

SCHEDULE "NEM PILOT"

NET ENERGY METERING PILOT PROGRAM

A. ELIGIBLE CUSTOMER-GENERATOR

This pilot program ("NEM Pilot Program") is available to "Eligible Customer-Generators" (as defined below) that meet and comply with the provisions of this Schedule "NEM Pilot." Acceptance into and participation in this NEM Pilot Program shall at all times be in accordance with, and subject to, the provisions of this Schedule "NEM Pilot".

"Eligible Customer-Generators" for purpose of this NEM Pilot Program are permanent customers¹ of the Company who own (or lease from a third party) and operate (or contract to operate with a third party) a solar, wind turbine, biomass, or hydroelectric energy generating facility, or a hybrid system consisting of two (2) or more of these facilities, with a total capacity of not more than two hundred (200) kilowatts ("KW"),² that is:

1. located on the customer-generator's premises;
2. operated in parallel with the Company's transmission and distribution facilities;
3. in conformance with the Company's interconnection requirements; and
4. intended primarily to offset part or all of the customer-generator's own electrical requirements.

B. ENROLLMENT PERIOD, MAXIMUM ALLOWABLE AMOUNTS, AND QUEUING PROCESS

1. Eligible Customer-Generators With Facilities Having a Total Capacity of 50 KW to 200 KW – Enrollment and participation in the NEM Pilot Program is available to Eligible Customer-Generators with facilities having a total capacity of 50 KW to 200 KW, on a "first come, first served basis" (in accordance with the queuing procedures set forth below) only until the first to occur of: (a) the date that is three (3) years following the effective date of this Schedule "NEM Pilot", or (b) when two (2) megawatts ("MW") of AC generation capacity from such 50 KW to 200 KW facilities in the aggregate is reached. In no event shall the total amount of AC generation capacity from such 50 KW to 200 KW facilities participating in this NEM Pilot Program exceed two (2) MW in the aggregate.

¹ Customers receiving "Temporary Service" from the Company (as defined in Rule No. 1 of the Company's Tariff No. 1) are not eligible to participate in this NEM Pilot Program.

² For purposes of this Schedule "NEM Pilot", "total capacity" shall mean the total potential alternating current ("AC") KW output of the customer-generator's system generation, which would be limited by the smallest component in the customer-generator's system.

2. Eligible Customer-Generators With Facilities Having a Total Capacity of Less Than 50 KW but More Than 10 kW – Enrollment and participation in the NEM Pilot Program is available to Eligible Customer-Generators with facilities having a total capacity of more than 10 KW but less than 50 KW, on a “first come, first served basis” (in accordance with the queuing procedures set forth below) only until the first to occur of: (a) the date that is three (3) years following the effective date of this Schedule “NEM Pilot”, or (b) when one-half (0.5) MW of AC generation capacity from such facilities of more than 10 KW but less than 50 KW are, in the aggregate, reached. In no event shall the total amount of AC generation capacity from such facilities of more than 10 KW but less than 50 KW participating in this NEM Pilot Program exceed one-half (0.5) MW in the aggregate.

3. Eligible Customer-Generators With Facilities Having a Total Capacity of 10 KW or Less – Enrollment and participation in the NEM Pilot Program is available to Eligible Customer-Generators with facilities having a total capacity of 10 KW or less, on a “first come, first served basis” (in accordance with the queuing procedures set forth below) only until the first to occur of: (a) the date that is three (3) years following the effective date of this Schedule “NEM Pilot”, or (b) when one-half (0.5) MW of AC generation capacity from such facilities of 10 KW or less are, in the aggregate, reached.

4. Queuing Process and Requirements.

(a) Existing Schedule “Q” and Existing/Wait Listed Net Energy Metering Customers as of the Effective Date of This Schedule “NEM Pilot”.

(1) Upon the initial launch of this NEM Pilot Program, all Eligible Customer-Generators that have an existing qualified facility as of the effective date of this Schedule “NEM Pilot” and that are operating as either a Schedule “Q” customer or an existing Net Energy Metering customer under Rule No. 17 of the Company’s Tariff No. 1, shall have the opportunity and be given the first priority to participate in this NEM Pilot Program in lieu of their existing applicable arrangement with the Company. The second priority shall be given to those Eligible Customer-Generators that are, as of the effective date of this Schedule “NEM Pilot”, on the Company’s waiting list to become a Net Energy Metering customer under Rule No. 17 of the Company’s Tariff No. 1.

(2) In order to exercise this first or second priority to participate in this NEM Pilot Program, such Eligible Customer-Generators must, by no later than thirty (30) days following the effective date of this Schedule “NEM Pilot”, (a) fully complete and submit the Net Energy Metering Pilot Program Application and Agreement (the “NEM Pilot Agreement,” attached as Exhibit A to this Schedule “NEM Pilot”) to the Company, and (b) fully complete and comply with (to the extent determined by the Company to be applicable and/or not completed as part of the Eligible Customer-Generator’s existing arrangement with the Company) the applicable interconnection application process and requirements set forth in Section C of this Schedule “NEM Pilot.” The Company will then develop a “first come, first served” priority list in accordance with the above, in which (x) the “first come, first served” status for those that qualify for the first priority will be prioritized based on the chronological order in which each Eligible Customer-Generator completed items 2(a) and 2(b) of this paragraph, and (y) the “first come, first served” status for those that qualify for the second priority will be prioritized in accordance with the current priority of the NEM waiting list. For the above Eligible Customer-Generators

that do not comply with the above 30-day period, they will still have the opportunity to participate in this NEM Pilot Program under Section B.4(b) below.

(b) Additional Participants. The “first come, first served” status for additional Eligible Customer-Generators (which includes any existing Schedule “Q” customers, existing Net Energy Metering customers, and wait-listed Net Energy Metering customers who did not submit a request within the 30-day period set forth in Section B.4(a) above) will be prioritized following the first and second priority, and will be determined in the order in which an Eligible Customer-Generator does both of the following: (i) submits to the Company a completed NEM Pilot Agreement (attached as Exhibit A to this Schedule “NEM Pilot”), and (ii) completes the applicable interconnection application process and requirements set forth in Section C of this Schedule “NEM Pilot.” Upon meeting the above criteria of this subsection B.4(b), each Eligible Customer-Generator will maintain such customer’s status and priority in the NEM Pilot Program queue for six (6) months; provided that an extension for an additional six (6) month period may be provided by the Company to such customer where such customer can demonstrate, to the Company’s satisfaction, that significant progress on the customer’s facility has occurred during the initial six (6) month period, and that the facility will be completed and fully operational and the Eligible Customer-Generator will have fully complied with this Schedule “NEM Pilot” and the terms of the NEM Pilot Agreement in order to begin participating in the NEM Pilot Program within the additional six (6) month extension period.

C. AGREEMENT AND INTERCONNECTION REQUIREMENTS

1. 10 KW or Less Facility and Inverter-Based. An Eligible Customer-Generator who desires to participate in this NEM Pilot Program utilizing an inverter-based generating facility with a capacity of 10 KW or less shall (a) complete and execute the NEM Pilot Agreement (attached as Exhibit A to this Schedule “NEM Pilot”), and (b) complete the applicable interconnection application process and requirements set forth in the Company’s Tariff No. 2, which include the completion and execution of the 10 KW Inverter Application (attached as Attachment 5 of the Company’s Tariff No. 2). In order to participate and continue participating in this NEM Pilot Program, the Eligible Customer-Generator must at all times be in compliance with, and the Eligible Customer-Generator’s facilities and interconnection systems must at all times be and remain in compliance with, all applicable safety and performance standards of the National Electric Code (“NEC”), the Institute of Electrical and Electronic Engineers (“IEEE”), and any accredited testing laboratories such as the Underwriters Laboratories (“UL”), and with all applicable requirements of the Company’s tariffs (including, without limitation, this Schedule “NEM Pilot”, the completed NEM Pilot Agreement, and the applicable 10 KW Inverter Application), and any applicable rules of the Commission regarding safety and reliability.

2. Greater Than 10 KW Facility or Non-Inverter-Based – An Eligible Customer-Generator who desires to participate in this NEM Pilot Program utilizing a generating facility that is not inverter-based or that has a capacity greater than 10 KW, shall (a) complete and execute the NEM Pilot Agreement (attached as Exhibit A to this Schedule “NEM Pilot”), (b) complete the applicable interconnection application process and requirements set forth in the Company’s Tariff No. 2, which include the completion and execution of the Small Generator Interconnection Request (attached as Attachment 2 of the Company’s Tariff No. 2) and the Interconnection Agreement (attached as Attachment 9 of the Company’s Tariff No. 2), and (c) if the generating

facility is greater than 30 KW, complete and execute the Company's Rider "S" agreement (and be subject to Rider "S" of the Company's Tariff No. 1). For systems greater than 10 KW, an Eligible Customer-Generator may be required to install additional controls, perform or pay for additional tests, or purchase additional liability insurance in accordance with Tariff No. 2. In order to participate and continue participating in this NEM Pilot Program, the Eligible Customer-Generator must at all times be in compliance with, and the Eligible Customer-Generator's facilities and interconnection systems must at all times be and remain in compliance with, all applicable safety and performance standards of the NEC, the IEEE, and any accredited testing laboratories such as the UL, and with all applicable requirements of the Company's tariffs (including without limitation this Schedule "NEM Pilot", the completed NEM Pilot Agreement, and the applicable Small Generator Interconnection Request and Interconnection Agreement), and any applicable rules of the Commission regarding safety and reliability.

D. METERING AND ACCEPTANCE

Upon acceptance by the Company of the Eligible Customer-Generator for participation in this NEM Pilot Program ("Participant") (which shall occur following, to the Company's satisfaction, (1) the Company's review of the documentation submitted by the Eligible Customer-Generator in accordance with the above provisions of this Schedule "NEM Pilot," (2) the completion of the Eligible Customer-Generator's facility, (3) the Company's inspection of the facility's interconnection to the Company's system, and (4) the Company's review of the final plot and electrical drawings and proof of permits and final County permit inspections provided by the Eligible Customer-Generator), the Company shall install a meter(s) for the purpose of recording the flow of electric power in each direction between the Eligible Customer-Generator's facility and the Company's system.

The Company, at its expense, may install meter(s) to record the flow of electric power in each direction. The Participant shall, at its expense, provide, install, and maintain all conductors, service switches, fuses, meter sockets, meter and instrument transformer housing and mountings, switchboard meter test buses, meter panels, and similar devices required for service connection and meter installations on the Participant's premises in accordance with the Company's Rule No. 14, Section A.2, of Tariff No. 1.

E. BILL CREDITS AND RENDERING OF CREDITS/PAYMENTS

For the electricity exported (i.e., provided) by the Participant to the Company under this Schedule "NEM Pilot," the Participant will receive a billing credit, at the rate of twenty cents per kilowatthour ("kWh") (\$0.20/kWh) for the 20-year term of participation as set forth in Section F below.

This Schedule "NEM Pilot" does not cover the electricity provided by the Company to the Participant. The electricity provided by the Company to the Participant will remain subject to the applicable rate schedule(s) set forth elsewhere in the Company's Tariff No. 1. The Participant will continue to be subject to the monthly Customer Charge, Minimum Charge, and/or Demand Charge, if any, as set forth in the applicable rate schedule, notwithstanding the fact that the Participant, in a particular month, may have generated and transmitted more electricity to the Company's system than consumed from the Company's system.

Any billing credits not used to offset amounts owed to the Company will be carried over to the following month's bill(s) and will continue to be available to offset monies owed to the Company; provided, however, that for any unused or carried-over credits that remain unused at the end of a calendar year, the Participant will have until January 31 of the following year to submit to the Company a written notice that Participant desires to either (1) continue to carry over the unused credits to the following calendar year, or (2) request for payment for any of these unused credits at the applicable rate of \$0.20/kWh. If no such notice is provided within the specified time period, then the Company shall have the discretion of either (1) carrying over such credits to the next calendar year, or (2) paying the Participant for the amount of such credits at the applicable rate of \$0.20/kWh.

F. TERM OF PARTICIPATION

Once accepted to participate in the NEM Pilot Program, the Participant will have a right to continue participating in the NEM Pilot Program (subject to the provisions of the completed NEM Pilot Agreement) for a period of twenty (20) years from the date of system interconnection. Following such twenty (20) year term, a Participant may, at its option, participate in any then-applicable tariff that governs the Company's payment for delivery of customer-generated renewable energy. If no such applicable tariff is in effect at that time, then at the Participant's request, the Company will, in good faith, negotiate a power purchase agreement ("PPA") with the Participant, and upon execution of the PPA, shall submit the PPA to the Commission for approval. If Participant does not exercise its option provided above or negotiate a PPA with the Company, then the Participant shall no longer receive any bill credit for the electricity exported (i.e., provided) by the Participant to the Company.

G. REPORTING REQUIREMENTS

As a condition to participating in this NEM Pilot Program, the Participant shall be required to provide the Company with periodic reports and information, whenever requested by the Company, to the extent that the Company may find such reports or information beneficial to assist the Company in analyzing and/or reporting on the impacts and/or success of the NEM Pilot Program. This shall include, without limitation, information on inverter activities and power output.

EXHIBIT A OF SCHEDULE "NEM PILOT"

NET ENERGY METERING PILOT PROGRAM APPLICATION AND AGREEMENT

SECTION 1. GENERAL

This Net Energy Metering Pilot Program Application and Agreement (Agreement) is made on _____, 20____, and is being entered into by and between _____ (Eligible Customer-Generator) and Kauai Island Utility Cooperative (KIUC). This Agreement, upon execution by both the Eligible Customer-Generator and KIUC, sets forth the terms and conditions under which the Eligible Customer-Generator shall own (or lease from a third party) and operate (or contract to operate with a third party) a generation facility that will provide electricity to KIUC's electric system. This Agreement is applicable only to the Eligible Customer-Generator set forth herein and only to the generating facility of the size, description and at the location listed below.

SECTION 2. CUSTOMER INFORMATION

Eligible Customer-Generator

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Facility Location (if different from above): _____

Daytime phone: _____ Evening phone: _____

KIUC service account No.: _____

Owner or Operator of Generating Facility (if different from Eligible Customer-Generator above)

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Daytime phone: _____ Evening phone: _____

EXHIBIT A OF SCHEDULE "NEM PILOT" (CONTINUED)

SECTION 3. FACILITY INFORMATION

(Check as applicable)

Solar: Rated generator capacity in kW: _____
Generator/Inverter Make & Model: _____

Wind: Rated generator capacity in kW: _____
Generator/Inverter Make & Model: _____

Biomass: Rated generator capacity in kW: _____
Generator/Inverter Make & Model: _____

Hydro: Rated generator capacity in kW: _____
Generator/Inverter Make & Model: _____

Hybrid: Rated generator capacity in kW: _____
Generator/Inverter Make & Model: _____

Total rated capacity in kW: _____ (The total capacity of the generating facility shall be the least rated capacity (i.e., limiting) of the system component and shall not exceed 200 kW).

Kauai County Building Permit No. _____

(Attach Certificate of Completion or Notice of Electrical Inspection)

Single line diagram attached (check one): Yes No

EXHIBIT A OF SCHEDULE "NEM PILOT" (CONTINUED)

SECTION 4. CERTIFICATION BY ELECTRICIAN AND CUSTOMER-GENERATOR

Generating and interconnection systems must comply with all applicable safety and performance standards of the National Electrical Code (NEC), Institute of Electrical and Electronic Engineers (IEEE), and accredited testing laboratories such as the Underwriters Laboratories (UL), and where applicable, the rules and orders of the Hawaii Public Utilities Commission, other applicable governmental laws and regulations, and KIUC's applicable tariffs, including without limitation KIUC's Schedule "NEM Pilot" governing this NEM Pilot Program. Without limiting the above, for inverter-based systems of ten kilowatts (10 kW) or less, KIUC's 10 kW Inverter Application attached as Attachment 5 of KIUC's Tariff No. 2 must be fully completed and executed by the Eligible Customer-Generator prior to or concurrently with this Agreement. Also without limiting the above, for systems greater than ten kilowatts (10 kW) or for non-inverter-based systems, KIUC's Small Generator Interconnection Request (attached as Attachment 2 of KIUC's Tariff No. 2), KIUC's Interconnection Agreement (attached as Attachment 9 of KIUC's Tariff No. 2), and KIUC's Rider "S" agreement (if the system is greater than 30 kW) must be fully completed and executed by the Eligible Customer-Generator prior to or concurrently with this Agreement.

The following certifies that the installed generating system meets all of the preceding requirements.

Signed (Licensed Electrical Contractor): _____

Date: _____ Hawaii License #C: _____

Name (printed): _____

Mailing address: _____

City: _____ State: _____ Zip Code: _____

Daytime Phone: _____ Installation date: _____

EXHIBIT A OF SCHEDULE "NEM PILOT" (CONTINUED)

SECTION 5. INSTALLATION

The design, installation, operation, and maintenance of the Eligible Customer-Generator's facility shall be performed by or on behalf of the Eligible Customer-Generator and shall include power conditioning equipment and a manual load-break disconnect device lockable in the open position and accessible by KIUC, as a means of electrically isolating the Eligible Customer-Generator's facility from KIUC's electric system, and to establish working clearance for maintenance and repair work in accordance with KIUC's safety rules and practices. This load-break disconnect device shall be furnished and installed by or on behalf of the Eligible Customer-Generator and is to be connected between the Eligible Customer-Generator's generating facility and KIUC's electric system. The disconnect device shall be located within ten (10) feet of the electric meter(s) serving the Eligible Customer-Generator. The disconnect device shall be clearly labeled "NEM". Upon reasonable notice to the Eligible Customer-Generator, KIUC shall have the right to inspect the installed system.

Load-break disconnect will not be required if the Eligible Customer-Generator allows KIUC to "pull" the electric meter to carry out system maintenance. Initials required: _____

For systems greater than 10 kW, an Eligible Customer-Generator may be required to install additional controls, perform or pay for additional tests, or purchase additional liability insurance in accordance with KIUC's Tariff No. 2.

SECTION 6. BILL CREDITS FOR EXPORTED ELECTRICITY

The Eligible Customer-Generator shall receive a billing credit, at the rate of twenty cents per kWh (\$0.20/kWh), for any electricity exported to KIUC under this Agreement. At the end of each monthly billing period, the Eligible Customer-Generator will be billed for the net amount owed to KIUC, which is the dollar value of electricity consumed by the Eligible Customer-Generator minus the dollar value of electricity exported to KIUC by the Eligible Customer-Generator during the month and any credits that may have been carried forward from a prior month's billing.

The dollar value of the electricity consumed (i.e., the electricity provided by KIUC from its electric system) will be determined at the applicable rate schedule(s) set forth in KIUC's Tariff No. 1. The Eligible Customer-Generator will continue to be subject to the monthly Customer Charge, Minimum Charge, and/or Demand Charge, if any, as set forth in the applicable rate schedule, notwithstanding the fact that the Eligible Customer-Generator, in a particular month, may have generated and transmitted more electricity to KIUC's electric system than consumed from KIUC's electric system.

EXHIBIT A OF SCHEDULE "NEM PILOT" (CONTINUED)

Any billing credits not used to offset amounts owed to KIUC will be carried over to the following month's bill(s) and will continue to be available to offset monies owed to KIUC; provided, however, that for any unused or carried-over credits that remain unused at the end of a calendar year, the Eligible Customer-Generator will have until January 31 of the following year to submit to KIUC a written notice that the Eligible Customer-Generator desires to either (1) continue to carry over the unused credits to the following calendar year, or (2) request for payment for any of these unused credits at the applicable rate of \$0.20/kWh. If no such notice is given within the specified time period, then KIUC shall have the discretion of either (1) carrying over such credits to the next calendar year, or (2) paying the Eligible Customer-Generator for the amount of such credits at the applicable rate of \$0.20/kWh.

SECTION 7. NOTICE

An Eligible Customer-Generator shall provide KIUC with 30-day advance written notice of any proposed changes to its facility (including ownership changes and changes to the design or output of the facility). If the facility changes ownership, KIUC may require re-certification by the new owner in order for the new owner to continue to participate in this NEM Pilot Program. Any changes to the design or output of the facility shall require KIUC's prior written approval in order for the Eligible Customer-Generator to continue to participate in this NEM Pilot Program.

SECTION 8. INDEMNIFICATION

Each party as indemnitor shall hold harmless and indemnify the other party and the directors, officers, authorized agents, and employees of such other party against and from any and all loss and liability for injuries to persons including employees and authorized agents of either party, and damages, including property of either party, resulting from or arising out of the engineering, design, construction, maintenance, or operation of, or the making of replacements, additions, or betterments to the indemnitor's facilities which are required for the interconnection and parallel operation of the Eligible Customer-Generator's facility with KIUC's electric system and the generation of energy by the Eligible Customer-Generator. Neither party shall be indemnified for liability or loss resulting from its sole negligence or willful misconduct. Nothing in this Agreement shall create any duty to, any standard of care with reference to, or any liability to any person not a party to it.

EXHIBIT A OF SCHEDULE "NEM PILOT" (CONTINUED)

SECTION 9. PERSONNEL AND SYSTEM SAFETY

If at any time KIUC determines that the continued operation of the Eligible Customer-Generator's facility may endanger any person or property, KIUC's electric system, or have an adverse effect on the safety or power quality of other customers, KIUC shall have the right to disconnect the Eligible Customer-Generator's facility from KIUC's electric system. The Eligible Customer-Generator's facility shall remain disconnected until such time as KIUC is satisfied that the endangering or power quality condition(s) has been corrected, and KIUC shall not be obligated to accept any energy from the Eligible Customer-Generator during such period. KIUC shall not be liable directly or indirectly for permitting or continuing to allow an attachment of the facility or for the acts or omissions of the Eligible Customer-Generator that cause loss or injury, including death, to any third party.

SECTION 10. ADDITIONAL INFORMATION

As a condition to participating, and continuing to participate, in this NEM Pilot Program, the Eligible Customer-Generator shall provide KIUC with periodic reports and information, whenever requested by KIUC, to the extent that KIUC may find such reports or information beneficial to assist KIUC in analyzing and/or reporting on the impacts and/or success of this NEM Pilot Program. This shall include, without limitation, information on inverter activities and power output.

SECTION 11. TERM

This Agreement shall become effective upon execution by the Eligible Customer-Generator and KIUC, and shall continue in effect for a period of twenty (20) years from the date of interconnection (i.e., the date that the Eligible Customer-Generator's facility is interconnected to KIUC's electric system).

Following such twenty (20) year term, the Eligible Customer-Generator may, at its option, participate in any then-applicable tariff that governs KIUC's payment for delivery of customer-generated renewable energy. If no such applicable tariff is in effect at that time, then at the Eligible Customer-Generator's request, KIUC will, in good faith, negotiate a power purchase agreement ("PPA") with the Eligible Customer-Generator, and upon execution of the PPA, shall submit the PPA to the Commission for approval. If the Eligible Customer-Generator does not exercise its option provided above or negotiate a PPA with KIUC, then this Agreement shall automatically terminate and the Eligible Customer-Generator shall no longer receive any bill credit for any electricity exported (i.e., provided) to KIUC by the Eligible Customer-Generator from its facility.

EXHIBIT A OF SCHEDULE "NEM PILOT" (CONTINUED)

Notwithstanding the above or anything herein to the contrary, the Eligible Customer-Generator understands and agrees that its participation and continued participation in the NEM Pilot Program and this Agreement is conditioned upon and subject to, and KIUC may terminate this Agreement at any time if the Eligible Customer-Generator and/or its facility fails to comply with, this Agreement, KIUC's Schedule "NEM Pilot," and/or any other tariff requirements applicable to the Eligible Customer-Generator and/or its facility, and/or if the Eligible Customer-Generator fails to meet or continue to meet the definition of an "Eligible Customer-Generator" under KIUC's Schedule "NEM Pilot".

SECTION 12. RENEWABLE ENERGY CREDITS

Notwithstanding anything herein or in Schedule "NEM Pilot" to the contrary, any and all renewable energy credits, carbon credits, and/or any other "green" attributes generated from the Eligible Customer-Generator's generation facility will belong to and be utilized by KIUC for the benefit of KIUC's members, and, unless otherwise prohibited by law, shall be counted towards KIUC's Renewable Portfolio Standards ("RPS") and any other renewable or clean energy standard that may be in place from time to time.

If changes in the law or otherwise shall occur that provides an Eligible Customer-Generator with the ability to own and sell said credits or attributes, then the Eligible Customer-Generator shall have the ability to sell said credits or attributes, subject, however, to the following conditions: (1) the Eligible Customer-Generator must first obtain KIUC's prior written approval to sell said credits or attributes, which approval may be withheld by KIUC in its sole discretion, and (2) the Eligible Customer-Generator and KIUC shall negotiate a new alternative rate structure for the remainder of the term of this Agreement, which rate shall be subject to the Commission's prior approval before implemented. In determining this new alternative rate structure, the Eligible Customer-Generator and KIUC shall consider the value of said credits or attributes being sold based on any renewable energy credits market or other industry standard or practice that may be available at that time to determine said value, and any impacts this may have on KIUC's ability to achieve its RPS and/or any other renewable or clean energy standard that may be in place at that time. In the event the Eligible Customer-Generator violates this provision, this Agreement shall automatically be void, and KIUC shall no longer accept electricity from that Eligible Customer-Generator, or, at KIUC's election, shall continue to receive said electricity but shall no longer be obligated to pay for the electricity received.

EXHIBIT A OF SCHEDULE "NEM PILOT" (CONTINUED)

SECTION 13. REPORTING REQUIREMENTS

As a condition to participating, and continuing to participate, in this NEM Pilot Program, the Eligible Customer-Generator shall be required to provide KIUC with periodic reports, whenever requested by KIUC, of any information that KIUC may find beneficial to assist KIUC in analyzing the impacts and/or success of the NEM Pilot Program. This shall include, without limitation, information on inverter activities and power output.

SECTION 14. ELIGIBLE CUSTOMER-GENERATOR SIGNATURE

I, Eligible Customer-Generator, agree to be bound by the terms and conditions of this Agreement, and I understand that all aspects of billing for electric service will conform to existing KIUC rules and tariff provisions, the Commission's orders and rules, and the provisions of all applicable Hawaii laws, as may be amended from time to time. I also certify that, to the best of my knowledge, all the information provided in this Agreement is true and correct.

Eligible Customer-Generator: _____ Date: _____

SECTION 15. KAUAI ISLAND UTILITY COOPERATIVE SIGNATURE

On behalf of KIUC, I hereby agree to, and acknowledge receipt and completeness of, this Agreement.

KIUC Representative Signature: _____

Name: _____

Title: _____

Date: _____