

CARROLL ELECTRIC MEMBERSHIP CORPORATION

SCHEDULE Q-1 CO-GENERATION RATE RIDER

AVAILABILITY

Available to members of the Corporation who qualify under Section 201 of the Public Utility Regulatory Policies Act of 1978 (PURPA) as a co-generator or small power producer (hereafter referred to as a QF member). The electric output of the QF member will be purchased by the Corporation in accordance with the current guidelines for QFs as specified by the Federal Energy Regulatory Commission (FERC).

APPLICABILITY

Applicable to all consumers who qualify under Section 201 of PURPA, as described above.

CONDITIONS OF SERVICE

- 1) The cogeneration or small power production facility must have been granted Qualifying Facility status by FERC.
- 2) The QF must meet the requirements of the Corporation's applicable Distribution Generation Interconnection policy and execute an interconnection agreement with the Corporation prior to connecting any generation facilities to the Corporation's distribution system.

MONTHLY RATE

- 1) QFs will receive payment for the electrical energy produced by the facility and delivered to the Corporation's distribution system based on the type of product produced and delivered at the Corporation's associated avoided cost of supply.
- 2) The type of product will be defined on a case-by-case basis based on the reliability, availability, dispatch capability, and the deliverable capacity and volume.
- 3) The avoided cost will be determined on a case-by-case basis.
- 4) The type of product to be produced and delivered by the QF will be considered, to the extent applicable, when determining the avoided cost.
- 5) The QF will be responsible for and must reimburse the Corporation for any and all costs incurred by the Corporation to interconnect with the Corporation's distribution system.

WHOLESALE COST ADJUSTMENT

Should there be any change in the manner in which the Corporation purchases or supplies power, including but not limited to changes in the rates, terms and conditions, the cost of power, the method of service, or other such factors, the Corporation reserves the right to modify the charges and provisions stated above correspondingly.