

**RANDOLPH ELECTRIC MEMBERSHIP CORPORATION
RIDER MOG
MEMBER-OWNED GENERATION RIDER**

EFFECTIVE DATE: For billings rendered on after April 1, 2016

AVAILABILITY

This Rider is available, on a voluntary basis and in conjunction with any of the Cooperative's Rate Schedules, to retail consumers located in the Cooperative's service territory that own and operate a generating unit(s) that can be called upon from time to time by the Cooperative's wholesale power supplier, as an additional generation resource. There is no minimum amount of generation or load drop required to participate in the Cooperative's Member-Owned Generation (MOG) Program, but the maximum number of consumers and/or load served under this Rider may be limited by the Cooperative's wholesale power supplier.

In addition to the provisions of the rate schedule the consumer normally receives service under, the following provisions shall apply:

1. Consumers served under this Rider may not use their generation for peak shaving purposes and must agree to have their generators automatically dispatched by the Cooperative. The Cooperative reserves the right to terminate the consumer's contract under this rider at any time upon written notice to the consumer. Reasons for termination include but are not limited to: a) the consumer violates any of the terms or conditions of this Rider; b) the consumer operates its generating facilities in a manner that is detrimental to the Cooperative or any of its consumers; or c) fails to deliver energy to the Cooperative for two (2) consecutive months.
2. All load served under this Rider will be required to have metering that is capable of measuring the consumer's load in fifteen-minute intervals. If the consumer's load is greater than 500 kW, an additional meter on the generator will be required to verify the generation produced by the generator during a MOG event. This meter must also be capable of capturing fifteen-minute interval data.
3. Prior to being accepted into the MOG program, a generator must pass Automation Qualification Test. Under this test, the Cooperative must demonstrate its ability to automatically start and stop the consumer's generation from a remote location and demonstrate that it can successfully transfer the fifteen-minute interval meter data from the Cooperative's metering system to their power supplier's Control Data and Settlement System (CDSS).
4. The MOG program is structured similar to a call option for power with limits on run times and total hours of operation each year. The operating parameters include the following:

PROGRESS ENERGY CONTROL AREA:

- Minimum of sixty (60) minutes notification prior to a MOG event;
- Minimum run time of one (1) hour per unit;
- Maximum run time of eight (8) hours per unit; and
- Maximum dispatch will not exceed sixty (60) total hours per calendar year.

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DUKE ENERGY CONTROL AREA:

- Minimum of sixty (60) minutes notification prior to a MOG event;
- Minimum run time of four (4) hour per unit;
- Maximum run time of six (6) hours per unit; and
- Maximum dispatch will not exceed one hundred twenty-five (125) total hours per calendar year.

Consumer's subscribing to the Cooperative's MOG program must agree not to have their generator(s) down for scheduled maintenance during the months of June, July, or August.

MONTHLY RATE

The consumer shall be billed under their applicable Rate Schedule of the Cooperative as appropriate based upon the size of their load, plus any charges and credits outlined in this Rider:

Demand Credit: \$ 4.25 per kW

Energy Credit: Calculated based on actual run time, fuel price index, and standard heat rate.

DEMAND CREDIT

The Demand Charge Credit will be paid monthly even if the consumer's generator is not called upon to perform in the month the credit is being paid. The monthly demand credit is applied to be the lesser of:

1. The Guaranteed Load Drop (GLD), which is the amount of load the generation owner commits to remove from the Cooperative's distribution system when a MOG event is called; or
2. The full Nameplate Capacity of the generator.

If the actual load drop is less than 95% of the GLD during a COG event, the credit going forward will be based on the actual amount of load dropped, unless the consumer can demonstrate through a MOG test that the MOG can deliver the GLD amount. In this case, the Cooperative and consumer may arrange for a test MOG event to verify the amount of load the consumer can take offline under normal circumstances. This test will be done at the consumer's expense. If the test results in a deviation of more than 5% from the subscribed capacity amount, the capacity credits for the remainder of the year will be adjusted to reflect the new subscribed amount.

ENERGY CREDIT

In the month that the consumer's generation is used as a resource, the consumer will receive an energy credit based upon the amount of load that was dropped due to the consumer's generator. For loads less than 500 kW, the energy amounts will be estimated based upon typical load curves derived from 15-minute interval data collected from load meters for the consumer on days the generator was not in use. For loads greater than 500 kW, metering is required and the consumer shall be reimbursed based upon actual kWh energy that the generator produced.

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The Progress Energy Control Area energy credit will be based upon a standard heat rate of 12,000 Btu/kWh and a fuel price index. The Duke Energy Control Area energy credit will be based upon a standard heat rate of 10,000 Btu/kWh times a conversion factor of 7.22 and a fuel price index. The fuel price index used will be the Lower Atlantic (PADD 1C) Diesel (On-Highway) Ultra Low Sulfur as found on the EIA Petroleum and Other Liquids website (www.eia.gov) for the week the generator was dispatched.

SUBSCRIPTION PROCESS

For 2013:

There is an “Open Season” process to enroll Existing MOG. The deadline for enrolling Existing MOG is December 12, 2012. Any MOG enrolled after that date will be considered Additional MOG and be subject to an allocation process which limits the amount of MOG the Cooperative may subscribe to the program.

In addition to the enrollment process, there is an Automation Qualification deadline for the remote starting and stopping of the generator(s) and the electronic data transfer between the Cooperative’s metering system and their wholesale power supplier’s CDSS. The deadline for the Automation Qualification is May 1, 2013.

For generators enrolled by December 12, 2012, REMC will begin receiving capacity credits beginning on the January 2013 bill, which will be rendered in February. If the generator(s) has not yet passed the Automation Qualification the consumer must work with the Cooperative in developing a written Manual Dispatch Plan to be used until the Automation Qualification is completed.

For 2014 and beyond:

Consumers wishing to enroll or remain in the program must notify the Cooperative by October 15 of each year for the upcoming calendar year. Each new generator being subscribed to the program must demonstrate Automation Qualification by December 1, in order to participate in the program in the upcoming year.

SUBSCRIPTION ADJUSTMENTS

If a consumer currently in the Cooperative’s MOG Program wishes to adjust the amount they have subscribed to the program there will be only one opportunity per year to increase the capacity subscribed and multiple opportunities to decrease their subscribed amount. Consumers wishing to increase their subscription amount must notify the Cooperative prior to October 15 for the upcoming calendar year. Increases will take effect in January of the following year. Depending upon the Cooperative’s allocation from their wholesale power supplier, the Cooperative may or may not be able to grant the request for increases in the amount of generation the consumer wishes to add to the program. Requests will be handled on a first come first-serve basis. If the Cooperative is unable to meet the request, the consumer will be notified by November 15.

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If the consumer wishes to decrease their subscription amount, the consumer may notify the Cooperative prior to October 15 of any year that they wish to withdraw or subscribe a lesser amount of MOG for the upcoming calendar year. If during the commitment year, the consumer realizes they cannot meet their full obligation; their Guaranteed Load Drop can be adjusted by providing 30 days written notice to the Cooperative.

FAILURE TO PERFORM

Consumers participating in the Cooperative's MOG program who fail to deliver energy for two consecutive control months* in the same calendar year due to equipment failure will be removed from the program. Members who have been removed may re-enter the MOG program the following year upon demonstrating adequate performance reliability and re-establishing their GLD, provided the Cooperative has adequate capacity allocation from their wholesale supplier. Members wishing to re-enter must notify the Cooperative prior to October 15 for the upcoming calendar year. Members being reinstated will begin receiving credits in January of the following year.

* Control month: a month in which the member's generator is used as a resource.

SALES TAX

All rates are subject to North Carolina Sales Tax.