

SERVICE CLASSIFICATION "CEF"

COMMUNITY ENERGY FACILITY

A Community Energy Facility (CEF) consists of one or more generators located in Company's service territory within the State of Delaware that has Customers ("Subscribers" or "Subscribing Customers") who share the energy production of the Community Energy Facility. Participating generators may be designed as a stand-alone facility with its own meter, or a customer-generator located behind the meter of a Customer that is an owner or Customer designated as a "Host" or "Host Customer" which would be net-metered with excess generation shared with the Subscribing Customers.

A. Availability

This rate schedule is available to any Delivery Service Customer who becomes one of multiple owners or Customers, as the Host or Subscriber, who share the energy production of a Community Energy Facility with meters receiving service under Service Classifications "R", "R-TOU", "R-TOU-ND", "R-TOU-SOP", "OL", "ORL", "SGS-ND", "MGS-S", "LGS", "GS-P", and/or "GS-T". This rate schedule is available to any Community Energy Facility that:

1. For residential Customers which have a capacity of not more than 25 kilowatts_{AC} per Company meter, for non-residential Customers, a capacity of not more than 2 megawatts_{AC} per Company meter, and for farm Customers, a capacity that will not exceed 100 kW_{AC} per Company meter unless granted exception to this limitation by the Delaware Energy Office;
2. Must include technologies defined under §352(6)(a-h) of Title 26 of the Delaware Code, which include the following energy sources located within the PJM region:
 - a. Solar photovoltaic or solar thermal energy technologies that employ solar radiation to produce electricity or to displace electricity use;
 - b. Electricity derived from wind energy;
 - c. Electricity derived from ocean energy including wave or tidal action, currents, or thermal differences;
 - d. Geothermal energy technologies that generate electricity with a steam turbine, driven by hot water or steam extracted from geothermal reservoirs in the earth's crust;
 - e. Electricity generated by a fuel cell powered by renewable fuels;
 - f. Electricity generated by the combustion of gas from the anaerobic digestion of organic material;
 - g. Electricity generated by a hydroelectric facility that has a maximum design capacity of 30 megawatts or less from all generating units combined that meet appropriate environmental standards as determined by DNREC; or
 - h. Electricity generated from the combustion of biomass that has been cultivated and harvested in a sustainable manner as determined by DNREC, and is not combusted to produce energy in a waste to energy facility or in an incinerator, as that term is defined in Title 7 of the Delaware Code;

SERVICE CLASSIFICATION “CEF”
COMMUNITY ENERGY FACILITY

A. Availability – (Continued)

3. A Community Energy Facility is designed to produce no more than 110% of the community’s aggregate electrical consumption of its individual Hosts and Subscribers, calculated on the average of the two previous 12 month periods of actual electrical usage. For new building construction or in instances where less than two previous 12 month periods of actual usage is available, electrical consumption will be estimated at 110% of the consumption of units of similar size and characteristics at the time of installation of energy generating equipment;
4. Host and Subscribing Customers must share a unique set of interests, and must all be supplied by the a single Electric Supplier;
5. Delmarva Power may require all of the generator and Subscriber’s meters to be read on the same billing cycle;
6. Each generator participating as a Community Energy Facility shall be connected in parallel operation with the Company’s electric system and shall have adequate protective equipment as described in Section H below;
7. Before a Community Energy Facility may be formed and served by the Company, the community proposing a Community Energy Facility shall file with the Company and the Delaware Energy Office a CEF application that includes the following information:
 - (i) a list of Subscribing Customers identified by name, address, rate schedule, and account number; and
 - (ii) a description of the Community Energy Facility, including the facility’s physical location, the Host Customer’s physical location, capacity, fuel type or generating technology, and how the Host and Subscribing Customers share a unique set of interests.

The CEF application is available at: <http://www.delmarva.com/home/requests/interconnection/>. After the Company has accepted the CEF application, the community should allow up to 90 days for preparations to be made for this rider to go into effect;

8. A Community Energy Facility may change its list of Host and Subscriber accounts as specified in Section A7(i) no more than quarterly by providing written notice to the Company and should allow for up to 90 days for the request change to go into effect; and
9. If the Community Energy Facility removes any Subscribers from the list (originally provided under Section A7(i)), then the CEF may be required to replace the removed Subscriber(s), reduce the generating capacity of the Community Energy Facility to remain compliant with the provisions provided under Section A (1) and A (3) above, or default to the monthly average of the Load Weighted Average Residual Metered Load Aggregate Locational Marginal Prices (LMP), or hourly Load Weighted Average Residual Metered Load Aggregate LMP if advanced metering technology is installed for any excess kWh credit.

**SERVICE CLASSIFICATION “CEF”
COMMUNITY ENERGY FACILITY**

A. Availability – (Continued)

Neither Host Customers nor owners of Community Energy Facility shall be subject to regulation as either public utilities or an Electric Supplier.

Nothing in this rate schedule is intended in any way to limit eligibility for net energy metering services based upon direct ownership, joint ownership, or third-party ownership or financing agreement related to a Community Energy Facility, where net energy metering would otherwise be available.

If the total generating capacity of all customer-generators using net metering systems served by an electric utility exceeds 5% of the capacity necessary to meet the Electric Supplier's aggregated Customer monthly peak demand for a particular calendar year, the Electric Supplier may elect not to provide Net Metering services to additional Customers.

B. Connection with the Company's System

If any the CEF's generators have a capacity of more than 1 MW, the Community Energy Facility, at its expense, must enter such generators in the generator queue to be studied by PJM, the regional transmission operator (www.PJM.com), and receive written approval to interconnect with the Company's electrical distribution or transmission system.

Any Community Energy Facility which elects this rate schedule must submit a completed CEF application and/or a generator interconnection application for each generator with the Company available at: <http://www.delmarva.com/home/requests/interconnection/> to be reviewed by the Company prior to installation of the customer-generator. If the paragraph above applies to the generator, the Customer submits only the CEF application. The generators shall not be connected and operated in parallel to the Company's system unless it meets all applicable safety and performance standards established by the National Electric Code, The Institute of Electrical and Electronics Engineers, including compliance with IEEE 1547, Underwriters Laboratories, and as currently detailed in the [Technical Considerations Covering Parallel Operations of Customer Owned Generation](#) for less than or over one megawatt, and the applicable codes of the local public authorities. Special attention should be given to the National Electrical Code Sections 690 and 705. The Community Energy Facility must obtain, at the CEF's expense, all necessary inspections and approvals required by the local public authorities before the generators are connected to the Company's electric system. The generators shall be connected in parallel operation with the Company's electric system and shall have adequate protective equipment as described in Section H below.

C. Delivery Voltage

Unless otherwise agreed to by the Company, the delivery voltage of the customer-generators shall be at the same voltage level and at the same delivery point as if the Host Customer were purchasing all of its electricity from the Company.

D. Contract Term

The contract term shall be same as that under the Customer's applicable Service Classification.

SERVICE CLASSIFICATION “CEF”
COMMUNITY ENERGY FACILITY – (Continued)

E. Credit Calculation for Excess Generation

For a CEF with Host and Subscribing Customers receiving Electric Supply and Delivery Service from the Company, the Company will compute and make direct payment to the Community Energy Facility for the value of excess generation at the end of each monthly billing period. The value for generated electricity is established by the Public Service Commission as the otherwise applicable volumetric (kWh) Supply Service Charge of each Subscribing Customer. Additionally, for the Host Customer and Subscribers located on the same distribution feeder as the Community Energy Facility, the Company shall also include in the monthly payment to the Community Energy Facility the value for the volumetric (kWh) Distribution Service Charge.

A CEF with Host and Subscribing Customers that receive Delivery Service (without energy supplied by Delmarva Power) must arrange for crediting or payment of the value of excess generation from their Electric Supplier.

The Company shall assess the stand-alone Community Energy Facility a Customer charge equivalent to the load and energy output characteristics of the generating facility which would be equivalent to the load and energy characteristics of a similarly situated retail electric Customer in its Commission-approved tariff, i.e., an equivalent retail tariff.

Until the Community Energy Facility’s generators have received written approval authorizing connection to the Company’s distribution and /or transmission system and the Community Energy Facility has meet all other requirements of this rate schedule, **no payment will be made for unauthorized kWh generation to the Community Energy Facility.**

F. Renewable Energy Credits

The Community Energy Facility retains ownership of all the Renewable Energy Credits (RECs) associated with electric energy produced unless the Customers participating in the Community Energy Facility have relinquished such ownership by contractual agreement with a third party.

G. Metering

Unless otherwise specified by PJM, a smart meter at each generator’s location shall measure the net energy consumed by the Customer or the net energy delivered by the generator for each hour during the monthly billing period. The Company shall furnish, install, maintain and own all the metering equipment needed for measurement of the service supplied. Where a larger capacity meter is required to serve the Host Customer’s customer-generator, or a larger capacity meter is requested by the Host Customer, the Host Customer shall pay the Company the difference between the larger capacity meter investment and the metering investment normally provided under the Customer’s Service Classification.

H. Interconnection with the Company’s System

Interconnection with the Company’s system requires the installation of protective equipment which, in the Company’s judgment, provides safety for personnel, affords adequate protection against damage to the Company’s system or to its Customer’s property, and prevents any interference with the Company’s delivery and supply of service to others. The Company shall not be liable for any loss, cost, damage or expense to any party resulting from the use or presence of electric current or potential which originates from a Community Energy Facility, except as the Company would be liable in the normal course of business. Such protective equipment shall be installed, owned and maintained by the owners of the Community Energy Facility at its expense.

SERVICE CLASSIFICATION “CEF”
COMMUNITY ENERGY FACILITY – (Continued)

H. Interconnection with the Company’s System (Continued)

If it is necessary for the Company to extend or modify portions of its systems to accommodate the delivery of electricity from the Community Energy Facility’s generators, such extension or modification shall be performed by the Company at the CEF’s expense. Unless otherwise specified under the PJM interconnection process, for new services, such expense shall be determined by the difference between total costs and the investment the Company would make to install a normal service without the Community Energy Facility’s generator(s).

The Company accepts no responsibility whatsoever for damage or injury to any person or property caused by failure of the CEF and its generator(s) to operate in compliance with Company’s requirements. The Company shall not be liable for any loss, cost, damage or expense to any party resulting from the use or presence of electric current or potential which originates from the CEF’s generator(s), except as the Company would otherwise be liable under the Company’s Delaware electric tariff.

Connection by the Company under this rate schedule does not imply that the Company has inspected or certified that any Community Energy Facility has complied with any necessary local codes or applicable safety or performance standards. All inspections, certifications and compliance with applicable local codes and safety requirements are the sole responsibility of the Community Energy Facility and must be provided to the Company prior to system acceptance and parallel operation with the Company’s electric system.

The equivalent retail tariff shall also be used to assess the stand-alone Community Energy Facility non-volumetric charges to recover the otherwise applicable supply, transmission, and distribution delivery costs. Subscribers to the stand-alone Community Energy Facility remain subject to only their otherwise applicable Commission-approved tariff.

Any requirements necessary to permit interconnected operations between the Community Energy Facility and the Company, and the costs associated with such requirements, shall be dealt with in a manner consistent with a standard tariff filed with the Commission by the Company.

The Company shall not require CEFs, Subscribers or Host Customers who meet all applicable safety and performance standards to install excessive controls, perform or pay for unnecessary tests, or purchase excessive liability insurance.

SERVICE CLASSIFICATION “CEF”
COMMUNITY ENERGY FACILITY – (Continued)

I. Cessation of Parallel Operation

The Community Energy Facility’s generators must be installed and configured so that parallel operation must cease immediately and automatically during system outages or loss of the Company’s primary electric source. The Community Energy Facility’s generators must also cease parallel operation of the Community Energy Facility upon notification by the Company of a system emergency, abnormal condition, or in cases where such operation is determined to be unsafe, interferes with the supply of service to other Customers, or interferes with the Company’s system maintenance or operation.

J. Failure to Comply

If any of Community Energy Facility’s generators fails to comply with any of the requirements set forth in sections H and I above, **the Company may disconnect the Host Customer’s service** and stand-alone generators from the Company’s electric system until the requirements are met, or the offending generator(s) are disconnected from the Company’s electric system.

K. Public Utilities Tax

In addition to the charges provided for in this Service Classification, the Delaware State Public Utilities Tax shall apply to all services, including any applicable electric supply services, rendered hereunder, unless the Community Energy Facility is exempt from such tax.

L. Rules and Regulations

The Commission shall periodically review the impact of net-metering rules in this section and recommend changes or adjustments necessary for the economic health of utilities.

The Rules and Regulations set forth in this tariff shall govern the provision of service under this Service Classification.

M. Disputes

Community Energy Facility disputes limited to the correct application of Commission-approved tariffs shall be resolved by the Commission. All other disputes with the Company shall be resolved by the appropriate governing body with jurisdiction over such disputes.