

**Schedule 135
NET METERING SERVICE**

AVAILABLE:

In all territory served by Company in the State of Washington.

APPLICABLE:

To eligible Customers on a first-come, first-served basis until the cumulative generating capacity of net metering systems equals 2,275 kilowatts. This is a supplemental schedule available to Customers operating on-site generation meeting eligibility requirements as described below.

MONTHLY BILLING:

The Monthly Billing shall be the Electric Service Charge computed in accordance with the Monthly Billing in the applicable standard service tariff as modified herein.

SPECIAL CONDITIONS:

1. Net Energy billing is available on a first-come, first served basis to a Customer served by the Company that owns and operates a Net Metering System that is a fuel cell, Combined Heat and Power (CHP), or Renewable Energy System, has a generating capacity of not more than one hundred kilowatts, is located on the Customer's premises, operates in parallel with the Company's transmission and distribution facilities, and is intended primarily to offset part or all of the Customer's requirements for electricity. This provision shall be available until an aggregate of 2,275 kilowatts of eligible generation is accepted under this provision.
2. A Combined Heat and Power facility produces electricity and used and useful thermal energy from a common fuel source. A Renewable Energy System is a facility that uses as its fuel either water, solar energy, wind, or biogas from animal waste.
3. Net Energy Metering measures the difference between the electricity supplied by the Company and the electricity generated by an eligible Customer that is fed back to the Company, with applicable safety devices, over the applicable billing period.
4. If the energy supplied to the Company is less than the energy purchased from the Company, the prices specified in the Energy Charge section of the Monthly Billing of the applicable standard service tariff shall be applied to the positive balance owed to the Company.
5. If the energy purchased from the Company is less than the energy supplied to the Company, the Customer shall be billed for the appropriate monthly charges and shall be credited for such net energy with a kilowatt-hour credit appearing on the bill for the following billing period.
6. Any remaining unused kilowatt-hour credit accumulated through the April billing period each year shall be granted to the Company, without any compensation to the Customer.

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SPECIAL CONDITIONS: (continued)

7. A Net Metering System used by a Customer shall include, at the Customer's own expense, all equipment necessary to meet applicable safety, power quality, and interconnection requirements established by the National Electrical Code, National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories. The Company's written approval of the Customer's protection-isolation method to ensure generator disconnection in case of a power interruption from the Company is required before service is provided under this schedule.
8. The Company will review Customer's installation for applicability, safety, power quality, and operational impacts on the Company's system. Company may require additional metering or safety measures to be installed at Customer's expense: (1) if significant reactive energy is consumed; (2) if significant distortions to the voltage waveform are produced; or (3) if the facility is self-generating (self-excited).
9. Customer shall be required to execute and adhere to an Interconnection Agreement.

RENEWABLE GENERATION INCENTIVES:

Customers and Community Solar Projects may apply for generation incentives as allowed by the Washington State Department of Revenue (DOR) per WAC 458-20-273 (Renewable energy system cost recovery). Qualifying systems include solar energy systems, wind generators, and anaerobic digesters that process manure from cattle into biogas and dried manure using microorganisms in a closed oxygen free container, in which biogas (such as methane) fuels a generator that creates electricity. Customers and Community Solar Projects must apply for interconnection with the Company and apply for and receive certification of their renewable energy system through the State DOR. Customers and Community Solar Projects interconnected prior to the effective date of this tariff must apply for participation in the program to the Company in addition to the state certification to ensure proper measurement. Upon approval of completion of installation of a qualifying renewable energy system and meeting interconnection standards, the customer's and Community Solar Project's generation will be interconnected and measured by the Company. The renewable generation incentive payment includes a credit or payment of up to \$5,000 annually available to customers and each member of a Community Solar Project for measured electric generation from certified energy systems. This program applies to measured customers' and Community Solar Projects' renewable energy system kilowatt-hours generated between July 1, 2005 and June 30, 2020. The following tables describe the application of the economic development factors. The actual incentive payment to customers and Community Solar Projects must be computed using the customer's and Community Solar Project's actual measured electric kilowatt-hours generated.

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RENEWABLE GENERATION INCENTIVES:

Annual Incentive Payment Calculation Table for Noncommunity Projects

Customer and Community Solar Project -generated power applicable rates	Base rate (0.15) multiplied by applicable factor equals incentive payment rate	Kilowatt-hours generated	Incentive payment amount equals incentive payment rate multiplied by Kilowatt- hours generated
Solar modules manufactured in Washington state Factor: 2.4 (two and four-tenths)	\$0.36		
Solar or wind generating equipment with an inverter manufactured in Washington state Factor: 1.2 (one and two-tenths)	\$0.18		
Anaerobic digester or other solar equipment or wind generator equipped with blades manufactured in Washington state Factor: 1.0 (one)	\$0.15		
All other electricity produced by wind Factor: 0.8 (eight-tenths)	\$0.12		

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RENEWABLE GENERATION INCENTIVES:

Annual Incentive Payment Calculation Table for Noncommunity Projects (continued)

Customer and Community Solar Project -generated power applicable rates	Base rate (0.15) multiplied by applicable factor equals incentive payment rate	Kilowatt-hours generated	Incentive payment amount equals incentive payment rate multiplied by Kilowatt- hours generated
Both solar modules and inverters manufactured in Washington state Factor: (2.4 + 1.2)= 3.6	\$0.54		
Wind generator equipment with both blades and inverter manufactured in Washington state Factor: (1.0 + 1.2)= 2.2	\$0.33		

Annual Incentive Payment Calculation Table for Community Solar Projects

Customer-generated power applicable factors	Base rate (0.30) multiplied by applicable factor equals incentive payment rate	Gross kilowatt-hours generated	Incentive payment amount equals incentive payment rate multiplied by kilowatt- hours generated
Solar modules manufactured in Washington state Factor:2.4 (two and four-tenths)	\$0.72		

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**Schedule 135
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RENEWABLE GENERATION INCENTIVES:

Annual Incentive Payment Calculation Table for Community Solar Projects (continued)

Customer and Community Solar Project -generated power applicable factors	Base rate (0.30) multiplied by applicable factor equals incentive payment rate	Gross kilowatt-hours generated	Incentive payment amount equals incentive payment rate multiplied by kilowatt- hours generated
Solar equipment with an inverter manufactured in Washington state Factor:1.2 (one and two tenths)	\$0.36		
Other solar equipment Factor: 1.0 (one)	\$0.30		
Both Solar modules and inverters manufactured in Washington state Factor:(2.4 +1.2)= 3.6	\$1.08		

The determination of manufacturing as it relates to economic development factors will be included in the DOR's analysis for certification. The DOR defines manufacturing in WAC 458-20-136.

Once certified, Customers must annually apply with the Company by August 1st of each year to receive the incentive payment. This application must include the Renewable Energy System Cost Recovery Annual Incentive Payment Application created by the DOR each year for renewable energy kilowatt hours generated by the Customer's Washington certified renewable energy generation system during the immediately preceding July 1 through June 30 period and a copy of the fully executed DOR Renewable Energy System Cost Recovery Certification form, including necessary DOR approval signatures.

TERMS OF SERVICE:

Not less than one year.

RULES AND REGULATIONS:

Service under this Schedule is subject to the General Rules and Regulations contained in the tariff of which this Schedule is a part and to those prescribed by regulatory authorities.

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