

TOWN OF HIGHLANDS
SMALL POWER SUPPLIER REIMBURSEMENT FORMULA
FOR PHOTOVOLTAIC GENERATION NO LARGER THAN 10 kW
(WITH DEMAND CREDIT)

Rate SPP DEMAND

- 1) Monthly Payment (Energy Credit and Demand Credit): The Town shall pay Seller the sum, which is grossed up for line losses back to the Duke generator busbar, of the Energy Credit and the Demand Credit reduced by a special meter reading and billing of \$25.00, subject to adjustment by annual true-up.

$$\text{MPSS} = (((\text{CER} \times \text{CES}) + (\text{CDR} \times \text{CDA})) * (1 + \text{LLF})) - \$25.00$$

- 2) Trueup: In June of each year, a true-up of estimated demand and energy will occur, thereby resulting in a charge or a credit to the small power supplier. The formula for this charge or credit will be applied in July of each year and is as follows:

$$\text{True-Up} = (\text{PPAER} \times \text{PES}) + (\text{PPADR} \times \text{PDA})$$

MPSS = Monthly payment to Small Power Production Supplier.

CER = Current month Energy Rate per kWh, as shown on the Town's current bill from its supplier, Duke Energy Carolinas, LLC.

CES = Current month Energy Supplied, in kWh, by the Small Power Production Supplier as defined as the most recent billing cycle energy produced by the Supplier.

CDR = Current month Demand Rate per kW, as shown on the Town's current bill from its supplier, Duke Energy Carolina, LLC.

CDA = Estimated 12-month demand avoided as a result of the kW supplied by the Small Power Production Supplier.

LLF = the sum of Duke's line loss factor as identified in NITSA combined with a 3% town line loss.

PPAER = the difference between the previous year's monthly energy rate per kWh and the adjusted energy rate per kWh, as shown on annual workpapers provided by Duke Energy Carolinas, LLC, in June of each year.

PES = Previous calendar year's energy supplied, in kWh, by the Small Power Production Supplier.

PPADR = the difference between the previous year's monthly demand rate per kW and the adjusted demand rate per kW, as shown on annual workpapers provided by Duke Energy Carolinas, LLC, in June of each year.

PDA = the difference between the estimated 12-month demand avoided (CDA) and the 12-month actual demand for the previous calendar year.

\$25 = A charge of \$25.00 for meter reading, billing and administrative overhead.

In order to qualify for payments under this rate schedule, the Small Power Production Supplier must have a demand meter installed by the Town.

Rates are subject to change at any time at the discretion of the Highlands Town Board. Any changes in the Town's avoided cost will necessarily require a revision in the provisions of the above Schedule.

Supplier may terminate its sales to the Town on thirty (30) days' notice to the Town.

TOWN OF HIGHLANDS
SMALL POWER SUPPLIER REIMBURSEMENT FORMULA
FOR PHOTOVOLTAIC GENERATION NO LARGER THAN 10 kW
(WITHOUT DEMAND CREDIT)

Rate SPP NO DEMAND

- 1) Monthly Payment (Energy Credit): The Town shall pay Seller the sum of the Energy Credit reduced by a meter reading and billing charge of \$8.25, subject to adjustment by annual true-up.

$$\text{MPSS} = ((\text{CER} \times \text{CES}) * (1 + \text{LLF})) - \$8.25$$

- 2) Trueup: In June of each year, a true-up of estimated energy will occur, thereby resulting in a charge or a credit to the small power supplier. The formula for this charge or credit will be applied in July of each year and is as follows:

$$\text{True-Up} = (\text{PPAER} \times \text{PES})$$

MPSS = Monthly payment to Small Power Production Supplier.

CER = Current month Energy Rate per kWh, as shown on the Town's current bill from its major supplier, Duke Energy Carolinas, LLC.

CES = Current month Energy Supplied, in kWh, by the Small Power Production Supplier as defined as the most recent billing cycle energy produced by the Supplier.

LLF = the sum of Duke's line loss factor as identified in NITSA combined with a 3% town line loss.

PPAER = the difference between the previous year's monthly energy rate per kWh and the adjusted energy rate per kWh, as shown on annual workpapers provided by Duke Energy Carolinas, LLC, in June of each year.

PES = Previous calendar year's Energy Supplied, in kWh, by the Small Power Production Supplier.

\$8.25 = A charge of \$8.25 for meter reading and administrative overhead.

Rates are subject to change at any time at the discretion of the Highlands Town Board. Any changes in the Town's avoided cost will necessarily require a revision in the provisions of the above Schedule.

Supplier may terminate its sales to the Town on thirty (30) days' notice to the Town.