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September 1, 2023

VIA EFILE

Andrew S. Johnston, Executive Secretary Maryland Public Service Commission William Donald Schaefer Tower 6 St. Paul Street, 16th Floor Baltimore, MD 21202

Re: <u>Potomac Edison Tariff Revisions for Net Energy Metering Rider and Community Solar Energy Generation Systems Pilot Program Pursuant to SB0143/HB1188</u>

Dear Secretary Johnston:

Pursuant to provisions in 2023 SB0143 and HB1188, please find enclosed for filing a clean and red-lined version of Pages No. 26-1 through 26-4 and Pages No. 27 through 27-7 to The Potomac Edison Company's ("Potomac Edison" or "Company") Maryland Tariff, Electric P.S.C. Md. No. 54.

The revisions incorporated into the tariff pages of the Company's Net Energy Metering Rider and Community Solar Energy Generation Systems Pilot Program are in alignment with discussions arising from the Net Metering Work Group. Potomac Edison continues to participate in Work Group calls and reserves the right to file further updates to its tariff pages in the future to conform with decisions resulting from these ongoing discussions.

Potomac Edison also notes that the insertion of new language into the tariff pages may have shifted current language from one page onto another. These shifts are also shown on the red-lined version.

Should there be any questions concerning this filing, please contact me.

Respectfully submitted,

James Lus Meeten

James Austin Meehan

Counsel for The Potomac Edison Company

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NET ENERGY METERING RIDER (Continued)

SPECIAL CONDITIONS

- 1. Net Energy: Net Energy is the energy supplied by the Company minus the energy generated by the Customer, during a billing period, where, the energy generated by the Customer is that energy fed back into the Company's system at such times as Customer generation exceeds Customer requirements. Only if net energy is positive shall net energy charges be applied at the rates specified above except that the minimum charge will be applied in any case. If the calculation of net energy yields a negative result, all such negative net energy shall be considered Net Excess Generation and shall be treated as stated in Special Condition No. 3 below. The components of net energy shall be determined by the use of metering capable of measuring the flow of electricity in two directions, to be provided by the Company at the same charge an eligible Customer would pay for a standard meter.
- 2. Net Excess Generation: Net Excess Generation occurs when the cumulative value of energy generated by the Customer exceeds the cumulative value of energy generated and supplied to the Customer by the Company during an entire billing period and is the amount by which the energy generated by the Customer and fed back into the Company's system exceeds the energy generated and supplied by the Company resulting in a negative kilowatt-hour reading at the end of the billing period. If electricity generated by the Customer exceeds the electricity supplied by the Company, the Customer shall be required to pay only Customer charges and minimum charges for that month, as required by the Rate Schedule under which the Customer is receiving Service.
- 3. Billing and Billing Periods: The billing period to be used under this tariff shall be the customary billing period for ordinary residential or general Service Rate Schedules. In any billing period where the energy generated and supplied by the Company exceeds the energy generated by the Customer, the Company will bill the Customer for the Net Energy consumed per the terms of the Rate Schedule. In billing periods where the energy generated by the Customer exceeds the energy generated and supplied to the Customer by the Company, the Customer is required to pay only the Customer charges and minimums that the Customer would have otherwise paid under the applicable residential or general Service Rate Schedule.
- 4. Net Excess Generation will be carried forward in either of two methods, as determined by the Customer. Eligible Customers must notify the Company by indicating on the Interconnection Application which method shall be used. If a selection is not made, the customer will be defaulted to the Twelve-Month Period Method. A Customer may not elect to switch from the Indefinite Period Method described in b. below unless the Company approves the switch. Customers receiving service under this Rider may opt to change method for Net Excess Generation accumulation only by contacting the Company and may not switch methods more than once in a calendar year.
 - a. Twelve-Month Period: Using this Method, Net Excess Generation will be carried forward until the Customer's consumption of electricity from the grid eliminates the Net Excess Generation or the 12 month accrual period expires. The dollar value of Net Excess Generation shall be equal to the generation or commodity portion of the rate that the Customer would have been charged by the Company averaged over the previous 12 month period ending with the billing cycle that is complete immediately prior to the end of April multiplied by the kilowatt-hours of Net Excess Generation. For Customers served by an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the generation or commodity rate that the Customer would have been charged by the Electricity Supplier multiplied by the kilowatt-hours of Net Excess Generation. Customers served by an Electricity Supplier are responsible for providing to the Company the commodity rate that would have been charged by the Electricity Supplier. Within 30 days after the billing cycle that is complete immediately prior to the end of April of each year, the Company shall pay each eligible Customergenerator for the dollar value of any accrued Net Excess Generation remaining at the end of the

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NET ENERGY METERING RIDER (Continued)

previous 12 month period. Within 15 days that a Customer-generator closes their account, the Company shall pay the Customer-generator for the dollar value of any accrued Net Excess Generation remaining at the time of the account closing.

- b. Indefinite Period: Using this Method, Net Excess Generation will be carried forward indefinitely regardless of whether the Customer previously accrued Net Excess Generation for a period authorized under the Twelve-Month Period Method. The dollar value of Net Excess Generation shall be equal to the generation or commodity portion of the rate that the Customer would have been charged by the Company averaged over the previous 12 month period ending with the billing cycle that is complete immediately prior to the end of account closing multiplied by the kilowatt-hours of Net Excess Generation. For Customers served by an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the generation or commodity rate that the Customer would have been charged by the Electricity Supplier multiplied by the kilowatt-hours of Net Excess Generation. Customers served by an Electricity Supplier are responsible for providing to the Company the commodity rate that would have been charged by the Electricity Supplier. Within 15 days that a Customer-generator closes their account, the Company shall pay the Customer-generator for the dollar value of any accrued Net Excess Generation remaining at the time of the account closing.
- 5. Meter Accuracy: The metering supplied by the Company under this tariff shall be accurate to within ± 5% when registering in reverse, that is during those times when the energy generated by the Customer is greater than the energy generated by the Company. When the energy generated and supplied to the Customer by the Company is greater than the energy generated by the Customer, the meter must retain the ability to register consumption within the accuracy tolerances as specified in the applicable sections of the Annotated Code of Maryland and the Code of Maryland Regulations.
- 6. Safety and Reliability: The design and installation of the Customer's generation must comply with all applicable laws and regulations and shall meet all applicable safety and performance standards established by the National Electric Code, The Institute of Electrical and Electronics Engineers and Underwriters Laboratory.
 - a. The Customer assumes sole responsibility to design and install its system for protection against faults or disturbances on the Company's system.
 - b. The Company shall have the right to inspect all the facilities and their operation, and to test all protective equipment, at any time that this Rider is in effect.
 - c. Customer generation must operate in parallel with Company generation. Customer must provide synchronizing equipment which will automatically isolate the Customer generation from the Company's system if the Company's circuit becomes de-energized or if the Customer should lose synchronization.
 - d. Parallel operation must cease immediately and automatically during electrical outages and other emergency or abnormal conditions as specified by the Company, or when maintenance on Company facilities is being performed and safety considerations require the de-energizing of the Customer. The Company is not liable for and accepts no responsibility whatsoever for any loss, cost, expense, damage or injury to any person or property resulting from the use or presence of electric current or voltage which originates from a Customer's generation facilities, or is caused by failure of the Customer to operate in compliance with Company requirements.

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NET ENERGY METERING RIDER (Concluded)

- e. The Company may disconnect from the Customer's facilities in order that the Company can (1) construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or any part of its system; or (2) if the Company determines the curtailment, interruption or reduction of deliveries of energy or energy and capacity is necessary because of technical system emergencies including forced outages and operating conditions on its system, or as otherwise required by prudent electrical practices.
- 7. Periods During Which Purchases Are Not Required: The Company will not be required to receive energy or capacity during an electrical emergency or during periods of maintenance when safety considerations would require the de-energizing of facilities. Whenever possible the Company will notify the Customer by telephone, followed by written confirmation, of such circumstances.

8. General:

- a. The Customer is solely responsible for the proper installation, operation, and maintenance of any equipment used, all costs, expense, pecuniary or other loss which may arise directly or indirectly from any act or omission of the Customer, its agents, servants, or employees.
- b. Maintenance and operation of the generator and associated equipment will be the responsibility of the Customer.
- c. Failure of the Customer to comply with any of the Company's provisions or requirements shall result in immediate disconnection from the Company's system and the Company will be under no obligation to reconnect the Customer's Service until, in the sole opinion of the Company, the Customer does comply.

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NET ENERGY METERING VIRTUAL METER AGGREGATION SERVICE

AVAILABILITY

Available to any Customer who qualifies for Service under the Net Energy Metering Rider of this tariff and where the eligible Customer-generator:

- 1. uses electrical Service for
 - a. agriculture; or
 - b. a non-profit organization; or
 - c. a municipal or county government or its affiliated organizations; or
 - d. a unit of state government; or
 - e. a public service higher education institution; and
- 2. has additional non-generating Customer meters (accounts) in the same name as the Customer-generator and
- 3. has a generating facility that produces no more than 200% of the total Baseline Annual Usage of the meters to be aggregated, where Baseline Annual Usage is the total kilowatt-hours recorded in the twelve months immediately preceding the start of the Customer's participation in Net Energy Metering Virtual Meter Aggregation. Baseline Annual Usage will be estimated based on a methodology that is mutually agreeable between the Company and the Customer in the event there is less than twelve months of historical meter data available.

SPECIAL CONDITIONS

- 1. Eligible Customer-generator shall provide a list of accounts to be aggregated. Accounts with the highest Baseline Annual Usage shall be considered for aggregation first; however, the Company shall consider a Customer-generator request for an alternative sequence of accounts which does not result in unreasonable additional administrative burden as determined by the Company. Once the Baseline Annual Usage of the accounts to be aggregated exceeds 110% of the expected annual Net Excess Generation of the Customer-generator account, no additional accounts shall be aggregated. The Company shall review the list of aggregated accounts annually for this condition and accounts may be added to or removed from the aggregation list as a result of the review. The Company shall complete one additional review annually upon sixty-day notice of request by the Customer-generator. All aggregated accounts must be established under the same legal entity as the Customer-generator account.
- 2. All aggregated accounts must be within two subsequent meter reading cycles of the Customer-generator account, or, to change reading cycles, the Customer-generator may request the installation of a meter with remote interrogation capability at the Customer-generator account or at one or more of the non-generating accounts in accordance with Rule 10(i) of this tariff.
- Net Excess Generation produced by the Customer-generator account, if any, will be applied each month as
 credit to the energy usage of the aggregated non-generator accounts in order of meter reading cycle
 sequence.
- 4. Accounts participating in Net Energy Metering Virtual Meter Aggregation cannot participate in summary billing.
- 5. The Company will consider new dedicated Service connections for generators directly connected to its distribution system. Such dedicated Service connections will be considered in lieu of upgrades, when cost efficiencies will be achieved, or when step-ups/step-downs will be avoided by doing so. The direct connect generator must be located on the same or contiguous property as at least one of the Customer's aggregated accounts.
- 6. Within sixty days after the date the Customer closes the account, the Company shall pay the Customer for the dollar value of any accrued Excess Generation remaining at the time the account is closed.

All other provisions of the Net Energy Metering Rider shall apply.

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM

AVAILABILITY

Available to all Customers until December 31, 2024. In addition to the requirements set herein, all participants in this Pilot Program are subject to the regulations as stated in Code of Maryland Regulations (COMAR) Title 20, Subtitle 62, Community Solar Energy Generation Systems, and Public Utilities Article, §§7-306.1 and 7-306.2. The Company shall continue to serve a Subscriber Organization that was established during the Pilot Program for a period of 25 years after the Pilot Program has ended.

Subject to Pilot Program Capacity Limitations, as set forth below, the Company will accept applications to participate in the Pilot Program and administer the Pilot Program's queue for the duration of the Pilot Program. The Company shall make best efforts to begin each program year within twelve (12) months of the start date for the previous year, with the exception of program Year 6. The Company shall make best efforts to begin program Year 6 within eighteen (18) months after the beginning of program Year 4. The following table sets forth the annual capacity limits under the Pilot Program for the Company. Updates to the status of the Company's Pilot Program's queue and capacity limits can be found at www.firstenergycorp.com.

Pilot Program Capacity Limitations (megawatts)				
	Category			
	Small, Brownfield	Open	Low and Moderate	<= 50 kW
	and Other		Income	
Year 1	3.05	4.07	3.05	0.00
Year 2	3.05	4.07	3.05	0.00
Year 3	1.53	2.04	1.53	0.00
Year 4	1.78	2.38	1.78	0.85
Year 5	4.08	5.42	4.08	0.00
Year 6	4.58	6.10	4.58	0.00
Year 7	4.83	6.45	4.83	0.00

Acceptance of a Community Solar Energy Generating System (CSEGS) into the Small Brownfield and Other, Open, or Low and Moderate Income (LMI) Categories will be in accordance with definitions and procedures set forth in COMAR Section 20.62. Participation in the Pilot Program for existing systems will also be limited as set forth in COMAR Section 20.62. Existing systems are generators granted permission to operate before May 15, 2016.

SUBSCRIBER

A Subscriber is a Customer that has subscribed with a Subscriber Organization for a portion of the kilowatthour output produced by a CSEGS. A Customer may subscribe to more than one subscription from more than one Subscriber Organization and may also participate in the Company's Net Energy Metering Rider. A Customer may only subscribe to a CSEGS that is located in the same electric Service territory as the Customer.

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Continued)

A Subscriber receiving Service under this Pilot Program is subject to the identical energy, capacity, and reactive charges, rate structure, and monthly charges and minimum charges that would be assigned if the Customer were not subscribed to the kilowatt-hour output of a CSEGS. This Pilot Program provides no adjustment to the demand billing determinant or capacity charge that a Customer eligible for Service under this Pilot Program may be subject to.

A Subscriber's billing period shall be the customary billing period for Service provided under the Customer's applicable Rate Schedule and meter reading cycle.

The Company will apply a subscription credit to each Subscriber's bill as either a reduction in metered kilowatt-hour use or a dollar credit to the Subscriber's billed amount. The Company's choice of subscription credit methodology shall be the same for all Subscribers to a CSEGS project.

Reduction in Metered Kilowatt-Hours

A Subscriber will receive a reduction in metered kilowatt-hours for their subscribed percentage of the monthly kilowatt-hour output of the CSEGS as provided to the Company by the Subscriber Organization. The reduction in metered kilowatt-hours during each billing period will result in Net Energy Consumed or Net Excess Generation.

Net Energy Consumed is the amount of kilowatt-hour energy supplied by the Company that exceeds the cumulative value of kilowatt-hour energy subscribed to by the Customer and, if applicable, provided by the Customer under the Net Energy Metering Rider. In any billing period where Net Energy Consumed occurs, the Company will bill the Subscriber for Net Energy Consumed and any applicable fixed Customer charges, capacity and reactive charges, and minimum charges for that month, as required by this Tariff and the Rate Schedule under which the Customer is receiving Service.

Net Excess Generation is the amount of the cumulative value of kilowatt-hour energy subscribed to by the Customer and, if applicable, provided by the Customer under the Net Energy Metering Rider that exceeds the kilowatt-hour energy supplied by the Company. In any billing period where Net Excess Generation occurs, the Subscriber shall be required to pay only applicable fixed Customer charges, capacity and reactive charges, and minimum charges for that month, as required by this Tariff and the Rate Schedule under which the Customer is receiving Service. Net Excess Generation will be carried forward in either of two methods, as determined by the Customer. Eligible Customers will default to the 12-month Method and must notify the Company on the firstenergycorp.com website to switch to the Indefinite Period Method. A Customer may not elect to switch from the Indefinite Period Method described in b. below unless the Company approves the switch. Customers receiving service under this Rider may opt to change method for Net Excess Generation accumulation only by contacting the Company and may not switch methods more than once in a calendar year.

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Continued)

- Twelve-Month Period: Using this method, Net Excess Generation will be carried forward until the a. Subscriber's consumption of electricity from the grid eliminates the Net Excess Generation or the 12 month accrual period expires. Within 30 days after the billing cycle that is complete immediately prior to the month of April of each year, the Company shall pay each Subscriber for the dollar value of any accrued Net Excess Generation remaining at the end of the previous 12-month accrual period. The dollar value of Net Excess Generation shall be equal to the Standard Offer Service kilowatt-hour rate charged by the Company ending with the billing cycle that is complete immediately prior to the month of April multiplied by the kilowatt-hours of Net Excess Generation. If the Subscriber is with an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the lesser of the Subscriber's Electricity Supplier kilowatt-hour rate (where available through a Commission approved predefined and standardized electronic process across all Maryland utilities) or the Standard Offer Service kilowatt-hour rate that would have been charged by the Company ending with the billing cycle that is complete immediately prior to the month of April multiplied by the kilowatt-hours of Net Excess Generation. If the Electricity Supplier kilowatt-hour rate is unavailable, the applicable Standard Offer Service kilowatt-hour rate will be used. For Customers participating in both the Pilot Program and the Net Energy Metering Rider, payment of Net Excess Generation shall be in accordance with the Pilot Program terms contained herein.
- b. Indefinite Period: Using this Method, Net Excess Generation will be carried forward indefinitely regardless of whether the Subscriber previously accrued Net Excess Generation for a period authorized under the Twelve-Month Period Method. Within 15 days that a Subscriber closes their account, the Company shall pay the Subscriber for accrued Net Excess Generation remaining at the time of the account closing. The dollar value of Net Excess Generation shall be equal to the Standard Offer Service kilowatt-hour rate charged by the Company ending with the billing cycle that is complete immediately prior to the month of account closing multiplied by the kilowatt-hours of Net Excess Generation. If the Subscriber is with an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the lesser of the Subscriber's Electricity Supplier kilowatt-hour rate (where available through a Commission approved predefined and standardized electronic process across all Maryland utilities) or the Standard Offer Service kilowatt-hour rate that would have been charged by the Company ending with the billing cycle that is complete immediately prior to the month of account closing multiplied by the kilowatt-hours of Net Excess Generation. If the Electricity Supplier kilowatt-hour rate is unavailable, the applicable Standard Offer Service kilowatt-hour rate will be used. For Customers participating in both the Pilot Program and the Net Energy Metering Rider, payment of Net Excess Generation shall be in accordance with the Pilot Program terms contained herein.

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Continued)

Dollar Credit

A Subscriber will receive a bill credit for their subscribed percentage of the monthly kilowatt-hour output of the CSEGS as provided to the Company by the Subscriber Organization. The monthly dollar credit on the Subscriber's bill will be the equivalent of their subscription percentage of the CSEGS monthly kilowatt-hour generation amount applied to all kilowatt-hour charges on the Subscriber's bill. The Subscriber's bill credit will be used to offset the Subscriber's total bill. If the Subscriber is with an Electricity Supplier, the monthly dollar credit on their bill will be the equivalent of their subscription allocation of the CSEGS monthly kilowatt-hour generation amount applied to all kilowatt-hour charges and their Electricity Supplier kilowatt-hour rate, where available through a Commission approved predefined and standardized electronic process across all Maryland utilities. If the Electricity Supplier kilowatt-hour rate is unavailable, or the Subscriber has not chosen an Electricity Supplier, the applicable Standard Offer Service kilowatt-hour rate will be used.

For a Customer that selects the Twelve-Month Period method of Net Excess Generation accumulation within 30 days after the billing cycle that is complete immediately prior to the month of April of each year, the Company will apply to the bill of each eligible Subscriber a true-up for any excess generation. The Subscriber's bill shall be reasonably adjusted to exclude the distribution, transmission, and noncommodity portion of the Subscriber's bill for the excess generation amount. This could result in a one-time adjustment to a Subscriber's bill if the Subscriber has been overcompensated for excess generation throughout the year. For Customers participating in both the Pilot Program and the Net Energy Metering Rider, payment of the excess generation amount shall be in accordance with the Pilot Program terms contained herein.

SUBSCRIBER ORGANIZATION

A Subscriber Organization is the body responsible for maintaining Subscribers and providing the Subscriber List to the Company for billing. A Subscriber Organization must be a Customer of any available Company Rate Schedule and must be the name on the account for the CSEGS with the Company. A CSEGS must be located in the Company's Service territory and may not exceed five (5) megawatts (MW) in alternating current rated capacity of the system's inverter. A CSEGS of 500 kW or greater may not be located on the same or contiguous parcel of property as another CSEGS of 500 kW or greater owned by the same Subscriber Organization or its affiliate unless constructed on one of the following: a building rooftop or parking structure; over a parking lot or roadway; in a platted industrial park; or two (2) or more projects, each up to two (2) MW in size comprising no more than six (6) MW constructed on a Brownfield.

A Subscriber Organization may employ the use of a Subscription Coordinator. A Subscription Coordinator is a person that markets CSEGS projects or related services under its own brand name, performs administrative actions to connect or enroll Customers with CSEGS projects or allocates subscriptions, or manages interactions between a Subscriber Organization and the Company relating to Subscribers.

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Continued)

A Subscriber Organization is subject to all Tariff provisions applicable under the Rate Schedule they are served. Rate Schedule and demand are determined based on the capacity of the CSEGS. The Company at its sole discretion shall determine whether the CSEGS must be placed on a Service voltage greater than one (1) kV. Metering for a CSEGS will be divided into an input and an output channel. All usage on the input channel will be billed in accordance with the applicable Rate Schedule of the CSEGS. All kilowatt-hour generation on the output channel will be used in the calculation of the Subscriber credits and Unsubscribed Energy. The Company reserves the right to require the CSEGS facility to be moved to a specific bill cycle in order to facilitate efficient credit calculation.

Prior to applying for an Interconnection Agreement for this Pilot Program, a Subscriber Organization must first be granted permission to participate in this Pilot Program by the Commission and have received a Subscriber Organization Identification Number from the Commission. Once the Subscriber Organization has an Identification Number, they must apply to the Company for an Interconnection Agreement for each CSEGS project under COMAR 20.50.09, indicating a request to participate in the Pilot Program. A Subscriber Organization shall make each interconnection application separately. Interconnection Agreement applications will be processed in the order in which the completed applications are received, according to the date and time stamp of the electronic submission. Where two (2) or more projects are applying for interconnection at the same location, interconnection rights will be allocated in the order the applications are received. Projects requiring construction on the part of the Company will be processed under a Level 4 Study Review under COMAR 20.50.09. A Subscriber Organization is responsible for all interconnection costs.

A Subscriber Organization must provide the Company an executed Interconnection Agreement, in conjunction with a Pilot Program Application. An executed Interconnection Agreement shall mean an Interconnection Agreement with preliminary approval from the Company. A Subscriber Organization shall make each Pilot Program Application separately. Pilot Program Applications will be processed in the order in which they are received, according to the date and time stamp of the electronic submission. The Company will notify the Subscriber Organization of receipt of the Pilot Program Application and whether the Pilot Program Application is complete within five (5) business days. A Subscriber Organization receiving notice of an incomplete Pilot Program Application shall revise and resubmit within ten (10) business days of receiving the notice.

Once the Company has reserved sufficient Pilot Program Category capacity, the Category will be closed. If a Subscriber Organization's Pilot Program Application exceeds the available Pilot Program Capacity Limitation or the Category is otherwise complete, the Pilot Program Application shall be placed on a waiting list in order of electronic receipt for the year and Category for which the Pilot Program Application was made. If a Subscriber Organization applies to add a project to a Category after the Company has awarded all available capacity in that Category, the Company shall place the Pilot Program Application on a waitlist for the Category in the order in which the application was received. In years four (4) through seven (7) of the Pilot Program, the Company shall first award Pilot Program Applications in each Category from the waitlist for that Category before awarding capacity to new Pilot Program Applications. A Subscriber Organization may not change the Category of a project on the waitlist. The Company shall

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Continued)

remove a project from a Category waitlist upon request of the Subscriber Organization. A Subscriber Organization may re-apply to a different category after the Company has removed a project from a Category waitlist. Wait-listing of one Pilot Program Application does not preclude the Company from accepting a smaller Pilot Program Application received after the wait-listed Pilot Program Application. The Company will fill the Category capacity for subsequent program years starting with the waiting list. Available Pilot Program capacity can be found on the Company's website at www.firstenergycorp.com. A CSEGS Identification Number will be assigned by the Company and capacity in the Pilot Program queue will be reserved for the Subscriber Organization's specific CSEGS upon approval by the Company of a Pilot Program Application.

If a Subscriber Organization raises a dispute with the Company or the Commission regarding the processing of its Interconnection Application or its Pilot Program Application, the Company will not set aside capacity for the CSEGS during the pendency of the investigation of the dispute.

Pilot Program Applications will only be accepted in electronic format as defined by the Company. In order to apply for capacity in the Company's Pilot Program queue, a Subscriber Organization shall provide the following information for each CSEGS in the Pilot Program Application:

- An executed Interconnection Agreement, an electronic receipt of an Interconnection Agreement partially executed by the Applicant or conditional approval to interconnect a CSEGS from the Company;
- 2) Proof of application for all applicable permits;
 - a) A receipt confirming the filing fee from a local jurisdiction demonstrating application for at least one of the following permits: 1) a Site Plan Review Application; 2) a Zoning Conditional Use Application; 3) a Zoning Variance Application; 4) a Zoning Certificate of Use Application; 5) a Special Exception Application; 6) a Board of Appeals Hearing Application; or 7) a Building Permit Application. If one of the previous is not available due to preliminary action required by the jurisdiction, the Subscriber Organization may provide a receipt confirming completion of the preliminary action in lieu of one of the permits listed above. If a Subscriber Organization is unable to provide confirmation of the required permit within 120 days of application, the Company may rescind the award of project capacity.
- 3) Proof of site control, evidenced by:
 - a) Evidence of property ownership;
 - b) An executed lease agreement; or
 - c) A signed option to purchase or lease
- Selection of one of the following project Categories, as defined in COMAR 20.62:
 - a) Small, Brownfield and Other;
 - b) Open;
 - c) LMI; or
 - d) 50 kW or less (Years 4 through 7 only)
- 5) Evidence of Brownfield status, if applicable;
- 6) Amount of Pilot Program capacity the CSEGS project requests, as measured by the sum of the nameplate capacity of the project inverter.

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Continued)

If a CSEGS project fails to begin operating within twenty-four (24) months of submission of a completed Pilot Program Application, it shall be removed from the queue unless the Subscriber Organization pays \$50 per kW, which will maintain its spot in the queue for up to twelve (12) additional months. CSEGS projects in the LMI Category are exempt from queue deposits. A CSEGS project may lose its place in the queue if the Subscriber Organization does not complete any item required. The Company will notify a Subscriber Organization prior to removal from the queue. A Subscriber Organization must maintain all data and information as prescribed in COMAR 20.62.

A Subscriber Organization shall maintain a minimum average subscription size of two (2) kW per Subscriber, must have at least two (2) Subscribers per CSEGS project, and subscriptions larger than 200 kW cannot constitute more than sixty percent (60%) of a CSEGS project's total subscriptions. The Subscriber Organization will certify in the Pilot Program Application each Subscriber's LMI eligibility, if relevant to the CSEGS project. The Subscriber Organization will certify in the Pilot Program Application that each Subscriber authorizes the Company to release that Customer's account information as necessary to ensure compliance with regulatory requirements. The above certifications shall be updated as necessary by the Subscriber Organization in the Subscription Lists provided to the Company.

A Subscriber Organization must provide the following Subscriber List requirements set forth by the Company, with electronic data for each CSEGS project indicating the proportion of a CSEGS output that shall be applied to each Subscriber's bill including:

- 1) Date of submission
- 2) Applicable month
- 3) CSEGS Identification Number assigned by the Company
- 4) Subscriber Organization Identification Number assigned by the Commission
- 5) Subscriber Organization name
- 6) Each Subscriber's name (per Company account)
- 7) Each Subscriber's Company account number
- 8) Each Subscriber's Electric Choice ID
- 9) Subscriber's LMI eligibility
- 10) Percentage share of each Subscriber

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Concluded)

A Subscriber Organization may at any time provide Subscriber List updates that clearly indicate which Subscribers are new to the list or whose information has been revised from previous Subscriber Lists. The Subscriber List should clearly indicate if there are no changes as compared to the prior issuance of the Subscriber List. A Subscriber Organization does not need to provide a Subscriber List update unless there is a change as compared to the prior issuance of the Subscriber List. Non-compatible or incorrect information will be returned to the Subscriber Organization for correction. Subscriptions associated with ineligible subscribers (such as subscribers that are not Customers of the Company or whose Company accounts have been finalized) will be treated as Unsubscribed Energy. A Subscriber Organization must replace LMI Subscribers that are removed from the Subscriber List with eligible LMI Subscribers such that the required percentage of the kilowatt-hour output is provided to LMI Subscribers. Depending on timing of notification from the Subscriber Organization of the Subscriber's subscription amount in the Subscriber List, it may take up to two billing cycles, or more, before a subscription credit is applied to the Customer's bill from the Company. Subscriptions may not take effect retroactively. No retroactive corrections or changes can be made to Subscriber information or subscription allocation percentages.

The Company shall provide a Subscriber Organization with a report detailing each Subscriber's credit allocation no later than the last day of each calendar month following the month of the CSEGS meter reading.

Unsubscribed Energy will be purchased from the Subscriber Organization at the net hourly integrated real time locational marginal price for energy at the APS Zone of PJM.

The Company will recover Pilot Program credit costs in existing rate adjustments for distribution rates or as a revenue or cost component for transmission or commodity rates.

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NET ENERGY METERING RIDER (Continued)

SPECIAL CONDITIONS

- 1. Net Energy: Net Energy is the energy supplied by the Company minus the energy generated by the Customer, during a billing period, where, the energy generated by the Customer is that energy fed back into the Company's system at such times as Customer generation exceeds Customer requirements. Only if net energy is positive shall net energy charges be applied at the rates specified above except that the minimum charge will be applied in any case. If the calculation of net energy yields a negative result, all such negative net energy shall be considered Net Eexcess Generation and shall be treated as stated in Special Condition No. 3 below. The components of net energy shall be determined by the use of metering capable of measuring the flow of electricity in two directions, to be provided by the Company at the same charge an eligible Customer would pay for a standard meter.
- 2. Net Excess Generation: Net Eexcess Generation occurs when the cumulative value of energy generated by the Customer exceeds the cumulative value of energy generated and supplied to the Customer by the Company during an entire billing period and is the amount by which the energy generated by the Customer and fed back into the Company's system exceeds the energy generated and supplied by the Company resulting in a negative kilowatt-hour reading at the end of the billing period. If electricity generated by the Customer exceeds the electricity supplied by the Company, the Customer shall be required to pay only Customer charges and minimum charges for that month, as required by the Rate Schedule under which the Customer is receiving Service.
- 3. Billing and Billing Periods: The billing period to be used under this tariff shall be the customary billing period for ordinary residential or general Service Rate Schedules. In any billing period where the energy generated and supplied by the Company exceeds the energy generated by the Customer, the Company will bill the Customer for the Net Energy consumed per the terms of the Rate Schedule. In billing periods where the energy generated by the Customer exceeds the energy generated and supplied to the Customer by the Company, the Customer is required to pay only the Customer charges and minimums that the Customer would have otherwise paid under the applicable residential or general Service Rate Schedule.
- 4. Net Excess Generation will be carried forward in either of two methods, as determined by the Customer. Eligible Customers must notify the Company by indicating on the Interconnection Application which method shall be used. If a selection is not made, the Customer will be defaulted to the Twelve-Month Period Method. A Customer may not elect to switch from the Indefinite Period Method described in b. below unless the Company approves the switch. Customers receiving service under this Rider may opt to change method for Net Excess Generation accumulation only by contacting the Company and may not switch methods more than once in a calendar year.
 - a. Twelve-Month Period: Using this Method, Net-Net Eexcess Generation will be carried forward until the Customer's consumption of electricity from the grid eliminates the Net Eexcess Generation or the 12 month accrual period expires. The dollar value of Net Eexcess Generation shall be equal to the generation or commodity portion of the rate that the Customer would have been charged by the Company averaged over the previous 12 month period ending with the billing cycle that is complete immediately prior to the end of April multiplied by the kilowatt-hours of Net Eexcess Generation. For Customers served by an Electricity Supplier, the dollar value of the Net Eexcess Generation shall be equal to the generation or commodity rate that the Customer would have been charged by the Electricity Supplier multiplied by the kilowatt-hours of Net Eexcess Generation. Customers served by an Electricity

Supplier are responsible for providing to the Company the commodity rate that would have been charged by the Electricity Supplier. Within 30 days after the billing cycle that is complete immediately prior to the end of April of each year, the Company shall pay each eligible Customer-generator for the dollar value of any accrued net excess generation remaining at the end of the previous 12 month period. Within 15 days that a Customer-generator closes their account, the Company shall pay the Customer-generator for the dollar value of any accrued net excess generation remaining at the time of

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NET ENERGY METERING RIDER (Continued)

dollar value of any accrued Net Excess Generation remaining at the end of the previous 12 month period. Within 15 days that a Customer-generator closes their account, the Company shall pay the Customer-generator for the dollar value of any accrued Net Excess Generation remaining at the time of the account closing.

- b. Indefinite Period: Using this Method, Net Excess Generation will be carried forward indefinitely regardless of whether the Customer previously accrued Net Excess Generation for a period authorized under the Twelve-Month Period Method. The dollar value of Net Excess Generation shall be equal to the generation or commodity portion of the rate that the Customer would have been charged by the Company averaged over the previous 12 month period ending with the billing cycle that is complete immediately prior to the end of account closing multiplied by the kilowatt-hours of Net Excess Generation. For Customers served by an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the generation or commodity rate that the Customer would have been charged by the Electricity Supplier multiplied by the kilowatt-hours of Net Excess Generation. Customers served by an Electricity Supplier are responsible for providing to the Company the commodity rate that would have been charged by the Electricity Supplier. Within 15 days that a Customer-generator closes their account, the Company shall pay the Customer-generator for the dollar value of any accrued Net Excess Generation remaining at the time of the account closing.
- 45. Meter Accuracy: The metering supplied by the Company under this tariff shall be accurate to within ± 5% when registering in reverse, that is during those times when the energy generated by the Customer is greater than the energy generated by the Company. When the energy generated and supplied to the Customer by the Company is greater than the energy generated by the Customer, the meter must retain the ability to register consumption within the accuracy tolerances as specified in the applicable sections of the Annotated Code of Maryland and the Code of Maryland Regulations.
- 56. Safety and Reliability: The design and installation of the Customer's generation must comply with all applicable laws and regulations and shall meet all applicable safety and performance standards established by the National Electric Code, The Institute of Electrical and Electronics Engineers and Underwriters Laboratory.
 - The Customer assumes sole responsibility to design and install its system for protection against faults or disturbances on the Company's system.
 - b. The Company shall have the right to inspect all the facilities and their operation, and to test all protective equipment, at any time that this Rider is in effect.
 - c. Customer generation must operate in parallel with Company generation. Customer must provide synchronizing equipment which will automatically isolate the Customer generation from the Company's system if the Company's circuit becomes de-energized or if the Customer should lose synchronization.
 - d. Parallel operation must cease immediately and automatically during electrical outages and other emergency or abnormal conditions as specified by the Company, or when maintenance on Company facilities is being performed and safety considerations require the de-energizing of the Customer. The Company is not liable for and accepts no responsibility whatsoever for any loss, cost, expense, damage or injury to any person or property resulting from the use or presence of electric current or voltage which originates from a Customer's generation facilities, or is caused by failure of the Customer to operate in compliance with Company requirements.
 - e. The Company may disconnect from the Customer's facilities in order that the Company can (1) construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or any part of its system; or (2) if the Company determines the curtailment, interruption or reduction of deliveries of energy or

energy and capacity is necessary because of technical system emergencies including forced outages and operating conditions on its system, or as otherwise required by prudent electrical practices.

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NET ENERGY METERING RIDER (Concluded)

- e. The Company may disconnect from the Customer's facilities in order that the Company can (1) construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or any part of its system; or (2) if the Company determines the curtailment, interruption or reduction of deliveries of energy or energy and capacity is necessary because of technical system emergencies including forced outages and operating conditions on its system, or as otherwise required by prudent electrical practices.
- 67. Periods During Which Purchases Are Not Required: The Company will not be required to receive energy or capacity during an electrical emergency or during periods of maintenance when safety considerations would require the de-energizing of facilities. Whenever possible the Company will notify the Customer by telephone, followed by written confirmation, of such circumstances.

78. General:

- a. The Customer is solely responsible for the proper installation, operation, and maintenance of any equipment used, all costs, expense, pecuniary or other loss which may arise directly or indirectly from any act or omission of the Customer, its agents, servants, or employees.
- b. Maintenance and operation of the generator and associated equipment will be the responsibility of the Customer.
- c. Failure of the Customer to comply with any of the Company's provisions or requirements shall result in immediate disconnection from the Company's system and the Company will be under no obligation to reconnect the Customer's Service until, in the sole opinion of the Company, the Customer does comply.

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NET ENERGY METERING VIRTUAL METER AGGREGATION SERVICE

AVAILABILITY

Available to any Customer who qualifies for Service under the Net Energy Metering Rider of this tariff and where the eligible Customer-generator:

- 1. uses electrical Service for
 - a. agriculture; or
 - b. a non-profit organization or business; or
 - c. a municipal or county government or its affiliated organizations; andor
 - d. a unit of state government; or
 - e.e. a public service higher education institution; and
- 2. has additional non-generating Customer meters (accounts) in the same name as the Customer-generator and
- 3. has a generating facility that produces no more than 200% of the total Baseline Annual Usage of the meters to be aggregated, where Baseline Annual Usage is the total kilowatt-hours recorded in the twelve months immediately preceding the start of the Customer's participation in Net Energy Metering Virtual Meter Aggregation. Baseline Annual Usage will be estimated based on a methodology that is mutually agreeable between the Company and the Customer in the event there is less than twelve months of historical meter data available.

SPECIAL CONDITIONS

- 1. Eligible Customer-generator shall provide a list of accounts to be aggregated. Accounts with the highest Baseline Annual Usage shall be considered for aggregation first; however, the Company shall consider a Customer-generator request for an alternative sequence of accounts which does not result in unreasonable additional administrative burden as determined by the Company. Once the Baseline Annual Usage of the accounts to be aggregated exceeds 110% of the expected annual Net Eexcess Generation of the Customer-generator account, no additional accounts shall be aggregated. The Company shall review the list of aggregated accounts annually for this condition and accounts may be added to or removed from the aggregation list as a result of the review. The Company shall complete one additional review annually upon sixty-day notice of request by the Customer-generator. All aggregated accounts must be established under the same legal entity as the Customer-generator account.
- All aggregated accounts must be within two subsequent meter reading cycles of the Customer-generator account, or, to change reading cycles, the Customer-generator may request the installation of a meter with remote interrogation capability at the Customer-generator account or at one or more of the non-generating accounts in accordance with Rule 10(i) of this tariff.
- 3. Net Eexcess Generation produced by the Customer-generator account, if any, will be applied each month as credit to the energy usage of the aggregated non-generator accounts in order of meter reading cycle sequence.
- Accounts participating in Net Energy Metering Virtual Meter Aggregation cannot participate in summary billing.
- 5. The Company will consider new dedicated Service connections for generators directly connected to its distribution system. Such dedicated Service connections will be considered in lieu of upgrades, when cost efficiencies will be achieved, or when step-ups/step-downs will be avoided by doing so. The direct connect generator must be located on the same or contiguous property as at least one of the Customer's aggregated accounts.
- Within sixty days after the date the Customer closes the account, the Company shall pay the Customer for the dollar value of any accrued Excess Generation remaining at the time the account is closed.

7. All other provisions of the Net Energy Metering Rider shall apply.

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM

AVAILABILITY

Available to all Customers until December 31, 2024. In addition to the requirements set herein, all participants in this Pilot Program are subject to the regulations as stated in Code of Maryland Regulations (COMAR) Title 20, Subtitle 62, Community Solar Energy Generation Systems, and Public Utilities Article, §§7-306.1 and 7-306.2. The Company shall continue to serve a Subscriber Organization that was established during the Pilot Program for a period of 25 years after the Pilot Program has ended.

Subject to Pilot Program Capacity Limitations, as set forth below, the Company will accept applications to participate in the Pilot Program and administer the Pilot Program's queue for the duration of the Pilot Program. The Company shall make best efforts to begin each program year within twelve (12) months of the start date for the previous year, with the exception of program Year 6. The Company shall make best efforts to begin program Year 6 within eighteen (18) months after the beginning of program Year 4. The following table sets forth the annual capacity limits under the Pilot Program for the Company. Updates to the status of the Company's Pilot Program's queue and capacity limits can be found at www.firstenergycorp.com.

Pilot Program Capacity Limitations (megawatts)				
	Category			
	Small, Brownfield	Open	Low and Moderate	<= 50 kW
	and Other		Income	
Year 1	3.05	4.07	3.05	0.00
Year 2	3.05	4.07	3.05	0.00
Year 3	1.53	2.04	1.53	0.00
Year 4	1.78	2.38	1.78	0.85
Year 5	4.08	5.42	4.08	0.00
Year 6	4.58	6.10	4.58	0.00
Year 7	4.83	6.45	4.83	0.00

Acceptance of a Community Solar Energy Generating System (CSEGS) into the Small Brownfield and Other, Open, or Low and Moderate Income (LMI) Categories will be in accordance with definitions and procedures set forth in COMAR Section 20.62. Participation in the Pilot Program for existing systems will also be limited as set forth in COMAR Section 20.62. Existing systems are generators granted permission to operate before May 15, 2016.

SUBSCRIBER

A Subscriber is a Customer that has subscribed with a Subscriber Organization for a portion of the kilowatthour output produced by a CSEGS. A Customer may subscribe to more than one subscription from more than one Subscriber Organization and may also participate in the Company's Net Energy Metering Rider. A Customer may only subscribe to a CSEGS that is located in the same electric Service territory as the Customer. A Customer may not subscribe for an amount of kilowatt-hour energy that exceeds 200% of their baseline annual usage, including all subscriptions and any generation from the Net Energy Metering Rider.

ISSUED BY SAMUEL L. BELCHERK. JON TAYLOR, SENIOR VICE PRESIDENT

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Continued)

A Subscriber receiving Service under this Pilot Program is subject to the identical energy, capacity, and reactive charges, rate structure, and monthly charges and minimum charges that would be assigned if the Customer were not subscribed to the kilowatt-hour output of a CSEGS. This Pilot Program provides no adjustment to the demand billing determinant or capacity charge that a Customer eligible for Service under this Pilot Program may be subject to.

A Subscriber's billing period shall be the customary billing period for Service provided under the Customer's applicable Rate Schedule and meter reading cycle.

The Company will apply a subscription credit to each Subscriber's bill as either a reduction in metered kilowatt-hour use or a dollar credit to the Subscriber's billed amount. The Company's choice of subscription credit methodology shall be the same for all Subscribers to a CSEGS project.

Reduction in Metered Kilowatt-Hours

A Subscriber will receive a reduction in metered kilowatt-hours for their subscribed percentage of the monthly kilowatt-hour output of the CSEGS as provided to the Company by the Subscriber Organization. The reduction in metered kilowatt-hours during each billing period will result in Net Energy Consumed or Net Excess Generation.

Net Energy Consumed is the amount of kilowatt-hour energy supplied by the Company that exceeds the cumulative value of kilowatt-hour energy subscribed to by the Customer and, if applicable, provided by the Customer under the Net Energy Metering Rider. In any billing period where Net Energy Consumed occurs, the Company will bill the Subscriber for Net Energy Consumed and any applicable fixed Customer charges, capacity and reactive charges, and minimum charges for that month, as required by this Tariff and the Rate Schedule under which the Customer is receiving Service.

Net Excess Generation is the amount of the cumulative value of kilowatt-hour energy subscribed to by the Customer and, if applicable, provided by the Customer under the Net Energy Metering Rider that exceeds the kilowatt-hour energy supplied by the Company. In any billing period where Net Excess Generation occurs, the Subscriber shall be required to pay only applicable fixed Customer charges, capacity and reactive charges, and minimum charges for that month, as required by this Tariff and the Rate Schedule under which the Customer is receiving Service. Net Excess Generation will be carried forward until the Customer's consumption of electricity from the grid eliminates the Net Excess Generation or the 12-month accrual period expires, in either of two methods, as determined by the Customer. Eligible Customers will default to the 12-month Method and must notify the Company on the firstenergycorp.com website to switch to the Indefinite Period Method. A Customer may not elect to switch from the Indefinite Period Method described in b. below unless the Company approves the switch. Customers receiving service under this Rider may opt to change method for Net Excess Generation accumulation only by contacting the Company and may not switch methods more than once in a calendar year.

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Approved at Public Service Commission Administrative Meeting of December 16, 2020

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Continued)

- Twelve-Month Period: Using this method, Net Excess Generation will be carried forward until the Subscriber's consumption of electricity from the grid eliminates the Net Excess Generation or the 12 month accrual period expires. Within 30 days after the billing cycle that is complete immediately prior to the month of April of each year, the Company shall pay each Subscriber for the dollar value of any accrued Net Excess Generation remaining at the end of the previous 12-month accrual period. The dollar value of Net Excess Generation shall be equal to the Standard Offer Service kilowatt-hour rate charged by the Company ending with the billing cycle that is complete immediately prior to the month of April multiplied by the kilowatt-hours of Net Excess Generation. If the Subscriber is with an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the lesser of the Subscriber's Electricity Supplier kilowatt-hour rate (where available through a Commission approved predefined and standardized electronic process across all Maryland utilities) or the Standard Offer Service kilowatt-hour rate that would have been charged by the Company ending with the billing cycle that is complete immediately prior to the month of April multiplied by the kilowatt-hours of Net Excess Generation. If the Electricity Supplier kilowatt-hour rate is unavailable, the applicable Standard Offer Service kilowatt-hour rate will be used. For Customers participating in both the Pilot Program and the Net Energy Metering Rider, payment of Net Excess Generation shall be in accordance with the Pilot Program terms contained herein.
- Indefinite Period: Using this Method, Net Excess Generation will be carried forward indefinitely regardless of whether the Subscriber previously accrued Net Excess Generation for a period authorized under the Twelve-Month Period Method. Within 15 days that a Subscriber closes their account, the Company shall pay the Subscriber for accrued Net Excess Generation remaining at the time of the account closing. The dollar value of Net Excess Generation shall be equal to the Standard Offer Service kilowatt-hour rate charged by the Company ending with the billing cycle that is complete immediately prior to the month of account closing multiplied by the kilowatt-hours of Net Excess Generation. If the Subscriber is with an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the lesser of the Subscriber's Electricity Supplier kilowatt-hour rate (where available through a Commission approved predefined and standardized electronic process across all Maryland utilities) or the Standard Offer Service kilowatt-hour rate that would have been charged by the Company ending with the billing cycle that is complete immediately prior to the month of account closing multiplied by the kilowatt-hours of Net Excess Generation. If the Electricity Supplier kilowatt-hour rate is unavailable, the applicable Standard Offer Service kilowatt-hour rate will be used. For Customers participating in both the Pilot Program and the Net Energy Metering Rider, payment of Net Excess Generation shall be in accordance with the Pilot Program terms contained herein.

Within 30 days after the billing cycle that is complete immediately prior to the month of April of each year, the Company shall pay each Subscriber for the dollar value of any accrued Net Excess Generation remaining at the end of the previous 12-month accrual period. The dollar value of Net Excess Generation shall be equal to the Standard Offer Service kilowatt-hour rate charged by the Company ending with the billing cycle that is complete immediately prior to the month of April multiplied by the kilowatt-hours of Net Excess Generation. If the Subscriber is with an Electricity Supplier, the dollar value of the Net Excess Generation shall be equal to the lesser of the Subscriber's Electricity Supplier kilowatt-hour rate (where available through a Commission approved predefined and standardized electronic process across all Maryland utilities) or the Standard Offer Service kilowatt-hour rate that would have been charged by the Company ending with the billing cycle that is complete immediately prior to the month of April multiplied by the kilowatt-hours of Net Excess Generation. If the Electricity Supplier kilowatt-hour rate is unavailable, the applicable Standard Offer Service kilowatt-hour rate will be used. For Customers participating in both the Pilot Program and the Net Energy Metering Rider, payment of Net Excess Generation shall be in accordance with the Pilot Program terms contained herein.

A Subscriber will receive a bill credit for their subscribed percentage of the monthly kilowatt-hour output of the CSEGS as provided to the Company by the Subscriber Organization. The monthly dollar credit on the Subscriber's bill will be the equivalent of their subscription percentage of the CSEGS monthly kilowatt-hour generation amount applied to all kilowatt-hour charges on the Subscriber's bill. The Subscriber's bill credit will be used to offset the Subscriber's total bill. If the Subscriber is with an Electricity Supplier, the monthly dollar credit on their bill will be the equivalent of their subscription allocation of the CSEGS monthly kilowatt-hour generation amount applied to all kilowatt-hour charges and their Electricity Supplier kilowatt-hour rate, where available through a Commission approved predefined and standardized electronic process across all Maryland utilities. If the Electricity Supplier kilowatt-hour rate is unavailable, or the Subscriber has not chosen an Electricity Supplier, the applicable Standard Offer Service kilowatt-hour rate will be used.

Within 30 days after the billing cycle that is complete immediately prior to the month of April of each year, the Company will apply to the bill of each eligible Subscriber a true-up for any excess generation. The Subscriber's bill shall be reasonably adjusted to exclude the distribution, transmission, and noncommodity portion of the Subscriber's bill for the excess generation amount. This could result in a one-time adjustment to a Subscriber's bill if the Subscriber has been overcompensated for excess generation throughout the year. For Customers participating in both the Pilot Program and the Net Energy Metering Rider, payment of the excess generation amount shall be in accordance with the Pilot Program terms contained herein.

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Continued)

Dollar Credit

A Subscriber will receive a bill credit for their subscribed percentage of the monthly kilowatt-hour output of the CSEGS as provided to the Company by the Subscriber Organization. The monthly dollar credit on the Subscriber's bill will be the equivalent of their subscription percentage of the CSEGS monthly kilowatt-hour generation amount applied to all kilowatt-hour charges on the Subscriber's bill. The Subscriber's bill credit will be used to offset the Subscriber's total bill. If the Subscriber is with an Electricity Supplier, the monthly dollar credit on their bill will be the equivalent of their subscription allocation of the CSEGS monthly kilowatt-hour generation amount applied to all kilowatt-hour charges and their Electricity Supplier kilowatt-hour rate, where available through a Commission approved predefined and standardized electronic process across all Maryland utilities. If the Electricity Supplier kilowatt-hour rate is unavailable, or the Subscriber has not chosen an Electricity Supplier, the applicable Standard Offer Service kilowatt-hour rate will be used.

For a Customer that selects the Twelve-Month Period method of Net Excess Generation accumulation within 30 days after the billing cycle that is complete immediately prior to the month of April of each year, the Company will apply to the bill of each eligible Subscriber a true-up for any excess generation. The Subscriber's bill shall be reasonably adjusted to exclude the distribution, transmission, and noncommodity portion of the Subscriber's bill for the excess generation amount. This could result in a one-time adjustment to a Subscriber's bill if the Subscriber has been overcompensated for excess generation throughout the year. For Customers participating in both the Pilot Program and the Net Energy Metering Rider, payment of the excess generation amount shall be in accordance with the Pilot Program terms contained herein.

SUBSCRIBER ORGANIZATION

A Subscriber Organization is the body responsible for maintaining Subscribers and providing the Subscriber List to the Company for billing. A Subscriber Organization must be a Customer of any available Company Rate Schedule and must be the name on the account for the CSEGS with the Company. A CSEGS must be located in the Company's Service territory and may not exceed two-five (25) megawatts (MW) in alternating current rated capacity of the system's inverter. A CSEGS of 500 kW or greater may not be located on the same or contiguous parcel of property as another CSEGS of 500 kW or greater owned by the same Subscriber Organization or its affiliate unless constructed on one of the following: a building rooftop or parking structure; over a parking lot or roadway; in a platted industrial park; or two (2) or more projects, each up to two (2) MW in size comprising no more than six (6) MW constructed on a Brownfield.

A Subscriber Organization may employ the use of a Subscription Coordinator. A Subscription Coordinator is a person that markets CSEGS projects or related services under its own brand name, performs administrative actions to connect or enroll Customers with CSEGS projects or allocates subscriptions, or manages interactions between a Subscriber Organization and the Company relating to Subscribers.

A Subscriber Organization is subject to all Tariff provisions applicable under the Rate Schedule they are served. Rate Schedule and demand are determined based on the capacity of the CSEGS. The Company at its sole discretion shall determine whether the CSEGS must be placed on a Service voltage greater than one (1) kV. Metering for a CSEGS will be divided into an input and an output channel. All usage on the input channel will be billed in accordance with the applicable Rate Schedule of the CSEGS. All kilowatt-hour generation on the output channel will be used in the calculation of the Subscriber credits and Unsubscribed Energy. The Company reserves the right to require the CSEGS facility to be moved to a specific bill cycle in order to facilitate efficient credit calculation.

Prior to applying for an Interconnection Agreement for this Pilot Program, a Subscriber Organization must first be granted permission to participate in this Pilot Program by the Commission and have received a Subscriber Organization Identification Number from the Commission. Once the Subscriber Organization has an Identification Number, they must apply to the Company for an Interconnection Agreement for each CSEGS project under COMAR 20.50.09, indicating a request to participate in the Pilot Program. A Subscriber Organization shall make each interconnection application separately. Interconnection Agreement applications will be processed in the order in which the completed applications are received, according to the date and time stamp of the electronic submission. Where two (2) or more projects are applying for interconnection at the same location, interconnection rights will be allocated in the order the applications are received. Projects requiring construction on the part of the Company will be processed under a Level 4 Study Review under COMAR 20.50.09. A Subscriber Organization is responsible for all interconnection costs.

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Continued)

A Subscriber Organization is subject to all Tariff provisions applicable under the Rate Schedule they are served. Rate Schedule and demand are determined based on the capacity of the CSEGS. The Company at its sole discretion shall determine whether the CSEGS must be placed on a Service voltage greater than one (1) kV. Metering for a CSEGS will be divided into an input and an output channel. All usage on the input channel will be billed in accordance with the applicable Rate Schedule of the CSEGS. All kilowatt-hour generation on the output channel will be used in the calculation of the Subscriber credits and Unsubscribed Energy. The Company reserves the right to require the CSEGS facility to be moved to a specific bill cycle in order to facilitate efficient credit calculation.

Prior to applying for an Interconnection Agreement for this Pilot Program, a Subscriber Organization must first be granted permission to participate in this Pilot Program by the Commission and have received a Subscriber Organization Identification Number from the Commission. Once the Subscriber Organization has an Identification Number, they must apply to the Company for an Interconnection Agreement for each CSEGS project under COMAR 20.50.09, indicating a request to participate in the Pilot Program. A Subscriber Organization shall make each interconnection application separately. Interconnection Agreement applications will be processed in the order in which the completed applications are received, according to the date and time stamp of the electronic submission. Where two (2) or more projects are applying for interconnection at the same location, interconnection rights will be allocated in the order the applications are received. Projects requiring construction on the part of the Company will be processed under a Level 4 Study Review under COMAR 20.50.09. A Subscriber Organization is responsible for all interconnection costs.

A Subscriber Organization must provide the Company an executed Interconnection Agreement, in conjunction with a Pilot Program Application. An executed Interconnection Agreement shall mean an Interconnection Agreement with preliminary approval from the Company. A Subscriber Organization shall make each Pilot Program Application separately. Pilot Program Applications will be processed in the order in which they are received, according to the date and time stamp of the electronic submission. The Company will notify the Subscriber

Organization of receipt of the Pilot Program Application and whether the Pilot Program Application is complete within five (5) business days. A Subscriber Organization receiving notice of an incomplete Pilot Program Application shall revise and resubmit within ten (10) business days of receiving the notice.

Once the Company has reserved sufficient Pilot Program Category capacity, the Category will be closed. If a Subscriber Organization's Pilot Program Application exceeds the available Pilot Program Capacity Limitation or the Category is otherwise complete, the Pilot Program Application shall be placed on a waiting list in order of electronic receipt for the year and Category for which the Pilot Program Application was made. If a Subscriber Organization applies to add a project to a Category after the Company has awarded all available capacity in that Category, the Company shall place the Pilot Program Application on a waitlist for the Category in the order in which the application was received. In years four (4) through seven (7) of the Pilot Program, the Company shall first award Pilot Program Applications in each Category from the waitlist for that Category before awarding capacity to new Pilot Program Applications. A Subscriber Organization may not change the Category of a project on the waitlist. The Company shall remove a project from a Category waitlist upon request of the Subscriber Organization. A Subscriber Organization may re-apply to a different category after the Company has removed a project from a Category waitlist. Wait-listing of one Pilot Program Application does not preclude the Company from accepting a smaller Pilot Program Application received after the wait-listed Pilot Program Application. The Company will fill the Category capacity for subsequent program years starting with the waiting list. Available Pilot Program capacity can be found on the Company's website at www.firstenergycorp.com. A CSEGS Identification Number will be assigned by the Company and capacity in the Pilot Program queue will be reserved for the Subscriber Organization's specific CSEGS upon approval by the Company of a Pilot Program Application.

If a Subscriber Organization raises a dispute with the Company or the Commission regarding the processing of its Interconnection Application or its Pilot Program Application, the Company will not set aside capacity for the CSEGS during the pendency of the investigation of the dispute.

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THE POTOMAC EDISON COMPANY

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Continued)

remove a project from a Category waitlist upon request of the Subscriber Organization. A Subscriber Organization may re-apply to a different category after the Company has removed a project from a Category waitlist. Wait-listing of one Pilot Program Application does not preclude the Company from accepting a smaller Pilot Program Application received after the wait-listed Pilot Program Application. The Company will fill the Category capacity for subsequent

program years starting with the waiting list. Available Pilot Program capacity can be found on the Company's website at www.firstenergycorp.com. A CSEGS Identification Number will be assigned by the Company and capacity in the Pilot Program queue will be reserved for the Subscriber Organization's specific CSEGS upon approval by the Company of a Pilot Program Application.

If a Subscriber Organization raises a dispute with the Company or the Commission regarding the processing of its Interconnection Application or its Pilot Program Application, the Company will not set aside capacity for the CSEGS during the pendency of the investigation of the dispute.

Pilot Program Applications will only be accepted in electronic format as defined by the Company. In order to apply for capacity in the Company's Pilot Program queue, a Subscriber Organization shall provide the following information for each CSEGS in the Pilot Program Application:

- An executed Interconnection Agreement, an electronic receipt of an Interconnection Agreement partially executed by the Applicant or conditional approval to interconnect a CSEGS from the Company;
- 2) Proof of application for all applicable permits;
 - a) A receipt confirming the filing fee from a local jurisdiction demonstrating application for at least one of the following permits: 1) a Site Plan Review Application; 2) a Zoning Conditional Use Application; 3) a Zoning Variance Application; 4) a Zoning Certificate of Use Application; 5) a Special Exception Application; 6) a Board of Appeals Hearing Application; or 7) a Building Permit Application. If one of the previous is not available due to preliminary action required by the jurisdiction, the Subscriber Organization may provide a receipt confirming completion of the preliminary action in lieu of one of the permits listed above. If a Subscriber Organization is unable to provide confirmation of the required permit within 120 days of application, the Company may rescind the award of project capacity.
- 3) Proof of site control, evidenced by:
 - a) Evidence of property ownership;
 - b) An executed lease agreement; or
 - c) A signed option to purchase or lease
- 4) Selection of one of the following project Categories, as defined in COMAR 20.62:
 - a) Small, Brownfield and Other;
 - b) Open;
 - c) LMI; or
 - d) 50 kW or less (Years 4 through 7 only)
- 5) Evidence of Brownfield status, if applicable;
- 6) Amount of Pilot Program capacity the CSEGS project requests, as measured by the sum of the nameplate capacity of the project inverter.

If a CSEGS project fails to begin operating within twenty four (24) months of submission of a completed Pilot Program Application, it shall be removed from the queue unless the Subscriber Organization pays \$50 per kW, which will maintain its spot in the queue for up to twelve (12) additional months. CSEGS projects in the LMI Category are exempt from queue deposits. A CSEGS project may lose its place in the queue if the Subscriber Organization does not complete any item required. The Company will notify a Subscriber Organization prior to removal from the queue. A Subscriber Organization must maintain all data and information as prescribed in COMAR 20.62.

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Continued)

If a CSEGS project fails to begin operating within twenty-four (24) months of submission of a completed Pilot Program Application, it shall be removed from the queue unless the Subscriber Organization pays \$50 per kW, which will maintain its spot in the queue for up to twelve (12) additional months. CSEGS projects in the LMI Category are exempt from queue deposits. A CSEGS project may lose its place in the queue if the Subscriber Organization does not complete any item required. The Company will notify a Subscriber Organization prior to removal from the queue. A Subscriber Organization must maintain all data and information as prescribed in COMAR 20.62.

A Subscriber Organization shall maintain a minimum average subscription size of two (2) kW per Subscriber, must have at least two (2) Subscribers per CSEGS project, and subscriptions larger than 200 kW cannot constitute more than sixty percent (60%) of a CSEGS project's total subscriptions. A Subscriber Organization will certify in the Pilot Program Application that each Subscriber's total subscriptions and net metered generation will not exceed 200% of each Subscriber's baseline annual usage. The Subscriber Organization will certify in the Pilot Program Application each Subscriber's LMI eligibility, if relevant to the CSEGS project. The Subscriber Organization will certify in the Pilot Program Application that each Subscriber authorizes the Company to release that Customer's account information as necessary to ensure compliance with regulatory requirements. The above certifications shall be updated as necessary by the Subscriber Organization in the Subscription Lists provided to the Company.

A Subscriber Organization must provide the following Subscriber List requirements set forth by the Company, with electronic data for each CSEGS project indicating the proportion of a CSEGS output that shall be applied to each Subscriber's bill including:

- 1) Date of submission
- 2) Applicable month
- 3) CSEGS Identification Number assigned by the Company
- 4) Subscriber Organization Identification Number assigned by the Commission
- 5) Subscriber Organization name
- 6) Each Subscriber's name (per Company account)
- 7) Each Subscriber's Company account number
- 8) Each Subscriber's Electric Choice ID
- 9) Subscriber's LMI eligibility
- 10) Percentage share of each Subscriber

A Subscriber Organization may at any time provide. Subscriber List updates that clearly indicate which Subscribers are new to the list or whose information has been revised from previous Subscriber Lists. The Subscriber List should clearly indicate if there are no changes as compared to the prior issuance of the Subscriber List. A Subscriber Organization does not need to provide a Subscriber List update unless there is a change as compared to the prior issuance of the Subscriber List. Non-compatible or incorrect information will be returned to the Subscriber Organization for correction. Subscriptions associated with ineligible subscribers (such as subscribers that are not Customers of the Company or whose Company accounts have been finalized) will be treated as Unsubscribed Energy. A Subscriber Organization must replace LMI Subscribers that are removed from the Subscriber List with eligible LMI Subscribers such that the required percentage of the kilowatt-hour output is provided to LMI Subscribers. Depending on timing of notification from the Subscriber Organization of the Subscriber's subscription amount in the Subscriber List, it may take up to two billing cycles, or more, before a subscription credit is applied to the Customer's bill from the Company. Subscriptions may not take effect retroactively. No retroactive corrections or changes can be made to Subscriber information or subscription allocation percentages.

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COMMUNITY SOLAR ENERGY GENERATION SYSTEMS PILOT PROGRAM (Concluded)

A Subscriber Organization may at any time provide Subscriber List updates that clearly indicate which Subscribers are new to the list or whose information has been revised from previous Subscriber Lists. The Subscriber List should clearly indicate if there are no changes as compared to the prior issuance of the Subscriber List. A Subscriber Organization does not need to provide a Subscriber List update unless there is a change as compared to the prior issuance of the Subscriber List. Non-compatible or incorrect information will be returned to the Subscriber Organization for correction. Subscriptions associated with ineligible subscribers (such as subscribers that are not Customers of the Company or whose Company accounts have been finalized) will be treated as Unsubscribed Energy. A Subscriber Organization must replace LMI Subscribers that are removed from the Subscriber List with eligible LMI Subscribers such that the required percentage of the kilowatt-hour output is provided to LMI Subscribers. Depending on timing of notification from the Subscriber Organization of the Subscriber's subscription amount in the Subscriber List, it may take up to two billing cycles, or more, before a subscription credit is applied to the Customer's bill from the Company. Subscriptions may not take effect retroactively. No retroactive corrections or changes can be made to Subscriber information or subscription allocation percentages.

The Company shall provide a Subscriber Organization with a report detailing each Subscriber's credit allocation no later than the last day of each calendar month following the month of the CSEGS meter reading.

Unsubscribed Energy will be purchased from the Subscriber Organization at the net hourly integrated real time locational marginal price for energy at the APS Zone of PJM.

The Company will recover Pilot Program credit costs in existing rate adjustments for distribution rates or as a revenue or cost component for transmission or commodity rates.

ISSUED BY SAMUEL L. BELCHERK. JON TAYLOR, SENIOR VICE PRESIDENT