

28. Small Generator Interconnection Standards

Availability: For all residential and non-residential customers within the Company's service territory seeking to interconnect energy generation resources to the electric distribution system.

In accordance with COMAR 20.50.09: Small Generator Interconnection Standards, the Company has established protocols for the communication, metering, and interconnection with customers who are seeking to install a generation resource. This protocol will ensure the proper engineering and compliance with local, regional, and national codes.

Cost: The Customer will be charged in accordance with interconnection levels as determined by COMAR 20.50.09. The following application fees apply:

Level 1 - No charge;

Level 2 - \$50 plus \$1 per kW of rated generating facility output;

Level 3 - \$100 plus \$2 per kW of rated generating facility output; and

Level 4 - \$100 plus \$2 per kW of rated generating facility output.

Approval: After receiving a standard small generator interconnection agreement from the Company, the Customer will have the generation equipment installed and inspected by the local municipality. Upon receiving a certification of inspection from the municipality, the Customer will submit a certificate of completion to the Company. The company will then install the necessary meter equipment on the premises.

The Company shall maintain a database to track the installation of new generation resources within the service territory and will submit reports to the Commission in accordance with COMAR 20.50.09.

29. Maryland Cost Allocation Method ("MCAM")

Program: This rider establishes the methodology and associated charges for allocating and recovering distribution system hosting capacity upgrade and administrative costs related to interconnections, consistent with the Maryland Cost Allocation Method (MCAM) approved by the Maryland Public Service Commission (Commission) as set forth in the Code of Maryland Regulations (COMAR) 20.50.09.06 and related provisions under Subtitle 50 of Title 20.

Availability: This rider is available to Interconnecting Customers (ICs) within the Company's service territory, including but not exclusive to energy generation resources taking service under Rider 18. Net Energy Metering, Rider 28. Small Generator Interconnection Standards, and Rider 32. Community Solar Program.

ICs must be approved by the Company for interconnection and must comply with all applicable provisions of COMAR 20.50.09. All interconnection projects subject to this rider must conform to the Company's engineering standards and Terms and Conditions of the Retail Electric Service Tariff.

This rider applies to all applications received by the Company on or after the implementation date approved by the Commission. Interconnection requests received before the implementation date will be priced at 100% of the interconnection upgrade costs and shall not be priced or re-priced under MCAM in order to maintain interconnection queue positions.

This tariff is not available to interconnection requests exempted under COMAR 20.50.09.

Interconnection Project Equipment: The IC is responsible for designing, installing, operating, and maintaining its own equipment in accordance with interconnection agreements and applicable standards as required under Rider 28. Small Generator Interconnection Standards.

Definitions: In addition to the definitions provided in Code of Maryland Regulations 20.50, the following definitions are used for the purposes of this rider.

1. **Contribution in Aid of Construction (CIAC):** Amounts received in cash from customers, developers, governmental agencies, or others as payment for all or part of the cost of constructing or upgrading utility facilities necessary to furnish service.
2. **Flexible Interconnection Capacity:** The amount of active power in kilowatts or megawatts (if less than Nameplate Capacity) that the IC is allowed to inject per their Interconnection agreement. This amount may be a single fixed value, may follow a time based schedule, or may follow on a real-time signal from the utility depending on the interconnection agreement.
3. **Hosting Capacity Charge:** The amount charged to an Interconnection Customer utilizing Hosting Capacity. The charge is calculated using the current MCAM-S Rate based on the interconnected system size or established through the Rates Determination process.
4. **Maryland Cost Allocation Method (MCAM):** A framework approved by the Maryland Public Service Commission governing the allocation and recovery of distribution-system upgrade and administrative costs associated with Interconnection Customers through the Secondary (MCAM-S) methods.
5. **Nameplate Capacity:** The maximum capacity of an IC's system as designated by the manufacturer, measured in AC kilowatts (kW) or megawatts (MW). Represents the system's maximum continuous active power capability under standard conditions at unity power factor.
6. **Program Year:** The 12-month period beginning January 1 and ending December 31 or as defined in the Company's MCAM filing.
7. **Secondary Maryland Cost Allocation Method (MCAM-S):** Applies to Interconnection Customers that interconnect at secondary distribution voltage levels, as defined by COMAR 20.05.09.02 for MCAM as being less than or equal to 600 volts. MCAM-S establishes capacity-based rates or fixed fees separately for Commercial and Residential customers, respectively.

MCAM-S Rates

1. Character of Service

MCAM-S applies to all residential and commercial ICs that interconnect at secondary voltage (as defined in the Definitions section above as being less than or equal to 600 volts).

2. Determination of Charges

Charges and cost responsibilities are established as follows:

1. Residential ICs (≤ 600 volts):
 - a. Each Residential IC shall pay a Hosting Capacity Fee of \$108.00 per interconnection. The charge is designed to recover hosting capacity upgrade costs caused by Residential ICs in a given Program Year by spreading the costs over all Residential ICs.
 - b. Each Residential IC shall pay an Administrative Charge of \$17.00, applied in addition to other charges under this rider. The Administrative Charge recovers MCAM program administration, billing, and compliance costs allocated by the Company to Residential ICs.

- c. Charges shall be recalculated each Program Year through the Rates Determination process described below.
2. Commercial ICs (≤ 600 volts):
- a. Each Commercial IC shall pay a Hosting Capacity Fee calculated as the IC's Nameplate Capacity (or Flexible Interconnection Capacity, as applicable) multiplied by the Commercial MCAM-S Rate. The charge is designed to recover hosting capacity upgrade costs caused by Commercial ICs in a given Program Year by spreading the costs over all Commercial ICs connecting at secondary voltage levels.
 - b. The Commercial MCAM-S Rate is \$66.57/kW.
 - c. Each Commercial IC shall pay an Administrative Charge of \$2.02/kW, applied in addition to other charges under this rider. The Administrative Charge recovers MCAM program administration, billing, and compliance costs allocated by the Company to Commercial ICs connecting at secondary voltage levels.
 - d. Charges shall be recalculated each Program Year through the Rates Determination process described below.

Charges assessed under this rider are separate from any charges or bill credits issued under Rider 18. Net Energy Metering, Rider 28. Small Generator Interconnection Standards, and Rider 32. Community Solar Program.

Charges assessed under this rider are separate from and not offset by any applicable CIAC charges associated with interconnection upgrades not related to Hosting Capacity Upgrades, in accordance with existing procedures.

3. Rates Determination

The Residential Hosting Capacity Fee for the upcoming year shall be determined in accordance with the methodology filed with and approved by the Commission in the Company's annual MCAM update.

The Commercial MCAM-S Rate applicable for the Program Year shall be determined in accordance with the methodology filed with and approved by the Commission in the Company's annual MCAM update.

Any imbalances between Administrative Charge amounts collected and actual costs incurred during the Program Year shall be subject to true-up in the subsequent year's rates.

4. Cost Recovery

All capital expenditure-related program costs (net of CIAC) shall be included in the Company's distribution rate base for recovery through Commission-approved distribution rates. All Hosting Capacity Fees billed to ICs shall be recorded as a regulatory liability included in the Company's distribution rate base for crediting through Commission-approved distribution rates.

30. Reserved for Future Use

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