

The Victory Electric Cooperative Assn., Inc.
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Entire VEC Service Territory

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Parallel Generation Rider

AVAILABILITY

Service is available under this Parallel Generation Rider (Rider) at points on Victory's delivery system for Members that desire to interconnect a Distributed Energy System owned by the Member to Victory's delivery and metering system for the purpose of exporting excess electrical power generated by the Member's Distributed Energy System to Victory's system. This device will be installed on the Member's secondary system behind the Member's active retail electric meter.

Victory will make parallel generation service under this Rider available to members on a first-come, first-served basis until Victory's aggregate Export capacity from all Distributed Energy Systems, including systems that are subject to this Rider and systems that are subject to Victory's Net Metering Rider, equals or exceeds the following:

- (A) Commencing on July 1, 2025, 6% of Victory's historic retail peak demand; and
- (B) Commencing on July 1, 2026, 7% of Victory's historic retail peak demand; and
- (C) Commencing on July 1, 2027, and each year thereafter, 8% of Victory's historic retail peak demand.

Upon reaching any of the above-described limits, no further service shall be available under this Rider unless approved by Victory. Historic retail peak demand for the purpose of this Rider and the Net Metering Rider shall not include additional demand of any new or expanded facility of an industrial, commercial or data center member that receives electric service at a voltage of 34.5 kV or higher and commences service on or after July 1, 2025.

Member may elect to change between this Rider and the Net Metering Rider if applicable and with approval from Victory.

APPLICABILITY

This Rider is applicable to Distributed Energy Systems with a Victory-approved and signed interconnection agreement where the Member is in good standing with Victory and taking service under one of Victory's normal rate schedules; provided, however, this Rider shall not be applicable to any member who has a new or expanded facility that receives electric service at a voltage of 34.5 kV or higher and commences service on or after July 1, 2025, unless approved by Victory.

The Export capacity of a Member's Distributed Energy System shall be appropriately sized to the Member's anticipated electric load, as calculated in Victory's Interconnection Agreement.

CHARACTER OF SERVICE

Alternating current, 60 cycles, at the voltage and phase of Victory's established secondary distribution system immediately adjacent to the service location.

BILLING AND PAYMENT

Victory shall render a bill for consumption at approximately 30-day intervals during Victory's normal billing process. Billing by Victory to the Member shall be in accordance with Victory's applicable rate schedule. For electrical energy delivered by the Member to Victory from the Distributed Energy System, Victory shall pay per kilowatt hour 100% of Victory's Avoided Cost of energy as a credit to the Member's electric bill. If Victory utilizes the Locational Marginal Price method to determine its Avoided Cost, Victory may credit the Member's bill on an annual basis. In no case will Victory issue an invoice to the Member for the energy exported to Victory by the Member's Distributed Energy System.

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DEFINITIONS

- a. <u>Avoided Cost</u> As defined in K.S.A. 66-1,184 et seq., the incremental cost to a utility of electric energy that such utility would generate itself or purchase from another source and as such term is interpreted by the Federal Energy Regulatory Commission from time to time. The Avoided Cost of energy delivered by the Member to Victory from the Distributed Energy System shall be: (i) the kilowatt hour rate derived from the cost of market energy and fuel purchases as billed to Victory pursuant to Victory's wholesale power provider Energy Cost Adjustment for the period in which energy was delivered to Victory; or (ii) the Locational Marginal Price as defined herein. Victory shall have the discretion to determine which of the foregoing methods to apply.
- b. <u>Distributed Energy System</u> As defined in K.S.A. 66-1,184 et seq., any device or assembly of devices and supporting facilities that are capable of feeding excess electric power generated by a Member's energy producing system into the utility's system, such that all energy output and all other services will be fully consumed by the Member or the utility.
- c. <u>Export</u> As defined in K.S.A. 66-1,184 et seq., power that flows from a Member's electrical system through such Member's billing meter and onto the utility's electricity lines. Export includes the sum of power on all phase conductors.
- d. <u>Locational Marginal Price</u> As provided in K.S.A. 66-1,184 et seq., the day-ahead hourly locational marginal price of alternating current energy per kilowatt hour in the Southwest Power Pool Integrated Marketplace established at the locational marginal pricing node of Victory's wholesale power provider and matched to the hourly energy exported by the Distributed Energy System, as calculated by Victory's wholesale power provider.

TERMS AND CONDITIONS

Service under this Rider is subject to and rendered pursuant to Victory's Interconnection Agreement Procedures, the terms and conditions of the Interconnection Agreement between Victory and the Member, Victory's Rules and Regulations, and K.S.A. 66-1,184 et seq.

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