

	Revision No.	1.0
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Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions		Distribution Restriction: Public Document

Table of Contents

I.	PURPOSE AND SCOPE	2
II.	CAPACITY VALUATION	3
III.	PROSPECTIVE RESOURCE RANKING	3
IV.	FACTORS CONSIDERED IN CRITERIA SCORING	4
V.	COMMITMENT OF CAPACITY.....	8
VI.	PROGRAM IMPLEMENTATION AND COMPENSATION.....	10

	Revision No.	1.0
	Effective Date	September 8, 2026
Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions		Distribution Restriction: Public Document

I. PURPOSE AND SCOPE

- A. These Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions (the “Program Terms”) have been promulgated by the Municipal Energy Agency of Nebraska (“MEAN”) Executive Director in accordance with that certain resolution adopted by the MEAN Board of Directors on August 20, 2026, authorizing the creation of a Behind-the-Meter Generation Capacity Incentive Program to encourage MEAN participants that have executed the Service Schedule M Amended and Restated Total Power Requirements Power Purchase Agreement (the “Modernized Schedule M Agreement”) to develop and place into commercial operation generating resources that provide dependable capacity to MEAN in locations and with characteristics that provide the greatest benefit to MEAN. The Program is intended to augment capacity compensation arrangements arising from participant capacity committed to MEAN pursuant to the Modernized Schedule M Agreement.
- B. These Program Terms set forth the criteria by which MEAN will evaluate planned resources, including resources intended to replace existing resources, that apply for participation in the Program by submitting a Proposal, as that term is defined in Section V (each a “Prospective Resource”). A Prospective Resource must satisfy the following eligibility requirements:
 1. The Prospective Resource must not be capacity already committed to MEAN pursuant to the Modernized Schedule M Agreement, a MEAN Board of Directors approved commitment, or another arrangement.
 2. The Prospective Resource must be owned by the participant, or made available for the participant’s use and control under a lease, rental, tolling, hosting, or similar arrangement, and in each case the participant must have fully executed the Modernized Schedule M Agreement with MEAN and be in good standing under such agreement (“Participant”).
 3. The Prospective Resource must be located on and interconnected to the Participant’s electric distribution system.
 4. The Prospective Resource must have an anticipated commercial operation date after August 20, 2026 and on or before December 31, 2030.

	Revision No.	1.0
	Effective Date	September 8, 2026
Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions		Distribution Restriction: Public Document

II. CAPACITY VALUATION

- A. Solely for the purpose of evaluating and selecting Prospective Resources for Program participation, and not for the purpose of capacity compensation, each Prospective Resource will be assigned an Accredited Capacity Value, representing the portion of its nameplate capacity that can reasonably be relied upon by MEAN during periods of peak load. The Accredited Capacity Value will be determined by MEAN in its sole discretion. The Accredited Capacity Value will be calculated as follows:

Accredited Capacity Value = Nameplate Capacity × Availability Factor × Dispatch Reliability Factor

Where:

1. Nameplate Capacity is the rated maximum output of the Prospective Resource.
2. Availability Factor is the expected probability that a Prospective Resource will be operational during the peak system hours of MEAN, an applicable market, resource adequacy construct, or Regional Transmission Organization, based on class-average values by resource technology type.
3. Dispatch Reliability Factor is the Prospective Resource's anticipated ability to respond when dispatched or requested to operate. This factor is influenced by fuel supply certainty and/or state-of-charge limitations for resources utilizing a battery. Applicable resource adequacy constructs created by a Regional Transmission Organization, Independent System Operator, Imbalance Market, Balancing Authority, or another applicable authority may also be considered in evaluating a Prospective Resource's dispatch reliability.

III. PROSPECTIVE RESOURCE RANKING

- A. Prospective Resources will be ranked using a standardized points system, determined by MEAN in its sole discretion, to assist in the identification of Prospective Resources which are expected to provide the greatest overall value to MEAN. MEAN will assign a score to each Prospective Resource for each of the following criteria:

	Revision No.	1.0
	Effective Date	September 8, 2026
Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions		Distribution Restriction: Public Document

1. Available infrastructure and project feasibility.
 2. The Accredited Capacity Value calculated in accordance with Section II.
 3. The Prospective Resource's impact on MEAN's overall capacity requirements based on the planned location of the Prospective Resource.
 4. The reliability and resiliency benefits to the Participant's community and local electrical grid.
 5. Environmental characteristics and limitations and any attributes the Prospective Resource is expected to produce if constructed.
- B. The scores assigned to each of the above criteria will be weighted in accordance with the table below to create a composite score. MEAN will compare the composite scores of each Prospective Resource in evaluating each Prospective Resource's eligibility for Program participation. Composite scores will be evaluated such that higher scores will be viewed more favorably. MEAN reserves the right to select Prospective Resources for participation in the Program which do not receive the highest composite score and to reasonably consider other relevant factors which are not expressly enumerated herein or which are not assigned a score.

Composite Score Weighting Table	
Evaluation Criteria	Weight
Infrastructure and Project Feasibility	35%
Reliability and Accreditation	25%
Location (Market/Region)	30%
Community Resilience Benefits	5%
Environmental Attributes	5%

IV. FACTORS CONSIDERED IN CRITERIA SCORING

The following factors shall be considered for each of the criteria identified in Section III. A higher score will be assigned to Prospective Resources that align with the factors identified in

	Revision No.	1.0
	Effective Date	September 8, 2026
Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions		Distribution Restriction: Public Document

this section. MEAN reserves the right to consider additional relevant factors which are not enumerated herein.

A. Factors considered in evaluating infrastructure and project feasibility.

1. Dedicated Staff and Project Sponsorship

Prospective Resources with a demonstrated commitment from the Participant to complete construction of the Prospective Resource and commence reliable operations, including identified personnel responsible for project development, contemplated construction milestones, operational planning, maintenance planning, and clear ownership, operations, and accountability structures will be evaluated more favorably.

2. Interconnection, Transmission, and Siting Considerations

The status and complexity of interconnection requirements, including proximity to existing infrastructure, land availability, distribution system capacity, anticipated upgrade costs, Participant load, and permitting or siting constraints will be considered. Prospective Resources with fewer barriers to interconnection, lower interconnection and/or network upgrade costs, clear site control, no requirement to register with an RTO or market, and that are located on a Participant system that is able to absorb energy generated from the Prospective Resource without sending power and energy onto the bulk transmission system will be evaluated more favorably.

3. Ease and Status of Required Studies

Prospective Resources with a greater degree of progress toward completing necessary engineering, interconnection, system impact, transmission facilities, environmental, or feasibility studies and that have completed or advanced through key study milestones will be considered lower risk and more readily deployable and will be evaluated more favorably.

	Revision No.	1.0
	Effective Date	September 8, 2026
Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions		Distribution Restriction: Public Document

4. Confidence in Commercial Operation Date

Prospective Resources with a greater likelihood of achieving the proposed in-service date based on project development maturity, supply chain considerations, permitting timelines, and financing readiness will be evaluated more favorably.

B. Factors considered in evaluating reliability and accreditation.

1. Accredited Capacity Value

Prospective Resources with a higher Accredited Capacity Value calculated in accordance with Section II will be evaluated more favorably.

2. Per Dollar Value

Prospective Resources that are expected to provide more dependable capacity per dollar of cost to MEAN will be evaluated more favorably.

3. System Peak Dispatchability

Prospective Resources that can be dispatched or controlled during system peak events will be evaluated more favorably.

4. Intermittency

Prospective Resources with an intermittent generation source may be evaluated less favorably because the output of such resources cannot be controlled during peak conditions. However, a Prospective Resource utilizing an intermittent generation source can receive a more favorable evaluation if coupled with a battery or other device that increases the anticipated dispatchable capabilities of the Prospective Resource.

5. Operational Timing Considerations

Prospective Resources that are anticipated to have shorter startup times, shorter minimum run times, ramping capability, and the ability to sustain output during extended system events will be evaluated more favorably. Prospective Resources that have a greater anticipated ability to reliably respond to system needs during

	Revision No.	1.0
	Effective Date	September 8, 2026
Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions		Distribution Restriction: Public Document

adverse weather events, fuel supply constraining events, and other relevant conditions will be evaluated more favorably.

- C. Zonal and system value considerations will be considered in evaluating a Prospective Resource's location.

Prospective Resources will be evaluated based on their location relative to MEAN's load obligations and regional resource adequacy needs. Prospective Resources that increase MEAN's ability to strategically optimize power flows and positions across Regional Transmission Organizations or regions will be evaluated more favorably.

- D. Factors considered in evaluating community resilience benefits.

Prospective Resources that demonstrate a local use and/or need for additional generation, resilience benefits, and a positive community impact from the construction of new generating resources will be evaluated more favorably. Examples of resilience-enhancing applications include generation supporting:

1. Municipal water or wastewater facilities
2. Emergency operations centers
3. Public safety infrastructure
4. Critical buildings in the community that support public health and safety needs

- E. Factors considered in evaluating environmental characteristics and limitations.

1. MEAN will evaluate Prospective Resources with a lower-emitting emissions profile more favorably.
2. Prospective Resources with more permissive air permits and fewer environmental run-time constraints will be evaluated more favorably.
3. Prospective Resources generated from a renewable fuel source and that include environmental attributes and renewable energy certificates will be evaluated

	Revision No.	1.0
	Effective Date	September 8, 2026
Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions		Distribution Restriction: Public Document

more favorably if such environmental attributes and renewable energy certificates are made available to MEAN.

V. COMMITMENT OF CAPACITY

- A. The Executive Director may from time-to-time issue or cause to be issued a request for proposals to solicit proposals from Prospective Resources to participate in the Program (“RFP”). Participants may submit such a proposal in response to an RFP (each a “Proposal”). Participants may submit an intent to bid at any time in response to an RFP to indicate interest in Program participation prior to making a Proposal. MEAN may, in its discretion, provide information and assistance to Participants which submit an intent to bid or a Proposal for Program participation. By submitting a Proposal, Participant agrees to the terms, conditions, obligations, and requirements of the Program, agrees that any portion of a Prospective Resource which becomes a Selected Resource, as defined in Section V.B. below, is deemed to have fulfilled the Option granting and exercise provisions of Section VIII, subsection 8.02 of the Modernized Schedule M Agreement, without regard to the timelines therein.
- B. Each Participant’s Proposal will be evaluated in accordance with the criteria and factors set forth in these Program Terms and other relevant factors that the Executive Director or his or her designee determines to be prudent. After completing an evaluation of Proposal(s), the Executive Director shall select Prospective Resource(s) for Program participation which the Executive Director, in his or her sole discretion, determines are necessary or desirable to MEAN and provide the greatest expected benefit to MEAN. MEAN may choose a commitment of all or a portion of the power, energy, and environmental attributes from a Prospective Resource for Program participation, shall automatically enroll selected Prospective Resources or portions thereof in the Program unless the Participant elects to withdraw a Proposal from consideration as may be permitted by and consistent with the terms of an RFP, and notify Participants of such selection (“MEAN’s Notice of Selection”). Upon issuance of MEAN’s Notice of Selection, the portion of the Prospective Resource selected for Program participation will be deemed a “Selected Resource”.

	Revision No.	1.0
	Effective Date	September 8, 2026
Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions		Distribution Restriction: Public Document

Program participants shall be bound by the terms of the Proposal, these Program Terms, the applicable provisions of the Asset Management Policies and Procedures (“AMPP”) as generation leased to MEAN under the AMPP, and any other rules and regulations adopted by the MEAN Board of Directors, as may be updated or amended from time to time (“Program Rules”).

- C. Once a Selected Resource is interconnected, placed into commercial service, and has successfully passed any Unit Capability Test or other requirements set forth in the AMPP (the “Commercial Operation Date”), it will be considered a resource that is capable of producing power and energy committed to MEAN as part of the Program (a “Committed Resource”). A Prospective Resource, Selected Resource, and Committed Resource may be referred to individually or collectively herein as a “Program Resource”.
- D. Term of Capacity Incentive Commitment: The term in which a Participant receives the Capacity Commitment Demand Incentive Rate, as defined below, for a Committed Resource shall begin upon the Commercial Operation Date of the Committed Resource and shall conclude upon the earlier of (i) ten (10) years from the Commercial Operation Date, or (ii) January 1, 2041, unless sooner terminated pursuant to Section V.F. or Section VI.D.. Participant shall certify the Commercial Operation Date to MEAN in writing no later than three (3) days after the Commercial Operation Date has occurred.
- E. Interconnection Obligation: Participant is solely responsible for interconnecting a Program Resource to Participant’s distribution system and any third-party transmission or sub-transmission systems, and is in turn responsible for paying all charges, assessments, or costs associated with or arising from such interconnection, including without limitation the costs of any required studies or facility modifications or upgrades assessed or imposed by an entity other than MEAN (“Interconnection Costs”). In the event MEAN receives a charge, assessment, or cost associated with or arising from Interconnection Costs, MEAN may invoice Participant for the amount of the charge, assessment, or cost and Participant must reimburse MEAN in accordance with the payment terms noted on the invoice.
- F. Transmission Obligation: If necessary, and except as provided herein, MEAN shall secure the rights to and be financially obligated for all delivery costs (including ancillary services and capacity/energy losses) to transmit capacity and energy from Participant to loads

	Revision No.	1.0
	Effective Date	September 8, 2026
Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions		Distribution Restriction: Public Document

beyond the Point of Delivery. Notwithstanding the foregoing, in no event shall MEAN be financially obligated for costs associated with wheeling power and energy across Participant's distribution system to the bulk electric grid. In the event MEAN incurs charges, assessments or costs for transmission, sub-transmission, or distribution system studies, facilities or upgrades associated with Participant's Program Resource which, in MEAN's sole discretion, are determined to exceed the expected benefits provided by the resource, MEAN may (i) pass such charges, assessments, or costs ("Transmission Costs") through to the Participant upon receiving Participant's written consent to allow such pass through within the later of (a) three (3) days after receiving a written notice from MEAN that such Transmission Costs could be incurred, or (b) the timeframe indicated in MEAN's notice to Participant of MEAN's intent to pass through certain Transmission Costs, which Transmission Costs must be paid by Participant in accordance with the payment terms noted on the invoice, or (ii) unilaterally terminate all or a portion of Participant's Program Resource from participation in the Program upon written notice.

- G. Increased Capacity Purchase: In the event MEAN should desire to include a greater quantity of Participant's nameplate capacity in the Program than the amount of capacity indicated on MEAN's Notice of Selection during the term of Participant's participation in the Program, Participant and MEAN may negotiate in good faith and agree to a reasonable additional kW quantity to be included as part of the Committed Resource in the Program, provided that the additional quantity satisfies the Program eligibility requirements set forth in Section I.B.. Unless otherwise agreed between MEAN and the Participant, MEAN shall compensate Participant for the additional Contract Capacity associated with the additional Committed Resource at the Capacity Commitment Demand Incentive Rate. Notwithstanding the foregoing, Participant must satisfy the requirements of Section VIII of the Modernized Schedule M Agreement for any additional capacity which is not committed to MEAN as part of the Program.

VI. PROGRAM IMPLEMENTATION AND COMPENSATION

- A. Participant shall be solely responsible for siting, constructing, and owning its Program Resource and obtaining any necessary regulatory approvals or permits. Participant shall be solely responsible for operating and maintaining its Program Resource, complying with

	Revision No.	1.0
	Effective Date	September 8, 2026
Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions		Distribution Restriction: Public Document

any regulatory reporting obligations related to a Program Resource, and ensuring that all regulatory permits and approvals remain updated in a manner that allows the Participant's Committed Resource to operate when called upon by MEAN or a third party.

- B. Upon the Commercial Operation Date, MEAN shall compensate Participant for Contract Capacity, as defined in the AMPP, associated with the Committed Resource at the Capacity Commitment Demand Incentive Rate set forth in the then-current Schedule of Rates and Charges for the Modernized Schedule M Agreement. MEAN shall compensate Participant for energy generated by a Committed Resource as set forth in the AMPP or other Program Rules. MEAN reserves the right to set off Participant compensation against any amount owed to MEAN by Participant.

- C. To the extent a Program Resource produces renewable energy certificates or other environmental attributes, Participant shall, assign, transfer, or cause to be transferred to MEAN all right, title, and interest in and to such renewable energy certificates or other environmental attributes associated with the Program Resource during the term of Program participation. Such transfer shall include all rights necessary for MEAN to claim, use, retire, market, or otherwise dispose of the selected certificates or attributes, subject to applicable law. MEAN may designate a specific renewable energy certificate registry to which Participant must issue or transfer renewable energy certificates. Participant shall be responsible for all costs and fees associated with issuing or transferring renewable energy certificates to MEAN and/or the designated registry. Unless otherwise stated in MEAN's Notice of Selection, compensation for selected environmental attributes is included in the Capacity Commitment Demand Incentive Rate. A renewable Program Resource shall not be treated as a Renewable Generation Resource that is eligible for Offsets pursuant to the Renewable Distributed Generation Policy unless MEAN expressly approves eligibility for Offsets in writing.

- D. Participant must comply with all Program Rules to be eligible to receive the Capacity Commitment Demand Incentive Rate. In the event a Participant fails to comply with all Program Rules, Participant may, at the discretion of MEAN, be responsible for reimbursing MEAN for any costs, charges, fines or penalties incurred as a result of Participant's noncompliance. MEAN may suspend or disqualify Participant's Program Resource from

	Revision No.	1.0
	Effective Date	September 8, 2026
Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions		Distribution Restriction: Public Document

Program participation as a result of a Participant's repeated failure to comply with Program Rules.

- E. Upon the conclusion of Participant's Committed Resource eligibility for the Capacity Commitment Demand Incentive Rate, the Committed Resource will be disenrolled from participating in the Program, and MEAN will retain the option and have a right to continue to lease such Participant generation and compensate Participant therefor under the separate standard compensation rate and terms applicable to generation of that type leased to MEAN under the AMPP. MEAN may exercise its option or right upon written notice to Participant no later than 150 days after expiration or termination of the Participant's Committed Resource participation in the Program.

	Revision No.	1.0
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Behind-the-Meter Generation Capacity Incentive Program Terms and Conditions		Distribution Restriction: Public Document

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1.0	August 20, 2026	Adoption of Program