

ATTACHMENT 1

PROPOSED REVISIONS TO QEC'S TERMS AND CONDITIONS OF SERVICE TO IMPLEMENT THE NET METERING PROGRAM

The proposed revisions to QEC's Terms and Conditions of Service to implement the Net Metering Program are detailed below.

Section 1 – Introduction

Sub-section 1.6 - Schedules

1. Add the following sentence:

Schedule "D" – Conditions of Net Metering Service

Section 2 – Definitions

2. Add sub-section 2.40 as follows:

2.40 Monthly Net Energy:

The difference between the electricity supplied by the Corporation to the Customer during the billing period and the electricity delivered from the customer's renewable energy generator to the Corporation's system during the billing period

Section 3 – Agreement

3. Add sub-section 3.6 as follows:

3.6 Net Metering Service:

Customers who install Renewable Energy Generation may be eligible for the Net Metering Program subject to the conditions set out in Schedule D, and provided the Corporation is satisfied that metering, billing and technical requirements of the program can be met.

Inflows of electricity from the Corporation's system to the Customer, and outflows of electricity from the Customer's renewable energy generator to the Corporation's system, will be determined by means of a single meter capable of measuring flows of electricity in both directions.

The Net Metering Program is restricted to a kilowatt hours (kWh) per kWh of units of energy exchange. Net metering customers continue to be billed basic monthly utility rate charges and will be responsible for any applicable fees, service charges and applicable taxes that may be applied on a monthly basis.

For energy billing, at the end of each billing period the Corporation will determine the Monthly Net Energy in kilowatt hours (kWh) applicable for that billing period.

In any month, if Monthly Net Energy is negative (i.e., the customer in total delivered more electricity to the Corporation's system than the customer consumed from the Corporation), the Corporation will credit the Monthly Net Energy amount in kWh to the customer's account (the "banked balance") and the customer will not be charged any Energy Charge for the month.

If in any month the Monthly Net Energy is positive (i.e., the customer in total consumed more energy from the Corporation than the customer delivered to the Corporation's system), then the Corporation will apply energy units in kWh from the banked balance (if any) as credits against the Monthly Net Energy amount.

In the event the banked balance exceeds the Monthly Net Energy, the Net Energy will be fully offset by banked balance and the customer will not be charged any Energy Charge for the month. If the Monthly Net Energy exceeds the banked balance, then the full banked balance will be applied as credits against the Monthly Net Energy and only the residual Monthly Net Energy which was not offset by banked balance credits will be billed to the Customer in that month at the applicable retail rate.

Any banked balances that exist at year-end (March 31) will be reset to a zero kWh balance.

Net Metering Service will be conducted in accordance with the conditions set out in Schedule D.

4. Renumber sub-section "3.6 Frequency and Voltage Levels" to "3.7 Frequency and Voltage Levels"

Schedules

5. Add "Schedule D – Conditions of Net Metering Service" as provided in Appendix A.

SCHEDULE D

CONDITIONS OF NET METERING SERVICE

1. Eligible Customers

- 1.1. Under the Net Metering Program, electricity customers who own small, renewable energy generators can receive a kilowatt hour credit for excess energy that flows from the customer's renewable energy generation source, through the Corporation's meter, to the Corporation's system.
- 1.2. The program is open to the Corporation's electricity customers in all communities, for all forms of commercially proven renewable energy generation.
- 1.3. The Net Metering Program is available to all Residential Customers and one Municipal Corporation owned account per community.
- 1.4. The customer must have an existing service with the Corporation in good standing.

2. Capacity and Other Limitations

- 2.1. The rated size of the connected renewable energy generator shall not exceed 10 kilowatts (kW).
- 2.2. The overall capacity limit of the Net Metering Program for renewable energy generation in each community shall not exceed 7% of the annual average peak load of each feeder or feeder section, as evaluated by the Corporation. The Corporation may vary the capacity limit, on a community by community basis, having regard to performance and safety of the system.

3. Connection to the Grid

- 3.1. Renewable energy generation projects under the Net Metering Program must meet the Corporation's Technical Interconnection Requirements and relevant Canadian Electrical Codes.
- 3.2. The Net Metering installation must be inspected by the Government of Nunavut's Safety Services Division and may be inspected by the Corporation.

4. Roles and Responsibilities

4.1. Cost Responsibility

- 4.1.1. Net Metering customers are responsible for all costs incurred on the customer side

of the service entrance including all costs of operation and costs of complying with applicable Laws and Regulations. The service entrance is where the Corporation's electrical facilities or conductors are connected to the Net Metering customers' facilities.

- 4.1.2. The Net Metering Customer is responsible for any costs incurred to upgrade the Corporation's systems solely to accommodate the Net Metering Customer. The Corporation will carry out the required engineering, design and construction work and charge the costs back to the Net Metering customer.

4.2. Other Responsibilities

The Corporation shall:

- 4.2.1. Implement, maintain and communicate the Net Metering Program to customers.
- 4.2.2. Maintain and update, all applicable documentation for the Net Metering Program; and make these documents readily accessible for customers on the corporate website.
- 4.2.3. Determine whether Net Metering customers meet all interconnection requirements and are therefore eligible for the Net Metering Program.
- 4.2.4. Provide estimates to customers of any upgrades required on the Corporation's system for interconnection.

The renewable energy generator/net metering customer shall:

- 4.2.5. Meet the technical interconnection requirements applied by the Corporation.
- 4.2.6. Notify the Corporation of Net Metering plans and make available the Net Metering project for inspection by the Corporation and the Government of Nunavut's Safety Services Division.
- 4.2.7. Conform to all relevant municipal by-laws, territorial and federal laws and regulations.
- 4.2.8. Enter into a Net Metering service agreement.

5. kWh Energy Credits

- 5.1. Customers will not receive any monetary compensation from the Net Metering Program. The Net Metering Program is restricted to a kWh for a kWh exchange of electrical energy. Net Metering Customers will receive a monthly kWhs credit equal to the amount of kWhs exported to the Corporation's system during the billing period. The Corporation shall measure the kWh credit for every kWh exported from the service through the Corporation's bi-directional meter to the Corporation's system and apply the credit to the

Net Metering customer's electrical account in each billing cycle.

- 5.2. In any month, if the customer in total exported more electricity to the Corporation's system than the customer consumed from the Corporation, the Corporation will credit this difference between exported and consumed kWh to the customer's account as a banked credit.
- 5.3. In any month, if the customer in total consumed more electricity from the Corporation than the customer exported to the Corporation's system, the Corporation will apply energy units (kWh) from the customer's banked balance as credits against the difference between consumed and exported kWh.
- 5.4. The Corporation must provide details of the credit showing the kWh exported during the billing cycle and the running balance of the exported kWh on the customer's monthly bill.
- 5.5. Credit for excess electricity kWh generated within a billing cycle will be applied as needed to the subsequent month billing cycle within the Net Metering Program annual period. Successive credits must be applied to offset power usage in the order in which the credits were accrued. The reset date for excess generation will be March 31 of each year. Customers may join the program at any time during the year.
- 5.6. The account credit for each Net Metering customer will be reset to zero on March 31 of each year. Credits cannot be carried over from the previous annual period or transferred to any other account.