Coles-Moultrie Electric Cooperative

Board Policy No. 42-3

SMALL DISTRIBUTED GENERATION FACILITIES INCENTIVE

I. OBJECTIVE

To provide an incentive for members generating electricity from small distributed generation facilities, as defined below, and to provide for the purchase of kWhs produced in excess of the members' electrical consumption, while honoring the Cooperative's obligation to provide electricity to all members on a cooperative basis as required by the Illinois Not-for-Profit Corporation Act and Internal Revenue Code Section 501(c)(12) and complying with the Cooperative's wholesale power contract obligations with Prairie Power, Inc. (PPI) and PPI's Policy #510 (Small Distributed Generation Facilities Incentive).

II. DEFINITIONS

To the extent the following terms are used in this policy, the following definitions shall apply. To the extent that the same term is used in this policy and PPI's Policy #510, the definition of such term contained in PPI's Policy #510 shall control, in the event of a conflict between the definitions.

"Billing Period" means the period of time over which the Cooperative bills a member for electric energy consumed during that time and for other applicable charges from the Cooperative.

"Nameplate Rating" means the maximum electric energy production capability of a resource, specified in alternating current ("AC") kilowatts after the inverter.

"Prairie Power, Inc." or "PPI" means Prairie Power, Inc., an Illinois not-for-profit corporation, or its successors in interest, which is an electric generation and transmission cooperative of which **Coles-Moultrie Electric Cooperative** is a member and from which, by contract, **Coles-Moultrie Electric Cooperative** obtains its wholesale supply of electricity.

"Small Distributed Generation Facilities" or "Small DG" means one or more electricity production resources which meet all the following criteria: (1) owned by a member of **Coles-Moultrie Electric Cooperative,** (2) located in the retail service area of **Coles-Moultrie Electric Cooperative,** (3) connected to and operating on the member's low-voltage electric premises wiring associated with a single, specified service metering point, (4) the total combined Nameplate Rating for such resources at the single, specified service metering point is less than or equal to 100 kilowatts and resources over 25 kW must also be sized to offset no more than 110% of the member's load over the previous 12 months (if 12 months of data is not available, the average amount of a similar member shall be used) either at the time of application or on an ongoing basis as determined by Coles-Moultrie Electric Cooperative, (5) such resources produce electric energy using biomass, waste, renewable resources, including wind, solar energy, or water, (6) if such resources have storage capability, the combination of the storage component and non-storage component is less than or equal to 100 kilowatts and

resources over 25 kW must also be sized to offset no more than 110% of the member-consumer's energy requirements over the previous 12 months (if 12 months of data is not available, the average amount of similar member-consumers shall be used) either at the time of application or on an ongoing basis as determined by Coles-Moultrie Electric Cooperative, and (7) such resources are not taking service under PPI Policy #504 (net metering) or **Coles-Moultrie Electric Cooperative** Board Policy No. 42-1 or under PPI Policy #509 (QF) or **Coles-Moultrie Electric Cooperative** Board Policy No. 42-2.

"Small DG Incentive" means a monetary payment in the form of a bill credit by **Coles-Moultrie Electric Cooperative** to the owner of a Small DG for excess energy generated by the Small DG and registered on the designated meter.

III. AVAILABILITY

Except as otherwise provided herein, this incentive is available to Small Distributed Generation Facilities in the service territory of Coles-Moultrie Electric Cooperative as defined above where the Member has assented to this Policy. This incentive is available to any eligible renewable electrical generating facility (EREGF) taking service under Policy #504 or Coles-Moultrie Electric Cooperative Board Policy No. 42-1 where the applicable Member has discontinued such net metering policy.

This incentive is not simultaneously available to EREGF taking service under the provisions of Policy #504 (Net Metering and Delivery of Excess Member-Consumer-Generated Electric Energy to Member Distribution Cooperatives) or Coles-Moultrie Electric Cooperative Board Policy No. 42-1.

This incentive is not simultaneously available to a Qualifying Facility (QF) taking service under the provisions of Policy #509 (Interconnection Policy for Cogenerators and Small Power Producers Under Public Utility Regulatory Policies Act (PURPA)) or Coles-Moultrie Electric Cooperative Board Policy No. 42-2.

IV. INCENTIVE PROVIDED

Beginning January 1, 2026, the Small DG Incentive is equal to:

The product of the kWh per month** produced by the Small DG which are: (i) in excess of the member consumer's electrical consumption, (ii) flowing to and received by the Member distribution system, and (iii) registered and recorded by the Member's retail service meter

Multiplied by

The weighted average of the five weekday On Peak Energy Charge Rates and the two weekend-day Energy Charge Rates as specified in Rate Schedule A of the Wholesale Power Contract between the Cooperative and its Members, including capacity and losses, which is mathematically defined as the **product of** five times the weekday On Peak Energy Charge Rate **summed with** the **product of** two times the weekend-day Energy Charge Rate and the **total sum** of which is then **divided by** seven and that result is **summed with** a capacity component and a losses component, each stated in dollars per kWh.

Any mid-year change in the value of the weekday On Peak Energy Charge Rate,

the weekend-day Energy Charge Rate, the capacity component, or the losses component shall be implemented for the entirety of the billing period month in which the change was adopted and made effective by the Board of Directors of the Cooperative.

**In the event the meter registers a flow of the electric energy out of the single specified service metering point in an amount greater than 100kWh during any clock-hour, 100kWh shall be used for that clock-hour rather than any amount greater than 100kWh.

V. LIMITATIONS OF INCENTIVE

Nothing in this Small DG Incentive eliminates or reduces any payment, fee, cost, requirement, process, program, service, or arrangement with any person or entity, whether it be PPI, **Coles-Moultrie Electric Cooperative,** MISO, a governmental or regulatory authority, or a utility regarding any aspect of the Small DG, such as interconnection, maintenance, registration, operation, or service.

Any credit to an eligible member under this policy shall only be applied to offset no more than the electric energy (kWh) cost delivered to the eligible member. No part of such credit shall be applied to, and the eligible member shall remain responsible for, (a) taxes, fees, and other charges that would otherwise be applicable, and (b) other charges to the eligible member under any Cooperative policy, bylaws, rules, regulations, or rates, that are not based on a unitized charge per kilowatt-hour, including, but not limited to, basic service charges, service availability charges, demand charges, or transformation charges. The member will always be required to pay these charges to stay connected to the Cooperative's distribution system.

VI. PROVISIONS

An eligible member shall first comply with the provisions of **Coles-Moultrie Electric Cooperative** Board Policy No. 43 for Interconnection. Application for the Small DG Incentive shall be submitted to **Coles-Moultrie Electric Cooperative.** The application shall specify basic information about the Small DG, including but not limited to: the

[2] See Appendix A for Rates

Nameplate Rating, location, and specify a single metering point. **Coles-Moultrie Electric Cooperative** shall provide such information to PPI.

VII. METERING

Metering equipment capable of measuring the flow of electric energy both into and out of the member's single, specified service metering point and recording the flow of energy in both directions shall be required. Recording the flow of energy in both directions on a clock-hour basis is preferred. If the existing retail service meter is not capable of meeting these requirements, or if the member requests additional metering, the cost of installing and maintaining a retail service meter having the capability or an additional meter shall be paid by the member.

Energy produced at a location other than the single specified service metering point where the Small DG is connected to and operating on the eligible member's low-voltage electric premises wiring associated with the specified service metering point shall not qualify for Small DG Incentive under this policy.

VIII. METER DATA REPORTING

Coles-Moultrie Electric Cooperative shall report in electronic format to PPI each month certain information required by PPI, including but not limited to the total number of members taking service under this Policy, the electrical size and type of Small DG system, and the aggregate amounts of excess electricity metered and recorded during the billing period. PPI requests **Coles-Moultrie Electric Cooperative** to provide hourly meter data, where available, to allow for better analysis on the value and impact of Small DG with respect to market energy prices.

IX. TRANSACTION ACCOUNTING

A. In the event **Coles-Moultrie Electric Cooperative** receives any excess electricity produced and makes use of such for meeting the native load requirements of its members, then:

1. **Coles-Moultrie Electric Cooperative** shall be solely responsible for payment of the Small DG Incentive to the member under this Policy in the form of a bill credit, and

2. **Coles-Moultrie Electric Cooperative** will not be charged by Prairie Power, Inc. for the supply and delivery of the equivalent amount of excess electricity.

B. To the extent this Policy results in reduced kilowatt-hour sales and reduced net aggregate electrical demand supplied and delivered, then any uncompensated costs incurred by PPI shall be socialized across all PPI Members in accordance with existing practices and provisions of the Wholesale Power Contract.

X. TERMS OF INCENTIVE

A. Application for the Small DG Incentive shall be submitted to the Member. The application shall specify basic information about the Small DG, including but not limited to: the Nameplate Rating, location, and specify a single metering point. The Member shall provide such information to the Cooperative.

B. If **Coles-Moultrie Electric Cooperative** receives excess electric energy from the member under this Policy, then it shall not be deemed to violate the all requirements provisions of the Wholesale Power Contract, if all of the following occur:

- There is full compliance with the requirements and limitations set forth in this Policy;
- **Coles-Moultrie Electric Cooperative** installs and maintains metering equipment capable of measuring the flow of electric energy both into and out of the member's single, specified service metering point and recording the flow of energy in both directions;
- **Coles-Moultrie Electric Cooperative** provides aggregate meter data and other required information to PPI;
- **Coles-Moultrie Electric Cooperative** calculates and pays the Small DG Incentive to the member in the form of a bill credit.

C. The Small DG Incentive provided under this Policy is available until December 31, 2030, unless terminated earlier or unless terminated by PPI. On or before December 31, 2029, PPI shall revisit this Policy to decide whether to extend it, modify it, or allow it to expire.

XI. REVISION OF POLICY

This Policy and its terms and conditions may only be adjusted or changed with approval from PPI and **Coles-Moultrie Electric Cooperative**.

Adopted: March 30, 2023

Effective: June 1, 2023

Revised: January 16, 2026

Revised: July 23, 2026

Appendix A PPI's
Rates

Scheduled Start Date	Scheduled **End** Date	On Peak Energy Charge Rate ($/kWh)	Energy Charge Rate ($/kWh)	Small DG Incentive Rate ($/kWh)
3/1/2023	6/30/2023	.03841	n/a	.03841
7/1/2023	12/31/2023	.03841	.02841	.03555
1/1/2024	12/31/2024	.03615	.02615	.03329
1/1/2025	12/31/2025	.03663	.02430	.03306
1/1/2026	12/31/2026	.03951	.02701	.03897