



**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 1

**APPLICABILITY:** This net energy-metering schedule is applicable to a customer who uses a solar or wind turbine electrical generating facility, or a hybrid system of both, with a capacity of not more than 1,000 kilowatts that is located on the customer's owned, leased, or rented premises, is interconnected and operates in parallel with PG&E's transmission and distribution systems, including wind energy co-metering customers as defined in California Public Utilities Code Section 2827.8, and is intended primarily to offset part or all of the customer's own electrical requirements (hereinafter "eligible customer-generator" or "customer"). 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 service is not applicable to a Direct Access (DA) customer where the customer's ESP does not offer a net energy metering tariff. In addition, if an eligible customer-generator participates in direct transactions with an ESP that does not provide distribution service for the direct transactions, the ESP, and not PG&E, is obligated to provide net energy metering to the customer.

This rate schedule is available on a first-come, first-served basis to customers that provide PG&E with: (a) a completed Net Energy Metering Application including all supporting documents and required payments; AND (b) a completed signed Net Energy Metering Interconnection Agreement; AND (c) evidence of the customer's final inspection clearance from the governmental authority having jurisdiction over the generating facility; until such time as the total rated generating capacity used by eligible customer-generators on Rate Schedule NEM and NEMVMASH exceeds five (5) percent of PG&E's aggregate customer peak demand. (T)

The total rated generating capacity will be calculated as the sum of all of the following:

- 1) For each PV generating facility, PG&E will use the California Energy Commission's (CEC) AC rating; or where the CEC AC rating is not available, PG&E will multiply the inverter AC nameplate rating by 0.86.
- 2) For wind customer-generators, PG&E will use the AC nameplate rating of the wind generating facility.

PG&E's aggregate customer peak demand will be based on the highest, published peak demand shown in the Federal Energy Regulatory Commission (FERC) Form 1, Page 401b as reported by PG&E. Once the Cap has been reached, Schedule NEM will be closed to new customers.

Customers seeking generator interconnections in portions of San Francisco and Oakland where PG&E has a network grid must contact PG&E about generation export limitations.

(Continued)



**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 2

APPLICABILITY:  
 (Cont'd.)

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 is 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.

Due to the complexity of Multiple Tariff Facilities NEM generating facilities 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.

A Customer who owns, rents or leases a premises that includes solar and/or wind turbine electrical generating facilities, or a hybrid of both with a capacity of 30kW or less, that were previously approved by PG&E for NEM interconnection prior to the Customer moving in and/or taking electric service with PG&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 PG&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 PG&E may from time to time release to California Energy Commission and/or the California Public Utilities 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 PG&E NEM solar and/or wind turbine electrical generating facilities are not eligible for this provision and must complete the interconnection process in Special Condition 3 of this tariff.

Change of party Customers also must agree to comply with all rules and requirements of PG&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 Facilities of 30kW or Less (Form #79-1101) and otherwise meets all of PG&E's requirements for the NEM project, but prior to PG&E providing final written approval for Parallel Operation on Schedule NEM, PG&E may treat the new home owner/Customer as a Change of-party Customer, as defined above.

(T)

TERRITORY: The entire territory served.

(Continued)



**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 3

**RATES:**

All rates charged under this schedule will be in accordance with the eligible customer-generator's PG&E otherwise-applicable metered rate schedule (OAS). An eligible customer-generator served under this schedule is responsible for all charges from its OAS including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges. The "Average Rate Limiter" for general service OAS's and all other demand charges will be based on the demand in kilowatts as measured only on the energy being consumed by the customer from PG&E. The power factor, when it applies on the OAS, will be based on the energy consumed by the customer-generator from PG&E and the average power factor over the past 12 billing months of operation prior to starting on NEM. Customer-generators without 12 billing months of power factor history, will have their power factor estimated based on the nature of the connected facilities and their hours of operation. Power factor will be subsequently applied to the customer-generator's bill until the customer-generator demonstrates to PG&E's satisfaction that adequate correction had been provided. PG&E will continue to monitor and review the power factor and if warranted, change the power factor correction on the customer-generator's bills. Charges for energy (kWh) supplied by PG&E, ESP or Community Choice Aggregator (CCA), as applicable, will be based on the net metered usage in accordance with Billing (Special Condition 2, below).

(T)

For PG&E customer-generators, the energy charges will be in accordance with the customer-generator's OAS. For ESP or CCA customer-generators, the ESP or CCA is responsible for providing the billing information regarding the applicable generation-related bill charges or credits to PG&E on a timely basis.

Customer-generators eligible for service under this schedule are exempt from the requirements of Schedule S—Standby Service except Multiple Tariff Facilities interconnected under the terms of Special Condition 6, may be subject to the requirements of Schedule S.

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 applicable OAS identified by the customer-generator in its application for interconnection and its interconnection agreement with PG&E or as subsequently changed by the customer-generator in accordance with PG&E's electric Rule 12.

Customer-generators with Multiple Tariff Facilities with existing NEM, NEMBIO and/or NEMFC eligible generators interconnecting additional generators, will receive a bill true-up prior to taking service under Special Condition 6. This ensures that all NEM accounts have the same Relevant Period, as defined in Special Condition 2, going forward.

(Continued)

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**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 4

**SUB-SCHEDULES:**

Eligible customer-generators will be placed on the appropriate sub-schedule as described below:

1. NEMS – For Small Customer (as defined in Rule 1) customer-generators taking service with solar and/or wind generating facilities, the combined total of which is not more than 30 kW.
2. NEMEXP – For Small Customer (as defined in Rule 1) customer-generators with solar generating facilities and/or wind generating facilities 50 kW or less, the combined total of which is greater than 30 kW.
3. NEMEXPM – For all other commercial, industrial customer-generators, and agricultural customers billed monthly under Special Condition 2 with solar generating facilities and/or wind generating facilities 50 kW or less, the combined total of which is greater than 30 kW.
4. NEMW – For customer-generators with only wind generating facilities greater than 50 kW billed monthly under Special Condition 5 of this tariff.
5. NEMMT – For customer-generators taking service as a Multiple Tariff Facility under Special Condition 6 of this tariff.

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**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 5

**SPECIAL  
 CONDITIONS:**

1. **METERING:** Eligible Wind Energy Co-Metering customer-generators, see Special Condition 5. Multiple Tariff Facilities will be metered under one of the options described 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 measuring 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 measure 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 PG&E, 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 solar or wind, or a hybrid system of both, electric generating system performance information for research purposes. PG&E 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 measuring the flow of electricity in two directions.

PG&E shall not require dual metering except where necessary for billing accuracy. If none of the normal metering options available at PG&E's disposal which are necessary to render accurate billing are acceptable to the customer-generator, PG&E shall have the right to refuse interconnection.

Customer-generators eligible for Special Condition 4 shall not be responsible for replacing, nor be obligated to replace, their existing meter unless the customer-generator's existing electrical meter is not capable of measuring the flow of electricity in two directions.

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**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 7

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

2. NET ENERGY METERING AND BILLING: (Cont'd.)

c. For an OAS with Minimum Charges:

Eligible customer-generators taking service on residential OAS's, the minimum charges have a customer-related component and an energy-related component. The applicable customer-related components of such minimum charges shall be treated as described in the OAS and billed monthly. The energy (kWh) related component shall be treated in the same manner as energy (kWh) consumed, as described in Section d below, unless otherwise provided for in the OAS.

(T)

d. Payment Options:

Eligible Small Customer (as defined in Rule 1) customer generators may pay monthly or annually for the net energy (kWh) consumed. For all other commercial, industrial, and agricultural customers, the net balance of all moneys owed must be paid on each monthly billing cycle; when they are a net electricity producer over a monthly billing cycle, the value of any excess kilowatt-hours generated during the billing cycle shall be carried over to the following billing period and appear as a credit on the customer generator's account, until the end of the Relevant Period.

e. Relevant Period:

A Relevant Period consists of any twelve monthly billing cycles commencing on the date PG&E provides the Customer-Generator with PG&E's written approval to begin parallel operation of the generating facility for purposes of participating in NEM, and on every subsequent anniversary thereof. If an eligible customer-generator terminates service, or experiences a change in ESP or CCA prior to the end of any 12 monthly billing cycles the Relevant Period will consist of that period from the anniversary date until the effective date of that termination or ESP or CCA change.

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(Continued)



**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 8

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

2. NET ENERGY METERING AND BILLING: (Cont'd.)  
 f. Energy True Up:

Net energy is defined as measuring the difference between the energy (kWh) supplied by PG&E, ESP or CCA, as applicable, through the electric grid to the eligible customer-generator and energy (kWh) generated by an eligible customer-generator and fed back into the electric grid over a Relevant Period. A true up is performed by PG&E and/or ESP or CCA, as applicable, at the end of each Relevant Period following the date the customer-generator was first eligible for Schedule NEM, or the date of PG&E's written approval to begin parallel operation of the generating facility for purposes of participating in NEM, whichever is later, and at each anniversary date thereafter. The eligible customer-generator shall be billed for energy (kWh) used during that period.

Where the residential minimum bill applies at the true up for a Bundled Service customer, no further amounts will be billed to the customer-generator as a result of the true up. Where the minimum bill applies at the true up for a customer generator that has taken DA, CCA Service or transitional bundled commodity cost service for all or part of the Relevant period, the customer-generator will be billed for all applicable energy-related components, provided no credit will be allowed for negative components unless the rate for such component is also negative.

If the customer-generator is taking service under DA or CCA Service, separate true-ups will be calculated for the applicable PG&E charges and credits and the ESP or CCA charges and credits. If PG&E is the electric commodity service provider, this condition may be modified where the customer has signed a contract to sell electricity to PG&E.

(D)  
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 (D)

For an DA or CCA Service customer-generator, Generation Rate Component credits, if any, do not reduce the charges owed to PG&E for energy supplied to the eligible customer-generator.

If any Eligible customer-generator has any credits calculated pursuant to this Section 2 remaining at the end of the Relevant Period, that credit will be set to zero. However, in the event the energy (kWh) generated exceeds the energy (kWh) consumed during the Relevant Period, compensation shall be made for the excess energy (kWh) as described in Special Condition 7.

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 (N)

Once the true-up is completed at the end of the Relevant Period, any overpayment for energy (kWh) from the true-up will be credited to future bill charges.

(Continued)



**ELECTRIC SCHEDULE NEM**  
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Sheet 9

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

2. NET ENERGY METERING AND BILLING: (Cont'd.)

g. Billing Information:

If PG&E supplies the eligible customer-generator with energy (kWh), PG&E shall provide the eligible customer-generator with net energy (kWh) consumption information with each regular bill. That information shall include the current monetary balance owed PG&E for the net energy (kWh) consumed since the last Relevant Period ended.

h. Energy Service Providers (ESP) Charges:

If PG&E provides direct access (DA) metering for the ESP, UDC consolidated billing (that is, PG&E Consolidated Billing as described on PG&E's Rule 22), or ESP dual or consolidated billing support services for DA customer-generators served under PG&E's rates or their ESP's rates, PG&E may recover the incremental costs related to net energy metering from the customer's ESP as follows:

Metering services: \$104 Metering Service Base charge, plus \$73/hour for on-site work, plus materials.

Billing: \$85/hour plus materials.

(Continued)



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**NET ENERGY METERING SERVICE**

Sheet 10

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

3. INTERCONNECTION: Prior to receiving approval for Parallel Operation, the customer-generator must submit a completed PG&E application form and interconnection agreement as follows:

Rate Option	Application	Interconnection Agreement
NEMS	<i>Net Energy Metering Application and Interconnection Agreement for Customers with Solar and/or Wind Electric Generating Facilities of 30 Kilowatts or less</i>  (Form <b>79-1101</b> )	
NEMEXP	<i>Generating Facility Interconnection Application,</i> (Form <b>79-974</b> )  <i>Expanded Net Energy Metering (NEM) Supplemental Application Form</i> (Form <b>79-998</b> )	<i>Interconnection Agreement for Net Energy Metering of Solar or Wind Electric Generating Facilities of 1,000 Kilowatts or Less, other than Facilities of 30 Kilowatts or Less</i> (Form <b>79-978</b> )
NEMEXPM	(same as for NEMEXP)	(same as for NEMEXP)
NEMW (Wind Energy Co-Metering – See Special Condition 5)	(same as for NEMEXP)	(same as for NEMEXP)
NEMMT (Multiple Tariff Facilities – See Special Condition 6)	(same as for NEMEXP)	<i>Generating Facility Interconnection Agreement (Multiple Tariff)</i> (Form <b>79-1069</b> )
NEM inspection report, to accompany a new interconnection agreement as required under Special Condition 8 of this tariff		<i>NEM / NEMVMASH Inspection Report -</i> (Form <b>79-1125</b> ) (T)

(Continued)



**ELECTRIC SCHEDULE NEM**  
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Sheet 11

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

3. INTERCONNECTION: (Cont'd.)

The eligible customer-generator must meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the California Public Utilities Commission regarding safety and reliability.

4. EXEMPTIONS FROM CERTAIN CHARGES: Per Section 2827.7 of the California Public Utilities Code, eligible customer-generators who have all local and state permits required to commence construction of their generating facilities on or before December 31, 2002, and have completed construction on or before September 30, 2003, shall not be required to pay non-bypassable charges on Departing Load including Public Purpose Program charges and shall be entitled to the net energy metering terms in effect on the date the local and state permits were acquired, for the life of the generating facility, regardless of any change in customer or ownership of the generating facility. (T)

(Continued)

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**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 12

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

5. WIND ENERGY CO-METERING: In accordance with Section 2827.8 of the California Public Utilities Code, any customer-generator with wind energy generating facilities greater than 50 kW but not exceeding 1,000 kW taking service under this tariff is required to do so pursuant to this section. An eligible customer-generator's hybrid system that includes a wind generating facility eligible under this schedule is considered a Multiple Tariff Facility and will be interconnected subject to Special Condition 6.

Wind Energy Co-Metering customer-generators are required to take service on a time-of-use (TOU) OAS. In addition, the customer-generator must utilize a TOU meter, or multiple TOU meters, capable of separately measuring the electricity in both directions, that is, the energy (kWh) supplied by PG&E, ESP or CCA, as applicable, to the customer and the energy (kWh) generated by the customer and fed back to the electric grid. If the customer's existing meter is not a TOU meter or is not capable of separately measuring the flow of electricity in both directions, the eligible customer-generator is responsible for all expenses involved in purchasing and installing a meter that is both TOU and able to separately measure electricity flow in both directions.

Under Bundled Service, subject to Special Condition 2, the generation of electricity provided to PG&E's grid by a Wind Energy Co-Metering customer-generator shall result in a credit to the eligible Bundled Service customer-generator priced in accordance with the generation component of the energy charge (kWh) of the eligible customer-generator's OAS. All electricity supplied to the Bundled Service Wind Energy Co-Metering customer-generator by PG&E shall be priced in accordance with the customer-generator's OAS.

Under DA or CCA Service, subject to Special Condition 2, the generation of electricity provided to PG&E's grid by a Wind Energy Co-Metering customer-generator shall result in a credit to the eligible customer-generator priced in accordance with the generation rate component of the eligible customer-generator specified by their ESP, or CCA, and PG&E's Direct Access or Community Choice Aggregation tariffs, as applicable. All electricity supplied to the DA or CCA Service Wind Energy Co-Metering customer-generator by the ESP, or CCA, shall be priced in accordance with the generation rate component of the eligible customer-generator specified by their ESP or CCA, and PG&E's Direct Access or Community Choice Aggregation tariffs, as applicable. All PG&E charges for electricity supplied to the DA or CCA Service Wind Energy Co-Metering customer-generator will be as specified in the customer-generator's OAS.

At the end of each Relevant Period (as described in Special Condition 2), if the energy (kWh) fed back to the electric grid by the eligible customer-generator exceeds the energy (kWh) supplied to the eligible customer-generator by PG&E, the eligible customer-generator is a Wind Energy Co-Metering producer; (otherwise the eligible customer-generator is a Wind Energy Co-Metering consumer). The Eligible Generation Credit for a Wind Energy Co-Metering consumer or Wind Energy Co-metering producer equals the lesser of: (1) all net generation charges for the 12-month period; or (2) the absolute value of all net generation credits for the 12-month period. However, in the event the energy (kWh) generated exceeds the energy (kWh) consumed during the Relevant Period, compensation shall be made for the excess energy (kWh) as described in Special Condition 7.

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 (N)

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**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 13

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

6. MULTIPLE TARIFF FACILITIES: (L)
- 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 F.
  - b. A NEM-eligible Constituent Generator Group is defined as a constituent generator group that is eligible for service under the provisions of either schedule NEM, NEMBIO or NEMFC or their sub-schedules.
  - 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, NEMBIO or NEMFC, 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 Non Export relays necessary to implement the provisions in this section will be provided at the Customer-Generator's expense.
  - e. Any generators eligible for tariff NEMBIOA (accounts with the loads from eligible accounts aggregated on the main NEMBIO account pursuant to Special Condition 4 of the NEMBIO tariff) will be treated as a separate Constituent Generator Group.

(Continued)





**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 15

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

6. MULTIPLE TARIFF FACILITIES (Cont'd):

g. Multiple Tariff Facility Configurations and Metering.

1) For two or more types of NEM-eligible Constituent Generator Groups, the customer-generator must select one of the following options:

a) Install NGOM on each Constituent Generator Group. In addition, metering is required at the PCC capable of separately registering the flow of energy (kWh) in two directions. Billing credit will be calculated as provided for in Special Condition 6(f). Generation Rate Component charges are the charges for energy (kWh) used based on the generation rate component of the energy charge under the customer-generator's rate schedule(s). Billing credit will be applied consistent with the appropriate net metering tariff as follows:

- i. First, apply NEMBIO credits (if any) to Generation Rate Component charges on any aggregated accounts, and then to Generation Rate Component charges on the account served by the generating facility (Host Account).
- ii. Second, apply NEMFC credits (if any) to Generation Rate Component charges on the account served by the generating facility.
- iii. Third, apply NEM credits (if any) as appropriate to the remainder of energy charges on the account served by the generating facility.

b) If the customer-generator has no Constituent Generator Group(s) eligible for Schedule NEMBIOA, but has a Constituent Generator Group eligible for Schedule NEM for small wind (50 kW or less) and/or solar generators, the customer-generator may elect to take service for such under either NEM sub-schedule NEMW or Schedule NEMBIO or NEMFC, as appropriate to one of the other Constituent Generator Group(s).

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(N)

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**ELECTRIC SCHEDULE NEM**  
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Sheet 16

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

6. MULTIPLE TARIFF FACILITIES (Cont'd):

g. Multiple Tariff Facility Configurations and Metering. (Cont'd)

2) For both, NEM-Eligible and non-NEM Eligible Constituent Generator Groups, the Customer-Generator must select one of the following options:

i. **The 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 will 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. The requirements of Special Condition 6(f) and 6(g) apply.

ii. **The Load Metering Option:** The customer-generator must install NGOM on each NEM-Eligible Constituent Generator Group, install energy consumption metering at the load, and install metering at the PCC as follows: 1) If there is one type of NEM-Eligible Constituent Generator Group then the terms of the appropriate NEM tariff for that group will apply; 2) If there are two or more types of NEM-Eligible Constituent Generator Groups, then the terms of Special Condition 6(f) and 6(g) apply.

iii. **The Interval Meter Option:** The customer-generator must install interval NGOM on each NEM-Eligible Constituent Generator Group and install interval metering at the PCC as follows: 1) If there is one type of Constituent Generator Group then the terms of the appropriate NEM tariff for that group will apply; 2) If there are two or more types of NEM-Eligible Constituent Generator Groups, then the terms of Special Condition 6(f) and 6(g) for interval metering apply. Energies (kWh) generated in an interval are aggregated over a billing period according to the OAS.

h. Multiple Tariff Facilities, served under DA or CCA Service, may only participate to the extent their ESP or CCA offers net metering for the specific constituent generator group(s).

(N)  
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 (N)

(Continued)



**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 17

SPECIAL  
CONDITIONS:  
 (Cont'd.)

7. Net Surplus Electricity Compensation (NSC): (N)
- Pursuant to P.U. Code Sections 2827 (h)(4)(A), this Special Condition was established to provide a NEM customer having **Net Surplus Electricity**, (defined as all electricity generated by an eligible customer measured in kilowatt-hours over a Relevant Period – as defined in Special Condition 2(e) of this tariff – that exceeds the amount of electricity consumed by that eligible customer), with **Net Surplus Electricity Compensation (NSC)** for the Net Surplus Electricity, while leaving other ratepayers unaffected. A NEM customer who has Net Surplus Electricity will be known as a **Net Surplus Generator**.
- (a) NSC Applicability – All bundled Net Surplus Generators that satisfy the conditions in the Applicability Section of this tariff and take service under this rate schedule are eligible to receive NSC if they have a true-up on, or following, the effective date below. This includes Net Surplus Generators on sub-schedules NEMS, NEMEXP, NEMEXPM and NEMW. A NEMMT Net Surplus Generator is also eligible to receive NSC but only for the one or more generators at the same metered account eligible for billing treatment under Special Condition 2 (a) though (f), or Special Condition 5 (NEMW) of this NEM schedule.
- Net Surplus Generators who receive Direct Access (DA) Service from an ESP or who receive Community Choice Aggregation Service from a CCA are not eligible to receive NSC from PG&E but may contact their ESP or CCA Provider to see if they provide NSC.
- The effective date for a Net Surplus Generator to begin to receive NSC will be no earlier than the end of their Relevant Period following January 1, 2011 unless (i) the Net Surplus Generator customer was a change-of-party Customer or became a new NEM customer in January 2010 and the meter read date for their twelfth billing month following enrollment in NEM falls in December of 2010; or (ii) a Net Surplus Generator's NEM meter was set to be read in January 2011 but due to PG&E's schedule of meter read dates, the read occurred on December 27, 2010 or later. Customers covered by subsections (i) or (ii) will be eligible to receive NSC for their Relevant Period ending in December 2010. (N)

(Continued)



**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 18 (N)

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

7. Net Surplus Electricity Compensation (NSC) (Cont'd): (N)/(D)
- (b) **The NSC Rate** – The NSC Rate is defined as the simple rolling average of PG&E’s default load aggregation point (DLAP) price from 7 a.m. to 5 p.m., for a 12-month period. PG&E shall use the NSC Rate as the value of the electricity portion of its net surplus compensation rate.
- PG&E will calculate the NSC Rate each month. It will be effective on the first day of that month and PG&E will use it in the NSC Calculation for any Net Surplus Generators with a Relevant Period completed in that month (True-Up Month).
- The **DLAP Cutoff Date** will be defined as the twentieth (20th) day of the month prior to the True-Up Month.
- PG&E will wait five (5) days after the DLAP Cutoff Date for the CAISO to have time to finalize the day-ahead PG&E DLAP prices. The NSC Rate will then be calculated as the simple average of the prices for all hours between 7 a.m. and 5 p.m. over a one (1) year period ending on the DLAP Cutoff Date.
- (c) Pursuant to D. 11-06-016, PG&E will modify this tariff to include a Renewable **Attribute Adder (RAA)** once the California Energy Commission (CEC) determines the implementation methodology.
- (d) **Calculation of the NSC** – NSC is calculated by multiplying any Net Surplus Electricity (kWh) by the NSC Rate in (b) above. (N)/(D)

(Continued)



**ELECTRIC SCHEDULE NEM**  
**NET ENERGY METERING SERVICE**

Sheet 19 (N)

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

7. Net Surplus Electricity Compensation (NSC) (Cont'd): (N)
- (e) Options for receiving NSC – A NEM customer with NSC will automatically have their NSC applied to any amounts owed to PG&E and then may choose to:
- (1) take no action and roll any remaining NSC amounts forward to offset subsequent PG&E charges; or
  - (2) request that PG&E issue a check if the remaining NSC amount is greater than one dollar (\$1). A customer can select this option by calling PG&E. If the customer is closing all their accounts with PG&E, PG&E will automatically send a check.; or
  - (3) elect not to receive any NSC by completing and submitting form 79-1130 (*Customer Request Form not to Receive Net Surplus Compensation*) to PG&E to confirm that they do not want to participate. In this case PG&E will zero out any NSC the NEM customer may be otherwise eligible to receive.
- (f) QF Status – Customers receiving net surplus compensation must first demonstrate to PG&E that they are Qualifying Facilities in order to receive NSC. Since all NEM customer-generators currently meet the requirements for a qualifying facility exempt from certification filing at the Federal Energy Regulatory Commission (FERC), no further documentation is required at this time.
- (g) Generator Size – Nothing in this Special Condition alters the existing NEM system sizing requirement. Specifically, in order to be eligible for NSC, a system must be intended primarily to offset part or all of the customer's own electrical requirements. Systems that are sized larger than the customer's electrical requirements are not be eligible for NEM and therefore, are not eligible for NSC either. (N)

(Continued)



**ELECTRIC SCHEDULE NEM  
 NET ENERGY METERING SERVICE**

Sheet 20

SPECIAL  
 CONDITIONS:  
 (Cont'd.)

8. 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, Sample Form 79-978, *Interconnection Agreement for Net Energy Metering of Solar and Wind Electric Generating Facilities of 1,000 Kilowatts or Less, other than Facilities of 30 Kilowatts or Less*) shall complete and submit a copy of form 79-1125 – *NEM / NEMVMASH Inspection Report* to PG&E, unless the electrical generating facility and meter have been installed or inspected within the previous three years. The *NEM Inspection Report* shall be prepared by a California licensed contractor who is not the owner or operator of the facility and meter. A California licensed electrician shall perform the inspection of the electrical portion of the facility and meter and sign the *NEM / NEMVMASH Inspection Report*. If an inspection is required, the customer shall submit the fully completed *NEM / NEMVMASH Inspection Report* to PG&E within 90 days of the customer becoming the customer of record at this account, or else the customer agrees to disconnect their Generating Facility and inform PG&E it no longer will take service on schedule NEM or NEMVMASH. By signing the interconnection agreement, the *NEM / NEMVMASH Inspection Report* shall be incorporated into it.
- (T)  
 (T)  
 (T)  
 (T)  
 (T)