

ENERGY TEXAS, INC.
Electric Service

SCHEDULE SQF

Sheet No.: 55
Effective Date: 11-21-17
Revision: 10
Supersedes: SQF Effective 6-30-12
Schedule Consists of: Two Sheets

**RATE FOR PURCHASES FROM
QUALIFYING FACILITIES LESS THAN OR EQUAL TO 100 KW AND
DISTRIBUTED GENERATORS**

I. APPLICABILITY

This rate is applicable to Qualifying Facilities (QFs) with a design capacity of 100 kW or less who contract, on mutually agreeable terms, with the Company for the sale of energy and for any necessary interconnections. 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. INTERCONNECTION COSTS

Each QF shall be obligated to pay all reasonable interconnection costs directly related to the installation of the physical facilities necessary to permit interconnected operations with the QF. Interconnection costs shall be paid by the QF prior to the purchase of energy by the Company.

III. MONTHLY PAYMENT (A+B-C)

A. Energy Payment

The amounts to be paid for each kWh supplied to the Company shall be the avoided cost as determined by averaging the Off-Peak and Peak cents/kWh for 1MW from the Avoided Energy Cost Estimates for the current year as filed in the Company's most recent annual filing with the Public Utility Commission of Texas.

B. Capacity Payment

A capacity payment will be made if, as a class, QFs on this rate cause capacity costs to be avoided by the Company.

C. Customer Charge

Each QF will pay a monthly Customer Charge to defray Company's billing, metering, maintenance, administrative, and other expenses necessary to maintain service to the QF. Such a charge also covers normal interconnection costs for typical Customers, and varies by voltage level as follows:

| <u>Delivery Voltage</u> | <u>Monthly Charge</u> |
|--------------------------------------|-----------------------|
| Secondary Voltage (less than 2.4 kV) | \$12.35 |
| Primary Voltage (2.4 kV - 34.5 kV) | \$22.65 |

For additional interconnection costs (as described in § II), over and above those covered above, the QF will pay a non-refundable lump sum charge at the time of installation to cover such costs to the Company.

If special operating and maintenance costs are necessary to support special interconnection facilities, a monthly charge, in addition to the charges above, may also be required.

IV. **MONTHLY PAYMENT SCHEDULE OPTIONS**

The applicable payment shall be the sum of calculations enumerated under one of the following Customer options.

Option-1

Parallel operation with interconnection through a single meter that measures net consumption.

- A. The Customer selecting this option will operate its system in parallel with that of the Company. The Company will neither meter nor purchase any production by the QF. The Customer Charge stated in § III of this Schedule will not be applicable under this option.
- B. The charge for energy supplied to the Customer by the Company will be in accordance with the applicable standard rate schedule.

Option-2

Parallel operation with interconnection through a single, bi-directional meter, measuring the QF energy supplied to the Company in one direction and the Company energy supplied to the Customer in the other direction.

- A. The Company will purchase the QF energy supplied to the Company and the QF will pay a monthly Customer Charge in accordance with § III of this Schedule.
- B. Company energy supplied to the Customer will be charged in accordance with the applicable standard rate schedule.
- C. If the QF uses renewable resources with an aggregate design capacity of 50 kW or less and the QF initiates the interconnection on or after November 29, 2017, then
 - a. The Customer Charge in III.C. will not apply.
 - b. The purchased QF energy will reduce the Customer's bill, but the monthly bill will not be less than the otherwise applicable minimum billing plus any non-bypassable charges with any remaining credit carried over subject to § VII.

Option 3

Where the Company supplies the full requirements of the Customer, interconnection will be through two meters with one measuring only the total production by the QF and the other measuring only the total energy supplied to the Customer by the Company.

- A. The Company will purchase all the production by the QF at the rates stated in § III of this Schedule. The QF will pay the monthly Customer Charge also stated § III.
- B. The Customer will purchase energy supplied by the Company in accordance with the applicable standard rate schedule.

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SCHEDULE SQF (Cont.)

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Option 4 (Closed to New Business)

Option 4 is only available to a Customer that has submitted a signed and completed Application and separate Net Metering Interconnection Agreement prior to January 2, 2018 and subsequently installs a qualifying QF.

QFs using renewable resources with an aggregate design capacity of 50 kW or less have the option of interconnecting through a single, bi-directional meter measuring the QF energy supplied to the Company in one direction and the Company energy supplied to the Customer in the other direction. The Customer's system will be operated in parallel with that of the Company.

- A. If, in a billing period, the QF energy supplied to the Company is greater than the Company energy supplied to the Customer, the difference between the two energy quantities will be purchased by the Company. The rate for such purchase will be in accordance with § III of this Schedule except the Customer Charge described in § III will not apply.
- B. If in a billing period, the Company energy supplied to the Customer is greater than the QF energy supplied to the Company, the Customer will purchase the difference between the two energy quantities in accordance with the applicable standard rate schedule.

V. RATE CHANGES BY COMPANY

The rates and charges charged the Customer or paid the QF will be the Company's going rates and charges in effect for like conditions of service to the Customer's or QF's class of service, as provided in the Company's rate schedules, or in effective superseding rate schedules promulgated by the Company which are filed with, accepted for filing, or approved, as appropriate, by the regulatory authority having jurisdiction thereof. Anything in any contract with the Customer or QF, or any rate schedule to the contrary notwithstanding, each and all rates, charges and payments by Entergy Texas in any rate schedule may be changed by the Company from time to time, at any time, and Company shall have and hereby specifically reserves the right in all events to change the rates and charges, it charges or pays in accordance with applicable law and procedures prescribed by the regulatory authorities having jurisdiction over such rates and charges and to seek and place in effect changes in its rates and charges without the concurrence or joinder of the Customer or QF. All increases in rates and charges by Company shall apply to service contracted prior to the effective date of the increase as well as service contracted after such effective date. Such increased or decreased rates shall be effective from such date with respect to service thereafter furnished to or taken from the Customer or QF even though such changed rate may not then be made effective as to all persons within such class because of then existing contract restrictions or because of regulatory or governmental action, delay, or inaction with respect to such rights as may be provided by

applicable law and regulatory procedures to contest before the regulatory authority having jurisdiction whether any such changes in rates and charges are just and reasonable.

VI. STANDBY OR AUXILIARY SERVICE

A QF under this rate schedule will be provided Standby and/or Maintenance Service under Schedule SMS provided the QF installs necessary metering equipment at the expense of the QF.

VII. BILLING

The Company shall send a statement and payment (if applicable) to the QF on or before the 20th day after the QF's meter is read. The statement shall include the kilowatt-hours delivered to the Company during the previous monthly billing period, the Customer Charge to be paid by the QF and the amount of the per unit energy payments for the month. The statement will also include the net payment due from or to Company for service herein. If an amount of less than \$50.00 is due and payable by Company to Customer, Company will credit the QF's account and the balance shall be carried over to the next month and each successive month until such time as the credit is greater than \$50.00, at which time a check will be issued to Customer. Any amounts owed to Company, after all credits have been applied, shall be billed on a monthly basis.

VIII. 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, 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 shall apply. If providing service to the state of Texas or to municipalities or 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.