



Fergus Falls, Minnesota

**SMALL POWER PRODUCER RIDER
OCCASIONAL DELIVERY ENERGY SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs	S902
Wind Renewable Energy Credit	S991
Solar Renewable Energy Credit	S993
Optional Production Meter Charge	S995

RULES AND REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

AVAILABILITY: This rider is available to any Small Qualifying Facility (SQF) not exceeding 100 kW of certified generating Capacity.

CUSTOMER CHARGE: \$1.33 per month

OPTIONAL PRODUCTION METER CHARGE: \$4.55 per month

PAYMENT SCHEDULE:

DESCRIPTION	ENERGY CREDIT
Base Avoided Costs	\$0.04310 per kWh
	REC RATE
Wind Renewable Energy Credit	\$0.00111 per kWh
Solar Renewable Energy Credit	\$0.00300 per kWh

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MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply and by any Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See Sections 12.00, 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders.

SPECIAL CONDITIONS OF SERVICE: The minimum contracted term of service is 12 months.

TERMS AND CONDITIONS: The use of this rider requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all Customer owned small qualifying facilities (SQF).



(Continued)

1. The Customer is required to follow the Company’s interconnection process, which requires that prior to installation, the Customer complete the Interconnection Agreement for Small Generator Facility Tier 1, Tier 2, Tier 3 or Tier 4 Interconnection. The Interconnection Agreement is according to the procedures set forth in ARSD chapter 20:10:36. The Customer is also required to follow the Company’s Guidelines for Generation, Tie-Line, and Substation Interconnections.
2. The Customer will be compensated monthly for all Energy received from the SQF less the Customer charge. The schedule for these payments is subject to annual review.
3. If the SQF is located at a site outside of the Company's service territory and Energy is delivered to the Company through facilities owned by another utility, Energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
4. If required, a separate meter will be furnished, owned and maintained by the Company to measure the Energy to the Company. Separate monthly charges may apply for any additional metering installed by the Company at the Customer’s request. If the Customer requests from the Company an additional Production Meter(s), beyond Company required Production Meter(s), an additional Optional Production Meter charge will be applied.
5. The SQF shall make provisions for the installation of Company-owned on-site metering. All Energy received from and delivered to the Company shall be metered. On site use of the SQF output shall be unmetered for purposes of compensation unless the SQF desires to sell all its generated output to, and purchase all of its Energy from, the Company.
6. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
7. Power and Energy purchased by the SQF from the Company shall be billed under the available retail rates for the purchase of electricity.
8. The Company reserves the right to disconnect the Customer's Generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other Company.
9. The Customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service.

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Fergus Falls, Minnesota

(Continued)

- 10. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors. The SQF will keep in force general liability insurance consistent with the rules set forth in ARSD chapter 20:10:36.
- 11. Except in cases of emergency, the Customer will be notified in advance, personally or by telephone, whenever a disconnection of their generating facility is necessary. They will also be advised of the reason for, and the estimated duration of, the outage.
- 12. Any renewable Energy credits associated with the renewable Energy sold to the Company will be transferred to the Company and the renewable Generator will be compensated an additional payment, as shown in the payment schedule.

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Fergus Falls, Minnesota

**SMALL POWER PRODUCER RIDER
 TIME OF DELIVERY ENERGY SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs	S903
Wind Renewable Energy Credit	S991
Solar Renewable Energy Credit	S993
Optional Production Meter Charge	S995

RULES AND REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this service.

AVAILABILITY: This rider is available to any small qualifying facility (SQF) not exceeding 100 kW of certified generating Capacity.

CUSTOMER CHARGE: \$1.33 per month

OPTIONAL PRODUCTION METER CHARGE: \$4.55 per month

PAYMENT SCHEDULE:

ENERGY PAYMENT			
Base Avoided Costs		<u>On-Peak</u>	<u>Off-Peak</u>
	Summer	\$0.04987 per kWh	\$0.03460 per kWh
	Winter	\$0.04932 per kWh	\$0.03963 per kWh
Wind Renewable Energy Credit		\$0.00111 per kWh	\$0.00111 per kWh
Solar Renewable Energy Credit		\$0.00300 per kWh	\$0.00300 per kWh

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MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply and by any Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See Sections 12.00, 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders.



Fergus Falls, Minnesota

South Dakota P.U.C. Volume II
Section 12.02
ELECTRIC RATE SCHEDULE
Small Power Producer Rider
Time of Delivery Energy Service

Seventh Revised Sheet No. 2, Cancelling Sixth Revised Sheet No. 2

(Continued)

SPECIAL CONDITIONS OF SERVICE: The minimum contracted term of service is 12 months.

DEFINITIONS:

Summer On-Peak: June 1 through September 30, including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.

Summer Off-Peak: All other hours.

Winter On-Peak: October 1 through May 31, including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.

Winter Off-Peak: All other hours.

Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

TERMS AND CONDITIONS: The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all Customer-owned small qualifying facilities (SQF).

1. The Customer is required to follow the Company's interconnection process, which required that prior to installation, the Customer complete the Interconnection Agreement for Small Generator Facility Tier 1, Tier 2, Tier 3 or Tier 4 Interconnection. The Interconnection Agreement is according to the procedures set forth in ARSD chapter 20:10:36. The Customer is also required to follow the Company's Guidelines for Generation, Tie-Line, and Substation Interconnections.
2. The Customer will be compensated monthly for all Energy received from the SQF less the Customer charge. The schedule for these payments is subject to annual review.
3. If the SQF is located at a site outside of the Company's service territory and Energy is delivered to the Company through facilities owned by another utility, Energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.



(Continued)

- 4. If required, a separate meter will be furnished, owned and maintained by the Company to measure the Energy to the Company. Separate monthly charges may apply for any additional metering installed by the Company at the Customer's request. If the Customer requests from the Company an additional Production Meter(s), beyond Company required Production Meter(s), an additional Optional Production Meter charge will be applied.
- 5. The SQF shall make provisions for the installation of Company-owned, on-site metering. All Energy received from and delivered to the Company shall be metered. Onsite use of the SQF output shall be unmetered for purposes of compensation unless the SQF desires to sell all its generated output to, and purchase all of its Energy from, the Company.
- 6. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
- 7. Power and Energy purchased by the SQF from the Company shall be billed under the available retail rates for the purchase of electricity.
- 8. The Company reserves the right to disconnect the Customer's Generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other Company Customers. T
- 9. The Customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service.
- 10. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors. The SQF will keep in force, general liability insurance consistent with the rules set forth in ARSD chapter 20:10:36.
- 11. Except in cases of emergency, the Customer will be notified in advance, personally or by telephone, whenever a disconnection of their generating facility is necessary. They will also be advised of the reason for, and the estimated duration of, the outage.
- 12. Any renewable Energy credits associated with the renewable Energy sold to the Company will be transferred to the Company and the renewable Generator will be compensated an additional payment, as shown in the payment schedule. T



Fergus Falls, Minnesota

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South Dakota P.U.C. Volume II
Section 12.02
ELECTRIC RATE SCHEDULE
Small Power Producer Rider
Time of Delivery Energy Service

Sixth Revised Sheet No. 4, Cancelling Fifth Revised Sheet No. 4

Section 12.02 RESERVED FOR FUTURE USE

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION
Filed on: January 31, 2025
Approved by order dated: March 26, 2025
Docket No. EL25-002

Stuart D. Tommerdahl
Manager, Regulation &
Retail Energy Solutions

EFFECTIVE with bills
rendered on and after
April 1, 2025,
in South Dakota



Fergus Falls, Minnesota

**SMALL POWER PRODUCER RIDER
 DEPENDABLE SERVICE**

DESCRIPTION	RATE CODE
Base Avoided Costs	S904
Wind Renewable Energy Credit	S991
Solar Renewable Energy Credit	S993
Optional Production Meter Charge	S995

RULES AND REGULATIONS: Terms and conditions of this tariff and the General Rules and Regulations govern use of this schedule.

AVAILABILITY: Available to any small qualifying facility (SQF) not exceeding 100 kW of certified generating Capacity, which is capable of delivering power and Energy to the Company on a dependable basis.

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See Sections 12.00, 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders.

CUSTOMER CHARGE: \$1.33 per month

OPTIONAL PRODUCTION METER CHARGE: \$4.55 per month

PAYMENT SCHEDULE: Energy payment will be adjusted annually to reflect Energy costs.

ENERGY PAYMENT			
Base Avoided Costs		On-Peak	Off-Peak
	Summer	\$0.04987 per kWh	\$0.03460 per kWh
	Winter	\$0.04932 per kWh	\$0.03963 per kWh
Wind Renewable Energy Credit		\$0.00111 per kWh	\$0.00111 per kWh
Solar Renewable Energy Credit		\$0.00300 per kWh	\$0.00300 per kWh

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CONTRACT TERM	LEVELIZED CAPACITY PAYMENT
60 mos.	\$0.00 per kW
120 mos.	\$0.00 per kW
180 mos.	\$0.00 per kW
240 mos.	\$0.00 per kW
300 mos.	\$0.00 per kW
360 mos.	\$0.00 per kW
420 mos.	\$0.00 per kW

Total Capacity payment equals (accredited Capacity value of the QF, attaining Dependable Service level) times (appropriate Levelized Capacity Payment).

If the Qualifying Facility is dispatchable by Otter Tail and tested under the Mid-continent Independent System Operator (MISO) requirements, it is deemed to be Dependable Service.

SPECIAL CONDITIONS OF SERVICE:

1. A qualifying facility, desiring dependable service compensation shall execute a contract agreement for a term of 5, 10, 15, 20, 25, 30 or 35 years.
2. In the event that a qualifying facility terminates service, the Dependable Service severance penalty payment will be determined as follows:

The remaining percentage of the contract term will be multiplied by the average Capacity compensation per month and the result multiplied by six months. The average Capacity compensation per month will be determined for the last three years or from the contract's initiation, whichever is the shorter period.

In addition, Capacity compensation from the initiation of the contract will be recalculated at the Capacity payment of the longest contract term filled. The following table illustrates the longest contract term filled given the number of months that payments were made:



(Continued)

<u>Months of Payments</u>	<u>Contract Term Filled</u>
0 - 119	60
120 - 179	120
180 - 239	180
240 - 299	240
300 - 359	300
360 - 420	360

The difference between the actual payments made and the recalculated payments must be repaid with interest. The interest rate used will be the average prime interest rate during the contract period prior to the severance.

3. Qualifying facility may select a total of 30 scheduled maintenance days per year, to be taken in two periods, neither of which shall be less than one week in duration at a time agreeable to the Company. A 30-day prior notice must be given to the Company before a scheduled maintenance period can be established.

Capacity payment for a monthly period in which scheduled maintenance has occurred will be the greater of the Capacity payment using the regular billing procedure or the average billing Capacity payment since the previous month in which a scheduled maintenance period occurred.

DEFINITIONS:

Dependable Service: Qualifying facility can deliver power at a minimum of 65% on-peak Capacity Factor in each month; can deliver power during the Company's winter and summer system peaks; and is accredited according to the Midcontinent Independent System Operator (MISO) requirements.

Capacity Factor: The number of Kilowatt-hours delivered during the month divided by the product of the accredited Capacity times the number of hours in the month. The maximum Capacity Factor is 1.0.

Summer On-Peak: June 1 through September 30 including those hours from 8:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.



Fergus Falls, Minnesota

South Dakota P.U.C. Volume II
Section 12.03
ELECTRIC RATE SCHEDULE
Small Power Producer Rider
Dependable Service

Eighth Revised Sheet No.4 , Cancelling Seventh Revised Sheet No. 4

(Continued)

Winter On-Peak: October 1 through May 31 including those hours from 7:00 a.m. to 10:00 p.m., Monday through Friday, excluding holidays.

Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

TERMS AND CONDITIONS: The use of this rate requires that special precautions be taken in the design of associated metering and control systems. The following terms and conditions describe these precautions and shall be followed on all Customer-owned small qualifying facilities (SQF).

1. The Customer is required to follow the Company’s interconnection process, which requires that prior to installation, the Customer complete the Interconnection Agreement for Small Generator Facility Tier 1, Tier 2, Tier 3 or Tier 4 Interconnection. The Interconnection Agreement is according to the procedures set forth in ARSD chapter 20:10:36. The Customer is also required to follow the Company’s Guidelines for Generation, Tie-Line, and Substation Interconnections.
2. The Customer will be compensated monthly for all Energy received from the SQF less the Customer charge. The schedule for these payments is subject to annual review.
3. If the SQF is located at a site outside of the Company's service territory and Energy is delivered to the Company through facilities owned by another utility, Energy payments will be adjusted downward reflecting losses occurring between the point of metering and the point of delivery.
4. If required a separate meter will be furnished, owned and maintained by the Company to measure the Energy to the Company. Separate monthly charges may apply for any additional metering installed by the Company at the Customer’s request. If the Customer requests from the Company an additional Production Meter(s), beyond Company required Production Meter(s), an additional Optional Production Meter charge will be applied.
5. The SQF shall make provisions for the installation of Company-owned, on-site metering. All Energy received from and delivered to the Company shall be metered. On site use of the SQF output shall be unmetered for purposes of compensation unless the SQF desires to sell all its generated output to, and purchase all of its Energy from, the Company.



Fergus Falls, Minnesota

South Dakota P.U.C. Volume II
Section 12.03
ELECTRIC RATE SCHEDULE
Small Power Producer Rider
Dependable Service

Eleventh Revised Sheet No.5 , Cancelling Tenth Revised Sheet No. 5

(Continued)

- 6. In the event the SQF desires wheeling by the Company of the SQF output, arrangements will be made subject to special consideration.
- 7. Power and Energy purchased by the SQF from the Company shall be billed under the available retail rates for the purchase of electricity.
- 8. The Company reserves the right to disconnect the Customer's Generator from its system if it interferes with the operation of the Company's equipment or with the equipment of other company Customers. **T**
- 9. The Customer shall execute an electric service agreement with the Company which may include, among other provisions, a minimum term of service and Generator Capacity rating. **T**
- 10. The SQF shall indemnify and save harmless the Company from and against any and all claims for damages to property and injury or death to persons which may arise out of or be caused by the erection, maintenance, presence, operation or removal of the SQF or by any related act or omission of the SQF, its employees, agents, contractors or subcontractors. The SQF will keep in force liability general insurance consistent with the rules set forth in ARSD chapter 20:10:36.
- 11. Except in cases of emergency, the customer will be notified in advance, personally or by telephone, whenever a disconnection of their generating facility is necessary. They will also be advised of the reason for, and the estimated duration of, the outage.
- 12. Any renewable Energy credits associated with the renewable Energy sold to the Company will be transferred to the Company and the renewable Generator will be compensated an additional payment, as shown in the payment schedule. **T**



Fergus Falls, Minnesota

VOLUNTARY RIDERS - AVAILABILITY MATRIX

(Rate Schedules listed across the top in the first row are applicable to the Rate Schedules in the first column on the left.)

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The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply, Voluntary Rate Riders selected by the Customer, and charges listed in the General Rules and Regulations.

Availability Matrix	Voluntary Riders	Water Heating - Control Rider	Real Time Pricing Rider	Large General Service Rider	Controlled Service - Interruptible Load CT Metering Rider (Large Dual Fuel)	Controlled Service - Interruptible Load Self-Contained Metering Rider (Small Dual Fuel)	Controlled Service - Deferred Load Rider (Thermal Storage)	Fixed Time of Service Rider (Fixed TOS)	Air Conditioning Control Rider (CoolSavings)	Renewable Energy Rider (TailWinds)	Reserved for Future Use	Reserved for Future Use	Bulk Interruptible Service	Economic Development Rate Rider - Large General Service	My Renewable Energy Credits (My RECs) Rider	
Base Tariffs	Section Numbers	14.01	14.02	14.03	14.04	14.05	14.06	14.07	14.08	14.09	14.10	14.11	14.12	14.13	14.14	
RESIDENTIAL & FARM SERVICES																
Residential Service	9.01	✓			✓	✓	✓	✓	✓	✓						
Residential Demand Control Service (RDC)	9.02	✓							✓	✓						
Farm Service	9.03	✓			✓	✓	✓	✓	✓	✓					✓	
Reserved for Future Use	9.04															
GENERAL SERVICES																
Small General Service (Under 20 kW)	10.01	✓			✓	✓	✓	✓	✓	✓					✓	
General Service (20 kW or Greater)	10.02	✓	✓		✓	✓	✓	✓	✓	✓					✓	
General Service - Time of Use	10.03	✓	✓							✓					✓	
Large General Service	10.04	✓	✓	✓	✓	✓	✓	✓		✓			✓	✓	✓	
Large General Service - Time of Day	10.05	✓	✓	✓	✓	✓	✓	✓		✓			✓	✓	✓	
Super Large General Service	10.06	✓	✓	✓	✓	✓	✓	✓		✓			✓	✓	✓	
OTHER SERVICES																
Standby Service	11.01														✓	
Irrigation Service	11.02														✓	
Outdoor Lighting - Energy Only	11.03														✓	
Outdoor Lighting (CLOSED)	11.04															
Municipal Pumping Service	11.05	✓	✓		✓	✓	✓	✓		✓					✓	
Civil Defense - Fire Sirens	11.06															
LED Street and Area Lighting	11.07														✓	
Key:		✓ = May apply	■ = Mandatory	□ = Not Applicable												



Fergus Falls, Minnesota

Original Sheet No. 2

VOLUNTARY RIDERS - AVAILABILITY MATRIX

(Rate Schedules listed across the top in the first row are applicable to the Rate Schedules in the first column on the left.)

 Availability Matrix	Voluntary Riders	Water Heating - Control Rider	Real Time Pricing Rider	Large General Service Rider	Service - Interruptible Load CT Metering Rider (Large Dual Fuel)	Service - Interruptible Load Self-Contained Metering Rider (Small Dual)	Controlled Service - Deferred Load Rider (Thermal Storage)	Fixed Time of Service Rider (Fixed TOS)	Air Conditioning Control Rider (CoolSavings)	Renewable Energy Rider (TailWinds)	Reserved for Future Use	Reserved for Future Use	Bulk Interruptible Service	Economic Development Rate Rider - Large General Service	My Renewable Energy Credits (My RECs) Rider
Riders	Section Numbers	14.01	14.02	14.03	14.04	14.05	14.06	14.07	14.08	14.09	14.10	14.11	14.12	14.13	14.14
VOLUNTARY RIDERS															
Water Heating Control Rider	14.01									✓					✓
Real Time Pricing Rider	14.02									✓					✓
Large General Service Rider	14.03									✓					✓
Controlled Service - Interruptible Load CT Metering Rider (Large Dual Fuel)	14.04									✓					✓
Controlled Service - Interruptible Load Self-Contained Metering Rider (Small Dual Fuel)	14.05									✓					✓
Controlled Service - Deferred Load Rider (Thermal Storage)	14.06									✓					✓
Fixed Time of Service (Fixed TOS)	14.07									✓					✓
Air Conditioning Control Rider (CoolSavings)	14.08														
Renewable Energy Rider (TailWinds)	14.09														
Reserved for Future Use	14.10														
Reserved for Future Use	14.11														
Bulk Interruptible Service	14.12														
Economic Development Rate Rider – Large General Service	14.13														
My Renewable Energy Credits (RECs) Rider	14.14														
Key:		✓ = May apply	= = Mandatory	□ = Not Applicable											



MY RENEWABLE ENERGY CREDITS RIDER
(Commonly identified as My RECs)

DESCRIPTION	RATE CODE
50% My RECs Option	S723
75% My RECs Option	S725
100% My RECs Option	S727

REGULATIONS: Terms and conditions of this electric rate schedule and the General Rules and Regulations govern use of this rider.

AVAILABILITY: This rider is available on a voluntary basis and is applicable to both Single and Three-phase nonresidential Customers with a maximum Demand of at least 20 kW at the time of enrollment. This rider is open to eligible customers on a first-come first-served basis until participation reaches the applicable annual participation cap of 600,000 MWh (equivalent of 600,000 RECs). Refer to Section 14.00 for the Voluntary Riders – Availability Matrix. Tariff Section 11.03 and 11.07 may qualify if accumulative Demand can be determined to be at least 20 kW.

DETERMINATION OF MY RECS CHARGE: This charge would apply to all metered and unmetered services to the qualifying account, except services under Section 11.04, 11.06, 12.01, 12.02, and 12.03.

RATE:

CUSTOMER CHARGE	
Customer Charge per Month:	\$1.28

ENERGY CHARGE	
Energy Charge All Consumption per kWh:	
50% My RECs Option	\$0.00057/kWh
75% My RECs Option	\$0.00086/kWh
100% My RECs Option	\$0.00114/kWh

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MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply and by any Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See Sections 12.00, 13.00 and 14.00 of the South Dakota electric rates for the matrices of riders.

TERMS AND CONDITIONS:

1. Service under this schedule shall be for a period not less than 12 consecutive months, automatically renewed annually. After the first full year of service, Customers may cancel service under this schedule by providing oral or written notice to the Company of their intent to no longer take service, no less than 30 days prior to the Customer's normal monthly billing date.
2. The schedule is unavailable to Customers where the Customer: 1) has received one or more disconnect notices within the last twelve months or 2) has been disconnected within the last twelve months.
3. If the participating Customer misses two consecutive payments or is disconnected for non-payment, the Customer will be removed from this program.
4. Customers will have the option to participate at levels equal to 50 percent, 75 percent, or 100 percent of their usage at a per kWh charge. The per kWh charge is based on the currently approved Small Power Producer rate for RECs, plus administrative costs included for processing and retiring of the RECs.
5. This rider pricing and program participation capacity limit will be updated annually following the annual REC updates. The price and/or program participation capacity limit may increase or decrease.
6. Otter Tail will retire RECs on behalf of subscribers based on their annual kWh usage and level of participation.

DEFINITIONS:

Renewable Energy Credits (REC): Tradable, non-tangible Energy commodities in the United States that represent proof that 1 Megawatt-hour (MWh) of electricity was generated from an eligible renewable energy resource (renewable electricity).



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REC Retirement: The retirement of a REC means that the REC has been used by the owner; it can no longer be sold. By participating in the program, a customer can offset emissions associated with electricity purchased and imported from the grid. The emissions a customer can offset is calculated by the customer's annual kWh usage, multiplied by the selected participation percentage. RECs equal to the customer's kWh usage, multiplied by the selected participation percentage, will be retired by the Company on the customer's behalf annually. This may be or include a fractional portion of a REC. The Midwest Renewable Energy Tracking System, Inc. (MRETS) tracking system ensures that RECs are only "retired" once.