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Net Energy Metering Understanding Your Bill

For Customers with Solar Generators larger than 10kW

Thank you for making the choice to promote renewable energy.

PG&E supports customers who make smarter energy choices. Customers like you are playing an increasingly important role by adding renewable generation to the electrical grid. In order to ensure the success of the Net Energy Metering Program (NEM), PG&E is committed to helping our customers understand the billing process so they can best leverage their investment.

Understanding Your NEM Rate Schedule

Otherwise Applicable Rate Schedule (OAS)

On your interconnection agreement, you selected an Otherwise Applicable Rate Schedule (OAS) that will be used to bill your NEM account. Your OAS is important because it determines not only how you will be charged for net usage, but also in part, it determines how you will be credited for net-generation—which is the excess energy your system exports back to PG&E. If you have any questions about your OAS, please call us at 1-800-468-4743.

Eligible OAS's for Commercial/Industrial Customers

Customers with kW demands less than 200kW may choose: A-1, A-6, A-10 and E-19V

Customers with kW demands between 200kW and 499kW may choose: A-6, A-10X and E-19V

Customers with kW demands between 500kW and 999kW may choose: E-19

Customers with kW demands greater than 1000kW may choose: E-20

NEM Rate Schedule Options for Commercial/Industrial Customers

Non Time-of-Use Rate Schedule

For customers who chose the non time-of-use small-commercial rate schedule (A-1) or commercial demand rate schedule (A-10), the cost per kilowatt hour (kWh) will vary by season but not by time of day. Your meter will show how much energy you used or delivered to PG&E's grid since your last month.

Time-of-Use Rate Schedule

For customers who chose a time-of-use (TOU) rate schedule the cost per kWh varies by season and time of day. On a TOU rate schedule, your meter collects data for each TOU period. Rates are higher when the demand for energy is highest. Peak hours are generally midday and early evening.

California Solar Initiative

Customers receiving rebates through the California Solar Initiative are required to choose service under an applicable existing TOU rate starting in 2007, provided there is an applicable TOU rate for your customer class. For commercial and industrial customers, PG&E offers rate options such as: A-6, A-10X, E-19 and E-20.

TOU Example: The chart below is a graphical representation of common PG&E TOU rates (A-6, A-10X, E-19 and E-20):

| SUMMER | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|------------------|----------|-----------|---------|-----------|----------|--------|----------|
| Midnight -8:30am | Off-Peak | Off-Peak | | | | | Off-Peak |
| 8:30am-12pm | | Part-Peak | | | | | |
| 12pm-6pm | | Peak | | | | | |
| 6pm-9:30pm | | Part-Peak | | | | | |
| 9:30pm-Midnight | | Off-Peak | | | | | |

**The summer season is May 1 through October 31. All weekends as well as tariff designated Holidays are considered off-peak.*

| WINTER | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|------------------|----------|-----------|---------|-----------|----------|--------|----------|
| Midnight -8:30am | Off-Peak | Off-Peak | | | | | Off-Peak |
| 8:30am-12pm | | Part-Peak | | | | | |
| 12pm-6pm | | Part-Peak | | | | | |
| 6pm-9:30pm | | Part-Peak | | | | | |
| 9:30pm-Midnight | | Off-Peak | | | | | |

*The winter season is November 1 through April 30. All weekends as well as tariff designated Holidays are considered off-peak.

Understanding Net-Generation Credits

Your renewable energy generation can help you reduce your energy bill in three unique ways:

1. Your generator can send energy directly to your load, offsetting any PG&E supplied energy directly. This is as if you are effectively receiving the equivalent of a full retail rate credit for your generation.
2. Your generator may export energy to the PG&E grid. When you are not using energy while your generator is running, the energy that is produced is sent to PG&E's grid, causing your PG&E meter's net kWh reading to decrease. At night when your generator is not producing energy and you require power for lighting and other loads, your PG&E meter reading will increase. The offset caused by sending your excess energy to the grid and making your PG&E meter "spin backward", and using the energy when you need it will result in a full retail rate credit for any net-generation.
3. Each month PG&E reads its meter at your facility. By subtracting the monthly reading from the previous month, PG&E determines the net amount of energy you either used or sent to PG&E's grid during the month. If you used energy, PG&E will calculate that month's usage as a charge, in the same way it would if you did not have a generator and were just taking service on your OAS alone. If you sent more energy to PG&E's grid than you used, it is valued as a credit. The valuation of that credit is based on the full retail energy charge provided in your OAS. That credit is carried forward on your NEM account and can be used to offset energy charges throughout the duration of your true-up period.

Understanding Energy Charges

Net-consumption charges are dependent on a number of factors:

Net kilowatt hour usage (kWh) represents the total amount of energy supplied by PG&E that your facility consumes. This amount, in concert with the TOU period will determine what you will pay for energy.

Customers using energy during peak and part-peak periods are charged at the applicable peak and part-peak rate. Likewise, net kWh produced by you and exported to PG&E's grid are valued at the same price per kWh that PG&E would charge during that same TOU period.

Understanding Demand Charges

In addition to energy charges, customers taking service on A-10, E-19 and E-20 are also billed for demand (kW) charges. Maximum demand is classified as the highest number of kW used during any recorded 15-minute interval during the billing period. Credit from kWh generation may not be used to offset credit for demand charges. To the extent that generation from your photovoltaic system continuously meets your load as described in #1 of 'Understanding Generation Credits', you may reduce your maximum demand charges. However, if there is a 15-minute interval during a billing period where the generation from the photovoltaic system does not meet customer load or if customer load is not coincident with generation from the photovoltaic system, demand charges will apply.

Customers taking service on E-19 and E-20 are also charged for max peak and max part-peak demand as well. Max peak and max part-peak demands are calculated using the highest number of kW used during any recorded 15-minute interval during the applicable TOU period.



**PACIFIC GAS AND ELECTRIC COMPANY
NET ENERGY METERING ELECTRIC STATEMENT**

THIS IS NOT A BILL ¹

Service Dates: March 26, 2006 to April 29, 2006 ²

True-up Period from June 2005 to May 2006 ³

CUSTOMER NAME
SERVICE ADDRESS
SERVICE ADDRESS

Rate Schedule: E19S/NEMEXPM ⁴
Account ID: XXXXXXXXXX ⁵
Service ID: XXXXXXXXXX ⁶

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| | | |
|---|--------------------|--------------|
| CURRENT MONTH'S NON-ENERGY CHARGE: | \$3,195.28* | ⁷ |
| *This amount is reflected on your regular monthly blue bill and includes the following components: Transmission \$1,165.32, Distribution \$2,029.96, | | |
| CURRENT MONTH'S ENERGY CHARGE: | \$12,787.93 | ⁸ |
| TOTAL CHARGE: | \$15,983.21 | ⁹ |
| To determine the total amount you must pay this month, please add Cumulative Energy Charges of \$168,584.11 to the "Total Amount Due" appearing on your blue bill statement. Please pay this total amount instead of the "Total Amount Due" on your blue bills. Your "Total Amount Due" may be negative. ¹⁰ | | |

| | | |
|--|--------------|---------------|
| ENERGY CHARGES/CREDITS: | | |
| Current Month Energy Charge or Credit (-): | \$12,787.93 | |
| Cumulative Energy Charges or Credits (-) for the current true-up period: This Cumulative Energy Charge does not reflect any payment you may have made. | \$168,584.11 | ¹¹ |
| Any credits you may have accumulated for net generation will be used to off-set any future energy charges within the current true-up period. ¹² | | |

CURRENT MONTH METER INFORMATION:

| METER BADGE ID | SEASON ¹³ | TOU PERIOD ¹⁴ | PRIOR READ | CURRENT READ | DIFFERENCE ¹⁵ | METER CONSTANT ¹⁶ | USAGE (kWh) |
|----------------|----------------------|--------------------------|------------|--------------|--------------------------|------------------------------|-------------|
| 00541R | Winter | Peak | 1,061 | 1,061 | 0 | 400 | 0 |
| 00541R | Winter | Part | 2,980 | 3,141 | 161 | 00 | 64,400 |
| 00541R | Winter | Off | 5,108 | 5,315 | 207 | 400 | 82,800 |
| TOTALS | | | 9,149 | 9,517 | | | 147,200 |

CURRENT MONTH DEMAND INFORMATION:

| SEASON | TOU PERIOD | DEMAND READ | METER CONSTANT | DEMAND (kW) ¹⁷ |
|--------|------------|-------------|----------------|---------------------------|
| Winter | Part | .810 | 400 | 324 |
| Winter | Off | .830 | 400 | 332 |

CURRENT MONTH RkVAH INFORMATION: ¹⁸

| METER BADGE ID | PRIOR READ | CURRENT READ | DIFFERENCE | METER CONSTANT | USAGE (kWh) |
|----------------|------------|--------------|------------|----------------|-------------|
| 00541R | 10,472 | 10,916 | 4444 | 400 | 177,600 |
| TOTAL | | | | | 177,600 |

Question Regarding This Bill Can Be Directed To: BUSINESS CUSTOMER CENTER (800) 468-4743 ¹⁹

DATE BILLED: 02/01/06
BILLER:

Billing Point ID: xxxxxxxxxxxx



**PACIFIC GAS AND ELECTRIC COMPANY
NET ENERGY METERING ELECTRIC STATEMENT**

THIS IS NOT A BILL ¹

Service Dates: March 26, 2006 to April 29, 2006 ²

True-up Period from June 2005 to May 2006 ³

CUSTOMER NAME
SERVICE ADDRESS
SERVICE ADDRESS

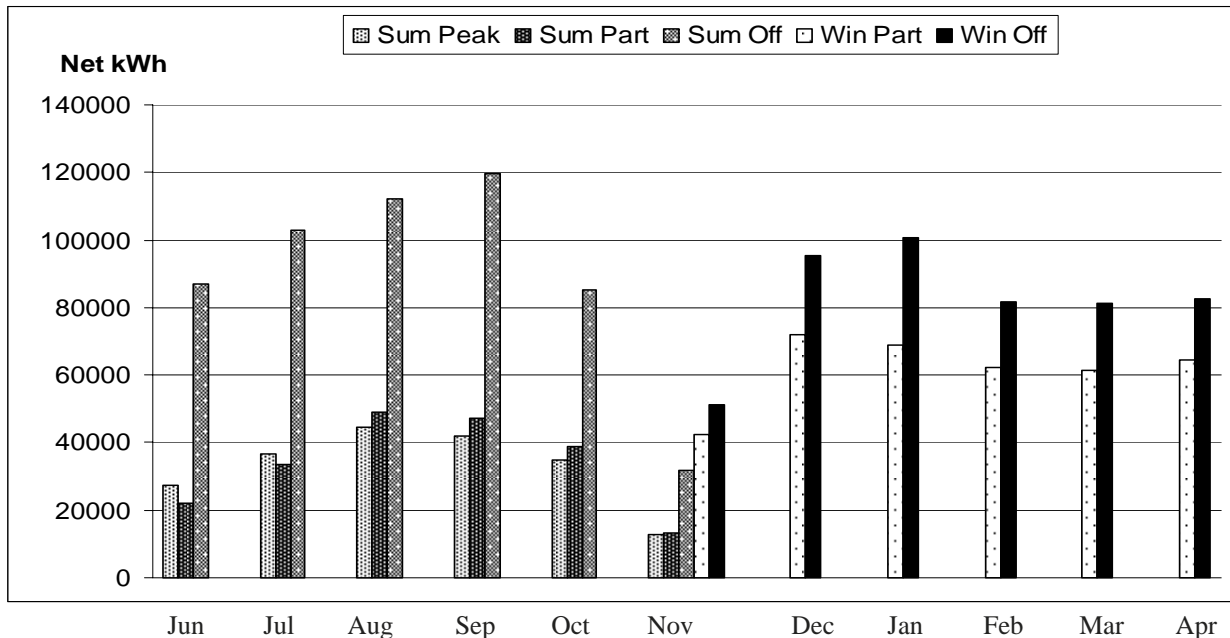
Rate Schedule: E19S/NEMEXPM ⁴
Account ID: XXXXXXXXXX ⁵
Service ID: XXXXXXXXXX ⁶

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ENERGY TRUE-UP HISTORY:

| BILLING MONTH | BILL TO DATE | SUMMER ON | SUMMER PART | SUMMER OFF | WINTER PART | WINTER OFF | ENERGY (kWh) | ENERGY CHARGES / CREDITS |
|-----------------|-----------------|-----------|-------------|------------|---------------|---------------|------------------|--------------------------|
| Apr 2006 | 04/22/06 | | | | 64,400 | 82,800 | 147,200 | \$12,787.93 |
| Mar 2006 | 03/22/06 | | | | 61,200 | 81,200 | 142,400 | \$12,324.14 |
| Feb 2006 | 02/21/06 | | | | 62,400 | 81,600 | 144,000 | \$12,471.83 |
| Jan 2006 | 01/23/06 | | | | 68,800 | 100,800 | 169,600 | \$14,643.00 |
| Dec 2005 | 12/21/05 | | | | 72,000 | 95,600 | 167,600 | \$14,635.00 |
| Nov 2005 | 11/19/05 | 12,800 | 13,200 | 31,600 | 42,400 | 51,200 | 151,200 | \$13,894.18 |
| Oct 2005 | 10/20/05 | 34,800 | 38,800 | 85,200 | | | 158,800 | \$15,624.84 |
| Sep 2005 | 09/21/05 | 42,000 | 47,200 | 119,600 | | | 208,800 | \$20,126.70 |
| Aug 2005 | 08/19/05 | 44,400 | 49,200 | 112,000 | | | 205,600 | \$20,089.58 |
| Jul 2005 | 07/21/05 | 36,800 | 33,600 | 102,800 | | | 182,800 | \$17,660.57 |
| Jun 2005 | 06/21/05 | 27,600 | 22,000 | 86,800 | | | 148,000 | \$14,326.34 |
| TOTALS | | | | | | | 1,826,000 | \$168,584.11 |

**Energy Charges/Credits (-) include all energy related amounts and taxes. ²⁰



This graph reflects your net energy charge and credit (-). The total output of your generator may be different. ²¹

Question Regarding This Bill Can Be Directed To: BUSINESS CUSTOMER CENTER (800) 468-4743 ¹⁹

DATE BILLED: 02/01/06
BILLER:

Billing Point ID: xxxxxxxxxx

Additional Information

- 1. This is not a bill:** The Net Energy Metering Electric Statement is not a bill, it is a statement that details the generation and usage related to your Net Energy Metering account. This statement is sent on a monthly basis and is intended to provide you with details about your net energy usage and the charges/credits that you have accrued so you can keep track of your total charges/credits throughout the true-up period.
- 2. Service Dates:** The dates used to calculate a bill exclusive of the "Bill From" Date and including the "Bill To" Date
- 3. True-up Period:** The "true up" is the annual true-up, which normally occurs in the billing period that includes the anniversary date of a customer's interconnection. The monthly energy charges will accrue, and at the end of the customer's 12 month billing cycle there will be an account true-up of the charges/credits accrued by the customer.
Notwithstanding this true-up, commercial/industrial customers such as yourself are required to pay both net energy and non-energy charges monthly.
- 4. Rate Schedule:** When you applied for Net Energy Metering, you selected an "Otherwise Applicable Rate Schedule" (OAS). Generally, this OAS can be any PG&E electric rate schedule that you would be eligible for if you did not have a distributed generation facility. Your OAS is important because it determines how you will be charged as well as how you will be credited for the generation you export to PG&E's grid from your generating facility.
- 5. Account ID:** When you have questions or need service, giving PG&E this unique account identifier will help us serve you more quickly.
- 6. Service ID:** A new 10-digit number that uniquely identifies a customer's service (agreement) tied to the customer's account. The service agreement makes use of rates, billing days, metering information, and other factors in order to calculate applicable charges.
- 7. Current Month's Non-Energy Charge:** The current month's non-energy charge includes charges for the transmission and distribution components of your electric service as well as local and state taxes. The taxes that PG&E collects include, the Energy Commission Tax (ECT), a California state tax based on kWh use during a billing period as well as the Utility User Tax (UUT), a local municipality tax.
- 8. Current Month Energy Charges/Credits:** The current month energy charge/credit reflects the kWh charges/credits accrued by the customer in the current billing period. All customers except for Small Customers as defined in PG&E's Electric Rule 1, are required to pay their energy charges (if any) on a monthly basis¹.
- 9. Total Charge:** The total charge reflects the sum of non-energy charges and energy charges for the billing period. This amount does not include any cumulative charges which have been accrued during the true-up period.

¹ SMALL CUSTOMER: Customers on demand-metered schedules (A-10 and E-19V), with less than 20 kW maximum billing demand per meter for at least 9 billing periods during the most recent 12 month period; or (2) any customer on a non-demand metered schedule (A-1 and A-6); or (3) any customer on a residential rate schedule.

10. Determining the **total amount payable** this month: The total amount payable for this month can be determined using the following equations.

For small customers:

Total Amount Payable = Non-Energy Charges

For commercial/industrial customers:

Total Amount Payable = Non-Energy Charges + Current Month's Energy Charge/Credit + Cumulative Charges (if applicable)

11. **Cumulative Energy Charges/Credits:** The cumulative energy charges/credits for the current true-up period is an aggregated total of the kWh charges that you have accrued throughout the true-up period. If not paid or offset by energy credits, this amount will be payable upon receipt of the true-up statement. This cumulative energy charge, as seen on the DOB, does not reflect payments you may have made but will reflect those payments on the final blue bill that contains your charges for the true-up period.
12. **Credit accumulation and carryover:** Each month PG&E reads its meter at your facility. By subtracting the monthly reading from the previous month's read, PG&E determines the net kWh amount of energy you either used or sent to PG&E's grid during the month. If the value of the energy that you used exceeds the value of the energy that you generated, PG&E will calculate that month's usage as a charge, in the same way it would if you did not have a generator and were just taking service on your OAS alone. If the value of the energy that you sent to PG&E's grid exceeds the value of the energy that you used, that excess is carried forward as a credit and may be applied to energy charges throughout the duration of your true-up period.
13. **Season:** Depending on the season, your rates may vary. The summer season lasts from May 1 through October 31 and the winter season lasts from November 1 through April 30. During billing periods that crossover between seasons, you will see separate entries for your usage in each seasonal period.
14. **TOU Period: Time-of-Use (TOU)** rates are higher during Peak hours when the demand for energy is highest. Peak hours occur during midday and early evening. Part-peak hours (if applicable) are generally in the morning and evening hours and off-peak periods are generally during the overnight and weekend periods. Please check your specific rate schedule to determine the exact timing of your TOU periods.
15. **Meter Difference:** The monthly meter difference is the difference in two consecutive meter reads of your PG&E meter and represents the kWh used from the beginning to the end of a specific billing period. This meter difference, multiplied by the meter constant (usually 1 for residential customers) determines the net kWh that you have used during a billing period.
16. **Meter Constant:** Meter Constant is a value set at the meter to register usage. For larger customers, meter constant may be set higher. The energy component of a bill is calculated by multiplying the meter constant by the actual monthly usage, see example below

Meter Constant = 40
Meter Read Usage = 200

Actual kWh Used = 8000

- 17. Demand (kW):** Demand is the amount of electricity requested during a specific interval. The Demand Charge is billed according to the customer's "maximum demand" each month. Customers taking service on E-19 and E-20 will be billed according to peak and part-peak demands, as defined in the tariff.
- 18. Current Month RkVAH information:** The current month's RkVAH information reflects power factor, a measurement of the efficiency of a customer's equipment; specifically how far the electrical equipment causes electric current to be out of phase with voltage, or how much reactive power is required to operate the equipment. On OAS' that incorporate RkVAH, bills are reduced or increased according to how much power factor deviates from a PG&E determined percentage.
- 19. Business Customer Center (BCC):** PG&E's BCC is a group of business customer specialists within the Account Services department that provide assistance to solar customers, customers on demand reduction programs and customers with rate questions once your system has been interconnected.
- 20. Energy Charges/Credits:** Following the completion of a true-up period, any excess energy credits will not be applied to your next true-up period. The net metering program was designed by the California legislature for systems sized to customer load on an annual basis.
- 21. Net Usage Graph:** This graph provides a visual measure of your net usage/generation by TOU and seasonal period.