

DEVELOPMENTAL SCHEDULE D-NEM

DEVELOPMENTAL NET ENERGY METERING

APPLICABILITY

Applicable to all end-use eligible Customer-generators who execute the applicable standard net energy metering contract. An eligible Customer-generator is any Customer who uses a solar or wind turbine electrical generating facility or a hybrid system of both that is located on the Customer-generator's Premises, is interconnected and operates in parallel with the City's transmission and distribution facilities, and is intended primarily to offset part or all of the Customer-generator's own electrical requirements on the Premises.

This developmental rate shall be closed once a permanent Net Energy Metering rate is developed.

AVAILABILITY

All rates under this developmental Rate Schedule shall be in accordance with the Eligible Customer-Generator's otherwise applicable Rate Schedule on a Net Energy Metering basis. A Customer under this developmental Rate Schedule is responsible for all charges in its otherwise applicable Rate Schedule.

A Customer desiring service under this developmental Rate Schedule or currently served under this developmental Rate Schedule and desiring service under a different Rate Schedule shall notify the City in writing at least thirty (30) days in advance of the Customer's intended change in Rate Schedule, and shall be restricted from exercising the option to switch Rate Schedules more than once in any Fiscal Year period (July 1 through June 30).

RATES

Each eligible Customer will choose annually on a Fiscal Year basis whether the net energy produced by the Customer's facility will be compensated for such net energy produced as a credit to be carried forward on the Customer's bill or by a cash payment to be paid at the end of the Fiscal Year. Credits to be carried forward will be valued at the applicable rate at the time the energy was produced.

The annual cash payment ("ACH") will be paid at a value determined at the time of the Customer's selection with the rate calculated each Fiscal Year and based on the sum of the California Independent System Operator Integrated Forward Market South of Path 15 ("SP 15") Generation Hub price ("GHP") or its successor and the average premium for delivered renewable energy reported to the Department of Energy ("DOE") by utilities within the Western Electric Coordinating Council ("WECC"). The annual cash payment determined by this calculation as well as the components of the calculation will be posted on the City's website. The formula used to determine the ACH will be as follows:

$$\text{ACH} = \text{SP 15 GHP} + \text{Average Premium for Delivered Renewable Energy Reported to DOE by WECC}$$

SPECIAL CONDITIONS

- A. Fiscal Year-End Billing Reconciliation
1. The Net Energy Metering calculation shall be made by measuring the difference between the electricity supplied to the Customer and the electricity generated by the Customer and fed back to the grid over a 12-month Fiscal Year period. At the end of each Fiscal Year, the City shall determine if the Customer was a net consumer or a net producer of electricity during the Fiscal Year. In the event the electricity supplied by the City during the Fiscal Year exceeds the electricity generated by the Customer during the same period, the Customer is a net electricity consumer.
 2. For each billing period that the Customer is a net energy consumer, the City shall bill the Customer for the net energy consumption based on the Customer's Rate Schedule and the Customer shall pay for such net energy consumption in accordance with the Customer's billing statement.

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SPECIAL CONDITIONS (Continued)

3. If the Customer is on a time-of-use rate, any net consumption of electricity shall be calculated according to the terms of the Rate Schedule. When the Customer is a net generator during any discrete time-of-use period, the net kilowatt-hours produced shall be valued at the same price per kilowatt-hour as the City would charge for retail kilowatt-hour sales during that same time-of-use period.
 4. If the Customer's Rate Schedule employs "lifeline" rates, any net consumption of electricity shall be calculated according to the terms of the Rate Schedule. If the Customer is a net generator over a billing period, the net kilowatt-hours generated shall be valued at the same price per kilowatt-hour as the City would charge for the lifeline quantity of electricity during that billing period, and if the number of kilowatt-hours generated exceeds the lifeline quantity, the excess shall be valued at the same price per kilowatt-hour as the City would charge for electricity over the lifeline quantity during that billing period.
 5. The City shall provide all Customers with Net Energy Metering consumption information on a monthly basis. Such monthly updates shall include the current accrued balance owed to the City for Net Energy Metering charges, or current accrued credits for Net Energy Metering generation, whichever applies.
 6. In the event the energy generated exceeds the energy consumed during the Fiscal Year period, any excess kilowatt-hours generated by the Customer shall be carried over to the following Fiscal Year or converted to a cash payment as selected by the Customer for that Fiscal Year period. The Customer's selection of a credit or cash payment shall be made by June 30 of each year. If no selection is made, the default selection will be a bill credit carried forward to the next Fiscal Year.
 7. If any Customer terminates service under this Rate Schedule prior to the end of any Fiscal Year period, the City shall reconcile the Customer's consumption and production of electricity and shall bill the Customer for net energy charges, if any. The Customer may apply any energy credit remaining to the Customer's final bill payment. In no case will a cash payment be made to the Customer.
- B. Net Energy Metering shall be accomplished using a Required Net Energy Meter. The City shall own, operate and maintain the Required Meter on the Customer's Premises. If the existing meter at the Customer's Premises is not capable of measuring the flow of electricity in two directions, the Customer shall be responsible for all costs associated with the City's purchase and installation of the Required Meter. If additional meters are installed, the net metering calculation shall yield a result identical to that of a single meter. The City, at its expense, may purchase and install additional meters with the consent of the Customer to provide the information necessary to accurately credit or bill the Customer or to collect generating system performance information for research purposes.
- C. General Manager
- As with all developmental rates, the Public Utilities General Manager, at his or her sole discretion, may implement, modify, restrict, or close this developmental Rate Schedule upon notification and approval of City Council.