



Net Energy Metering Program Policy

Updated: May 27, 2021

A. PURPOSE

The Purpose of this Net Energy Metering (NEM) Program Policy (Policy) is to provide a process for how Net Energy Metering (commonly referred to as rooftop solar) customers are enrolled with San Diego Community Power (SDCP).

B. APPLICABILITY

Customers enrolled in San Diego Gas & Electric's (SDG&E) Net Energy Metering Program (SDG&E NEM) will be automatically enrolled in SDCP's NEM Program. Phase-in will occur as stated in Section D below. The Program is applicable for all NEM customers who have Renewable Generation Facilities such as rooftop solar. The facility must be eligible under SDG&E's Schedule NEM – Net Energy Metering or similar tariff option(s) focused on NEM, which may be amended or replaced by SDG&E from time to time. Each customer's eligible Renewable Generating Facility must fall within the capacity limits described in SDG&E's Schedule NEM and must be located on the customer's owned, leased, or rented premises, must be interconnected and operated in parallel with SDG&E's transmission and distribution systems, and must be intended primarily to offset part or all of the customer's own electrical requirements.

This rate schedule will be available on a first-come, first-served basis to customers that provide SDG&E with a completed SDG&E NEM Application and comply with all SDG&E NEM requirements as described in SDG&E's Schedule NEM. This includes, but is not limited to, customers served by NEM-V (Virtual Net Energy Metering), VNM-A (Virtual Net Energy Metering for Multifamily Affordable Housing), VNEM-SOMAH (Virtual Net Energy Metering - Solar on Multifamily Affordable Housing) and Multiple Tariff facilities as described by SDG&E's Schedule NEM.

C. TERRITORY

SDCP service area.

D. INITIAL PHASE-IN

SDCP will phase its NEM customers into service on a monthly basis starting in Phase 3 of Customer Launch. The transition will occur at the conclusion of a NEM customer's relevant period with SDG&E. This approach is to minimize any impacts from when the SDG&E NEM customers' true-ups occur and when SDCP's service begins.

E. RATES

All rates charged under this schedule will be in accordance with the customer's otherwise applicable SDCP rate schedule (OAS). A customer served under this schedule is responsible for all charges from its OAS including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges, and all other charges owed to SDCP or SDG&E. Charges for energy (kWh) supplied by SDCP will be based on the net metered usage in accordance with this tariff.

F. BILLING

1. For a customer with Non-Time of Use (TOU) Rates: If the customer is a "Net Consumer," having overall positive usage during a specific billing cycle, the customer will be billed in accordance with the customer's OAS. If the customer is a "Net Generator,"

having overall negative usage during a specific billing cycle, any net energy production shall be valued in consideration of the customer's OAS. The calculated value of any net energy production shall be credited to the customer according to the OAS.

2. For a customer with TOU Rates: If the customer is a Net Consumer during any discrete TOU period reflected within a specific billing cycle, the net kWh consumed during such TOU period shall be billed in accordance with applicable TOU period-specific rates / charges, as described in the customer's OAS. If the customer is a Net Generator during any discrete TOU period reflected within a specific billing cycle, any net energy production shall be valued in consideration of the customer's OAS. The calculated value of such net energy production shall be credited to the customer according to the OAS.
3. Monthly Settlement and Billing: All NEM customers will receive a statement in its monthly SDG&E bill indicating any accrued charges for electric energy usage during the current billing cycle. These charges are due and payable on a monthly basis, in accordance with the OAS. A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable charges, reducing otherwise applicable charges by an equivalent amount to such credits. Any remaining balance reflected on each customer's billing statement shall be carried forward to subsequent billing cycle(s) until either excess credit is sufficient to satisfy the charges or an account true-up is performed. When a customer's net energy production results in an accrued credit balance in excess of currently applicable charges, the value of any net energy production during the billing cycle (in excess of currently applicable charges) shall be valued at the OAS and noted on the customer's bill, including the quantity of any surplus NEM production (measured in kWh), and carried over as a bill credit for use in a subsequent billing cycle(s).
4. Optional Yearly Settlement and Billing: Residential customers, as determined by their OAS, may elect to receive yearly settlement and billing by notifying SDCP. They will receive a statement in its monthly SDG&E bill indicating any accrued SDCP charges or credits for electric energy usage or generation during the current billing cycle. Charges are not due and payable; rather, the charges or credits are calculated in accordance with the OAS and tracked over the course of the relevant period. At the end of the relevant period, any accrued charges in excess of generation credits are due and payable on the next bill. If at the end of the relevant period a customer has excess generation credits, they will be paid out in accordance with the SDCP True-up & Cash-Out Process.
5. SDCP True-Up & Cash-Out Processes.
 - a. True-Up: At the end of each NEM customer's relevant period, SDCP will determine whether or not each customer has produced net surplus energy, as measured in kWh, over the most recent 12 billing cycles, or the period of time extending from the customer's commencement of participation in SDCP's NEM program through the end of their relevant period, whichever is shorter (the "True-Up Period"). If the customer has not produced net surplus NEM energy, as measured in kWh, during the True-Up Period, all NEM credits, if any, generated through participation in SDCP's NEM program in excess of currently applicable SDCP charges shall be set to zero and any remaining balance will be due and payable.

However, if a customer has produced net surplus NEM energy, as measured in kWh,

resulting in a credit balance in excess of currently applicable SDCP charges, then SDCP shall compensate such customer a Net Surplus Compensation (NSC) amount equal to the SDCP NSC Rate per kWh, as defined in Section F.5.a.1, multiplied by the quantity of net surplus NEM energy produced by the customer during the True-Up Period, consistent with SDCP's Cash-Out practice.

1. SDCP's NSC Rate is equal to the monthly SDG&E's NSC, which is defined by the California Public Utilities Commission as "a simple rolling average of each utility's Default Load Aggregation Point (DLAP) price from 7 a.m. to 5 p.m.", and "calculated monthly based on the hourly day-ahead electricity market price at each utility's DLAP price published on the California Independent System Operator (CAISO) Open Access Same-Time Information System (OASIS,) and ending the twentieth day of each month", of the customer true-up month plus \$0.0075/kWh.
- b. Cash-Out and Payment: At the end of each customer's relevant period, any current customer with an accrued net surplus compensation equal to or greater than \$100, as determined during the applicable True-Up process, will be sent a direct payment by check, up to \$2,500 per account per relevant period. Net surplus compensation less than \$100 will be rolled over into the next relevant period and used to offset future charges. In either scenario, customers will have an equivalent credit removed from their NEM account balance at the time of check issuance or roll-over. All NEM accounts will be reset to zero kWh upon True-up.

Payments will be released up to 30 days after true-up billing. Checks will expire 90 calendar days after issuance. If checks expire or are returned to SDCP, customers may request the reissuance of a check and SDCP will make a reasonable effort to reissue the check within 30 days of a customer's request.

- c. Aggregated NEM: Pursuant to California Public Utilities Commission Section 2827(h)(4)(B), aggregated NEM customers are "permanently ineligible to receive net surplus electricity compensation." Therefore, any excess accrued credits over the course of a year under an aggregated NEM account are ineligible for SDCP's Cash-Out as described in Section 5. All other NEM rules apply to aggregated NEM accounts.

G. ACCOUNT CLOSURES

Customers who close their electric account through SDG&E, opt out of SDCP and return to bundled service, or move outside of the SDCP service area prior to the end of their relevant period will be trueed up according to SDCP's NEM policy. Customer that have produced net surplus NEM energy, as measured in kWh, will be paid out in accordance with the SDCP True-up & Cash-Out Process. Payments will be released 30 days after final billing to allow for any usage revisions and/or adjustments from SDG&E. Checks will expire 90 calendar days after issuance. If checks expire or are returned to SDCP, customers may request the reissuance of a check and SDCP will make a reasonable effort to reissue the check within 30 days of a customer's request. If customer did not produced net surplus NEM energy, as measured in kWh, they will not receive a direct payment.

SDCP reserves the right to work with customers on a case-by-case basis to transfer NEM credits.

H. SDG&E NEM SERVICES

Customers are subject to the conditions and billing procedures of SDG&E for their non-generation services, as described in SDG&E's applicable NEM tariffs and options addressing NEM service. Customers should be advised that while SDCP may settle out balances for generation on a monthly basis, SDG&E will continue to assess charges for delivery, transmission and other services. Customers are encouraged to review SDG&E's most up-to-date NEM tariffs, which are available at www.sdge.com.

I. RETURN TO SDG&E BUNDLED SERVICE

Customers with NEM service may opt-out and return to SDG&E bundled service at any time. SDCP will perform a true-up of their account, in consideration of Section 5, at the time of return to SDG&E bundled service, and customers will be subject to SDG&E's then current rates, terms and conditions of service. For details, please visit www.sdge.com.