



NET ENERGY METERING TERMS AND CONDITIONS OF SERVICE

A. PURPOSE

The Purpose of the Net Energy Metering (NEM) Program terms & conditions (T&C) is to provide a process for how Net Energy Metering (commonly referred to as rooftop solar) customers are enrolled with Clean Energy Alliance (CEA) and how the program is administered.

B. APPLICABILITY

Customers enrolled in San Diego Gas & Electric's (SDG&E) Net Energy Metering Program (SDG&E NEM) are automatically enrolled in CEA's NEM Program. 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 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 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

Applicable in the CEA service area.

D. RATES

All rates charged under this schedule will be in accordance with the customer's otherwise applicable CEA 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 CEA or SDG&E. Charges for energy (kWh) supplied by CEA will be based on the net metered usage in accordance with this tariff.

E. 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. CEA True-Up & Cash-Out Processes.
 - a. True-Up. At the end of each NEM customer's 12-month relevant period, CEA 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 CEA'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 CEA's NEM program in excess of currently applicable CEA 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 CEA charges, then CEA shall credit such customer a Net Surplus Compensation (NSC) amount equal to the CEA NSC Rate per kWh, as defined in the CEA Rate Schedule, multiplied by the quantity of net surplus NEM energy produced by the customer during the True-Up Period, consistent with CEA's Cash-Out practice. All NEM accounts will be reset to zero kWh upon True-up.
 - b. Cash-Out. At the end of each customer's relevant period, any current customer with a NSC Payment equal to or greater than \$100, as determined during the applicable True-Up process, will be sent a direct payment by check. NSC payments less than \$100 will be rolled over into the next relevant period and used to offset future charges.
 - 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 CEA's Cash-Out as described in Section 5. All other NEM rules apply to aggregated NEM accounts.

F. ACCOUNT CLOSURES

Customers who close their electric account through SDG&E or move outside of the CEA service area prior to the end of their relevant period and have produced net surplus NEM energy, as measured in kWh, resulting in a credit balance in excess of currently applicable CEA charges, shall receive a direct payment equal to the rate per kWh, as defined in the CEA Rate Schedule, multiplied by the net surplus NEM energy.

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

G. 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 CEA 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.

H. RETURN TO SDG&E BUNDLED SERVICE

Customers with NEM service may opt-out and return to SDG&E bundled service at any time, pursuant to SDG&E's Rule 27. CEA will perform a true-up of their account (as described above), 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.