

**NORTHERN NECK ELECTRIC COOPERATIVE
SCHEDULE SAG
SMALL AGRICULTURAL GENERATION**

AVAILABILITY

Unless specifically excluded within this Schedule, all of the Cooperative's Terms and Conditions shall apply to customers taking service under this Schedule.

This Schedule is available to customers who qualify as small agricultural generators pursuant to Va. Code § 56-594.2 which operate a small agricultural generating facility with a total designed capacity of 1.5 MW AC nameplate or less. Power generated by the customers' facilities will be purchased by the Cooperative under this schedule. Power will be sold to the customer under the terms of the applicable rate schedule.

This Schedule is not available to customers who (i) use any type of interruptible rate, (ii) use any type of power production or generation-inclusive rate, (iii) are enrolled in any wholesale market-based demand response or demand-side management incentive program (such as the PJM Emergency Load Response Program or Economic Load Response Program), (iv) use net energy metering service under Schedule NEM, or (v) customers who are Small Power Production or Cogeneration Facilities which qualify under Section 210 of the Public Regulatory Policies Act of 1978 which choose to generate and sell power to the Cooperative pursuant to Schedule NeoGV.

SPECIAL TERMS

Customers generating under this Schedule shall size their systems up to 150% of the customer's expected annual energy consumption based on the previous 12 months of billing history or an annualized calculation of billing history if 12 months of billing history is not available. Meters on separate but contiguous sites may be aggregated for purposes of calculating the 150% of expected annual energy consumption.

Customers must qualify as an agricultural business pursuant to 20 VAC 5-315-20. Customers may use no more than 25% of their contiguous land (owned or controlled) for purposes of the small agricultural generator, and shall execute a certification, attested under oath as to the amount of land being used for renewable generation, which will be retained by the Cooperative.

Customers have a one-time, irrevocable option to sell all the renewable energy certificates ("RECs") generated by the small agricultural generator to the Cooperative at the rate at which RECs are purchased from net energy metering customer-generators, and customers wishing to exercise this option should advise the Cooperative when entering into a power purchase agreement.

Schedule SAG
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TYPE OF SERVICE

Type of service is 60 Hertz, alternating current. Installations of up to 10 kW capacity shall be 240 volt, single phase. Installations with greater than 10kW capacity may be three-phase at the Cooperative's standard voltages, as specified by the Cooperative.

MONTHLY RATE

A. Energy:

Energy shall be purchased from the customer at a rate equal to the energy and energy-related adjustment charges that would have been applied by the Cooperative's principal wholesale power supplier if it had supplied the energy which was purchased instead from the customer.

B. Capacity Payments:

From any customer who chooses to install and maintain, solely at its expense, any additional metering equipment necessary to verify that the customer-supplied capacity has reduced the Cooperative's wholesale billing demand units as measured in hourly increments, the electric power provided by the customer during such hours shall be purchased at rates equal to those which would have been applied by the Cooperative's principal wholesale power supplier if it had supplied the power. Capacity payments will be applied at such time when the Cooperative would have been billed for the displaced demand units.

INTERCONNECTION

Interconnections for small agricultural generators shall be pursuant to Schedule SGI as "Level 1" or "Level 2" facilities, depending on size, pursuant to the applicable provisions of 20 VAC 5-314-10 *et seq.* Interconnection costs may include the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by the Cooperative in interconnecting the small agricultural generator. Interconnection costs may also include an ongoing operations & maintenance component (including meter communications), billable monthly, through the application of the Cooperative's prevailing Excess Facilities schedule and/or applicable terms and conditions.

TERMS OF PAYMENT

The Cooperative shall make payment to the customer within thirty (30) days after the meter is read, pursuant to the terms of the power purchase agreement.

TERMS OF CONNECTION

Interconnection of customers' generation with Cooperative's system will be permitted only under the terms of a contract between customer and Cooperative. Minimum contract term shall be one year. Should the installation of a small agricultural generator require completion of FERC Form 556 (Certification of QF Status for a Small Power Production or Cogeneration Facility), the customer may submit the form for informal review to the Cooperative prior to filing.

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