

DISTRIBUTED GENERATION¹ RIDER

APPLICABILITY

This Rider is available to any retail Customer, excluding Outdoor Recreational Lighting, Security Lighting, and City Lighting Customers receiving electric service under a City of Seguin electric rate tariff that owns and operates an on-site generating system capable of producing ten megawatts (10 MW) or less and interconnects with the City of Seguin's electric distribution system.

APPLICATION AND AGREEMENT

Customers requesting interconnection and parallel operation of Distributed Generation shall complete the Application for Interconnection and Parallel Operation of Distributed Generation (Application) with the City of Seguin. Following completion of the Application, the City of Seguin shall review the Application, make any additional requests for additional information, or request revision to the original application.

Upon determination by the City of Seguin that the Customer's facility is consistent with the safe and reliable operation of the City of Seguin's distribution system, the Utility and Customer shall enter into an Agreement for Interconnection and Parallel Operation of Distributed Generation (Interconnection Agreement), which sets forth the contractual conditions under which the Utility and Customer agree that one or more facilities may be interconnected with the City of Seguin's distribution system.

CONDITIONS OF SERVICE:

1. All charges, character of service, and terms and conditions of the City of Seguin Electric Rate Schedule under which the Customer receives service apply except as expressly altered by this Rider.
2. The Customer shall comply with the technical requirements in the City of Seguin's Distributed Generation Policy and procedures set forth in The Public Utility Commission of Texas Substantive Rule 25.212 for safe and effective connection and operation of Distributed Generation, which describes typical interconnection requirements. The City of Seguin may require Customer to install and use more sophisticated protective devices and operating schemes when the Distributed Generation facility is exporting power to the City of Seguin distribution system or when otherwise required due to specific interconnection location and condition.

¹ Distributed Generation is defined, for the purposes of this Rider, as an electrical generating facility located at Customer's point of delivery that is 10 MW or less and connected to the City of Seguin distribution system at a standard available voltage less than or equal to 60 kilovolts and 60 Hertz alternating current.

3. The Customer shall obtain approval from the City of Seguin *before* the Customer energizes the Customer's on-site generating system or interconnects it with the City of Seguin's electric system. The term of an agreement under this Rider is one year and month to month thereafter.
4. The Customer is responsible for all costs of interconnecting with the City of Seguin electric system, including transformers, service lines, or other equipment as deemed necessary by the City of Seguin for safe installation and operation of the Customer's equipment with the Utility's distribution system. The Customer is responsible for any costs associated with required inspections and permits.
5. The City of Seguin may perform interconnection studies, which shall include service study, coordination study, and utility system impact study, as needed and determined in the sole discretion of the City of Seguin. In instances where such studies are deemed necessary, the scope of such studies shall be based on the characteristics of the particular distributed generation facility to be interconnected and the City of Seguin's distribution system at the specific proposed location. The City of Seguin will charge Customer fees for Pre-Interconnection Studies that recover the costs of performing such studies. Any modifications or additions to the City of Seguin Electric System identified through the interconnection study as required for the safe and reliable interconnection of Customer's facility shall be solely at the Customer's expense. Customer shall not acquire any ownership in such modifications or additions to the City of Seguin Electric System.
6. All other terms and conditions will be negotiated between the City of Seguin and the Customer in the Agreement for Interconnection and Parallel Operation of Distributed Generation.
7. These Conditions of Service are not exhaustive and may be supplemented by internal guidelines and policies to City of Seguin staff, as well as good utility and engineering practices. Internal policies and guidelines will be made available upon request. All denials made or changes requested throughout the interconnection process will be accompanied with a written explanation by City of Seguin staff regarding the decision.

METERING:

1. The actual metering equipment required, its voltage rating, number of phases and wires, size, current transformers, number of input and associated memory is dependent upon the type, size, and location of the electric service provided. The Customer shall pay for the installation of the data recorder (meter) that is capable of measuring the Delivered KWh (energy delivered by the City of Seguin) and the Received KWh (energy delivered to the City of Seguin by the Customer) using a single meter or two-meter configuration. Additionally, for all Customers, the City of Seguin reserves the right to install, at its own expense, a meter to measure the output of the Distributed Generation system.

RATE:

1. In a billing month after a Customer receives approval to interconnect the Customer's on-site generating system from the City of Seguin, the Utility will determine the Delivered KWh and the Received KWh on an ongoing, monthly basis.
2. The Delivered KWh (energy) will be billed on the standard applicable rate schedule.
3. The Received KWh (energy) will be multiplied by the City of Seguin Avoided Cost of Generation for the applicable billing cycle to determine the amount the Utility shall credit the Customer.
4. The Avoided Cost of Generation is based on the actual cost of power supply from the City of Seguin wholesale supplier(s). The City of Seguin shall credit the Customer's account for this amount.
5. Any credit related to the Avoided Cost of Generation shall be remitted by the City of Seguin to the Customer in a reasonable time period.