



NET ENERGY METERING [NEM]

To encourage small electrical customers to install environmentally friendly sources of electrical power, the State of California has passed laws to make the process of interconnecting solar, wind, biogas or fuel cell powered generation systems with a total installed capacity of one (1) megawatt (1000 kilowatts) or less as simple and economical as possible. The current legislation also provides for "Eligible Customers" to receive the additional benefits provided by a billing process referred to as Net Energy Metering. SCE supports these objectives and has tailored its tariff rates and interconnection requirements to minimize the "red tape" while ensuring the safe operation of the equipment its customers may install.

Net Energy Metering allows a customer to *net* the energy produced by its generating facility against the energy received from its electric service provider. The "Relevant [netting] Period" is established as the 12 months following the "effective" date Net Energy Metering service is initiated for an eligible customer. During this period, if the customer has produced more energy than it has consumed, it will be charged only for the "non-energy" related components of the electric service it has received. If the customer's generation has not met all of its energy needs, the customer will also be billed for the shortfall, or net energy supplied by its energy service provider. Please note that State code does not provide for surplus energy credits to be carried forward past the 12-month netting period and *surplus energy is not purchased by SCE*. In all cases, customers will be provided with monthly statements to allow them to monitor the status of their account.

SCE does not design, engineer or install generating systems for its customers. We are also not able to recommend specific contractors or equipment suppliers. SCE encourages its customers to educate themselves with regard to the technology and equipment they may purchase and install and to determine that their installation will comply with all state and local code and zoning requirements. SCE requires that its customers provide a signed copy of their local building inspector's final inspection and approval of their installation as part of SCE's approval process. If a customer's existing meter is not capable of measuring the flow of electricity in two directions, an appropriate meter shall be provided. In some cases, a cost may be required for a meter change or for reprogramming of the meter.

The California Energy Commission (CEC) currently provides technical information and financial assistance for renewable and alternative energy systems. Consumers may contact the CEC at 1-800-555-7794 or by visiting their Internet site at <http://www.consumerenergycenter.org>. Another helpful although commercially sponsored Web site is <http://www.californiasolarcenter.org>. Please note these Web sites are not sponsored, nor provided by SCE. Accordingly, SCE cannot be responsible for the accuracy of the information they contain.

Once a customer has decided to go forward with the installation of a generating facility for the purpose of receiving the benefits provided by SCE's Net Energy Metering tariff, the following process should be followed to interconnect equipment legally and safely with SCE's electric system and to ensure that they begin receiving all benefits of operating such a system.

- A. The customer *must* submit an **NEM Application** (see attached form) to SCE for interconnection with its electric system, providing the following information:
 - 1) **Single Line Diagram**. A general description of the generating system to be interconnected, including the brand name and model of the generators and inverter systems to be used and the installed nameplate capacity of the system. The single-line diagram must show the general arrangement and relationship of the various components of the generating system to be installed.
 - 2) **SCE Utility Bill**. A *current* copy of the customer's billing statement [4 months] showing that SCE has provided for the location where the customer intends to install its generating system. The information on this bill will ensure that SCE identifies the account, service address, and meter correctly in the Interconnection Agreement to be formed for the customer's installation.
 - 3) **Construction Permit** [optional]. An initial Permit from Building and Safety is required with the NEM Application on *new* services or modified services.
- B. Based on the information provided in a customer's application, SCE will prepare and return a "Net Energy Metering and Interconnection Agreement" for the customer to sign and return both Agreement to SCE for its acceptance. (See attached sample.)
- C. The customer or its contractor may then complete the installation of its Generating Facility using UL approved devices for interconnection with the utility's grid or by installing an interconnection pursuant to SCE's Rule 21 - Generating Facility Interconnections. This document may be viewed at SCE's Website: <http://www.sce.com/rebatesandsavings/generatingyourownpower> . After installation, the Generating Facility must be inspected by the appropriate Building and Safety Department and SCE must receive a signed copy of the inspector's final inspection and approval document.
- D. The customer will then receive SCE's written **Authorization Letter** for interconnection and be eligible to receive the benefits of SCE's Net Energy Metering tariff. [**Note:** *If a meter change is required, Net Metering shall be effective on the date of the new meter set*].

Additional information regarding SCE's Net Energy Metering Program, tariffs, and contracts may be obtained from the **Net Metering Program Administrator** at 626-302-9680 (e-mail: lauradiane.rudison@sce.com).