. Customer agrees to provide safe and reasonable access to the premises for installation of this equipment and its future maintenance or removal. Customer shall provide an additional meter enclosure and Utility will furnish, install, own and maintain metering equipment capable of measuring the flow of kilowatt-hours (kWh) of energy produced by the RGS.

Section 14. Indemnification

14.01. Customer agrees to indemnify, defend and hold harmless Utility, its subsidiaries or affiliates, and their respective employees, officers and directors, against any and all liability, loss, damage, cost or expense, including attorney's fees, which Utility, its subsidiaries, affiliates, and their respective employees, officers and directors may hereafter incur, suffer or be required to pay by reason of negligence on the part of the Customer under the obligation of this Agreement.

Section 15. Assignment

15.01. Customer shall not have the right to assign its benefits or obligations under this Agreement without Utility's prior written consent and such consent shall not be unreasonably withheld. If there is a change in ownership of the customer-owned renewable generation, Customer shall provide written notice to Utility at least ten (10) days prior to the change in ownership. The new owner will be required to assume in writing Customer's rights and duties

under this Agreement, or execute a new Standard Interconnection Agreement. The new owner shall not be permitted to net meter or begin parallel operations until the new owner assumes this Agreement or executes a new Agreement.

Section 16. Lease Agreements and Retail Purchase of Electricity

16.01. Customer may contract with a third party for the purchase, lease, operation, or maintenance of an on-site renewable generation system under terms and conditions that do not include the retail purchase of electricity from the third party. Customer shall provide Utility a copy of the lease agreement for any leased interconnection or generation equipment. Customer shall not enter into any lease agreement that results in the retail purchase of electricity; or the retail sale of electricity from the customer-owned renewable generation. Notwithstanding this restriction, in the event that Customer is determined to have engaged in the retail purchase of electricity from a party other than Utility, then Customer shall be in breach of this Agreement and may be subject to the jurisdiction of the Florida Public Service Commission and to fines/other penalties.

Section 17. Entire Agreement

17.01. This Agreement supersedes all previous agreements and representations either written or verbal heretofore made between Utility and Customer with respect to matters herein contained. This Agreement, when duly executed, constitutes the only Agreement between parties hereto relative to the matters herein described.

Section 18. Governing Law & Tariff

18.01. This Agreement shall be governed by and construed and enforced in accordance with the laws, rules and regulations of the State of Florida and Utility's Tariff as it may be modified, changed, or amended from time to time.

18.02. This Agreement incorporates by reference the terms of the tariff filed with the Florida Public Service Commission by Utility, including Rate Schedule NM-1 and associated technical terms and abbreviations, general rules and regulations and standard electric service requirements (as may be applicable) are incorporated by reference, as amended from time to time. To the extent of any conflict between this Agreement and such tariff, the tariff shall control.

18.03. Utility and Customer recognize that the Florida Statutes and/or the Florida Public Service Commission Rules, including those Rules directly addressing the subject of this Agreement, may be amended from time to time. In the event that such statutes and/or rules are amended that affect the terms and conditions of this Agreement, Utility and Customer agree to supersede and replace this Agreement with a new Interconnection Agreement which complies with the amended statutes/rules.

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

UTILITY

By: _____

Title: _____

Date: _____

CUSTOMER

By: _____
(Signature)

(Print Name)

(Customer Account Number)

Date: _____



FLORIDA MUNICIPAL POWER AGENCY
All-Requirements Project Net Metering Policy

Section 1. Establishment of ARP Participant Net Metering Policy

1.01. ARP Participant may establish a Net Metering program in accordance with this Net Metering Policy (this “Policy”). ARP Participant may offer Net Metering to eligible customers who intend to operate customer-owned renewable generation in parallel with ARP Participant’s electric distribution system that is primarily intended to offset all or part of the customer’s electric consumption at the specific site where the customer-owned renewable generation is installed. ARP Participant may interconnect with and allow net metering of eligible customer-owned renewable generation in accordance with this Policy.

1.02. Eligible customers must operate their customer-owned renewable energy generation in parallel with ARP Participant’s electric distribution system, and shall provide as-available generation to ARP Participant at the point of interconnection. Before beginning parallel operations, customers must enter into (1) the Tri-Party Net Metering Power Purchase Agreement, a copy of which is attached to this Policy as Appendix A; and (B) Utility’s Standard Interconnection Agreement for Customer-Owned Renewable Generation.

Section 2. Customer Metering

2.01. ARP Participant shall cause to be installed metering equipment at the point of delivery capable of recording two separate meter readings: (1) the flow of electricity from ARP Participant to the Customer, and (2) the flow of excess electricity from the Customer to ARP Participant. ARP Participant shall take meter readings on the same cycle as the otherwise applicable rate schedule.

Section 3. Customer Billing and Crediting

3.01. Pursuant to the All-Requirements Power Supply Contract between ARP Participant and Florida Municipal Power Agency, dated as of _____ (the “ARP Contract”), ARP Participant has contractually agreed to purchase from FMPA, and FMPA has agreed to sell to ARP Participant, all capacity and energy necessary to operate ARP Participant’s electric system. Because of this, ARP Participant may not directly purchase excess customer-owned renewable generation supplied to ARP Participant’s electric distribution system. However, in order to promote the development of small customer-owned renewable generation, FMPA has developed this Policy, pursuant to which FMPA will purchase excess customer-owned renewable generation from eligible ARP Participant’s customers that take part in ARP Participant’s Net Metering program and are interconnected to ARP Participant’s electric system.

3.02. Customer-owned renewable generation shall first be used for Customer's own load, and shall offset Customer's demand for electricity from ARP Participant. Excess customer-owned renewable generation that is not used for Customer's load shall be delivered to ARP Participant's electric distribution system. Excess customer-owned renewable generation delivered to ARP Participant's electric distribution system shall be recorded separately from electricity delivered to Customer from ARP Participant. Customer shall be charged for electricity delivered to Customer by ARP Participant in accordance with the otherwise applicable retail rate schedule. Excess customer-owned renewable generation shall be credited by ARP Participant on Customer's monthly electric consumption bill at a rate determined by FMPA, which shall be calculated in accordance with Appendix B, which is attached to this Policy.

3.03. ARP Participant may, in its sole discretion and at its sole cost and expense, offer its net metering customers a renewable production incentive for excess kilowatt hours generated by the customer-owned renewable generation and delivered to ARP Participant's electric distribution system.

Section 4. ARP Participant Billing and Crediting

4.01. On a monthly basis, ARP Participant shall calculate the total kilowatt hours of all excess customer-owned renewable generation that is delivered to ARP Participant's electric distribution system for the previous month. FMPA shall purchase such kilowatt hours of customer-owned renewable generation in the form of a credit on ARP Participant's ARP Bill. This process and rate calculation is more fully described in Appendix B.

4.02. FMPA shall not reimburse ARP Participant for any renewable production incentives provided by ARP Participant to its net metering customers in accordance with Section 3.03.

4.03. Excess customer-owned renewable generation that has been purchased by FMPA pursuant to Section 4.01 remains on ARP Participant's electric system and is used by ARP Participant to meet the electric needs of its other customers. Therefore, as part of the monthly ARP billing adjustment, excess customer-owned renewable generation will be reflected on ARP Participant's monthly ARP Bill, as more fully described in Appendix B.

Section 5. Program Administration

5.01. ARP Participant shall be responsible for developing and administering an application process for interconnection and net metering of customer owned renewable generation in accordance with the Policy. ARP Participant shall be responsible for ensuring the necessary metering equipment as well as conducting the appropriate inspections of customer-owned generation systems.

5.02. As a condition of providing Net Metering service, ARP Participant and eligible customers shall be required to execute the Tri-Party Net Metering Power Purchase Agreement. The Tri-Party Net Metering Power Purchase Agreement shall set forth the terms and conditions

of FMPA's purchase of excess energy from interconnected renewable generators in accordance with this Policy.

5.03. ARP Participant shall develop and administer a separate agreement between ARP Participant and Customer setting forth the terms and conditions for interconnection and net metering of customer-owned renewable generation that is consistent with this Policy.

5.04. ARP Participant shall be responsible for collecting the necessary information and making the required annual filings with the Public Service Commission to fulfill the requirements of Rule 25-6.065 of the Florida Administrative Code, as it may be amended.

Section 6. Limit on Enrollment

6.01. Each ARP Participant may offer net metering service to customer-owned renewable generators under this Policy on a first-come first-served basis until the time that the total rated generating capacity used by eligible customer-owned renewable generators exceeds 2.5% of the ARP Participants aggregate customer peak demand.

6.02. In the event that the total rated generating capacity of an ARP Participant's net metering customers meets the limit on enrollment set forth above, subsequent applicants for net metering service shall be considered on an individual basis by FMPA, with due consideration given to the customer's impact on ARP Participant's system and the rate impact on all ARP Participants' customers.

Section 7. Green Attributes/Renewable Energy Certificates

7.01. FMPA and ARP Participant shall negotiate with net metering customers for the right to all Green Attributes associated with the customer owned renewable generation that is interconnected to ARP Participants electric distribution system. The term Green attributes shall include any and all credits, certificates, benefits, environmental attributes, emissions reductions, offsets, and allowances, however entitled, to the generation of electricity from the customer-owned renewable generation and its displacement of conventional energy generation.

APPENDIX A

Tri-Party Net Metering Power Purchase Agreement

This Tri-Party Net Metering Power Purchase Agreement (this “Agreement”) is entered into this _____ day of _____, 20____, by and between Florida Municipal Power Agency, a governmental joint action agency created and existing under the laws of the State of Florida, City of Leesburg, a municipal corporation created and existing under the laws of the State of Florida (hereinafter “Utility”), and _____, a retail electric customer of Utility (hereinafter “Customer”).

Section 1. Recitals

1.01. Utility and Customer have executed Utility’s Standard Interconnection Agreement for Customer-Owned Renewable Generation System pursuant to which Utility has agreed to permit interconnection of Customer’s renewable generation to Utility’s electric system at Customer’s presently-metered location, and Customer has agreed to deliver excess electric energy generated by Customer’s renewable generation system to Utility’s electric distribution system;

1.02. Utility and FMPA have entered into the All-Requirements Power Supply Contract, dated as of May 24, 1991 (hereinafter the “ARP Contract”) pursuant to which Utility has agreed to purchase and receive, and FMPA has agreed to sell and supply Utility with all energy and capacity necessary to operate Utility’s electric system, which limits Utility’s ability to directly purchase excess energy from customer-owned renewable generation;

1.03. In order to promote the development of small customer-owned renewable generation by permitting Utility to allow its customers to interconnect with Utility’s electric system and to allow Utility customers to offset their electric consumption with customer-owned renewable generation, FMPA, in accordance with the terms and conditions of this agreement, has agreed to purchase excess customer-owned generation from Utility customers interconnected to Utility’s electric system.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the Parties covenant and agree as follows:

Section 2. Interconnection

2.01. Customer shall not begin parallel operations with Utility’s electric distribution system until Customer has executed Utility’s Standard Interconnection Agreement for Customer-Owned Renewable Generation and is in compliance with all terms and conditions therein. Utility shall be responsible for ensuring the customer-owned renewable generation is installed and operated in accordance with all applicable safety codes and standards. Utility shall establish and enforce terms and conditions of operation and disconnection of all interconnected customer-owned renewable generation.

Section 3. Metering

3.01 In accordance with Utility's Standard Interconnection Agreement for Customer-Owned Renewable Generation, Utility shall install metering equipment at the point of delivery capable of recording two separate meter readings: (1) the flow of electricity from Utility to the Customer, and (2) the flow of excess electricity from the Customer to Utility. Utility shall take meter reading on the same cycle as the otherwise applicable rate schedule.

Section 4. Purchase of Excess Customer-Owned Renewable Generation

4.01. Customer-owned renewable generation shall be first used for Customer's own load and shall offset customer's demand for Utility electricity. All electric power and energy delivered by Utility to Customer shall be received and paid for by Customer to Utility pursuant to the terms, conditions and rates of the Utility's otherwise applicable rate schedule.

4.02. Excess customer-owned renewable generation shall be delivered to the Utility's electric distribution system. For purposes of this Agreement, the term "excess customer-owned renewable generation" means any kWh of electrical energy produced by the customer-owned renewable generation system that is not consumed by Customer and is delivered to Utility's electric distribution system. FMPA agrees to purchase and receive, and Customer agrees to sell and deliver, all excess customer-owned renewable generation at the energy rate established by FMPA, which shall be calculated in accordance with Appendix B. Excess customer-owned renewable generation shall be purchased in the form of a credit on Customer's monthly energy consumption bill from Utility.

4.03. In the event that a given monthly credit for excess customer-owned renewable generation exceeds the total billed amount for Customer's consumption in any corresponding month, then the excess credit shall be applied to the subsequent month's bill. Excess energy credits produced pursuant to the preceding sentence shall accumulate and be used to offset Customer's energy consumption bill for a period of not more than twelve (12) months

4.04. FMPA and Utility shall not be required to purchase or receive excess customer-owned renewable generation, and may require Customer to interrupt or reduce production of customer-owned renewable generation, (a) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any Utility equipment or part of the Utility electric system; or (b) if either FMPA or Utility determine, in their sole judgment, that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with any applicable electric code or standard.

Section 5. Renewable Energy Credits

5.01. Customer shall offer FMPA a first right of refusal before selling or granting to any third party the right to the Green Attributes associated with its customer-owned renewable generation that is interconnected to ARP Participants electric distribution system. The term "Green Attributes" shall include any and all credits, certificates, benefits, environmental attributes, emissions reductions, offsets, and allowances, however entitled, attributable to the

generation of electricity from the customer owned-renewable generation and its displacement of conventional energy generation.

5.02. Any additional meter(s) installed to measure total renewable electricity generated by the Customer for the purposes of measuring Green Attributes, including any renewable energy certificates (or similarly titled credits for renewable energy generated), shall be installed at the expense of the Customer, unless determined otherwise during negotiations for the sale of the Customer's credits to FMPA.

Section 6. Term and Termination

6.01. This Agreement shall become effective upon execution by all Parties, and shall remain in effect thereafter on a month-to-month basis until terminated by any Party upon thirty (30) days written notice to all other Parties.

6.02. This Agreement shall terminate immediately and without notice upon: (a) termination of the electric distribution service by Utility to Customer; or (b) failure by Customer to comply with any of the terms and conditions of this Agreement, the ARP Net Metering Policy, or Utility's Standard Interconnection Agreement for Customer-Owned Renewable Generation.

Section 7. Miscellaneous Provisions

7.01. Assignment. It is understood and agreed that no party may transfer, sell, mortgage, pledge, hypothecate, convey, designate, or otherwise assign this Agreement, or any interest herein or any rights or obligations hereunder, in whole or in part, either voluntarily or by operation of law, (including, without limitation, by merger, consolidation, or otherwise), without the express written consent of the other parties (and any such attempt shall be void), which consent shall not be unreasonably withheld. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

7.02. Indemnification. To the fullest extent permitted by laws and regulations, Customer shall defend, indemnify, and hold harmless FMPA and Utility, their 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 misoperation of the customer-owned renewable generation, 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 customer-owned renewable generation system, or anyone for whose acts any of them may be liable.

7.03. 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 State of Florida 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 County or Circuit Court for Lake County, Florida, or the United States District Court sitting in the Middle District of Florida, as appropriate.

7.04. Enforcement of Agreement. In the event that either party is required to enforce this Agreement by court proceedings or otherwise, the prevailing party shall be entitled to recover all fees and costs incurred, including reasonable attorney's fees and costs for trial, alternative dispute resolution, and/or appellate proceedings.

7.05. 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.

7.06. Third Party Beneficiaries. This Agreement is solely for the benefit of FMPA, Utility, 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 FMPA, Utility, or Customer, any right, remedy, or claim under or by reason of this Agreement or any of the provisions of 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 FMPA, Utility, and Customer and their respective representatives, successors, and assigns.

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

CITY OF LEESBURG

CUSTOMER

By: _____

By: _____

(Signature)

Title: _____

(Print Name)

Date: _____

(Customer Account Number)

Date: _____

FLORIDA MUNICIPAL POWER AGENCY

By: _____

Title: _____

Date: _____

APPENDIX B

All-Requirements Project Calculation of Excess Customer-Owned Renewable Generation Credit

FMPA shall pay ARP Participant for the excess kWh energy delivered by customer-owned renewable generation to ARP Participant's electric system. Every month, ARP Participant shall determine the total kWh of customer-owned renewable generation that is delivered to ARP Participant's electric system, and shall send the information to FMPA as soon as it becomes available, but no later than the 2nd working day of every month. FMPA will then provide a monthly payment to ARP Participant in form of a credit on the ARP power bill for the excess energy delivered to the distribution grid. The ARP Renewable Generation Credit will be calculated as follows:

ARP Renewable Generation Credit = Quarterly Energy Rate * Monthly kWh of excess customer-owned renewable generation

Quarterly Energy Rate = 3 month average of ARP energy rate. FMPA will update the Quarterly Energy Rate every April 1, July 1, October 1 and January 1.

As part of the monthly bill adjustment, FMPA will also increase ARP Participant's kWh billing amount by the same kWh amount as the customer-owned renewable generation purchased by FMPA. This adjustment is necessary because excess customer generation that flows onto ARP Participant's system has been purchased by FMPA, but will remain on ARP Participant's system and be used by ARP Participant to meet its other customers' electric needs. As a result, ARP Participant's monthly ARP bill will be adjusted accordingly to reflect FMPA's subsequent sale of this energy to ARP Participant.

NET METERING SERVICE

SCHEDULE: NM-1

AVAILABLE: Entire Service Area

APPLICABLE: This schedule is applicable to a customer who:

1. Takes retail service from Utility under an otherwise applicable rate schedule at their premises.
2. Owns a renewable generating facility with a generating capacity that does not exceed 2,000 kW that is located on the customer's premises and that is primarily intended to offset part or all of customer's own electric requirements.
3. Is interconnected and operates in parallel with Utility's electric distribution system;
4. Provides Utility with an executed Standard Interconnection Agreement for Customer-Owned Renewable Generation and an executed Tri-Party Net Metering Power Purchase Agreement.

MONTHLY RATE: All rates charged under this schedule will be in accordance with the customer's otherwise applicable rate schedule. A Customer served under this schedule is responsible for all charges from its otherwise applicable rate schedule including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges. Charges for energy (kWh) supplied by Utility will be based on the net metered usage in accordance with Billing (see below).

METERING: Energy metering under this schedule shall be accomplished, when possible, using a single meter capable of separately registering the flow of electricity both (1) from the Utility to Customer; and (2) excess energy generated by Customer and delivered to Utility's electric system. Such Utility owned and provided metering equipment shall be installed on the Customer's side of the point of delivery at the expense of the Utility.

Any additional meter or meters installed as necessary to measure total renewable electricity generated by the Customer for the purposes of receiving Renewable Energy Certificates (or similarly titled credits for renewable energy electricity generated) shall be installed at the expense of the Utility.

Meter readings shall be taken monthly on the same cycle as required under the otherwise applicable rate schedule.

BILLING: Customer shall be billed for its consumption and export of energy as follows:

Customer shall be billed for the total amount of electricity delivered to Customer by Utility in accordance with the otherwise applicable rate schedule.

Each billing cycle, Customer shall be credited for the total amount of excess electricity generated by the customer-owned renewable generation that is delivered to Utility's electric system during the previous billing cycle. The credit shall be determined in accordance with Appendix B of the Tri-Party Net Metering Power Purchase Agreement.

In the event that a given monthly credit for excess customer-owned renewable generation exceeds the total billed amount for Customer's consumption in any corresponding month, then the excess credit shall be applied to the Customer's subsequent bill. Excess energy credits produced pursuant to the preceding sentence shall accumulate and be used to offset Customer's energy consumption bill for a period of not more than twelve (12) months. In the last billing cycle of each calendar year, any unused excess energy credits shall be paid by Utility at the average annual rate for excess energy credits.

In the event that Customer closes an account, any of Customer's unused excess energy credits shall be paid by Utility at the average annual rate for excess energy credits.

Regardless of whether any excess energy is delivered to Utility's electric system in a given billing cycle, Customer shall be required to pay the greater of: (1) the minimum charge as stated in the otherwise applicable rate schedule; or (2) the applicable customer charge plus the applicable demand charge for the maximum measured demand during the billing period in accordance with provisions of the otherwise applicable rate schedule.

Net Purchase and Sale City of Leesburg

