

ENERGY TEXAS, INC.

Electric Service

SCHEDULE LQF

Sheet No.: 57

Effective Date: 12-19-13

Revision: 6

Supersedes: LQF Effective 8-15-10

Schedule Consists of: Two Sheets

NONFIRM ENERGY PURCHASED FROM LARGE QUALIFYING FACILITIES

I. APPLICABILITY

This rate is applicable to the purchase of nonfirm energy from sellers owning or operating Qualifying Facilities (QFs) with a design capacity larger than 100 kW. A QF is defined as a small power production facility or cogeneration facility that qualifies under Subchapter K, Part 292, Subpart B of the Federal Energy Regulatory Commission's Regulations that implement § 201 and 210 of the Public Utility Regulatory Policies Act of 1978.

II. CONTRACT

Sale of nonfirm energy to the Company under this tariff requires a written contract, the standard form of which is on file with the Public Utility Commission of Texas and is entitled "Agreement For Purchase Of Capacity And Energy From Qualifying Facilities". The final form of the contract may be negotiated by the QF and Company to establish final contract terms applicable to specific projects.

III. DEFINITIONS

As used in this tariff, the following terms have these meanings:

Behind the Meter (BTM) QF: a QF that has not self-registered as a generator in the MISO Model

Financial Schedule (or FinSched): an instrument used to transfer ownership of energy within the MISO settlement system

Hybrid QF: a QF that has self-registered as a generator in the MISO Commercial Model

Load Zone: an asset in the MISO Commercial Model that is used for settlement purposes, and for which separate settlement data exists

Applicable Load Zone : for BTM QFs > 20 MWs, the Load Zone created to represent the QF in the MISO settlement system; otherwise, the Load Zone created to represent the rest of ETI's retail load

IV. PAYMENT DETERMINATION

A. Monthly Avoided Cost Energy Payments by Company to QF

The Company will use MISO settlement data to determine the Monthly Avoided Cost Energy Payment to each customer. Such monthly payment for a Customer's generated energy delivered to the Company shall be the monthly summation of each hour's product of the MWh delivered and the applicable hourly prices as reduced by any Other Market Charges included on MISO settlement statements, also expressed as follows:

$$MP_{QF} = \left(\sum_{i=1}^n [LMP_{QF,i} \times MWh_{QF,i}] - OMC_{QF,i} \right)$$

MP _{QF}	The Monthly Avoided Cost Energy Payment
LMP _{QF,i}	The Real Time Locational Marginal Price for hour "i" at the Applicable Load Zone for BTM QFs and the generator bus for Hybrid QFs as expressed in dollars per megawatt-hour;
MWh _{QF,i}	Megawatt-hours either (1) injected by the BTM QF for hour "i" of the month or (2) energy scheduled by an accepted asset-sourced financial schedule from the Hybrid QF to the Company, consistent with the terms and conditions set forth in Section V; and
OMC _{QF,i}	Other Market Charges associated with a QF non-firm energy sale that are assessed by MISO to the Company as they appear on the MISO settlement statements, if the QF is either a BTM QF registered as a separate Load Zone or a Hybrid QF.

B. Monthly Charges Payable to Company by QF

Each QF will pay a monthly Customer Charge as established in the written contract, for the purpose of recovering related costs, including administrative, billing, and metering costs.

V. LIMITATIONS ON THE ACCEPTANCE OF FINANCIAL SCHEDULES FROM HYBRID QFS

The Company will confirm asset-sourced financial schedules from Hybrid QFs, provided they meet the following specifications: (a) the source, sink, and delivery point are all set equal to the Hybrid QF generator node, (b) the financial schedule is used to transfer ownership of energy in the real-time market, and (c) the amount is declared by the Hybrid QF to the Company within one hour of the operating hour and the amount does not exceed the difference between the Hybrid QF's actual injection measured by MISO and its day ahead schedule.

The Company will also confirm asset-sourced financial schedules in an amount equal to the difference between a Hybrid QF's actual injection measured by MISO and its day ahead schedule if the financial schedules meet the requirements of (a) and (b) above, and if the Hybrid QF makes a day ahead declaration of its intent to submit financial schedules equal to the difference between the Hybrid QF's actual injection measured by MISO and its day ahead schedule.

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SCHEDULE LQF (Cont.)

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VI. BILLING

The Company shall send a statement and payment (if applicable) to the QF on or before the 5th day after all initial MISO invoices for energy delivered during the previous month have been settled. The statement shall include the kilowatt-hours purchased by the Company during the previous monthly billing period, the amount of the per unit energy payments for the month, and the charge described in § IV.B. The statement shall also include adjustments from prior months that may be necessary to account for updated information made available by MISO. The payment for service furnished or received shall be due within 20 days of the invoice date.

VII. AMOUNT DUE AND PAYMENT

The past due amount for service furnished for which payment is not made by Customer within sixteen (16) days of the billing date shall be the monthly bill, including all adjustments under the rate schedule and applicable riders, plus 5%. The 5% penalty on delinquent bills shall not be applied to any balance to which the penalty has already been applied. If the amount due when rendered is paid prior to such date, the monthly bill, including all adjustments under the rate schedule and applicable riders, shall apply. If providing service to the State of Texas or to municipalities or other political subdivisions of this state, Company shall not assess a fee, penalty, interest or other charge to these entities for delinquent payment of a bill.