



SCHEDULE VNM-A

Sheet 1

VIRTUAL NET ENERGY METERING FOR MULTIFAMILY AFFORDABLE HOUSING

APPLICABILITY

Optionally available to Qualified Customers as defined in Special Condition (SC) 4, owning, renting, or leasing in Multi-Family Affordable Housing Accommodations as defined in SC 3, where the Owner of the complex has installed a solar "eligible customer-generator" with generating capacity of 1 megawatt (MW) or less, as defined in Schedule NEM and Public Utilities (PU) Code Section 2827, and contracts with the Utility to have all eligible output from the generator supplied to the Utility for the purpose of providing a credit to the Qualified Customers within the complex. The terms of this rate schedule shall apply to any Qualified Customer that is designated by the Owner on a Solar Generation Credit Allocation Request Form, unless the customer provides written notification to the Utility declining to receive a credit. Virtual Net Energy Metering (VNM) facilitates cost savings for Owners by avoiding the installation of an eligible customer-generator on each individual dwelling unit, and also provides Qualified Customers with the benefits that would otherwise be provided under Net Energy Metering (NEM). Owners that install an eligible customer-generator for the purpose of VNM-A may be eligible for additional up-front incentives (see SC 11).

Service on this rate schedule must be taken in combination with the Qualified Customer's otherwise applicable rate schedule (OAS). This schedule will be available to eligible customer-generators, upon request, on a first-come-first-served basis until the time that total rated generating capacity used by both NEM and VNM-A eligible customer-generators exceeds 2.5% of SDG&E's aggregate customer peak demand until December 31, 2015 or until all funds available for incentives have been allocated, whichever comes first. VNM-A Customers are not eligible to take service under SDG&E Schedule DR-SES.

TERRITORY

Within the entire territory served by the Utility.

RATES

The Qualified Customer Bill as determined under SC 8c. is applicable, less Customer's Allocated Credit.

SPECIAL CONDITIONS

1. Definitions: The Definitions of terms used in this schedule are found either herein or in Rule 1.
2. Treatment of Generation: Eligible customer-generators that are installed and utilized in providing service under terms of this rate schedule shall be treated as though they were installed and utilized under terms of Schedule NEM, unless otherwise specified herein.
3. Affordable Housing Multi-Family Accommodations: Per PU Code Section 2852, is multi-family housing that meets at least one of following criteria:
 - a) Residential housing financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants, and for which the rents of the occupants who are lower income households, as defined in Section 50079.5 of the Health and Safety Code, do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.
 - b) A residential complex in which at least 20 percent of the total units are sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, and the housing units targeted for lower income households are subject to a deed restriction or affordability covenant with a public entity that ensures that the units will be available at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or at an affordable rent, as defined in Section 50053 of the Health and Safety Code for a period of at least 30 years.

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VIRTUAL NET ENERGY METERING FOR MULTIFAMILY AFFORDABLE HOUSING

SPECIAL CONDITIONS (Continued)

8. Billing Process: The following billing process shall be used.

- a) Energy Delivered: The metered output, delivered to the grid, as recorded by the Generator Output Meter and validated by the appropriate Utility billing processes during the specific billing period.
- b) Allocation of Credit: Monthly allocated Credits for common areas and Qualified Customers are determined by multiplying the monthly Energy Delivered (kWh) by the percentages contained in the Solar Generation Credit Allocation Request Form on file with the Utility, and then converting each kWh credit to dollars using the Qualified Customer's OAS.
- c) Qualified Customer Bill: The OAS for each Qualified Customer, adjusted to conform to the conditions set forth in Schedule NEM. Qualified Customers served under this schedule are responsible for all charges from their OAS including monthly billed minimum charges, customer charges, meter charges, facilities charges, energy and demand charges, excluding any adjustments due to power factor provisions. Applicable demand charges are defined in the OAS.
- d) Virtual Net Energy Metering and Billing: VNM means measuring the difference between the electric energy supplied by the Utility to Qualified Customers and the electric energy generated by an eligible customer-generator, fed to the electric grid, and credited to Qualified Customers over a 12-month period (Relevant Period).

At the end of each Relevant Period following the Qualified Customer's date of SDG&E's written authorization for the eligible customer-generator's parallel Operation with SDG&E's electrical system, the Qualified Customer shall be billed for net electric energy used during that period. If a Qualified Customer terminates service under this rate schedule prior to the end of any Relevant Period, the Utility shall reconcile the customer's consumption of electric energy with any remaining credit, and bill the customer as if it were the end of the normal Relevant Period.

(1) For an OAS with Baseline Rates:

If the Qualified Customer is a net consumer for the month, the net kWh consumed shall be billed in accordance with the Qualified Customer's OAS. If the Qualified Customer is a net generator, 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.

(2) For an OAS with Time-of-Use Rates

If the Qualified Customer is a net consumer during any discrete TOU period, the net kWh consumed shall be billed at the applicable TOU rates charged in the OAS. If the Qualified Customer is a net generator, the net kWh generated shall be valued at the applicable TOU rates charged in the OAS.

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SCHEDULE VNM-A

Sheet 4

VIRTUAL NET METERING FOR MULTIFAMILY AFFORDABLE HOUSING

SPECIAL CONDITIONS (Continued)

Assembly Bill 920: Pursuant to Assembly Bill 920, starting January 1, 2011, a NEM customer with "net surplus electricity" (all electricity generated by an eligible customer measured in kilowatt-hours that exceeds the amount of electricity consumed by that eligible customer over a 12-month period), will be provided with options regarding net surplus compensation, which valuation remains subject to further Commission action. Until then, NEM customers may choose to:

- (i) Begin the tracking of surplus energy at the end of the customer's current 12-month relevant period; or
- (ii) Begin the tracking of surplus energy immediately, thereby establishing a new 12-month relevant period. Under this option, SDG&E will perform the normal reconciliation of the customer's account and the new 12-month relevant period will begin on the next regularly-scheduled meter read date. Under this selection, any surplus electricity available at the time of selecting the new relevant 12-month period will be zeroed out; or
- (iii) Not receive any true-up net surplus electricity compensation by notifying SDG&E in writing that they do not wish to participate

9. Monthly Billing: The Utility shall provide Qualified Customers with eligible customer-generator production and individual consumption 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. Qualified Customers shall pay any balance due for net energy consumed monthly. Any remaining credit over a monthly billing cycle shall be carried over to the following monthly billing period, until the end of the Relevant Period.

Qualified Customers shall not be eligible for the Level Pay Plan option set forth in Rule 9.

10. Generator Limitation: No generator shall be included behind the above described Generator Output Meter other than a Solar Generator.

11. Multifamily Affordable Solar Housing (MASH) Installation Incentives: D.08-10-036 established a \$108 million solar incentive program for MASH. Under the approved incentive structure, an Owner may obtain an up-front rebate for the installation of a qualifying solar energy system, based on an estimate of system performance using the Expected Based Buydown (EPBB) methodology. Owners will receive \$3.30 per watt for systems offsetting common use and \$4.00 per watt for systems offsetting tenant load. An installation may receive both incentive levels if it will offset both common area and tenant load. These incentives will be apportioned in accordance with the Owner's initial five-year allocation.

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