



SCHEDULE NEM-ST

Sheet 1

NET ENERGY METERING - SUCCESSOR TARIFF

APPLICABILITY

Pursuant to California Public Utilities Code (PU Code) Section 2827.1, this schedule is applicable to a residential, small commercial (as defined in subdivision (h) of Section 331 of the PU Code), commercial, industrial, or agricultural customer who uses a Renewable Electrical Generation Facility ("REGF"), as defined in Special Condition (SC) 1.b, that is located on the customer's owned, leased, or rented premises, is interconnected and operates in parallel with the Utility's transmission and distribution systems, and is intended primarily to offset part or all of the customer's own electrical requirements¹ (hereinafter "eligible customer-generator" or "customer"). Notwithstanding the definition of "eligible customer-generator" or "customer" provided above, such definition shall also include the California Department of Corrections and Rehabilitation (CDCR), as set forth in SC 8 of this schedule and the United States Armed Forces (USAF), as set forth in SC 9 of this schedule. Certain incremental billing and metering costs set forth in this schedule that are related to net energy metering are applicable to Energy Service Providers (ESPs) serving eligible customer-generators.

This schedule shall become available to eligible customer-generators upon request.

This service is not applicable to a Direct Access (DA) customer where the customer's ESP does not offer a net energy metering tariff. In the event a DA customer's ESP does not offer an NEM Aggregation service, as described in SC 7, the customer shall not be eligible for NEM-ST Aggregation service under this rate schedule. In addition, if an eligible customer-generator participates in direct transactions with an electric provider that does not provide distribution service for the direct transactions, the electric provider, and not the Utility, is obligated to provide net energy metering to the customer (also see SC 3.e).

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¹. Electrical requirements means the recorded kWh usage over the most recent 12-month period preceding the submission of an interconnection application or an estimate of usage over a 12-month period. For service NEM Aggregation, the electrical requirements is based on the aggregate usage associated with all meters included in the aggregated arrangement.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

APPLICABILITY (Continued)

Pursuant to Decision 08-02-002 and notwithstanding all applicable terms and conditions contained herein, to the extent a Community Choice Aggregator (CCA) offers a net energy metering tariff, Utility shall provide applicable NEM services under this schedule to an eligible CCA customer-generator consistent with services provided to its bundled service eligible customer-generators. As a condition of receiving service under this schedule, the CCA shall be responsible for timely providing the applicable generation-related bill charges or credits for each CCA customer-generator to the utility. Each eligible CCA customer-generator shall look to its CCA for NEM services related to the electric generation charges and credits that result from receiving services under this schedule. The CCA shall also be responsible for the applicable generation-related bill credit structure associated with this service option and providing the CCA customer-generator with the applicable generation-related bill credit.

This Schedule applies also to specified NEM-ST-eligible generators in a Generating Facility comprised of multiple NEM-ST and non-NEM-ST-eligible generators, served through the same Point of Common Coupling (PCC). Such facilities will be referred to as Multiple Tariff Facilities, and any group of generators within such a facility that are subject to the same tariff provisions for billing and metering purposes will be referred to as a Constituent Generator Group. In order to be eligible for this rate schedule in a Multiple Tariff Facility, the customer-generator must meet all the requirements of SC 56 for the schedule NEM-ST-eligible generator, and must also meet any other applicable tariffs. Customer-generator must also complete a Generating Facility Interconnection Agreement (Multiple Tariff) (Form 117-2160 or 117-2160-A, as applicable).

Due to the complexity of Multiple Tariff Facilities and/or NEM Aggregation, NEM-ST-eligible generators interconnecting under the provisions of SC 5 or SC 7 may require additional review and/or interconnection facilities and other equipment, and may incur interconnection costs, as provided for in SDG&E's Electric Rule 21 ("Rule 21").

This schedule applies to an eligible customer-generator with multiple meters that may elect to aggregate the electrical load of the meters located on the customer's owned, leased, or rented property where the REGF is located. Such program will be referred to as NEM-ST Aggregation. To be eligible for NEM-ST Aggregation, an eligible customer-generator must meet all the requirements in SC 7 and complete NEM Aggregation Form 142-02769.

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SCHEDULE NEM-ST

Sheet 3

NET ENERGY METERING - SUCCESSOR TARIFF

APPLICABILITY (Continued)

Eligible customer-generators that elect to receive service under this schedule shall be permitted to remain on this schedule, as it existed on the date the eligible customer-generator's complete interconnection application, including the final building inspection, was received by SDG&E, for 20 years from the original year of interconnection of its REGF. The original year of interconnection is indicated by and measured from the date on the written Authorization to Operate in Parallel ("ATO") notice issued by SDG&E. Eligible customer-generators switching to this schedule from a different NEM schedule, may remain under this schedule for a period of 20 years from the original year of interconnection of the eligible customer-generator's REGF.

A customer who owns, rents, or leases a premises that includes a REGF with a capacity of 30kW or less that was approved by SDG&E for parallel operation with SDG&E's grid prior to the customer moving in and/or receiving electric service from SDG&E (Change-of-party customer) may be eligible for service under this schedule as long as the requirements of this section have been met.

To be eligible, the Change-of-party customer must: 1) ensure that the Generating Facility is compliant with all applicable safety and performance standards, as delineated in Rule 21 and other applicable tariffs; 2) understand that SDG&E may, from time to time, release to the California Energy Commission ("CEC") and/or the California Public Utilities Commission ("CPUC" or "Commission"), information regarding the Change-of-party customer's facility, including Change-of-party customer's name and Generating Facility location, capacity and operational characteristics.

Change-of-party customers making any modification to previously approved SDG&E NEM Renewable Electrical Generation Facility are not eligible for this provision and must complete the interconnection process described in SC 4 of this tariff.

Change-of-party customers also must agree to comply with all rules and requirements of SDG&E's Net Energy Metering tariffs.

When the builder/developer of a subdivision sells a new home during the NEM application process, after the builder/developer completes the Net Energy Metering Application and Interconnection Agreement for customers with Solar and/or Wind Generating Facility of 30kW or Less (Form 142-02765) and otherwise meets all of SDG&E's requirements for the NEM interconnection, but prior to SDG&E providing final written approval for Parallel Operation on Schedule NEM-ST, SDG&E may treat the new home owner/customer as a Change-of-party customer, as defined above.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

TERRITORY

Within the entire territory served by the Utility.

RATES

All rates charged on this schedule will be in accordance with the eligible customer-generator's otherwise applicable metered rate schedule ("OAS"). An eligible customer-generator served under this schedule is responsible for all charges from its OAS including monthly billed minimum charges, customer charges, meter charges, facilities charges, energy and demand charges, and excluding any adjustments due to power factor provisions. Applicable demand charges are defined in the OAS.

Residential eligible customer-generators and qualified customers may choose to be served under an applicable optional Time-of-Use ("TOU") rate. Eligible customer-generators who complete their interconnection application for service under this schedule within a period of 120 days after SDG&E's 2016 General Rate Case Phase 2 ("GRC P2") proceeding (A.15-04-012) TOU rates become effective shall be permitted to 1) take service under the new TOU rates or 2) take service under existing TOU rates or tiered rates in effect at the time their interconnection application was completed for a period of time up to five years from the date they take service.

Residential eligible customer-generators who complete their interconnection applications for service under this schedule 120 days after the effective date of the implementation of SDG&E's 2016 GRC P2 and residential eligible customer-generators switching to this schedule from a different NEM schedule are required to take service under an applicable TOU rate and shall not have the ability to opt-out to a non-TOU rate. At the time of completing their interconnection application, customers shall be permitted to elect any applicable residential TOU rate option. In the absence of an election, eligible customer-generators will take service under SDG&E's Domestic TOU rate for households with solar energy systems, Schedule DR-SES. Any eligible customer-generator who was defaulted to Schedule DR-SES as a result of not making an initial election will have the option to elect a new residential TOU rate at a future point, to be effective in the eligible customer-generator's subsequent billing period. Any eligible customer-generator who optionally elects an applicable residential TOU rate option will have the option to elect a different residential TOU rate at a future point, provided under Rule 12, SC D.

Residential customers who do not have the option to take service on a TOU rate are allowed to interconnect under the NEM successor tariff on their existing rate schedule, or another rate schedule available to them. This exemption to the TOU requirement is applicable only to the limited number of customers who do not have a TOU rate available to them. This includes customers taking service under Schedules DM, DS, DT and DT-RV.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

RATES (Continued)

In addition, residential eligible customer-generators completing an interconnection application pursuant to this schedule prior to the date that default residential TOU rates go into effect may exercise the option to maintain their TOU rate at the time of completing their interconnection application under this schedule for up to five years from the date they take service.

Eligible customer-generators receiving service under this schedule are exempt from the requirement of taking service under Schedule S, Standby Service.

The charges and credits for Multiple Tariff Facilities taking service on this rate schedule under the provisions of SC 5 will be calculated using the OAS identified by the eligible customer-generator in its application for interconnection and its interconnection agreement with SDG&E or as subsequently changed by the eligible customer-generator in accordance with SDG&E's Electric Rule 12.

Eligible customer-generators with Multiple Tariff Facilities with existing Schedule NEM-ST, Schedule NEM, and/or Schedule NEM-FC-eligible generators who are interconnecting additional generators will receive a bill true-up prior to taking service under SC 5. This ensures that all NEM accounts have the same Relevant Period, as defined in SC 3, going forward.

The charges and credits for customer-generators electing NEM-ST Aggregation under the provisions of SC 7 will be calculated using the current OAS in affect for each service. In the event one or more of the accounts to be aggregated is currently receiving NEM service under this schedule or a different NEM rate schedule, to ensure that all accounts in the aggregation arrangement have the same Relevant Period, the accounts will be trued-up prior to taking service under SC 7.

All eligible customer-generators taking service under this schedule are responsible for paying nonbypassable charges which pursuant to D. 16-01-044 are defined as Public Purpose Program (PPP) charges, Nuclear Decommissioning (ND) charges, the Competition Transition Charge (CTC), and the Department of Water Resources Bond Charge (DWR-BC). These charges will be based on the kWhs consumed in each metered interval net of exports as defined in Special Condition 1 of this schedule, over the course of each monthly billing period.

In order to accurately calculate nonbypassable charges for customers participating in SDG&E's Residential Electric Smart Meter Opt-Out program and requesting service under this Schedule, an interval data recoding (IDR) meter with no radio communications ability will be used in place of the wireless meter to provide electric service for residential customers who elect this option.

SDG&E rates and rate design, including the rates and rate design reflected in this Tariff, are subject to change from time to time. Customers should take this into consideration when making any long term decisions based on rate structures that are currently in place.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS

1. Definitions: The definitions of terms used in this schedule are either found herein or in Rule 1, Rule 21, or the customer's OAS.
 - a. Otherwise Applicable Schedule ("OAS"): The eligible customer-generator's regularly filed rate schedule under which service is rendered.
 - b. Renewable Electrical Generation Facility: A facility that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the Public Resources Code or Section 2827(b)(11). These sources are biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation (only if facility will not cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow), digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.
 - c. Energy Exported: The Energy Exported will be determined by the amount of excess generation that is exported to the grid, measured in kWh.
 - d. Total Energy Delivered: The Total Energy Delivered will be determined by the amount of energy that is delivered by the utility, measured in kWh.
 - e. Net energy is defined as measuring the difference between the Total Energy Delivered by the Utility through the electric grid to the eligible customer-generator and the Energy Exported by an eligible customer generator and fed back into the electric grid over a 12-month period (Relevant Period).
 - f. Nonbypassable Charges: Pursuant to D. 16-01-044 are defined as Public Purpose Program (PPP) charges, Nuclear Decommissioning (ND) charges, the Competition Transition Charge (CTC), and the Department of Water Resources Bond Charge (DWR-BC). These shall be based upon the kWhs consumed in each metered interval net of exports, over the course of each monthly billing period.
2. Metering Equipment: Multiple Tariff Facilities will be metered under one of the options in SC 5. All other Net Energy Metering under this schedule shall be accomplished using a single meter capable of registering the flow of electricity in two directions. If the eligible customer-generator's existing electrical meter is not capable of registering the flow of electricity in two directions, the eligible customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to register electricity flow in two directions.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

2. Metering Equipment (Continued)

An additional meter or meters, installed in a dual meter socket ("dual metering"), to monitor the flow of electricity in each direction, may be installed with the consent of the eligible customer-generator, at the expense of the Utility, and the dual metering shall be used only to provide the information necessary to accurately bill or credit the customer according to the Utility's OAS or to collect electric generating system(s) performance information for research purposes. The Utility shall determine whether dual metering is required under this provision. If dual metering is installed, the net energy metering calculation (see below) shall yield a result identical to that of a single meter capable of registering the flow of electricity in two directions. The Utility shall not require dual metering except where necessary for billing accuracy. If none of the normal metering options available at the Utility's disposal, which are necessary to render accurate billing, are acceptable to the eligible customer-generator, the Utility shall have the right to refuse interconnection.

3. Net Energy Metering and Billing: Facilities qualifying under multiple tariffs, see SC 5. Eligible customer-generators qualifying for and electing NEM Aggregation, see SC 7. Net energy is defined as measuring the difference between the Total Energy Delivered by the Utility through the electric grid to the eligible customer-generator and the Energy Exported by an eligible customer generator and fed back into the electric grid over a 12-month period (Relevant Period). At the end of each Relevant Period following the date the eligible customer-generator was first eligible for Schedule NEM, or the date of written authorization for Parallel Operation, whichever is later, and at each anniversary date thereafter, the eligible customer-generator shall be billed for net electric energy used during that period. Nonbypassable charges shall be billed based on the kWhs consumed in each metered interval net of exports, over the course of the 12-month period and cannot be offset by generation credits. If an eligible customer-generator terminates service under this rate schedule, or experiences a change in electric service provider prior to the end of any Relevant Period, the Utility shall reconcile the customer's consumption and production of electric energy and bill and provide compensation the customer as described below, as if it were the end of the normal Relevant Period.

In the event the monthly valued energy exported by the eligible customer-generator exceeds the monthly valued energy consumed by eligible customer-generator during the Relevant Period, based on the eligible customer-generator's OAS as set forth below, the customer-generator shall still be responsible for payment of the nonbypassable charges, as defined by this schedule, and no payment shall be made for the excess energy delivered to the grid. If the Utility is the electric service provider, this condition may be modified where the customer has signed a contract to sell electric energy to the Utility.

In the event that the monthly valued energy supplied by the Utility during the Relevant Period exceeds the monthly valued energy exported by the eligible customer-generator during the Relevant Period, the eligible customer-generator is a net consumer and the Utility shall bill the eligible customer-generator for the net consumption and the nonbypassable charges as calculated above during the Relevant Period based on the eligible customer-generator's OAS, as set forth below.

Except as provided for in SC 3(h) and 3(i), once the true-up is completed at the end of the Relevant Period, any credit for excess energy (kWh) will be retained by the Utility and the net producer will not be owed any compensation for this excess energy. Production and consumption during the twelfth month is already considered in the true-up.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

3. Net Energy Metering and Billing: (Continued)

The eligible customer-generator's OAS shall apply to the value of any net monthly consumption or production as follows:

a) Baseline Rates: If the customer is a net consumer over a billing period, the net kWh consumed shall be billed at the applicable baseline rates up to the billing period's baseline allowance, with any excess kWh consumed billed at the applicable non-baseline rates charged other customers in the rate class.

If the customer is a net generator over a billing period, the net kWh generated shall be valued at the applicable baseline rates up to the billing period's baseline allowance, with any excess kWh generated valued at the applicable non-baseline rates charged other customers in the rate class.

Any nonbypassable charges, as defined in Special Condition 1 of this schedule, shall be billed based on the kWhs consumed in each metered interval net of exports.

b) Time-of-Use: If the customer is a net generator during any discrete time-of-use (TOU) period, the net kWh produced shall be valued at the appropriate TOU rates charged other customers under the same OAS. If the customer is a net consumer during any discrete TOU period, the net kWh consumed shall be billed at the appropriate TOU rates charged other customers under the same OAS. Any nonbypassable charges, as defined in Special Condition 1 of this schedule, shall be billed based on the kWhs consumed in each metered interval net of exports.

c) Annual and Monthly Billing: If the Utility supplies the eligible customer-generator with electric energy, the Utility shall provide the eligible customer-generator with net energy consumption information with each regular bill, including any non-by-passable charges. That information shall include the current monetary balance owed to the Utility for the net energy consumed since the last Relevant period ended. Eligible residential and small commercial customer-generators may pay monthly or annually for the net energy consumed. For all other commercial, industrial, and agricultural customers, the net balance of all moneys owed must be paid monthly. The net value of energy exported over a monthly billing cycle shall be carried over to the following billing period and appear as a credit on the eligible customer-generator's account, until the end of the Relevant Period.

For CCA, at the end of each relevant period, the Utility and CCA shall complete an annual true up of all charges and credits calculated monthly, consistent with the provisions set forth under this schedule. Credits and charges related to the CCA's generation services shall be based on the information provided by the CCA to the Utility. Credits and charges related to services provided by the Utility shall be based on the Utility's rates. Any net balance related to generation charges that are collected from an eligible NEM CCA customer-generator will be paid annually by the Utility to the CCA as set forth in Rule 27, Section Q, which describes the payment and collection terms between the Utility and a CCA customer. The charges or credits resulting from a CCA's generation services shall not be co-mingled with charges or credits resulting from services provided by the Utility.

A customer receiving service on this rate schedule shall not be eligible for the Level Pay Plan option set forth in Rule 9.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

3. Net Energy Metering and Billing: (Continued)

- d) Nonbypassable Charges: Pursuant to D.16-01-044, all customers receiving service under this schedule are subject to nonbypassable charges, as defined in Special Condition 1 of this schedule. Nonbypassable charges will be calculated by multiplying the rate for each charge by the kWhs consumed in each metered interval net of exports over the course of each monthly billing period.
- e) ESP Charges: The charges for all energy components for eligible customer-generators shall be based exclusively on the eligible customer-generator's net energy consumption over a Relevant Period, without regard to the eligible customer-generator's choice of ESP. If the eligible customer-generator switches its ESP during a Relevant Period, the prior ESP shall reconcile the customer generator's consumption and export of electricity for the applicable part of the current Relevant Period and the new Relevant Period will begin with respect to service provided by the eligible customer-generator's new ESP. The Utility will recover the incremental metering and billing service costs associated with Net Energy Metering from the customer's ESP.
- f) CCA Charges: If the eligible customer-generator switches its commodity provider during the Relevant Period, the previous commodity provider shall reconcile the customer generator's consumption and a new relevant period will begin with respect to service provided by the eligible customer-generator's new commodity provider, if applicable.
- g) Commencement of Service: The Utility shall start service for an eligible customer on this schedule effective with the first meter read date prior to the later of (1) customer notice to the Utility of a request for service on Schedule NEM or (2) SDG&E's written authorization for parallel operation of the customer's eligible Generating Facility.
- h) Net Surplus Energy: A NEM-ST customer with "net surplus electricity" (all electricity generated by an eligible customer measured in kilowatt-hours over a 12-month period that exceeds the amount of electricity consumed by that eligible customer), is eligible to receive net surplus compensation ("NSC"), valued in accordance with the methodology adopted in D.11-06-016. If a customer has not generated excess kWhs, the customer is not eligible for NSC.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

3. Net Energy Metering and Billing: (Continued)

- i) Compensation for net surplus energy: SDG&E will compensate eligible customer-generators with generation with excess kWhs at the end of their relevant period, for both the value of the electricity and the value of the renewable attributes. The Utility will provide compensation for net surplus generation using the following formula:

$$NSC = \text{Value of Electricity} + \text{Value of Renewable Energy Credits (if applicable)}$$

- (i) Value of the Electricity -

$$\text{Value of Electricity} = \text{Net surplus kWhs} \times \text{DLAP price}$$

The Utility will use SDG&E's Default Load Aggregation Point (DLAP) price as the basis for the net surplus compensation rate (adopted in D.11-06-016). DLAP reflects the costs the Utility avoids in procuring power during the time period net surplus generators produce excess power.

This rate is the simple rolling average of SDG&E's DLAP price from 7 a.m. to 5 p.m. corresponding to the customer's 12-month relevant period. The rolling average will be calculated on a monthly basis and be applied to all customers with a relevant period in the following month.

The Utility uses a full 12 months of DLAP prices, as published on the CAISO Open Access Same-time Information System (OASIS), ending the twentieth (20th) day of each month. The Utility then calculates the net surplus compensation rate within five days of the first of the month to allow the CAISO to finalize the day-ahead DLAP prices. This rate is applied to all eligible net surplus generators, irrespective of their rate class. This rate will be updated monthly and is available at: <http://www.sdge.com/nem/>.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

3. Net Energy Metering and Billing: (Continued)

(ii) Value of Renewable Energy Credits –

Value of Renewable Energy Credits = Net surplus kWhs x Average Renewable Premium

The CEC has determined the eligibility of net energy metering customer facilities for the Renewables Portfolio Standard (RPS) and developed an ownership verification and tracking process for Renewable Energy Credits (RECs) created by net surplus generators, which is set forth in the CEC's RPS Eligibility Guidebook, available at: <http://www.energy.ca.gov/renewables/documents/#rps>

The Utility will include an Renewable Attribute Adder (RAA) with the NSC rate if the eligible customer has: (1) certified ownership of RECs associated with his net surplus generation and provides this certification to the Utility; (2) obtained RPS certification from the CEC for the customer's REGF and provides this certification to the Utility; and (3) transfers the ownership of the RECs associated with his net surplus electricity to the Utility using the Western Renewable Energy Generation Information System (WREGIS). To effectuate these requirements, Customers requesting Utility compensation for the RAA must complete the Net Energy Metering Renewable Energy Credits Compensation Agreement (Form 182-1000).

The renewable attribute adder will be calculated using the most recent Western Electricity Coordinating Council (WECC) average renewable premium, based on United States Department of Energy (DOE) published data. The renewable attribute adder will only be paid to those net surplus generators who provide RECs to the Utility. This rate will be updated annually and is available at <http://www.sdge.com/nem>.

In accordance with the process established in D.11-06-016, NEM-ST customers who elect to receive NSC must notify the Utility that they are a Qualifying Facility exempt from certification filing at the Federal Energy Regulatory Commission ("FERC"). Since all eligible customer-generators with net power production capacities of 1 MW or less, currently meet the requirements for a qualifying facility exempt from certification filing at FERC by being under 1 MW (under FERC Order 732), SDG&E requires no additional documentation at this time. NEM-ST customers interconnecting a REGF with a capacity greater than 1 MW that are also electing to receive Net Surplus Compensation shall provide notice to the Utility that it is self-certifying such facility as a Qualifying Facility pursuant to the Public Utility Regulatory Policies Act of 1978 by properly completing and filing FERC Form No. 556 with the FERC. FERC Form No. 556 is not a requirement of interconnection.

Eligible customers have the option to carry over net surplus compensation to future 12-month periods as a bill credit or can elect a monetary payment, if the amount is greater than one dollar (\$1). Payments for NSC shall be reduced by any amount the customer owes to the Utility.

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Advice Ltr. No. 2860-E

Dan Skopec

Effective Jul 5, 2016

Vice President
Regulatory Affairs

Decision No. D.16-01-044

Resolution No. _____

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

3. Net Energy Metering and Billing: (Continued)

ii) Greenhouse Gas Allowance Revenue Return

For customers eligible under Schedule GHG-ARR, volumetrically-based California (CA) Climate Credits will net when customers generate. Checks issued to NEM customers electing an off-bill payment for Net Surplus Compensation will incorporate any remaining CA Climate Credits.

4. Interconnection: Prior to Parallel Operation, the eligible customer-generator must execute and comply with the applicable Utility Interconnection Agreement For Net Energy Metering Renewable electrical generating facility (Form 142-02760) or the Net Energy Metering Application and Interconnection Agreement for Customers with Solar and/or Wind Generating Facilities of 30 kW or Less (Form 142-02765) or for NEM / non-NEM Generating Facility Interconnection Agreement export, Form 117-2160. The eligible customer-generator shall meet all applicable safety and performance standards established by the National Electric Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the CPUC regarding safety and reliability. Eligible customer-generators whose system capacity¹ is equal to or less than one MW shall be responsible for paying an interconnection fee of \$132. The interconnection fee shall be waived for eligible customer-generators that participate in the Single-Family Affordable Solar Housing (*SASH") program. Eligible customer-generators whose system capacity exceeds one MW, shall be responsible for paying an interconnection fee of \$800.00. Additionally, all customers installing an REGF with a capacity in excess of 1 MW shall be subject to Network and/or Distribution upgrade costs in accordance with Rule 21.

¹. System capacity is the electricity generating capacity based upon CEC-AC rating standards.

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SCHEDULE NEM-ST

Sheet 13

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

5. Multiple Tariff Facility:

Multiple Tariff Facilities have the following additional provisions:

- a) When Net Generation Output Metering (NGOM) is required, such NGOM must conform to the requirements set forth in Rule 21, Section J.3.
- b) An REGF Constituent Generator Group is defined as a constituent generator group that is eligible for service under the provisions of either this Schedule, Schedule NEM, or Schedule NEM-FC.
- c) A non-REGF Constituent Generator Group is defined as a constituent generator group that does not take service under the provisions of this schedule, Schedules NEM or Schedule NEM-FC, but interconnects under the provisions of Rule 21.
- d) All metering for Multiple Tariff Facilities called for in this SC must meet the requirements needed to bill under the customer-generator's OAS. All metering, equipment and non-export relays necessary to implement the provisions in this section will be provided at the eligible customer-generator's expense.
- e) Billing Credits:
 - 1) For customer-generators with one REGF Constituent Generator Group and one or more non-REGF Generators without non-export relay, and energy (kWh) is exported to the grid at the PCC, the billing credit will be calculated for each billing period as follows:
 - a) REGF Export is the lesser of either all exported energy (kWh) as measured at the PCC or the REGF-eligible Constituent Generator Group's production as measured at the NGOM(s)
 - b) Multiply the REGF-eligible export determined in (a) above with the customer-generator's rate per OAS and applicable NEM-ST schedule.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

5. Multiple Tariff Facility: (Continued)

e) Billing Credits: (Continued)

2) For eligible customer-generators with multiple REGF Constituent Generator Groups and with or without one or more non-REGF Generator's without non-export relay, and energy (kWh) is exported to the grid at the PCC, the billing credit for each REGF Constituent Generator Group will be calculated for each billing period as follows:

- a) Sum all REGF Constituent Generator Groups' production (kWh) as measured at the NGOMs.
- b) Determine the proportion of energy production (kWh) attributable to each REGF Constitute Generator Group by dividing the NGOM reading of each by the sum from (a) above.
- c) REGF Export for each REGF Constituent Generator Group is the lesser of either its proportion of attributable energy production determined in (b) above multiplied by the total exported energy (kWh) as measured at the PCC or its energy production (kWh) measured at its NGOM.
- d) Multiply each REGF Constituent Generator Group's Export determined in (c) above by the customer-generator's rate per OAS and applicable NEM schedule.

If interval meters are used, this allocation of bill credit will be done on the aggregated intervals over a billing period. If the OAS is a time-of-use (TOU) rate schedule, the allocation will be performed for each aggregated TOU period separately.

3) Billing credit will be applied consistent with the appropriate NEM tariff as follows:

- a) First, apply Generation Rate Component credits from NEM-FC generators (if any) as appropriate, to the remainder of generation component charges on the account served by the Generating Facility (Host Account).
- b) Second, apply NEM and NEM-ST Generating Facility credits to energy charges of the accounts served by the Generating Facility.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

5. Multiple Tariff Facility: (Continued)

f) Multiple Tariff Facility Configurations and Metering.

- 1) For two or more of REGF Constituent Generator Groups and no non-REGF Constituent Generator Groups, the customer-generator must install NGOM on each REGF Constituent Generator Group. In addition, metering is required at the PCC.
- 2) For both REGF and non-REGF Constituent Generator Groups, the customer must select one of the following options:
 - a) Non-Export Relay Option: An eligible customer-generator must install a Non-Export relay on their non-REGF Constituent Generator Groups and install metering as follows: 1) If there is only one type of REGF Constituent Generator Group then metering at the PCC is all that is required and the terms of the appropriate NEM tariff for that group shall apply; 2) If there are two or more types of REGF Constituent Generator Groups, then metering at the PCC and NGOM metering of each REGF Constituent Generator Group is required.
 - b) NGOM Option: The eligible customer-generator must install NGOM on each REGF Constituent Generator Group and metering at the PCC.

For any of the above configurations, if the eligible customer-generator has a Constituent Generator Group eligible for service under this schedule, or Schedule NEM for the REGF the customer-generator may elect to take service for such under either this schedule or Schedule NEM-FC as appropriate to one of the other Constituent Generator Groups.

For the purpose of tariff administration, other metering configurations may be allowed at SDG&E's discretion.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

- 6. Any customer with an existing REGF with a capacity greater than 30kW and meter who enters into a new net energy metering contract (for example, form 142-02760.5 Interconnection Agreement For Virtual Net Energy Metering for Multifamily Affordable Housing (VNM-A or VNM-A-ST) Renewable Electric Generating Facility) shall submit a completed version of form 142-02763 – Net Energy Metering Inspection Report (Inspection Report) to SDG&E, unless the electrical Generating Facility and meter have been installed or inspected within the previous three years. The Inspection Report shall be prepared by a California licensed contractor who is not the owner or operator of the facility and meter. A California licensed electrician shall perform the inspection of the electrical portion of the facility and meter and sign the Inspection Report. If an inspection is required, the customer shall submit the fully completed Inspection Report to SDG&E within 90 days of the of the customer becoming the customer of record at this account, or else the customer agrees to disconnect their Generating Facility and inform SDG&E it no longer will take service under a NEM rate schedule. By signing the Interconnection Agreement, the Inspection Report shall be incorporated into the Interconnection Agreement.

- 7. NEM Aggregation: Except as otherwise provided for below under this SC, all other terms and conditions of this schedule shall be applicable to customers receiving service under this SC. Under this SC, an eligible customer-generator with multiple meters may elect to aggregate the electrical load of the meters located on the property where the REGF is located and on all property adjacent or contiguous to the property on which the REGF is located, provided that all properties are solely owned, leased, or rented by the eligible customer-generator. All of the following additional conditions are applicable to an eligible customer-generator that elects to aggregate its electric load pursuant to this SC (NEM-ST Aggregation Customer):
 - a) Definitions:
 - 1) NEM-ST Aggregated Account(s): the eligible account(s) associated with the eligible meters, as identified by the customer whose load will be aggregated for the purpose of applying NEM-ST Aggregation that are listed on NEM/NEM-ST Aggregation Form 142-02769 (“Aggregation Form”).
 - 2) Generating Account: an account with an associated REGF.
 - 3) Aggregated Arrangement: A single Generating Account and all NEM-ST Aggregated Accounts identified by the NEM-ST Aggregation Customer on the Aggregation Form.
 - 4) As used in this SC, the terms “Property” and “Parcel” have the same meaning.

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SCHEDULE NEM-ST

Sheet 17

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

7. NEM Aggregation (Continued)

b) An eligible customer-generator electing service under this SC is subject to the following:

- 1) NEM-ST Aggregation Customers must continue to meet the definition of an eligible customer-generator found in PU Code Section 2827(b)(4) in order to additionally qualify for NEM-ST Aggregation.
- 2) NEM-ST Aggregation Customers may elect to receive service under this SC provided that all meters in the Aggregated Arrangement are located on parcels that are part of an unbroken chain of contiguous parcels that are solely owned, leased or rented by the NEM Aggregation Customer. For the purposes of NEM-ST Aggregation, parcels that are divided by a street, highway, or public thoroughfare are considered contiguous, provided they are within an unbroken chain of otherwise contiguous parcels and under the same ownership or lease, as verified in Form 142-02769. In all instances where a NEM-ST Aggregation Customer receives NEM-ST Aggregation service, contiguous properties must be under the same ownership or lease.

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17C12

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

7. NEM Aggregation (Continued)

b) An eligible customer-generator electing service under this SC is subject to the following: (continued)

For example, if there are three parcels (A, B and C), all of which are solely owned, leased or rented by the NEM-ST Aggregation Customer, where A contains the REGF and A abuts B, B abuts C, but A and C are separated by B, then the loads of all three parcels shall be eligible to participate in NEM-ST Aggregation. Refer to Diagram 1 (for illustrative purposes only). In addition, if there are five parcels (A, B, C, D and E) that form a cluster of contiguous parcels, where A contains the REGF, and D and E are separated from A, B, and C by a street, highway or public thoroughfare, for the purposes of participating in NEM-ST Aggregation only, all five parcels are considered contiguous, provided they are otherwise contiguous and all are solely owned, leased or rented by the Customer. Refer to Diagram 2 (for illustrative purposes only).

Diagram 1

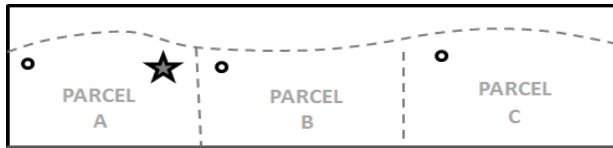
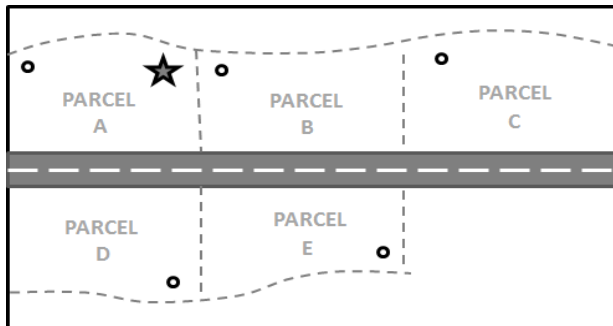


Diagram 2



- ★ = RENEWABLE ELECTRICAL GENERATION FACILITY
- = METER
- = ELIGIBLE

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SCHEDULE NEM-ST

Sheet 19

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

7. NEM Aggregation (Continued)

b) An eligible customer-generator electing service under this SC is subject to the following: (Continued)

- 3) All Meters in an Aggregated Arrangement must be located on the same property and adjacent or contiguous property as the REGF or facilities.
- 4) All meters in an Aggregated Arrangement must be billing under the name of the same customer of record.
- 5) Existing NEM and NEM-ST customers electing NEM-ST Aggregation who also have executed interconnection agreements and who are making no modifications to their REGF other than electing NEM-ST Aggregation will not be required to complete new interconnection agreements and will not be subject to additional interconnection studies.
- 6) A REGF must be sized to primarily offset part or all of the customer's own electrical requirements. System capacity is determined by the CEC Alternating Current nameplate capacity rating.
- 7) If an NEM-ST Aggregated Account is separated from the Aggregated Arrangement and subsequently qualifies for NEM-ST, it is also eligible to receive net surplus electricity compensation on a going-forward basis, provided it meets all other applicable NEM-ST eligibility criteria.
- 8) In accordance with all of the applicable Utility tariffs, including but not limited to Rule 21, and any other regulations and laws governing the interconnection, NEM-ST Aggregated Accounts are permitted to be equipped with non-REGF generating facilities.
- 9) NEM-ST Aggregation Customers shall be responsible for remitting payment to the Utility for the costs of providing NEM-ST Aggregation billing services.
- 10) The Utility may request additional information from customers and conduct research to ensure compliance with all applicable statutes and tariffs, including but not limited to the standard NEM-ST and NEM-ST Aggregation requirements. If the Utility determines that an existing or prospective NEM-ST Aggregation Customer is not in compliance with all applicable statutes and tariff provisions, including but not limited to standard NEM-ST and NEM-ST Aggregation requirements, the Utility may refuse or discontinue service under NEM-ST Aggregation.

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19C13

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

7. NEM Aggregation (Continued)

c) Interconnection: If an eligible customer-generator elects to receive NEM-ST Aggregation service and satisfies the requirements in paragraph (c) of this SC and the applicable statutes and tariffs, the eligible customer-generator will be subject to the following interconnection process:

- 1) NEM-ST Aggregation Customers shall have an effective interconnection agreement with the Utility.
- 2) As applicable, the NEM-ST Aggregation Customer will indicate its election of NEM-ST Aggregation on either Form 142-02765 (NEM Application and Interconnection Agreement for Electric Generating Facilities of 30 Kilowatts or Less) or Form 142-02766 (NEM Application and Interconnection Agreement for Electric Generating Facility Greater than 30 Kilowatts up to 1000 Kilowatts). In addition, the NEM-ST Aggregation Customer will complete the NEM/NEM-ST Aggregation Form (Form number 142-02769) ("Aggregation Form"). The Aggregation Form (1) requests a list of meters and accounts the NEM-ST Aggregation Customer intends to include in the Aggregated Arrangement; (2) requires the NEM-ST Aggregation Customer to select the preferred method for interconnecting to the electrical grid; and (3) includes a declaration the NEM-ST Aggregation Customer must sign acknowledging and verifying the that the conditions set forth in paragraph (c) of this SC have been met.
- 3) The NEM-ST Aggregation Customer must select which of the two methods offered for interconnecting to the Utility's grid is preferred: interconnecting via a billing account meter – Billing Account Method or a Net Generator Output Meter (NGOM) – NGOM Method.
 - a) Billing Account Method: This interconnection method follows the standard interconnection model applicable to non-multiple tariff NEM-ST customers receiving service under this rate schedule. No additional metering equipment is necessary for interconnecting under this method. Payment of all costs for any system upgrades required for an Aggregated Arrangement shall be the responsibility of the NEM-ST Aggregation Customer.
 - b) NGOM Method: Under this method, the NEM-ST Aggregation Customer shall be responsible for paying a one-time, upfront, charge, adjusted to include the factors described in the Special Facilities section of Electric Rule 2 and calculated based on all costs associated with:
 - a. connecting the REGF directly to SDG&E's distribution system;
 - b. installing a SDG&E-owned NGOM capable of recording generation in 15-minute intervals;

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SCHEDULE NEM-ST

Sheet 21

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

7. NEM Aggregation (Continued)

c) Interconnection: (continued)

3) The NEM-ST Aggregation Customer must select which of the two methods offered for interconnecting to the Utility's grid is preferred: interconnecting via a billing account meter – Billing Account Method or a Net Generator Output Meter (NGOM) – NGOM Method. (continued)

b) NGOM Method: (continued)

- c. applicable disconnect/reconnect procedure charges requested by the customer, any wiring, trenching, conduit; and
- d. any other facility costs incurred by SDG&E to interconnect the REGF.

The location of the customer's equipment necessary for the installation of the NGOM shall be approved by the Utility, and will normally be grouped with the service and metering equipment for one or more existing SDG&E-owned meters. The Utility will measure the generation output from the REGF and assign each Aggregated Account the appropriate credit based on the monthly usage of each Aggregated Account.

If there is any load behind the NGOM in addition to incidental load related to the operation of the NEM-ST Aggregation Customer, the Utility may require, at the expense of the NEM-ST Aggregation Customer, the purchase and installation of metering equipment necessary to determine the total generation and total usage at the interconnection point. Usage shall be billed as a usage account to ensure that all eligible generation output is allocated and that netting only occurs after credits have been allocated.

The current cost of an NGOM varies depending on the type of meter required and typically ranges from \$1,000 - \$5,000, updated as required. Other equipment that may be required for the installation of an NGOM (including, but not limited to, remote communications costs) shall be installed at the NEM-ST Aggregation Customer's expense.

Meter Type	Estimated Cost
Self-contained Meter Installation (≤200a)	\$ 998
Single-phase CT Installation	\$2,306
Three-phase CT Installation (<800a)	\$2,306
Three-phase CT Installation (≥800a)	\$2,943

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

7. NEM Aggregation (Continued)

c) Interconnection: (continued)

- 4) In the event there is a change of status that makes any of the meters or accounts listed in the Aggregation Form ineligible to continue receiving service under NEM-ST Aggregation, NEM-ST Aggregation Customers shall notify the Utility within fifteen (15) days of such changes.
- 5) In the event a Rule 21 study is required, the processing of the request for interconnection may extend beyond the 30 working days typically required for net energy metering interconnections.
- 6) The REGF shall comply with all of the Utility's tariffs, including but not limited to Rule 21, and any other regulations and laws governing the interconnection of the REGF.

d) Billing Provisions:

- 1) A one-time service establishment fee of \$25 per Aggregated Account (capped at \$500 per Aggregated Arrangement) and a monthly billing fee of \$5 per Aggregated Account will be assessed to NEM-ST Aggregation Customers receiving service under this SC. These interim billing service charges may be subject to change upon approval by the Commission on a going-forward basis.
- 2) The Net Energy Metering Aggregation Memorandum Account (NEMAMA) will track billing-related costs in excess of the NEM Aggregation program costs listed in paragraph (e)(1) of this Special Condition.
- 3) All Aggregated Accounts in the Aggregated Arrangement must have the same Relevant Period.
- 4) Should a meter be added to an Aggregated Arrangement during a Relevant Period, the new meter will be charged the one-time service establishment fee and its Relevant Period will be adjusted so that it aligns with the Relevant Period of the existing Aggregated Accounts.
- 5) Should an Aggregated Account be removed from an Aggregated Arrangement during a Relevant Period, the Aggregated Arrangement will be adjusted.
- 6) All changes to an Aggregated Arrangement will become effective on the first regularly scheduled meter read date that is at least 15 days following the Utility's receipt of the request.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

7. NEM Aggregation (Continued)

d) Billing Provisions: (continued)

- 7) The Utility shall provide the NEM-ST Aggregation Customer with individual Aggregated Account consumption and allocated generation information with each regular monthly bill. The information shall include the current monetary balance owed to the Utility for the net energy consumed in the current Relevant Period.
- 8) The Utility will initially set up a manual billing process for NEM Aggregation. If the Utility performs billing system upgrades to automate its NEM-ST Aggregation billing process, costs associated with billing system modifications required for the development and implementation of this SC 7 will be recorded to the NEMAMA.
- 9) All Aggregated Accounts in an Aggregated Arrangement must be receiving electricity commodity services from the same entity.
- 10) NEM-ST Aggregation service is not permitted in combination with service provided under the Multiple Tariff Facilities provisions of this, or any other, net energy metering rate schedule.

e) Billing Process:

- 1) The Utility will use the aggregated load for the purpose of determining whether an NEM-ST Aggregation Customer is a net consumer or a net producer during the Relevant Period. At the end of the Relevant Period, NEM-ST Aggregation returns the customer's net balance to zero, showing no net surplus electricity.
- 2) Energy Exported: If the Billing Account interconnection method is selected, the Energy Exported will be determined by the amount of excess generation that is exported to the grid, measured in kWh. If the NGOM interconnection method is selected, Energy Exported is the kWh recorded by the NGOM during the specific billing period.

Total Energy Delivered: If the Billing Account interconnection method is selected, the Total Energy Delivered will be determined by the amount of energy that is delivered by the utility, measured in kWh. If the NGOM interconnection method is selected, Total Energy Delivered is the kWh recorded by the NGOM during the specific billing period.

- 3) Allocation of Credit: The monthly allocation percentage of kWh will be based on the cumulative usage at each Aggregated Account compared with the total cumulative usage for all of the Aggregated Accounts and the cumulative generation from the Generating Account from the start of the Relevant Period.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

7. NEM Aggregation (Continued)

e) Billing Process (continued)

4) Customer Bill: Credits applied to Aggregated Accounts will be based on the methodology set forth in paragraph (e)(3) of this SC. At the end of each billing period, remaining credits shall be carried over to the following billing period, until the end of the Relevant Period. NEM-st Aggregation Customers served under this SC are responsible for all charges from their OAS, including minimum charges, customer charges, basic service fees, meter charges, facilities charges, energy and demand charges, excluding any adjustments due to power factor provisions. Nonbypassable charges, as defined by this schedule, shall be billed monthly based on the total energy delivered by the Utility over the course of the Relevant period and cannot be offset by remaining generation credits.

5) NEM-ST Aggregation Billing: At the end of each Relevant Period, the NEM-ST Aggregation Customer shall be billed for net consumption during that period. If an NEM-ST Aggregation Customer terminates service under this rate schedule prior to the end of a Relevant Period, the Utility shall reconcile the customer's consumption with any remaining credit, and bill to the customer as if it were the end of a Relevant Period.

a) For an OAS with Baseline Rates:

If the NEM-ST Aggregation Customer is a net consumer for the month, the net kWh consumed shall be valued and billed in accordance with the NEM-ST Aggregation Customer's OAS. If the NEM-ST Aggregation Customer is a net generator for the month, the net kWh generated shall be valued and credited in accordance with the NEM-ST Aggregation Customer's OAS. Any nonbypassable charges, as defined by this schedule, shall be billed based on the total energy delivered by the Utility.

b) For an OAS with Time-of-Use (TOU) Rates:

If the NEM-ST Aggregation Customer is a net consumer during any discrete TOU period, the net kWh consumed shall be billed in accordance with the applicable TOU rates charged under the NEM-ST Aggregation Customer's OAS. If the NEM-ST Aggregation Customer is a net generator during any discrete TOU period, the net kWh generated shall be valued in accordance with the applicable TOU rates charged under the NEM-ST Aggregation Customer's OAS. Any nonbypassable charges, as defined by this schedule, shall be billed based on the total energy delivered by the Utility.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

7. NEM Aggregation (Continued)

f) In the event an NEM-ST Aggregation Customer becomes eligible for payments resulting from participation in a demand response program, such payments to the NEM-ST Aggregation Customer shall be based on the customer's metered usage, disregarding any contributions from NEM-ST Aggregation. Similarly, any other demand response program elements that are affected by a customer's load (e.g. program eligibility) shall also exclude from consideration any impacts that may otherwise occur as a result of receiving service under NEM-ST Aggregation

8. California Department of Corrections and Rehabilitation (CDCR) Provisions

- a) For the purposes of this SC 9 only, "Eligible customer-generator" includes the CDCR using
 - 1) a REGF, or
 - 2) a combination of renewable electrical generation technologies.
- b) CDCR's total generation capacity shall not exceed eight (8) megawatts.
- c) All generation shall be located on CDCR's owned, leased, or rented premises, and shall be interconnected and operated in parallel with the electrical grid.
- d) CDCR's generation at each CDCR REGF shall be intended primarily to offset part or all of such Facility's own electrical requirements.
- e) The amount of any wind generation exported to the Utility's electrical grid by any such Facility shall not exceed 1.35 megawatt to qualify for service hereunder.
- f) To the extent that CDCR interconnects a REGF with a capacity greater than 1 MW, CDCR shall provide notice to Utility that CDCR is self-certifying such Facility as a Qualifying Facility pursuant to the Public Utility Regulatory Policies Act of 1978 by properly completing and filing FERC Form No. 556 with the FERC, if CDCR elects to apply for Net Surplus Compensation. FERC Form No. 556 is not a requirement of interconnection.
- g) CDCR Eligible Customer Generators are subject to Network and/or Distribution upgrade costs in accordance with Rule 21 Section D.13.e.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

9. United States Armed Forces Provisions

- a) A USAF base or facility is defined as an establishment under the jurisdiction of the United States Army, Navy, Air Force, Marine Corps, or Coast Guard.
- b) Pursuant to PUC Section 2827(b)(4)(C) an "Eligible customer-generator" under this rate schedule includes USAF base or facility if the base or facility that uses a REGF, as defined in SC 1.b. above, or a combination of such facilities
 - i) located on premises owned, leased, or rented by the Armed Forces base or facility, and is interconnected and operates in parallel with the electrical grid,
 - ii) intended primarily to offset part or all of the base or facility's own electrical requirements,
 - (iii) with a generating capacity that does not exceed the lesser of 12 megawatts or one megawatt greater than the minimum load of the base or facility over the prior 36 months

Customers receiving service under this SC shall not receive compensation, including net surplus compensation, as defined above, for energy exported to the grid. Energy exported to the grid shall not be netted with energy supplied by SDG&E.

- d) Customers receiving service under this SC shall not be eligible for NEM Aggregation set forth in SC 7 above.
- e) Except as otherwise stated herein, the provisions set forth under this rate schedule shall apply to customers receiving service under this SC.

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SCHEDULE NEM-ST

NET ENERGY METERING - SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

10. NEM-ST Grandfathering Provisions

This Special Condition is applicable to all customers receiving service on this Schedule or who have submitted all documentation necessary to receive service on this Schedule.

- a) System Modifications - Generating Facilities eligible for the 20-year transition period outlined above that are modified and/or repaired shall remain eligible for the remainder of their 20-year transition period as long as the modifications and/or repairs do not increase the Generating Facility by more than the greater of (1) 10 percent of the Generating Facility's nameplate rating capacity, as established when the Generating Facility was originally interconnected, or (2) 1 kW; and provided the modifications and/or repairs do not result in the Generating Facility exceeding the Customer's annual onsite load. Customers making modifications and/or additions to their Generating Facilities that exceed the 10 percent or 1 kW limit referenced above have the option of either metering the additions and/or modifications separately under another eligible tariff, or having the entire Generating Facility served under another eligible tariff, subject to the terms and conditions contained therein.
- b) Ownership Transferability - Generating Facilities eligible for the 20-year transition period shall not lose their eligibility if transferred to a new owner, operator, or SDG&E account, provided the Generating Facility remains at its original location. The transfer of an existing Generating Facility to a new location is considered a new installation requiring a new Interconnection Agreement that is subject to the applicable tariffs in place at the time the new Interconnection Request is completed.
- c) Paired Energy Storage Systems - To the extent that eligible energy storage systems are considered an addition or enhancement to the Generating Facility served under this Schedule, the energy storage systems shall be treated in the same way, and subject to the same transition period, as the Generating Facilities to which they are connected.

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