

SCHEDULE 1289 – NET METERING SERVICE

Availability: For any Residential Service Customer and for any General Service Customer who install a Generating Facility to generate electricity to serve all or part of their electricity requirements, subject to the Special Conditions below.

With the consent of BC Hydro, Customers taking service under other Rate Schedules may be admitted to service under this Rate Schedule, provided that BC Hydro is satisfied that the metering, billing and other requirements of this Rate Schedule can be met.

“Generating Facility” for purposes of this Rate Schedule means a generating facility, including fuel cells and energy recovery generation, that:

- (a) Utilizes biogas, biomass, geothermal heat, hydro, solar, ocean, wind or other energy resources or technologies defined as a “clean or renewable resource” in the “*Clean Energy Act*”(as updated from time to time) to generate electricity;
- (b) Has a nameplate rating of not more than fifty (50) kilowatts; and
- (c) Is owned by the Customer and is located on the same parcel of land as the Customer’s Premises for which service is being provided under any of the Rate Schedules described above, or on an adjacent parcel of land owned or leased by the Customer, and is connected to the same Point of Delivery as the Customer’s Premises being served under any of the Rate Schedules described above,

and includes all wiring, protection-isolation devices, disconnect switches, and other equipment and facilities on the Customer’s side of the Point of Delivery.

Applicable in: All Rate Zones.

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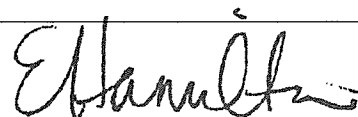
Rate: Energy Charge: Charges for Net Energy consumed by the Customer will be in accordance with the Rate Schedule under which the Customer is receiving service from BC Hydro.

Energy Price: For all electricity represented by the Generation Credit Balance remaining in the Customer's Generation Account at any Anniversary Date, BC Hydro shall pay 9.99 ¢ per kW.h.

- Metering:
1. Inflows of electricity from the BC Hydro system to the Customer, and outflows of electricity from the Customer's Generating Facility to the BC Hydro system, will normally be determined by means of a single meter capable of measuring flows of electricity in both directions.
 2. Alternatively, if BC Hydro determines that flows of electricity in both directions cannot be reliably determined by a single meter, or that dual metering will be more cost-effective, BC Hydro may require that separate meters be installed to measure inflows and outflows of electricity.
 3. The Customer shall install, at its cost, the meter base and any wiring, protection-isolation devices, disconnect switches, and other equipment and facilities on the Customer's side of the Point of Delivery as required under BC Hydro's "Net Metering Interconnection Requirements, 50 kW and Below" ("NMIR/50"). BC Hydro will supply and install the meter or meters and make the final connections.
 4. Any meters or meters required for purposes of this Rate Schedule shall be in addition to any demand meters (if applicable) required under the Rate Schedule under which the Customer is receiving service from BC Hydro.

- Billing: Determination of the Customer's bill will be as follows:
1. Meter reading and billing frequency will be in accordance with the Rate Schedule under which the Customer is receiving service from BC Hydro.
 2. At the end of each billing period BC Hydro will determine the "Net Energy" applicable for that billing period, defined as the difference between the electricity supplied by BC Hydro to the Customer during the billing period and the electricity delivered from the

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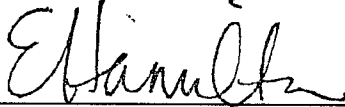


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Generating Facility to BC Hydro's system during the billing period.

3. If Net Energy is positive, BC Hydro will bill the Customer for the Net Energy consumed by the Customer during the billing period, subject to the application of any generation credits then in the Customer's Generation Account, as described in item 5 below.
4. If Net Energy is negative, BC Hydro will credit the Net Energy amount to the Customer's Generation Account, as described in item 5 below, and will bill the Customer only for the Basic Charge and Demand Charge (if applicable) under the Rate Schedule under which the Customer is receiving service from BC Hydro.
5. Beginning with the first billing period following the date a Customer commences taking service under this Rate Schedule, BC Hydro will establish a Generation Account for that Customer. If Net Energy is negative for that billing period, BC Hydro will credit the Net Energy amount to the Customer's Generation Account. BC Hydro will likewise follow this procedure for successive billing periods, except that if for any billing period Net Energy is positive, any credit balance then in the Customer's Generation Account will be applied to the positive Net Energy amount for that billing period until the Net Energy amount is reduced to zero.
6. BC Hydro will follow this procedure, and will notify the Customer of amounts credited and debited to the Generation Account and of the remaining credit balance (if any) in the Generation Account, on the bill rendered by BC Hydro for each billing period, until the end of the sixth billing period, in the case of Customers being billed bi-monthly, or until the end of the twelfth billing period, in the case of Customers being billed monthly (the "Anniversary Date"). At the Anniversary Date, BC Hydro will credit any negative Net Energy amount for that billing period to the Generation Account, or apply any credits in the Generation Account to any positive Net Energy amount for that billing period, in the same manner as for prior billing periods.
7. If any credit balance ("Generation Account Balance") remains in the Generation Account following the procedures set forth in item 6, BC Hydro shall be deemed to have purchased that amount of electricity from the Customer, and shall be obliged to pay the Customer for that electricity at the Energy Price determined in accordance with the Rate provision of this Rate Schedule, and the Generation Account shall revert to zero.

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8. The procedures set forth above shall apply in each succeeding 12-month period and at each succeeding Anniversary Date for so long as the Customer continues to take service under this Rate Schedule. If service under this Rate Schedule is terminated prior to any Anniversary Date, the procedures set forth above shall be applied as of the date of termination. In that event, BC Hydro will pay the amount owing in respect of any credit balance in the Generation Account to the Customer within 45 days of the date of termination, subject to any rights of deduction or set-off BC Hydro may have.
9. In no case will any credit balance in the Generation Account have any cash value or be convertible to cash, except as provided above. If the amount determined to be owing to the Customer at any Anniversary Date as set forth in item 7 above is equal to or less than the charges BC Hydro anticipates are likely to be billed to the Customer during the six month period following the Anniversary Date, BC Hydro may withhold the amount owing and credit it against charges owing by the Customer for future billing periods. If the amount determined to be owing is greater than the charges BC Hydro anticipates are likely to be billed to the Customer during the six month period following the Anniversary Date, BC Hydro shall pay the amount owing to the Customer within 45 days of the Anniversary Date.

Special
Conditions:

1. Subject to the provisions of RS 1289 and any applicable Rate Schedule(s) under which the Customer is from time to time receiving electric service from BC Hydro, the provisions of BC Hydro's Electric Tariff, and the terms and conditions, BC Hydro will supply electricity to, and accept delivery of electricity from, the Customer at the Point of Delivery.

BC Hydro will act with reasonable promptness to perform any inspections and/or give any approvals that it is authorized or required to give under the terms and conditions, and will not unreasonably withhold or delay the giving of its consent in any case where its consent is required.

To receive service under this Rate Schedule, the Customer must submit the required Application. For Generating Facilities having a rated generating capacity of greater than five (5) kilowatts, and for which BC Hydro determines that a site acceptance verification is required, the Customer must also pay the Net Metering Site Acceptance Verification Fee as set out in the Schedule of Standard Charges.

A Customer who utilizes a synchronous generator or is a Customer taking service at a primary potential will be required to pay all associated costs incurred by BC Hydro for interconnecting their Generating Facility.

The Customer must not commence parallel operation of its Generating Facility until written approval has been provided to it by BC Hydro. Written approval will normally be provided by BC Hydro within 14 days following BC Hydro's receipt of a copy of the final inspection report or approval issued by the governmental authority having jurisdiction to inspect and approve the installation. Where Customer has been notified that inspection and acceptance by BC Hydro's Field Services – Protection and Control

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Department will also be required before the Generating Facility will be accepted for parallel operation, BC Hydro's approval will normally be provided within 14 days following the date of inspection and acceptance. BC Hydro may require the Customer to supply additional information and/or provide access to the Customer's Generating Facility to carry out additional inspections, as set forth in BC Hydro's NMIR/50.

2. Customers shall design, install, operate and maintain the Generating Facility, and all ancillary facilities on the Customer's side of the Point of Delivery in accordance with all governmental laws and regulations from time to time applicable, and BC Hydro's NMIR/50. Customers shall obtain and maintain any required governmental authorizations and/or permits required for the installation and operation of the Generating Facility. The Generating Facility shall meet all applicable safety and performance standards, including the codes and standards identified in BC Hydro's NMIR/50. BC Hydro, acting reasonably, may from time to time prescribe additional requirements which in its judgment are required for the safety of its system.

The Customer shall at all times operate the Generating Facility in accordance with applicable governmental standards and requirements, and any manufacturer's instructions, and shall further comply with BC Hydro standards and requirements from time to time in effect relating to parallel operation of independent net metering installations with its system. The Customer shall promptly notify BC Hydro of any malfunction or breakdown of the Generating Facility that could constitute a safety hazard or reasonably be expected to cause disturbance or damage to BC Hydro's system.

The Customer shall not operate the Generation Facility so as to generate electricity at a rate greater than 110% of the Nameplate Rating of the Generating Facility, and will not add to or modify the Generating Facility without the prior written consent of BC Hydro.

3. Service under this Rate Schedule is conditional on the continuance of service to the Customer under any of the Rate Schedules described under the Availability section above, and is further conditional on the Customer being billed monthly or bi-monthly under BC Hydro's regular billing plan. If service under the applicable Rate Schedule is suspended or terminated for any reason, or if the Customer ceases to be billed under BC Hydro's regular billing plan, service under this Rate Schedule will be deemed to have automatically been suspended or terminated concurrent with suspension or termination of service under the applicable Rate Schedule, or change to a different billing plan, as applicable.

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4. If service under this Rate Schedule is suspended or terminated for any reason, and BC Hydro considers it necessary in its discretion for the Customer's Generating Facility to be re-inspected and approved prior to resuming parallel operation with BC Hydro's system, the Customer shall pay the costs that BC Hydro estimates that it will incur for the re-inspection and approval.
5. If the Customer voluntarily terminates service under this Rate Schedule, the Customer shall not be eligible to again take service under this Rate Schedule for a period of 12 months from the date of termination, unless BC Hydro otherwise consents.
6. BC Hydro shall have the right to require Customer to interrupt (including, if so specified by BC Hydro, by means of physical disconnection or lock-out,) or reduce the output of its Generating Facility whenever:
 - (a) BC Hydro deems such action necessary, in its sole judgment, to permit BC Hydro to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or any part of its electric system; or
 - (b) BC Hydro determines in its sole judgment, that curtailment, interruption, or reduction of Customer's electrical generation is otherwise necessary due to emergencies, forced outages, force majeure, safety hazards, possible damage to or disturbance of its electric system, or compliance with prudent electrical practices.

Notwithstanding any other provision of this Rate Schedule, in any of the events or circumstances mentioned in Special Condition 6, BC Hydro shall have the right:

- (a) to require the Customer to immediately disconnect the Generating Facility from BC Hydro's system; and
- (b) to itself immediately effect the disconnection of the Generating Facility from its system if the Customer is apparently not then available, or is available but refuses to act, and such action is deemed necessary by BC Hydro.

Whenever feasible BC Hydro will give the Customer reasonable advance notice that interruption or reduction in deliveries may be required, or that disconnection of the Generating Facility from BC Hydro's system may be required, but the failure of BC Hydro to give such notice shall not invalidate any action taken by BC Hydro under any of the special conditions in RS 1289.

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7. If BC Hydro in its discretion deems it necessary to require the Customer to interrupt or disconnect its Generating Facility from BC Hydro's system, or for BC Hydro to itself effect the interruption or disconnection of the Generating Facility from its system, as provided in RS 1289, or such interruption occurs as a result of suspension or termination of service to the Customer in accordance the provisions of RS 1289, then except to the extent caused by the willful misconduct or gross negligence of BC Hydro, its servants or agents, BC Hydro and its servants or agents shall not be liable to the Customer for any loss or damage whatsoever resulting from the exercise of such rights by BC Hydro.

8. BC Hydro shall have the right to enter the Customer's premises at all reasonable hours, without notice to the Customer, to inspect the Customer's protective devices and read, inspect and/or test meters, or to effect disconnection of the Generating Facility. Nothing in these terms and conditions shall limit or otherwise affect any rights of entry to the Customer's premises BC Hydro may have under any other sections of the Electric Tariff or any other agreement with the Customer.

Rate Rider: The Deferral Account Rate Rider as set out in Rate Schedule 1901 applies to all charges payable under this Rate Schedule, before taxes and levies.

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