



San Diego Gas & Electric Company
San Diego, California

Revised	Cal. P.U.C. Sheet No.	28183-E
Canceling	Revised	Cal. P.U.C. Sheet No.
		26806-E

SCHEDULE NEM
NET ENERGY METERING

Sheet 1

APPLICABILITY

Pursuant to California Public Utilities Code (PU Code) Section 2827, 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, as defined in Special Condition (SC) 1.b, or a combination of those facilities, with a total capacity of not more than 1,000 kilowatts (kW) (also referred herein as 1 megawatt [MW]) 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 requirements (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 9 of this schedule and the United States Armed Forces (USAF), as set forth in SC 10 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 be available to eligible customer-generators, upon request, on a first-come-first-served basis until the earlier of July 1, 2017 or when SDG&E reaches its NEM program limit. Pursuant to Assembly Bill 327, PU Code Section 2827(c)(4)(B)(i), SDG&E will reach its program limit when the combined total peak demand of all electricity used by eligible customer-generators in SDG&E's service area, furnishing net energy metering to eligible customer-generators, receiving service under Schedules NEM, NEM-V and VNM-A, exceeds 5% of SDG&E's aggregate customer peak demand. Aggregated customer peak demand is defined for this purpose as the highest sum of all SDG&E's customers' non-coincident peak demands that occurs in any calendar year. In accordance with Public Utilities Code Section 2827(c)(4)(B)(i), SDG&E's program limit may not be less than 607 MW of nameplate generating capacity available to eligible customer-generators. Customers who have completed and submitted the required interconnection-related documentation to SDG&E prior to the date SDG&E reaches its NEM program limit or July 1, 2017, whichever is earlier, are subject to the transition provisions as provided in Special Condition 7. This Schedule will be closed to new customers on the earlier of when SDG&E reaches its program limit or July 1, 2017. SDG&E will provide service under a successor tariff to this Schedule, which will be developed pursuant to PU Code Section 2827.1(b), for eligible customer-generators who: (1) complete the required interconnection documentation after SDG&E reaches its program limit or July 1, 2017, whichever is earlier; or (2) are eligible for the transition period, but elect to take service under the successor tariff.

This schedule is also applicable to customers whose Renewable Electrical Generation Facility meets the definition of NEM Paired Storage set forth in SC 11.

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SCHEDULE NEM
NET ENERGY METERING

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APPLICABILITY (Continued)

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 Special Condition 8, the customer shall not be eligible for NEM 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 Special Condition 3.e).

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.

Schedule NEM applies also to specified Net Energy Metering eligible (NEM-eligible) generators in a Generating Facility comprised of multiple NEM- and non-NEM-eligible generators, served through the same Point of Common Coupling (PCC), where the NEM-eligible generating capacity is not more than 1 MW. 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 Special Condition 6 for the schedule NEM-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).

Due to the complexity of Multiple Tariff Facilities and/or NEM Aggregation, NEM-eligible generators interconnecting under the provisions of Special Condition 6 may require additional review and/or interconnection facilities and other equipment, and may incur interconnection costs, as provided for in electric Rule 21.

Schedule NEM 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 renewable electrical generation facility is located. Such program will be referred to as NEM Aggregation. To be eligible for NEM Aggregation, an eligible customer-generator must meet all the requirements in Special Condition 8 and complete NEM Aggregation Form 142-02769.

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San Diego, California

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SCHEDULE NEM
NET ENERGY METERING

Sheet 3

APPLICABILITY (Continued)

As of January 1, 2010, a customer who owns, rents or leases a premises that includes a Renewable electrical generation facility, or a combination of those facilities with a capacity of 30kW or less, that were previously approved by SDG&E for NEM interconnection prior to the customer moving in and/or taking electric service with SDG&E (Change of party customer) will take service on this tariff as long as the requirements of this section are 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 SDG&E's Electric Rule 21 and other applicable tariffs; 2) keep in force the amount of property, commercial general liability and/or personal liability insurance the Change of party customer has in place at the time they initiate service on this tariff; 3) understand that SDG&E may from time to time release to the California Energy Commission and/or the California Public Utilities Commission (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 in Special Condition 4 and 7 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, SDG&E may treat the new home owner/customer as a Change of party customer, as defined above.

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.

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SCHEDULE NEM
NET ENERGY METERING

Sheet 4

RATES (Continued)

Customers eligible for service under this schedule are not required to take service under Schedule S, Standby Service, or Schedule S-I, Standby Service-Interruptible, for the qualifying generators. Multiple Tariff Facilities that are interconnected under the terms of Special Condition 6 may be subject to the requirements of Schedule S or S-I. To the extent that charges for transmission and distribution services are recovered through demand charges in any billing period, no standby charges shall apply in that monthly billing cycle, except Multiple Tariff Facilities interconnected under the terms of Special Condition 6 may be subject to the requirements of Schedules S or S-I.

The charges and credits for Multiple Tariff Facilities taking service on this rate schedule under the provisions of Special Condition 6 will be calculated using the OAS identified by the eligible NEM customer-generator in its application for interconnection and its interconnection agreement with SDG&E or as subsequently changed by the eligible NEM customer-generator in accordance with SDG&E's Electric Rule 12.

Customer-generators with Multiple Tariff Facilities with existing NEM and/or NEM-FC eligible generators interconnecting additional generators, will receive a bill true-up prior to taking service under Special Condition 7. This ensures that all NEM accounts have the same Relevant Period, as defined in Special Condition 3, going forward.

The charges and credits for customer-generators electing NEM Aggregation under the provisions of Special Condition 8 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, 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 Special Condition 8.

All NEM-eligible customer-generators are responsible for Public Purpose Program (PPP) charges based on the net energy delivered by the Utility.

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
NET ENERGY METERING

Sheet 5

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 NEM-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)(4)(B). 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.
2. **Metering Equipment:** Multiple Tariff Facilities and Large NEM Paired Storage will be metered under one of the options in Special Condition 6. All other Net Energy Metering 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.

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.

Additional metering requirements applicable to NEM Paired Storage are described in SC 11.

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SCHEDULE NEM
NET ENERGY METERING

Sheet 6

SPECIAL CONDITIONS (Continued)

3. **Net Energy Metering and Billing:** Facilities qualifying under multiple tariffs, see Special Condition 6. Eligible customer-generators qualifying for and electing NEM Aggregation, see Special Condition 8. Net energy is defined as measuring the difference between the electric energy supplied by the Utility through the electric grid to the eligible customer-generator and the electric energy generated 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. 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, 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 during the Relevant Period based on the eligible customer-generator's OAS, as set forth below.

Except as provided for in Special Conditions 3(h) and 3(i), Pursuant to PU Code Section 2827(h)(3), 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.

Additional billing provisions applicable to NEM Paired Storage are set forth in SC 11.

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.

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SCHEDULE NEM
NET ENERGY METERING

Sheet 7

SPECIAL CONDITIONS (Continued)

3. Net Energy Metering and Billing (Continued)

- 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.
- 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. 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.

- d) **Cost Responsibility Surcharge (CRS):** Pursuant to D.03-04-030, eligible customer-generators shall pay the DWR charges and CTC (collectively CRS) on the net energy delivered by the Utility, as set forth in Schedule CGDL-CRS.

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SCHEDULE NEM
NET ENERGY METERING

Sheet 8

SPECIAL CONDITIONS (Continued)

3. **Net Energy Metering and Billing:** (Continued)

- 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 a customer on Schedule NEM 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) **Assembly Bill 920:** Pursuant to Assembly Bill (AB) 920, starting January 1, 2011, a NEM 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 pursuant to D.11-06-016. If a customer has not generated excess kWhs, the customer is not eligible for NSC.
- i) **Compensation for net surplus energy:** Per AB 920, SDG&E will compensate NEM customers with generation of less than 1 MW 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 compensate qualifying NEM customers for net surplus generation by the following formula:

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

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SCHEDULE NEM
NET ENERGY METERING

Sheet 9

SPECIAL CONDITIONS (Continued)

3. Net Energy Metering and Billing: (Continued)

i) Compensation for net surplus energy (continued)

(i) Value of the Electricity -

Value of Electricity = Net surplus kWhs x 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/>.

(ii) Value of Renewable Energy Credits -

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

The California Energy Commission (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 his renewable electrical generation facility 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).

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SCHEDULE NEM
NET ENERGY METERING

Sheet 10

SPECIAL CONDITIONS (Continued)

3. **Net Energy Metering and Billing:** (Continued)

i) Compensation for net surplus energy (continued)

(ii) **Value of Renewable Energy Credits** – (continued)

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>.

D.11-06-016 requires NEM customers who elect to receive NSC to notify the Utility that they are a Qualifying Facility exempt from certification filing at the Federal Energy Regulatory Commission (FERC). Since all NEM customer-generators have certified to SDG&E that they are generating facilities with net power production capacities of 1 MW or less, and thus currently meet the requirements for a qualifying facility exempt from certification filing at FERC by being under 1 MW¹ (under FERC Order 732), SDG&E requires no additional documentation at this time.

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

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.

¹. Provide notice to SDG&E that the Customer self-certified its Renewable Electrical Generating 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. This requirement applies only to Eligible Customer-Generators as defined in Special Condition 9 below who interconnect a Renewable Electrical Generating Facility with a capacity greater than 1 MW, and is only required if the Customer elects to be eligible to receive NSC.

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SCHEDULE NEM
NET ENERGY METERING

Sheet 11

SPECIAL CONDITIONS (Continued)

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

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 Electric Rule 21, Section J.3.
- b) An NEM-eligible Constituent Generator Group is defined as a constituent generator group that is eligible for service under the provisions of either schedule NEM or NEM-FC.
- c) A non-NEM-eligible Constituent Generator Group is defined as a constituent generator group that does not take service under the provisions of schedules NEM or NEM-FC, but interconnects under the provisions of Electric Rule 21.
- d) All metering for Multiple Tariff Facilities called for in this Special Condition must meet the requirements needed to bill under the customer-generator's OAS. All metering, equipment and nonexport relays necessary to implement the provisions in this section will be provided at the customer-generator's expense.
- e) Billing Credits:
 - 1) For customer-generators with one NEM-eligible Constituent Generator Group and one or more non-NEM-Eligible 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) NEM-eligible Export is the lesser of either all exported energy (kWh) as measured at the PCC or the NEM-eligible Constituent Generator Group's production as measured at the NGOM(s)
 - b) Multiply the NEM-eligible export determined in (a) above with the customer-generator's rate per OAS and applicable NEM schedule.

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SCHEDULE NEM
NET ENERGY METERING

Sheet 12

SPECIAL CONDITIONS (Continued)

5. **Multiple Tariff Facility:** (Continued)

e) **Billing Credits:** (Continued)

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

- a) Sum all NEM-eligible Constituent Generator Groups' production (kWh) as measured at the NGOMs.
- b) Determine the proportion of energy production (kWh) attributable to each NEM-eligible Constituent Generator Group by dividing the NGOM reading of each by the sum from (a) above.
- c) NEM-eligible Export for each NEM-eligible 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 NEM-eligible 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.

A Generating Facility is not a Multiple Tariff Facility and the customer will be billed as provided in Special Condition 2 of this tariff.

- 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 Generating Facility credits to energy charges of the accounts served by the Generating Facility.

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SCHEDULE NEM
NET ENERGY METERING

Sheet 13

SPECIAL CONDITIONS (Continued)

5. Multiple Tariff Facility: (Continued)

f) Multiple Tariff Facility Configurations and Metering.

- 1) For two or more of NEM-eligible Constituent Generator Groups and no non-NEM eligible Constituent Generator Groups, the customer-generator must install NGOM on each Constituent Generator Group. In addition, metering is required at the PCC.
- 2) For both NEM-eligible and non-NEM-eligible Constituent Generator Groups, the customer must select one of the following options:
 - a) Non Export Relay Option: A customer-generator must install a Non-Export relay on their non-NEM Constituent Generator Groups and install metering as follows: 1) If there is only one type of NEM-eligible 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 NEM-eligible Constituent Generator Groups, then metering at the PCC and NGOM metering of each NEM-eligible Constituent Generator Group is required.
 - b) NGOM Option: The customer-generator must install NGOM on each NEM-eligible Constituent Generator Group and metering at the PCC.

For any of the above configurations, if the customer-generator has a Constituent Generator Group eligible for Schedule NEM for Renewable electrical generating facility the customer-generator may elect to take service for such under either Schedule NEM 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.

(Continued)



San Diego Gas & Electric Company
San Diego, California

Revised	Cal. P.U.C. Sheet No.	26208-E
Canceling	Revised	Cal. P.U.C. Sheet No. 25285-E

SCHEDULE NEM
NET ENERGY METERING

Sheet 14

SPECIAL CONDITIONS (Continued)

6. Pursuant to Public Utilities Code Section.2827(c)(2), any customer with an existing electrical Generating Facility 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) Renewable Electric Generating Facility) shall complete and submit a copy of form 142-02763 – NEM/VNM-A Inspection Report to SDG&E, unless the electrical Generating Facility and meter have been installed or inspected within the previous three years. The NEM/VNM-A Inspection Report (Form 142-02763) 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 NEM / VNM-A Inspection Report (Form 142-02763). If an inspection is required, the customer shall submit the fully completed NEM/VNM-A Inspection Report (Form 142-02763) 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 schedule NEM or VNM-A. By signing the Interconnection Agreement, the NEM/VNM-A Inspection Report (Form 142-02763) shall be incorporated into the Interconnection Agreement.

7. Transition Process: This Special Condition applies to all customers who are receiving service on this Schedule on the earlier of July 1, 2017 or when SDG&E reaches it program limit

a) 20-Year Transition Period

Pursuant to Decision 14-03-041, customers who are receiving service on this Schedule on the earlier of July 1, 2017 or when SDG&E reaches its program limit are eligible to continue receiving service on this Schedule for a period of 20 years from the original year of interconnection of the renewable electrical generating facility, which is indicated by and measured from the date on which the customer receives the Authorization to Operate in Parallel (ATO) letter from SDG&E. The date of the ATO letter indicates the year in which a system was interconnected for purpose of the transition. Eligible customers that complete a NEM interconnection application, including the final building inspection, prior to SDG&E reaching its program limit or July 1, 2017, whichever is earlier, will be eligible for the transition period once they receive their ATO letter, even if the ATO date is after SDG&E reaches its program limit or July 1, 2017.

The transition period will commence on the date of the ATO letter and will conclude on the date SDG&E completes the annual billing true-up at the end of the Relevant Period (true-up date) following the 20 years.

(Continued)

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SCHEDULE NEM
NET ENERGY METERING

Sheet 15

SPECIAL CONDITIONS (Continued)

7. Transition Process (continued)

a) 20-Year Transition Period (continued)

Customers receiving service under this Schedule have the ability to transition to the successor tariff before the end of their transition period, if they choose to do so. Customers who elect to move to the successor tariff prior to the expiration of their 20-year transition period may not later move back to this Schedule and forfeit continued eligibility for the transition period.

After the 20-year transition period is realized, customers will move onto the successor tariff and this Schedule will be closed to those customers.

b) Modifications

Renewable electrical generating facilities that are modified or repaired prior to the earlier of July 1, 2017 or when SDG&E reaches its program limit shall remain eligible for the remainder of the original transition period, as measured by the ATO date of the original renewable electrical generating facility.

Modifications or repairs that occur after the earlier of July 1, 2017 or when SDG&E reaches its program limit that increase the system's generation by more than the greater of 10% of the renewable electrical generating facility's capacity at the time the customer receives the ATO letter or 1 kW, not to exceed a total generation capacity of 1 MW², and are sized to meet but not exceed the customer's annual onsite load, may either choose to meter the additions separately under the successor tariff or elect for the whole renewable electrical generating facility to take service under the successor tariff.

c) Transferability

Renewable electric generating facilities eligible for the 20-year transition period shall not lose eligibility if transferred to a new owner, operator, or utility account at the original location. Transfer of an existing renewable electrical generating system to a new location would require a new interconnection agreement and would not qualify for the 20-year transition period after the implementation of the NEM successor tariff.

d) NEM Paired Storage, as defined in SC 11, shall be treated consistent with, and subject to the same transition period, as the renewable electrical generation facility to which it is paired.

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^{2.} For customers qualifying for service pursuant to Special Condition 9, any modification and/or repairs must not result in the Renewable Electrical Generating Facility exceeding a total generation capacity of 8 MW and the Customer's annual onsite load.

(Continued)



SCHEDULE NEM
NET ENERGY METERING

Sheet 16

SPECIAL CONDITIONS (Continued)

8. NEM Aggregation: Except as otherwise provided for below under this Special Condition, all other terms and conditions of Schedule NEM shall be applicable to customers receiving service under this Special Condition. Pursuant to PU Code Section 2827(h)(4), an eligible customer-generator with multiple meters may elect to aggregate the electrical load of the meters located on the property where the Renewable Electrical Generation Facility, as defined below, is located, and on all property adjacent or contiguous to the property on which the Renewable Electrical Generation Facility 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 Special Condition (NEM Aggregation Customer):

a) Definitions:

- 1) NEM 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 Aggregation that are listed on NEM Aggregation Form 142-02769.
- 2) Generating Account: an account with an associated Renewable Electrical Generating Facility.
- 3) Aggregated Arrangement: A single Generating Account and all NEM Aggregated Accounts identified by the NEM Aggregation Customer on the NEM Aggregation Form.
- 4) As used in this Special Condition, the terms "Property" and "Parcel" have the same meaning.

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

- 1) NEM 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 Aggregation.
- 2) NEM Aggregation Customers may elect to receive service under this Special Condition 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 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 Aggregation Customer receives NEM Aggregation service, contiguous properties must be under the same ownership or lease.

(Continued)

16C11

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SCHEDULE NEM
NET ENERGY METERING

Sheet 17

SPECIAL CONDITIONS (Continued)

8. NEM Aggregation (Continued)

- b) An eligible customer-generator electing service under this Special Condition 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 Aggregation Customer, where A contains the Renewable Electrical Generating Facility 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 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 Renewable Electrical Generating Facility, 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 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

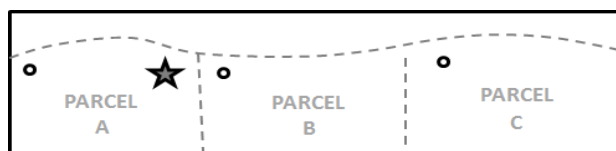
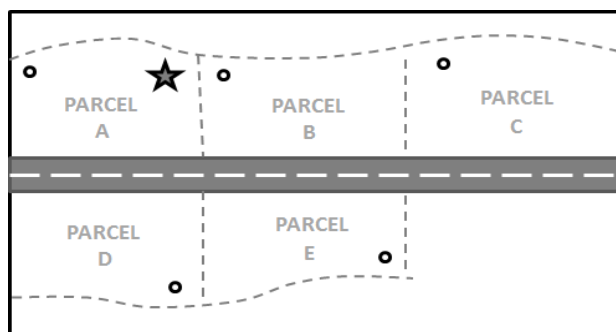


Diagram 2



★ = RENEWABLE ELECTRICAL GENERATION FACILITY
○ = METER
□ = ELIGIBLE

(Continued)

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SCHEDULE NEM
NET ENERGY METERING

Sheet 18

SPECIAL CONDITIONS (Continued)

8. NEM Aggregation (Continued)

- b) An eligible customer-generator electing service under this Special Condition 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 Renewable Electrical Generating Facility or facilities.
 - 4) All meters in an Aggregated Arrangement must be billing under the name of the same customer of record.
 - 5) Existing NEM customers electing NEM Aggregation who also have executed interconnection agreements and who are making no modifications to their Renewable Electrical Generating Facility other than electing NEM Aggregation will not be required to complete new interconnection agreements and will not be subject to additional interconnection studies.
 - 6) A Renewable Electrical Generation Facility, or a combination of Renewable Electrical Generation Facilities, shall not exceed a total generating capacity of 1 MW, as determined by the CEC Alternating Current nameplate capacity rating.
 - 7) If an NEM Aggregated Account is separated from the Aggregated Arrangement and subsequently qualifies for NEM, it is also eligible to receive net surplus electricity compensation on a going-forward basis, provided it meets all other applicable NEM 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 Aggregated Accounts are permitted to be equipped with non-NEM eligible generating facilities.
 - 9) NEM Aggregation Customers shall be responsible for remitting payment to the Utility for the costs of providing NEM 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 traditional NEM and NEM Aggregation requirements. If the Utility determines that an existing or prospective NEM Aggregation Customer is not in compliance with all applicable statutes and tariff provisions, including but not limited to traditional NEM and NEM Aggregation requirements, the Utility may refuse or discontinue service under NEM Aggregation.

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SCHEDULE NEM
NET ENERGY METERING

Sheet 19

SPECIAL CONDITIONS (Continued)

8. NEM Aggregation (Continued)

- c) Interconnection: If an eligible customer-generator elects to receive NEM Aggregation service and satisfies the requirements in paragraph (c) of this Special Condition and the applicable statutes and tariffs, the eligible customer-generator will be subject to the following interconnection process:
- 1) NEM Aggregation Customers shall have an effective interconnection agreement with the Utility.
 - 2) As applicable, the NEM Aggregation Customer will indicate its election of NEM 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 Aggregation Customer will complete the NEM Aggregation Form (Form number 142-02769). The NEM Aggregation Form (1) requests a list of meters and accounts the NEM Aggregation Customer intends to include in the Aggregated Arrangement; (2) requires the NEM Aggregation Customer to select the preferred method for interconnecting to the electrical grid; and (3) includes a declaration the NEM Aggregation Customer must sign acknowledging and verifying the that the conditions set forth in paragraph (c) of this Special Condition have been met.
 - 3) The NEM 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 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 Aggregation Customer.
 - b) NGOM Method: Under this method, the NEM 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 Renewable Electrical Generating Facility directly to SDG&E's distribution system;
 - b. installing a SDG&E-owned NGOM capable of recording generation in 15-minute intervals;.

(Continued)

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SCHEDULE NEM
NET ENERGY METERING

Sheet 20

SPECIAL CONDITIONS (Continued)

8. NEM Aggregation (Continued)

c) Interconnection: (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 Renewable Electrical Generating Facility.

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 Renewable Electrical Generating Facility 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 Aggregation Customer, the Utility may require, at the expense of the NEM 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 Aggregation Customer's expense.

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

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SCHEDULE NEM
NET ENERGY METERING

Sheet 21

SPECIAL CONDITIONS (Continued)

8. 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 NEM Aggregation form ineligible to continue receiving service under NEM Aggregation, NEM 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 under NEM.
- 6) The Renewable Electrical Generation Facility 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 Renewable Electrical Generation Facility.

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 Aggregation Customers receiving service under this Special Condition. 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. NEM Aggregation program costs may be re-evaluated one year from the effective date 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
NET ENERGY METERING

Sheet 22

SPECIAL CONDITIONS (Continued)

8. NEM Aggregation (Continued)

d) Billing Provisions: (continued)

- 7) The Utility shall provide the NEM 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 Aggregation billing process, costs associated with billing system modifications required for the development and implementation of Special Condition 8 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 Aggregation service is not permitted in combination with service provided under the Multiple Tariff Facilities provisions of this, or any other, NEM rate schedule.

e) Billing Process:

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

Sheet 23

SPECIAL CONDITIONS (Continued)

8. 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 Special Condition. 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 Aggregation Customers served under this Special Condition 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.

5) NEM Aggregation Billing: At the end of each Relevant Period, the NEM Aggregation Customer shall be billed for net consumption during that period. If an NEM 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 Aggregation Customer is a net consumer for the month, the net kWh consumed shall be valued and billed in accordance with the NEM Aggregation Customer's OAS. If the NEM Aggregation Customer is a net generator for the month, the net kWh generated shall be valued and credited in accordance with the NEM Aggregation Customer's OAS.

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

If the NEM 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 Aggregation Customer's OAS. If the NEM 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 Aggregation Customer's OAS.

f) In the event an NEM Aggregation Customer becomes eligible for payments resulting from participation in a demand response program, such payments to the NEM Aggregation Customer shall be based on the customer's metered usage, disregarding any contributions from NEM 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 Aggregation

g) Temporary Applicability Limitation for NEM Aggregation Customers: Until December 31, 2018, all customer accounts in a single Aggregated Arrangement where the customer elects to take service in combination with a TOU rate must be served on SDG&E's grandfathered TOU rate structure (i.e., a three-period structure with an on peak period of 11:00 a.m. to 6:00 p.m.).

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SCHEDULE NEM
NET ENERGY METERING

Sheet 24

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

- a) For the purposes of this Special Condition 9 only, "Eligible customer-generator" includes the CDCR using
 - 1) a Renewable Electrical Generating Facility, 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 Renewable Electrical Generating Facility 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 Renewable Electric Generating Facility 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.

10. 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 Renewable Electrical Generation Facility, 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
- c) 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.

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SCHEDULE NEM
NET ENERGY METERING

Sheet 25

10. United States Armed Forces Provisions (Continued)

- d) Customers receiving service under this SC shall not be eligible for NEM Aggregation set forth in SC 6 above.
- e) Customers receiving service under this SC may elect to take service under the general provisions of this tariff rather than under the provision of SC 10. If a customer elects to take service under the general provisions of this tariff they must abide by all of the general provisions including sizing limitations.
- f) Except as otherwise stated herein, the provisions set forth under this rate schedule shall apply to customers receiving service under this SC.

11. NEM Paired Storage

a) Definition

NEM Paired Storage is defined as an energy storage device paired with a renewable electrical generating facility that meets the Renewables Portfolio Standard Guidebook¹ (RPS Guidebook) requirements to be classified as an "addition or enhancement" as described in section 11. b) below.

b) Types of NEM Paired Storage

The RPS Guidebook establishes two categories of energy storage that may be considered an addition or enhancement to a renewable electrical generation facility: "integrated" and "directly connected" storage.

- (i) Integrated Storage: Integrated Energy Storage is defined as a method of storing energy from a renewable energy resource that is integrated into the renewable electrical generating facility as part of the generation process. For example, in order to be defined as integrated, a battery-based storage device must be capable of storing energy from only the renewable electrical generating facility.
- (ii). Directly Connected: Directly Connected Storage is defined as being both: (i) directly connected to the renewable electrical generating facility via an internal power line (i.e., power may not be transmitted from the renewable facility to the energy storage via an external distribution line) and (ii) the storage device must be operated as part of the renewable electrical generating facility.

¹. www.energy.ca.gov/renewables/documents/index.html#rps

(Continued)



SCHEDULE NEM
NET ENERGY METERING

Sheet 26

11. NEM Paired Storage (continued)

c) NEM Paired Storage Sizing Provisions

The size of a storage device is determined by the alternating current nameplate rating of the inverter.

Requirements for Large NEM Paired Storage (i.e., all NEM Paired Storage except for devices that are sized at 10 KW or smaller and paired with a solar renewable electrical generating facility)

Large NEM Paired Storage shall have a maximum output power no larger than 150% of the renewable electrical generating facility's maximum output capacity.

Customers using Large NEM Paired Storage must do one for the following:

- (i) install a non-export relay on the storage device(s);
- (ii) install an interval meter for the NEM-eligible generation, meter the load, and meter total energy flows at the point of common coupling;
- (iii) install an interval meter directly to the NEM-eligible generator(s).

Requirements for Small NEM Paired Storage (i.e., storage devices sized at 10 KW or less that are paired with a solar renewable electrical generating facility)

Small NEM Paired Storage is not is not subject to sizing requirements. Small NEM Paired Storage has the option to install metering, as required for Large NEM Paired Storage, or may chose the estimation methodology described in section d).

d) Billing for NEM Paired Storage

i) Estimation Methodology For Small NEM Paired Storage

Once implemented in SDG&E's billing system, Small NEM Paired Storage may use an estimation methodology, which caps maximum allowable NEM bill credits based on a monthly output profile, as follows:

(A) Using the California Solar Initiative Expected Performance-Based Buydown (EPBB) calculator, SDG&E will establish a maximum cap for exports eligible for NEM bill credits for each billing period based on the EPBB production estimate for the customer's renewable electrical generation facility.

The monthly production estimate shall align with the customer's billing period (e.g., if the first date of the billing period is January 15, the maximum export amount eligible for NEM bill credits will be based on a January output estimation.)

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26C8

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SCHEDULE NEM
NET ENERGY METERING

Sheet 27

11. NEM Paired Storage (continued)

d) Billing for NEM Paired Storage (continued)

(B) Any export exceeding the cap in a given billing period shall be assumed to have occurred during the highest price billing period during the billing cycle, regardless of when the energy was actually exported and shall not be eligible for NEM credit.

(C) In the event the Small NEM Paired Storage is combined with other generation facilities pursuant to SC 5, the billing provisions of SC 5 shall apply and not the estimation methodology described in this SC.

Should a customer decide to opt-out of using this estimation methodology, the metering must be as described in section c. of this SC and the customer may only switch at the start of a new Relevant Period.

- ii) Large NEM Paired Storage shall be billed consistent with the billing provisions set forth under SC 5.

e) NEM Paired Storage – Metering Costs

SDG&E will install standard metering equipment whenever possible. Standard metering equipment for this purpose is comprised of up to two self-contained, single phase, meters. The fee for installation of standard metering equipment is capped at \$600.00.

The \$600.00 cap does not apply to metering for NEM Paired Storage requiring complex metering. Complex metering includes any configuration other than the standard equipment described above. The amount billed to a customer for complex metering varies and is based on actual costs incurred by SDG&E. A description of the costs associated with complex metering equipment will be included with the customer's invoice.

f) NEM Paired Storage Interconnection Cost Responsibility

NEM Paired Storage will be subject to the same interconnection cost responsibility as the renewable electrical generating facility that it is paired with. In the event the storage device is added at a date later than the date permission to operate the renewable electrical generating facility was issued, the customer will be required to pay the same interconnection fees and costs that the renewable electrical generation facility would be required to pay, as provided for in Electric Rule 21.

27C7

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