BOARD POLICY

Policy	Net Energy Metering Tariff	Original Adoption Date	December 17, 2020
Approval Date	September 25, 2025	Resolution No.	2025-15

PURPOSE:

The purpose of this Net Energy Metering Tariff ("NEM" or "Schedule NEM") is to provide a process for how NEM customers are enrolled into and served by San Diego Community Power.

APPLICABILITY:

San Diego Community Power customers enrolled in San Diego Gas & Electric Company's ("SDG&E") Schedule NEM or those who submitted a complete interconnection agreement to SDG&E prior to April 15, 2023 that has been approved and who have not been opted out of San Diego Community Power Service, will be automatically enrolled in San Diego Community Power's Schedule NEM.

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 or Successor NEM tariff. This includes, but is not limited to, customers served by Virtual Net Energy Metering NEM-V ("NEM-V"), Virtual Net Energy Metering for Multifamily Affordable Housing VNM-A ("VNM-A"), Virtual Net Energy Metering - Solar on Multifamily Affordable Housing VNEM-SOMAH ("VNEM-SOMAH") and Multiple Tariff facilities as described by SDG&E's Schedule NEM.

San Diego Community Power phased its NEM customers into service on a monthly basis primarily starting in Phase 3 of customer enrollment, which commenced in 2022. The transition into San Diego Community Power's service occurred at the conclusion of a NEM customer's relevant period with SDG&E. This approach aimed to minimize any impacts from when the SDG&E NEM customers' true ups occurred and when San Diego Community Power's service began.

This tariff is not applicable to customers taking service under SDG&E's Schedule Net Billing Tariff ("NBT")/Solar Billing Plan. SDG&E's tariffs are available on SDG&E's website[1] and may be amended or replaced by SDG&E from time to time.

This tariff shall remain in effect until modified, amended, or replaced by San Diego Community Power's Board of Directors ("Board") at a duly noticed public meeting of the Board.[2]

ELIGIBILITY:

San Diego Community Power's Schedule NEM is available to residential and non-residential customers who install and use a Renewable Electrical Generation Facility ("REGF"), as defined by

[1] Current and Effective Tariffs | San Diego Gas & Electric (sdge.com) https://www.sdge.com/rates-and-regulations/current-and-effective-tariffs

[2] Board agendas are available at: https://sdcommunitypower.org/resources/meeting-notes.

and eligible under SDG&E's Schedule NEM – Net Energy Metering tariff (i.e., NEM 1.0) or SDG&E's Successor NEM tariff (i.e., NEM 2.0). A customer's eligible REGF must fall within the capacity limits described in SDG&E's Schedule NEM or Successor 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.

Eligible San Diego Community Power customers who begin service under SDG&E Schedule NEM prior to April 15, 2023, will be eligible for service under San Diego Community Power's Schedule NEM for 20 years following their SDG&E Original Permission to Operate ("PTO")[3] Date.

Customers served under San Diego Community Power's Schedule NEM may elect to switch to San Diego Community Power's Schedule NBT. Customers who voluntarily switch to San Diego Community Power's Schedule NBT or who are automatically transitioned to San Diego Community Power's Schedule NBT following the conclusion and/or termination of their NEM 20-year legacy period are not eligible to return to service under San Diego Community Power's Schedule NEM.

RATES:

All rates charged under this schedule will be in accordance with the customer's otherwise applicable San Diego Community Power 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 San Diego Community Power or SDG&E. Charges for energy, in kWh, supplied by San Diego Community Power will be based on the net metered usage in accordance with this tariff. Nothing in this tariff will supersede any SDG&E or San Diego Community Power authorized charges.

BILLING:

San Diego Community Power's generation charges and credits for electricity (measured in kilowatt-hours, or "kWh") are calculated as described below.

A. Definitions:

i. "Net Consumer" is defined as a customer having overall positive usage during a specific billing cycle as measured in kilowatt-hours ("kWh").

ii. Net Generator" is defined as a customer having overall negative usage during a specific billing cycle as measured in kWh.

[3] Permission to Operate Notice ("PTO") is SDG&E's written approval authorizing a customer to commence operation of a qualifying renewable electrical generating facility or approving customer's proposed modifications of the generating facility. The date that SDG&E provides the customer with the original PTO is referred to as the Original PTO Date. See SDG&E's Schedule NBT for additional information.

iii. "Net Surplus Electricity" is defined as the kWh amount of excess electricity exported to the grid after netting Electricity Imports and Electricity Exports at end of the Relevant Period.

iv. "Relevant Period" is defined as the billing period that consists of twelve-monthly billing cycles commencing on the date SDG&E provides Customer-Generator with SDG&E's written approval to begin parallel operation of the REGF PTO for purposes of participating in NEM, and on every subsequent anniversary thereof.

B. **Time of Use ("TOU") Rates:**

For a customer with Non-TOU Rates: If the customer is a "Net Consumer," the customer will be billed in accordance with the customer's OAS. If the customer is a "Net Generator," any net energy production shall be valued in accordance with the customer's OAS. The calculated value of any net energy production shall be credited to the customer according to the OAS.

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.

C. **Monthly Settlement and Billing:**

All NEM customers will receive a statement in their 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 as the default billing option, 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) until the time of true up.

D. **Optional Yearly Settlement and Billing:**

NEM customers may elect to receive yearly settlement and billing instead of the default monthly settlement billing option by notifying San Diego Community Power. Customers electing a yearly settlement and billing option will receive a statement in their monthly SDG&E bill indicating any accrued San Diego Community Power charges or credits for electric energy usage or generation during the current billing cycle. Charges are not due and payable on a monthly basis until the time of true up; 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 following true up, 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 produced net surplus energy, defined as energy generated and exported to the grid in excess of energy consumed by the customer, as measured in kWh, the customer will be paid out in accordance with the San Diego Community Power True up & Cash Out Process set forth in Section E.

E. **San Diego Community Power True Up & Cash Out Processes:**

i. *True Up:* At the end of each NEM customer's relevant period, San Diego Community Power will determine whether or not each customer has produced net surplus energy, defined as energy generated and exported to the grid in excess of energy consumed by the customer, 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 San Diego Community Power's Schedule NEM through the end of their 12-month relevant period, whichever is shorter (the True Up Period). If the customer has not produced net surplus energy at the end of the applicable relevant period during the True Up Period, all NEM credits, if any, generated through participation in San Diego Community Power's NEM Tariff in excess of currently applicable San Diego Community Power charges shall be set to zero and any remaining balance will be due and payable. The cumulative kWh balance also tracked through the relevant period will be set to zero during true up and a new Relevant Period will commence.

However, if a customer has produced net surplus energy during their True Up Period, then San Diego Community Power shall compensate such customer at a Net Surplus Compensation ("NSC") amount equal to the San Diego Community Power NSC Rate per kWh, as defined in Section E.iii, multiplied by the quantity of net surplus energy produced by the customer during the True Up Period, consistent with San Diego Community Power's cash out practice.

ii. *NEM Balance Credit Refund:* At the time of the annual true up, if the customer on the default monthly settlement and billing option has accumulated NEM generation credits but incurred San Diego Community Power usage charges earlier within the same San Diego Community Power Annual True Up period, the credits will be applied up to the value of San Diego Community Power charges assessed throughout the Relevant Period. Any NEM generation credits in excess of San Diego Community Power charges assessed over the course of the Relevant Period shall not be carried forward and will instead be zeroed out and a new Relevant Period will commence.

a. For customers who ended up as a Net Consumer over the course of the Relevant Period based on cumulative annual usage and generation, the NEM Balance Credit Refund will be carried over as a Rollover to offset future San Diego Community Power Electricity Charges in the subsequent Relevant Period(s).

b. For customers who ended up as a Net Generator over the course of the Relevant Period based on cumulative annual usage and generation, the NEM Balance Credit Refund will be issued in compliance with San Diego Community Power's Cash Out and Payment practices as defined in Section E.iv below.

iii. *Net Surplus Compensation ("NSC"):* San Diego Community Power will determine at the time of Annual True Up whether each customer has produced Net Surplus Electricity over the course of the Relevant Period. If a customer has produced Net Surplus Electricity, then San Diego Community Power shall credit such customer an amount that is equal to the monthly NSC dollar rate per kWh, as defined in Section E.iv, multiplied by the quantity in kWh of Net Surplus Electricity produced by the customer during the Relevant Period, consistent with San Diego Community Power's Annual Cash Out and Payment practices in Section E.iv below. The San Diego Community Power monthly NSC Rate is posted to San Diego Community Power's website and updated monthly.[4]

a. San Diego Community Power's NSC Rate is equal to the applicable monthly SDG&E NSC, which is defined by the CPUC 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.

iv. *Cash Out and Payment:* At the end of each customer's relevant period, any current customer who has a combined NEM Balance Credit Refund and Net Surplus Compensation value of $100 or more that exceeds any outstanding Electricity Charges, will be sent a payment by check via United States Postal Service Mail to the customer's U.S. mailing address on file. Customers receiving direct payment will have an equivalent amount removed from their NEM Balance at the time of their Annual True Up.

[4] San Diego Community Power Net Energy Metering (NEM) - https://sdcommunitypower.org/programs/net-energy-metering/

In the event that customers have a combined NEM Balance Credit Refund and Net Surplus Compensation value that does not exceed $100, such credit balances will be carried forward into the subsequent Relevant Period(s) to offset future San Diego Community Power Electricity Charges as a Rollover. All NEM accounts will be reset to zero kWh annually at the time of the customer's Annual True Up and the only NEM credits carried forward on the customer's account will be the combined NEM Balance Credit Refund and any Net Surplus Compensation credit balances less than $100.

Payments will be released up to 60 days after true up billing. Checks will expire 90 calendar days after issuance. If checks expire, customers may request the reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request.

San Diego Community Power reserves the right to work with customers on a case-by-case basis to transfer Net Surplus Electricity credits as applicable.

v. *Aggregated NEM and NEM Fuel Cell:* Pursuant to California Public Utilities Code section 2827(h)(4)(B), aggregated NEM and NEM Fuel Cell 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 or Fuel Cell account are ineligible for San Diego Community Power's Net Surplus Compensation and NEM Balance Credit Refund as described in Section E. All other NEM rules apply to aggregated NEM and NEM Fuel Cell accounts.

ACCOUNT CLOSURES:

Customers who close their electric account through SDG&E, opt out of San Diego Community Power and return to bundled service, or move outside of the San Diego Community Power service area prior to the end of their relevant period will be trued up according to San Diego Community Power's NEM Tariff. Customers that have produced net surplus energy, or that are eligible for the NEM Balance Credit Refund will be paid out in accordance with the San Diego Community Power True Up & Cash Out processes. Payments will be released within 60-90 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 San Diego Community Power, customers may request the one-time reissuance of a check and San Diego Community Power will make a reasonable effort to reissue the check within 30 days of a customer's request. After one year, the funds will be considered unclaimed property and turned over to the California State Controller's Office.

SDG&E's SCHEDULE NEM:

Customers are subject to all applicable terms and conditions and billing procedures of SDG&E for SDG&E charges as described in SDG&E's Schedule NEM (with the exception of San Diego Community Power OAS charges, which are described in San Diego Community Power's rate schedules). San Diego Community Power may amend this Schedule NEM to align with SDG&E's Schedule NEM following CPUC approval of SDG&E's Schedule NEM and any future amendments to SDG&E Schedule NEM. San Diego Community Power calculates and applies generation charges and credits on a monthly basis. SDG&E will continue to calculate and apply charges and credits for delivery, transmission, and other services as detailed in SDG&E's Schedule NEM, and San Diego Community Power credits cannot be applied to any SDG&E charges or vice versa. Please review the SDG&E's Schedule NEM[5] for more information.

RETURN TO SDG&E BUNDLED SERVICE:

San Diego Community Power customers participating in San Diego Community Power's NEM Tariff may opt out and return to SDG&E's bundled service at any time, subject to any applicable restrictions imposed by SDG&E. Customers who opt out of Community Power service are subject to SDG&E's Schedule NEM.

San Diego Community Power will perform a true up of the customer's account in accordance with Section E.i 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 at the time of enrollment in SDG&E bundled service.

For details concerning opting out of San Diego Community Power service, please contact San Diego Community Power Customer Service by phone at 888-382-0169 or via email at customerservice@sdcommunitypower.org.

MISCELLANEOUS:

The Chief Executive Officer ("CEO") of San Diego Community Power or their designee may, in their discretion, reserve the right to work with customers on a case-by-case basis to transfer export credits and NSC credits and/or otherwise deviate from the process specified in this policy for reasons including but not limited to cases of unforeseeable events, inconsistent receivable data from SDG&E, exigent circumstances, SDG&E bill presentment limitations or customer hardship.

Prior Versions:

Date	Action	Resolution No.	Policy No.
December 17, 2020	Adoption	N/A	2020-09
May 27, 2021	Revision	N/A	2021-03

[5] See https://www.sdge.com/solar/net-energy-metering