

DEVELOPMENTAL SCHEDULE D-NEM

DEVELOPMENTAL NET ENERGY METERING

APPLICABILITY

Applicable to Eligible Customer-Generators within the Utility's service area.

This developmental Rate Schedule will be closed once a permanent Net Energy Metering Rate Schedule is developed.

AVAILABILITY

All rates under this Developmental Schedule D-NEM shall be in accordance with an Eligible Customer-Generator's otherwise applicable Rate Schedule; furthermore, the Customer shall be responsible for all charges in that Rate Schedule. A Customer may be removed from this developmental Rate Schedule for any violation of the Rates, Rules and Regulations.

A Customer who desires to switch their service to or from this Developmental Schedule D-NEM shall notify the Utility in writing at least thirty (30) days in advance of the Customer's intended change in Rate Schedule.

A Customer shall be eligible for the NEM 1.0 compensation rate (NEM 1.0), as set forth below, provided the Customer has received final approval of all required building permit applications from the City's Planning and Building Department ("Final Permit Approval") for their Renewable Generating Facility no later than December 31, 2020 ("NEM 1.0 Deadline"). Any Customer who is eligible for NEM 1.0, shall remain on the NEM 1.0 rate until either the Customer ceases to receive electric service at the Premises where the Renewable Generating Facility is located or installs a new Renewable Generating Facility, whichever is earlier. In addition, an NEM 1.0 Customer may elect to permanently switch to the NEM 2.0 compensation rate (NEM 2.0), or available successor rate, at any time.

Customers who receive Final Permit Approval for their Renewable Generating Facility subsequent to the NEM 1.0 Deadline, shall not be eligible for NEM 1.0; however, these Customers shall be eligible for NEM 2.0, subject to the terms and conditions herein.

RATES

NEM 1.0

An Eligible Customer-Generator, who is eligible for NEM 1.0, must execute the applicable standard net energy metering contract ("NEM Contract") and comply with any applicable federal, state, and local laws, including the Rates, Rules and Regulations and the Electric Utility's current standards and guidelines.

Under NEM 1.0, each Eligible Customer-Generator will elect whether to receive a credit or compensation for any net energy produced by their Renewable Generating Facility. The Eligible Customer-Generator shall make their credit or compensation election at the time of their execution of an NEM Contract and may subsequently change their election once per fiscal year between June 1 and June 30, or as otherwise allowed under their NEM Contract. If the Eligible Customer-Generator does not make an election at NEM Contract execution, the default election will be the credit option.

Under the credit option, the Eligible Customer-Generator will receive a net energy credit on their electric bill for excess energy supplied by their Renewable Generating Facility to the Utility during a Billing Period. This energy credit will be carried forward in kilowatt-hours (kWh) on the electric portion of their bill and will be valued at the rate applicable at the time the credits are used to offset energy charges. Under the compensation option, the Eligible Customer-Generator will receive net energy compensation for excess energy supplied by their Renewable Generating Facility during the periods set forth in the NEM Contract to be paid at the end of the fiscal year (July 1 through June 30). The net energy compensation shall be calculated by multiplying the supplied excess kilowatt-hours by the Annual Cash Compensation ("ACC") rate.

The ACC rate shall be calculated as follows and adjusted July 1 of each year:

$$\text{ACC} = \text{Avoided Energy Charges} + \text{Avoided Transmission Charges} + \text{Renewable Energy Adder}$$

(Continued)

ISSUED BY:
Dukku Lee
General Manager

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AVAILABILITY (Continued)

The ACC components, described below, shall be adjusted annually on July 1st based on the prior calendar year averages.

ACC Rate Component	Definition
Avoided Energy Charges	Utility’s annual weighted average cost of energy purchased from the California Independent System Operator (CAISO) at the Default Load Aggregation Point (DLAP) at the Southern California Edison service area, or its successor
Avoided Transmission Charges	Utility’s annual weighted average CAISO High Voltage Access Charge, or its successor
Renewable Energy Adder	Value of renewable energy credits based on the Utility’s most recently executed renewable power purchase contractual commitment of ten years or more

The ACC rate determined by this calculation as well as the rate components will be posted on the Utility’s website.

NEM 2.0

Under NEM 2.0, an Eligible Customer-Generator will receive a bill credit for each kilowatt-hour of energy supplied by their Renewable Generating Facility to the Utility. For each supplied kilowatt-hour of energy, the energy credit shall be calculated by multiplying the ACC rate and the applicable time of delivery factor (“Time of Delivery Factor”) for that supplied kilowatt hour. Each Billing Period, the bill credit will be used to offset the electric bill of the Eligible Customer-Generator and, if there are any remaining energy credits, these energy credits will be applied to subsequent electric bills until the earlier of (1) the exhaustion of the energy credit; (2) the termination of electric service; or (3) Customer’s election to receive compensation at the end of a fiscal year when their energy credit value equals not less than ten dollars (\$10.00). If any net energy credits exist at the termination of service or end of a fiscal year, the Utility will pay the Eligible Customer-Generator the value of the remaining energy credits.

Time of Delivery Factor

The Time of Delivery Factor shall be a value that is dependent upon the time period in which the Renewable Generating Facility of the Eligible Customer-Generator supplied energy to the Utility.

If the Eligible Customer-Generator’s otherwise applicable Rate Schedule is a time-based Rate Schedule, the time periods shall correspond to those time periods contained in their otherwise applicable Rate Schedule. The Time of Delivery Factor for each of those discrete time periods shall be as follows: (1) 1.50 on-peak; 1.00 mid-peak; 0.60 off-peak; or (2) 1.50 on-peak; 1.00 off-peak; 0.60 super off-peak, as applicable.

If the Eligible Customer-Generator’s otherwise applicable Rate Schedule is not a time-based Rate Schedule, the Time of Delivery Factors shall equal the values set forth below.

Season	On-Peak	Mid-Peak	Off-Peak
Summer	1.50	1.00	0.60
Winter	N/A	1.00	0.60

(Continued)

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SPECIAL CONDITIONS (Continued)

3. Credit Option. If an Eligible Customer-Generator has selected the credit option (or does not make an election) and supplies the Utility with more energy than the Eligible Customer-Generator consumes during a Billing Period, the Utility will provide the Eligible Customer-Generator a credit reflected in kilowatt-hours to offset the electric portion of their bill. Any excess kilowatt-hours generated by the Eligible Customer-Generator shall be carried over to the following Billing Period.
4. Compensation Option. If an Eligible Customer-Generator has selected the compensation option and supplies the Utility with more energy than the Eligible Customer-Generator consumes during a fiscal year or such other period set forth in their NEM Contract, the Utility will provide the Eligible Customer-Generator with compensation at the ACC rate as set forth above.
5. If an Eligible Customer-Generator has selected annual billing under their NEM Contract, the Eligible Customer-Generator shall receive compensation or credit for excess energy delivered to the Utility in accordance with the terms of that contract.
6. The Utility shall provide each Eligible Customer-Generator with net energy metering consumption information on a monthly or bi-monthly basis. Such updates shall include the current accrued balance owed to the Utility, or current accrued credits for net energy metering generation, whichever applies.
7. If an Eligible Customer-Generator terminates service under this developmental Rate Schedule as a net energy generator, the Utility shall offset the Eligible Customer-Generator's final electric bill to the extent of their net energy credit or net surplus compensation. Other than this offset, no compensation shall be paid to an Eligible Customer-Generator.
8. If a Customer's Renewable Generating Facility supplies energy to the Utility's electric grid, any environmental attributes associated with each supplied kilowatt-hour shall automatically transfer to the Utility. Environmental attributes include, but are not limited to, renewal energy certificates and green tags.

B. NEM 2.0: Billing and Compensation

1. For each Billing Period, the Utility shall bill the Eligible Customer-Generator for all (a) energy supplied to their Premises by the Utility and (b) other charges contained in their otherwise applicable Rate Schedule.
2. The Utility shall credit or pay the Eligible Customer-Generator for each kilowatt-hour of energy supplied by their Renewable Generating Facility in accordance with the above NEM 2.0 provisions.
3. The Utility shall provide each Eligible Customer-Generator with delivered and supplied energy information on each bill.
4. Each Eligible Customer-Generator shall comply with all applicable federal, state, and local laws, including applicable Rates, Rules and Regulations and the Electric Utility's current standards and guidelines.
5. If a Customer's Renewable Generating Facility supplies energy to the Utility's electric grid, any environmental attributes associated with each supplied kilowatt-hour shall automatically transfer to the Utility. Environmental attributes include, but are not limited to, renewal energy certificates and green tags.

- C.** A bi-directional Meter will be used by an Eligible Customer-Generator under this developmental Rate Schedule. The Utility shall own, operate, and maintain this Meter on the Premises of the Eligible Customer-Generator. If the existing Meter at the Premises is not capable of measuring the flow of electricity in two directions, the Eligible Customer-Generator shall be responsible for all costs associated with the Utility's purchase and installation of a bi-directional Meter. If additional Meters are installed, the net energy metering calculation shall yield a result identical to that of a single Meter. The Utility, at its expense, may purchase and install additional Meters with the consent of the Eligible Customer-Generator to provide the information necessary to accurately credit or bill the Eligible Customer-Generator or to collect generating system performance information for research purposes.

D. General Manager

As with all developmental Rate Schedules, the 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. This developmental Rate Schedule shall be implemented per Rule No. 12.

ISSUED BY:
Dukku Lee
General Manager

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