

Value of REC Adjustors by Date of Filing for State CPG (per kWh)

| | 1/1/2017 - 6/30/2018 | 7/1/2018 – 6/30/2019 | 7/1/2019- 02/01/2021 | 02/02/2021- 08/31/2022 | 09/01/2022- 06/30/2024 |
|-------------------------------------|-------------------------|-------------------------|-------------------------|---------------------------|---------------------------|
| Customer Transfers REC to SED | + \$0.03 | + \$0.02 | + \$0.01 | \$0.00 | + \$0.00 |
| Customer Retains REC | - \$0.03 | - \$0.03 | - \$0.03 | -\$0.04 | - \$0.04 |

The Siting Adjustor is determined by evaluating whether the system qualifies as a Category I, Category II, Category III, Category IV, or hydroelectric facility as defined by PUC Rule 5.100.

A zero or positive Siting Adjustor applies for a period of 10 years from the date the system was commissioned. A negative Siting Adjustor applies in perpetuity. The applicable Siting Adjustors dependent upon the date that the appropriate forms were submitted to the PUC for a CPG.

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|--------------|-------------------------|------------------------|---------------------------|---------------------------|----------------------------|
| Category I | + \$ 0.01 | + \$ 0.01 | + \$ 0.00 | - \$ 0.01 | - \$ 0.02 |
| Category II | + \$ 0.01 | + \$ 0.01 | + \$ 0.00 | - \$ 0.01 | - \$ 0.02 |
| Category III | - \$ 0.01 | - \$ 0.02 | - \$ 0.03 | - \$ 0.04 | - \$ 0.05 |
| Category IV | - \$ 0.03 | - \$ 0.03 | - \$ 0.04 | - \$ 0.05 | - \$ 0.06 |
| Hydro | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |

As provided by Rule 5.100, generation from a net-metering system in excess of the electricity consumed by the customer will be monetized at the Blended Residential Rate. The applicable Blended Residential Rate under this tariff is \$0.16875/kWh. This rate is a blend of SED’s general residential service inclining block rates that is determined by adding together all of the revenues during the most recent calendar year, 2022, and dividing the sum by the total kWh sold by SED at those rates during the same year.

The credit for each kWh of generation from a net metering system in excess of that which the customer consumes in a given billing period is calculated by adding the blended residential rate and the applicable REC and Siting Adjustors outlined above.

Non-Bypassable Charges

As defined by PUC Rule 5.100, non-bypassable charges are those charges on the electric bill defined in SED's tariffs that apply to a customer regardless of whether they net-meter or not. Non-bypassable charges may not be offset using current or previous net-metering credits. A customer is liable for payment of these charges regardless of whether the customer has a credit balance resulting from net-metering. The customer charge, energy efficiency charge, any applicable energy assistance program charge, any on-bill financing payment, and any equipment rental charge are non-bypassable charges.