

OFF-SITE NET METERING SERVICE
ELECTRIC

Applicability: Applicable to residential, commercial and industrial retail customers of the Company whose electric service is connected to an Off-Site Solar photovoltaic generation system (“Off-Site Net Metering Facility” or “System”) in parallel with the Company’s electric system. The Off-Site Net Metering Facility shall be limited to a maximum of 500 kilowatts for systems that serve a single meter or 300 kilowatts per meter for systems that serve multiple meters held by the same customer and shall not exceed two hundred percent of the reasonably expected average annual consumption of electricity by the customer.

Definitions: Off-Site. Shall mean all noncontiguous property owned or leased by the customer of the qualifying retail utility and whose property is located within the utility’s certificated service territory.

Off-Site Net Metering. The offsetting of the customer’s retail consumption of kilowatt-hour (kWh) electric energy by the electricity generated from the off-site eligible energy resources that are interconnected with the Company and located on noncontiguous property owned or leased by the customer.

Third-Party Developer. A third-party either affiliated or unaffiliated with the Customer who owns and may or may not install and operate an Off-Site Net Metering Facility on behalf of a Customer. The terms of any such arrangement are solely between the Customer and Third-Party Developer.

Off-Site Net Metering Standard Offer: For calendar years 2022 and 2023, the utility shall issue a standard offer to interconnect and net meter off-site, customer-owned distributed generation. The available off-site net meter capacity shall equal one-quarter of one percent of the utility’s annual retail sales from the immediately preceding year. The off-site solar capacity will be available on a first-come-first service basis.

Advice Letter No.:	820 – Second Amended	Decision or Authority No.	
Signature of Issuing Officer:	/s/ Nick Wagner	Issue Date:	May 18, 2022
Title:	Vice President, Colorado Regulatory Affairs & Policy	Effective Date:	June 20, 2022

Colo. PUC No. 11
Cancels Colo. PUC No. 10
Original Sheet No. 97B
Cancels Sheet No. _____

OFF-SITE NET METERING SERVICE (CONTINUED)
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Applications: Applications for off-site net metering must be submitted through the Company's website and will be deemed provisionally submitted as of the electronic time-stamp of that submission. To complete the submission of the application a one-line diagram must be received by the Company at its Pueblo, Colorado offices by 3:00 p.m. on the fifth calendar day following the date of submission of the application. If this fifth calendar day falls on a Saturday, Sunday or Federal holiday, then this material must be accepted by US Mail or in-person delivery at the Company's offices at 105 S. Victoria Ave, Pueblo, CO, 81003 by the next business day.

If the one-line diagram is not received by the Company within this timeframe, the application will automatically be deemed rejected. Satisfaction of these requirements may be evidenced by a signed and dated return receipt for items sent by US Mail or receipts given to persons submitting the materials in-person at the Company's offices at the above address. In the event the deposit check is not honored, the application will automatically be deemed rejected.

Deposit Required and Conditions to Payment of Incentives.

All offsite net metering facilities are subject to the Company's Interconnection Service tariffs, including any fees or deposits required pursuant to those tariffs.

**Off-Site Net
Metering
Allocation:**

Should the Off-Site Net Metering Facility provide service to multiple premises, the energy for each production month will be allocated to the premise based on the ratio of the premise's subscription (in kW) to the nameplate capacity of the Off-Site Net Metering generation. The allocation information is to be provided to the Company by the Off-Site Net Metering provider on a monthly basis and is used to calculate the Fixed Reasonable Charge.

Ownership:

The customer may own the Off-Site Net-Metering Facility or lease the Off-Site Net Metering Facility with a Third-Party Developer.

Monthly Rate:

All electric power and energy delivered by the Company to the Customer hereunder shall be received and paid for by the Customer under the applicable residential, commercial or industrial service schedule selected by the Customer as such rates, terms and conditions are on file and in effect from time to time with the Commission. The Company shall net meter all electric power and energy produced by the Off-Site Net Metering Facility, as set forth in the Off-Site Net Metering Service tariff as in effect from time to time with the Commission.

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Calculation Of Billing For Off-Site Net Metering Service: Off-Site Net Metering shall be, for billing purposes, customer's retail consumption of kWh electric energy offset by the customer's allocation of electricity generated from the Off-Site Net Metering Facility.

Off-Site Net Metering customers shall be charged a Fixed Reasonable Charge multiplied by the customer's allocation of electricity generated from the Off-Site Net Metering Facility in any billing period to reflect the costs of delivering to the customer's premises the electricity generated by the off-site net metering system and of administering the off-site net metering billing credits.

For systems that execute an interconnection agreement before the Fixed Reasonable Charge is updated in 2023, the Fixed Reasonable Charge will be as follows:

\$0.02869/kWh

The Fixed Reasonable Charge shall be fixed at the applicable rate for the term of the interconnection agreement. Beginning on June 1, 2023, the Company will file to update the Fixed Reasonable Charge to be effective July 1.

If, and to the extent that, a customer's allocation of electricity generated from the Off-Site Net Metering Facility exceeds the customer's retail consumption of kWh electric energy in any billing period, the excess allocation shall be carried forward and applied against future bills. The total amount carried forward shall be limited to one hundred percent of the customer's reasonably expected average annual consumption. Excess electricity above the limit shall be reimbursed at the Company's average hourly incremental cost of electricity updated annually as reflected in Sheet No. R36.

The monthly carry-forward continues from month to month indefinitely until the customer terminates service with the Company at all service addresses within the service territory of the Company, at which time the Company is not required to pay the customer for any remaining excess electricity supplied by the Off-Site Net Metering Facility; except that, to the extent that off-site solar electricity generation exceeds the customer's consumption during a calendar year, the customer may elect, in writing, to be reimbursed by the Company at the end of each calendar year at the Company's average hourly incremental cost of electricity supply over that calendar year.

Off-Site Net Metering credits shall be reflected on the customer's bill from the Company no later than the 60th day after the electricity is generated.

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BLACK HILLS COLORADO ELECTRIC, LLC
 d/b/a BLACK HILLS ENERGY

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<p align="center">OFF-SITE NET METERING SERVICE (CONTINUED) ELECTRIC</p>

Renewable Energy Credits:	The customer may choose to retain or sell to the qualifying retail utility the customer's renewable energy credits. The utility will offer a price of \$0.00 per REC if the customer chooses to sell its RECs to the utility.	N
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Rules and Regulations:	Off-Site Net Metering Facilities shall comply with the Company's Interconnection Service tariffs and the Company's Rules and Regulations on file with the Commission.
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