



Net Energy Metering Service Clean Power Alliance NEM Policy

APPLICABILITY: Clean Power Alliance of Southern California’s (CPA) Net Energy Metering Program (CPA NEM Program) is available to those CPA customers who are eligible under Southern California Edison’s (SCE) net energy metering program pursuant to the following SCE rate schedules: (i) Schedule NEM (Net Energy Metering); (ii) Schedule NEM-ST (Net Energy Metering Successor Tariff), (iii) Schedule NEM-V (Virtual Net Energy Metering for Multi-Tenant and Multi-Meter Properties); (iv) Schedule NEM-V-ST (Virtual Net Energy Metering for Multi-Tenant and Multi-Meter Properties Successor Tariff); (v) Schedule MASH-VNM (Multifamily Affordable Solar Housing Virtual Net Metering); (vi) Schedule MASH-VNM-ST (Multifamily Affordable Solar Housing Virtual Net Metering Successor Tariff); (vii) Schedule BG-NEM (Biogas Net Energy Metering); and (viii) Schedule FC-NEM (Fuel Cell Net Energy Metering) (jointly referred to as “SCE NEM Rate Schedules”). These SCE NEM Rate Schedules are available at: <https://www.sce.com/regulatory/tariff-books/rates-pricing-choices/other-rates> and may be amended or replaced by SCE from time to time. CPA’s NEM Policy may be amended or clarified from time to time.

CPA customers who want to participate in NEM after enrolling with CPA must provide SCE with a completed SCE NEM Application and comply with all other SCE requirements before being eligible for the CPA NEM Program.

Eligible CPA customers who meet the requirements for the SCE NEM Program will be automatically enrolled in the CPA NEM Program either at the time of initially enrolling with CPA or at the time SCE accepts them into SCE’s NEM Program.

RATES: All rates for the CPA NEM Program will be in accordance with the customer’s applicable CPA rate schedule (CPA OAS). Nothing in this policy will supersede any SCE authorized charges.

CHARGES & BILLING: CPA’s charges for energy (kWh) will be calculated at the CPA OAS and billed on the net metered usage, as described below.

a) For a customer with Non-Time of Use (TOU) Rates¹:

If the customer is a “Net Consumer,” having overall positive usage during a specific monthly billing cycle, the customer will be billed in accordance with the customer’s CPA OAS.

If the customer is a “Net Generator,” having overall negative usage during a specific monthly billing cycle, any net energy production shall be valued at the applicable rate as set forth in the customer’s CPA OAS. The calculated value of any net energy production shall be credited to the customer according to the CPA OAS and applied as described in Sections (c) and (d).

¹ Only applicable to grandfathered SCE NEM 1.0 customers. Please visit <https://www.sce.com/residential/generating-your-own-power/net-energy-metering> for more information.

b) For a customer with TOU Rates:

If the customer is a Net Consumer during any discrete TOU period reflected within a specific monthly billing cycle, the net kWh consumed during such TOU period shall be billed in accordance with applicable TOU period-specific rates or charges as specified in the customer's OAS.

If the customer is a Net Generator during any discrete TOU period reflected within a specific monthly billing cycle, any net energy production shall be valued at the applicable TOU period-specific rates or charges as specified in the customer's CPA OAS. The calculated value of such net energy production shall be credited to the customer according to the CPA OAS and applied as described in Sections (c) and (d).

c) Monthly Settlement of CPA Charges/Credits:

Each customer will receive a statement as part of its monthly SCE bill indicating any accrued charges for electric energy usage during the current monthly billing cycle. 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 monthly billing cycle (in excess of currently applicable charges) shall be valued at the CPA 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).

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 credits reflected on the customer's billing statement shall be carried forward to subsequent billing cycle(s) until either the excess the credit is used to satisfy current charges or an annual account true-up is performed.

d) CPA Annual True-Up & Cash-Out Processes:

i) CPA Annual True-Up

- a. NEM Generation Credit Refund: During the April monthly billing cycle of each year, CPA will perform a true-up of the most recent twelve (12) month billing cycle, or the period of time from the customer's commencement of participation in the CPA NEM Program up to the following April (the "Relevant Period"). At the time of the Annual True-Up, if the customer has accumulated any NEM generation credits in excess of any currently outstanding charges, those NEM generation credits will be refunded to the customer up to the total CPA charges paid by the customer on the same NEM account during the Relevant Period, consistent with CPA's Annual Cash-Out practice in (ii).²

However, for customers who enrolled in CPA prior to May 1, 2019, CPA will perform the first Annual True-Up in April 2020; and for customers who enrolled on or after May 1, 2019, CPA will perform the first Annual True-Up in April 2021. Commencing

² If the Customer Account has any outstanding balance at the time of Annual True-Up, the customer will have a 30 day grace period to pay in full before their Annual True-Up is performed in order to be eligible for NEM Generation Credit refund.

in April 2021, CPA will perform the Annual True Up for the 12-month period between April to March for all current NEM customers.

- b. Net Surplus Compensation: Net Surplus Energy is defined as any generation that exceeds total customer energy usage during the Relevant Period, as measured in kWh. CPA will also determine whether each customer has produced Net Surplus Energy over the course of the Relevant Period. If a customer has produced Net Surplus Energy, then CPA shall credit such customer an amount not to exceed \$10,000 that is equal to the current Net Surplus Compensation rate per kWh, as defined in CPA Net Surplus Compensation Rate Schedule, multiplied by the quantity of Net Surplus Energy produced by the customer during the Relevant Period, consistent with CPA's Annual Cash-Out practice in (ii) below. The CPA Net Surplus Compensation Rate Schedule will be posted to CPA's website and updated monthly. CPA Net Surplus Compensation Schedule can be viewed at <https://cleanpoweralliance.org/wp-content/uploads/2019/01/CPA-NSCR.pdf>.
- ii) CPA Annual Cash-Out: During the April monthly billing cycle of each year, any current customer who has a combined NEM generation credit and Net Surplus Compensation value of \$100 or more, as determined during the Annual True-Up process, that exceeds any outstanding charges, will be sent a payment by check for the credit balance on their account, as determined through CPA's Annual True-Up process (i). Customers receiving direct payment will have an equivalent amount removed from their NEM account balance at the time of check issuance. In the event that customers do not have a combined NEM generation credit and Net Surplus Compensation value exceeding \$100, such credit balance will be carried forward to offset future CPA charges. All NEM accounts will be reset to zero kilowatt hours annually as of the customer's May monthly billing cycle and the only NEM credits that will be carried forward on the customer's account will be the combined NEM generation credit and Net Surplus Compensation credit balances less than \$100.
- iii) CPA Cash-Out for Terminations: Customers, who close their electric account through SCE or move outside of the CPA service area prior to the April monthly billing cycle of each year, shall be true'd up according to CPA's Annual True-Up Process. If applicable, the customer shall receive a refund payment by check for any NEM generation credit on their account that exceeds outstanding charges at the time of true-up, up to the amount paid by the customer during the Relevant Period. If determined to have produced Net Surplus Energy, the customer shall also receive a check for Net Surplus Compensation, up to a maximum of \$10,000. Payments will be released 30 days after final billing to allow for any revised usage and/or adjustments from SCE.

e) SCE NEM Program:

Customers are subject to applicable terms and conditions and billing procedures of SCE for SCE charges as described in SCE NEM Rate Schedules (with the exception of generation-related charges, which are described in CPA's rate schedules). Customers should be aware that while CPA settles balances for generation on a monthly basis, SCE will continue to calculate charges for delivery, transmission and other services annually for those customers with an annual billing option, and CPA NEM credits cannot be applied to any SCE charges.

Customers are encouraged to review SCE NEM Rate Schedules at <https://www.sce.com/regulatory/tariff-books/rates-pricing-choices/other-rates>.

f) Return to SCE Bundled Service:

CPA customers participating in the CPA NEM Program may opt out and return to SCE's bundled service, subject to any applicable restrictions imposed by SCE. If a CPA customer opts out more than 60 days after their initial enrollment date, CPA will perform a true-up of their account, as specified in section (d)(iii), at the time of return to SCE bundled service. For details concerning opting out of CPA service, please contact CPA Customer Service at 888-585-3788 or customerservice@cleanpoweralliance.org