

## **SCHEDULE NEM**

### **NET ENERGY METERING FOR RENEWABLE ELECTRICAL GENERATION FACILITIES**

#### **Applicability:**

Applicable to all end-use Eligible Customer-Generators who execute the applicable Standard Contract-NEM.

An Eligible Customer Generator is a residential, commercial, industrial or agricultural Customer who uses a Renewable Electrical Generation Facility, or a combination of those facilities, with a capacity of not more than 1,000 kilowatts, that is located on the Customer's owned, leased, or rented premises, and is interconnected and operates in parallel with the Utility's transmission and distribution facilities, and is intended primarily to offset part or all of the Customer's own electrical requirements on the premises.

#### **Territory:**

Within the service area of the City of Riverside

#### **Rates:**

All rates charged under this schedule will be in accordance with the Eligible Customer-Generator's otherwise applicable tariff (OAT) or rate schedule, in effect from time to time, on a Net Energy Metering basis. An Eligible Customer-Generator served under this schedule is responsible for all charges in its OAT including the monthly or annual minimum charges (including service, customer, reliability, and demand charges, when applicable), regardless of the Customer's monthly or annual net generation.

Eligible Customer-Generators under this schedule are subject to any new or additional charge(s) that may be imposed by the Utility on the other customers in the rate class to which Customer would otherwise be assigned.

#### **Special Conditions:**

##### **1. Agreement:**

In order for this schedule to apply, Customer must sign the Utility's Standard Contract – NEM. The Standard Contract – NEM shall contain additional terms and conditions, including without limitation, indemnification, insurance, and access to Customer's premises and Generating Facilities requirements.

**2. Billing:**

a. Residential and Small Commercial (Schedule A Flat Rate) Customers:

- (1) The annualized Net Energy Metering calculation shall be made by measuring the difference between the energy supplied to the Customer and the energy generated by the Customer and fed back to the Utility's grid over a Twelve-Month Period. At the end of each Twelve-Month Period, and at each anniversary date thereafter, the Utility shall determine if the Customer was a net consumer or a net generator of energy during the Twelve-Month Period. In the event the energy supplied by the Utility during the Twelve-Month Period exceeds the energy generated by the Customer during that same period, the Customer is a net energy consumer.
- (2) If the Customer is a net energy consumer, the Utility will bill the Customer for the net energy consumed during the Twelve-Month Period based on Customer's OAT and Customer shall pay for such net energy consumed annually.
- (3) The Customer may elect to be billed monthly for net energy consumed upon initiation of service under this Schedule or upon proper written notice to the Utility no later than thirty-days prior to the Customer's regularly scheduled meter read date in January of each year. Such change shall be made by the Utility at the beginning of a new Twelve-Month Period coinciding with the Customer's regularly scheduled meter read date in January following receipt of Customer's proper written notice.

b. Commercial (Schedule A Demand Rate), Industrial or Agricultural Rate Customers:

- (1) The annualized Net Energy Metering calculation shall be made by measuring the difference between the energy supplied to the Customer and the energy generated by the Customer and fed back to the Utility's grid over a Twelve-Month Period. Additionally, at the end of each billing period, the Utility shall determine if the Customer was a net consumer or a net generator of energy. In the event the energy supplied by the Utility to the Customer during the

preceding billing period exceeds the energy generated by the Customer during that same billing period, the Customer is a net energy consumer.

- (2) If the Customer is a net energy consumer, the Utility will bill the Customer for the net energy consumed during such billing period based on Customer's OAT and Customer shall pay for such net energy consumed monthly in accordance with the Customer's monthly billing statement and the Electric Rules.
- c. All Eligible Customer – Generators:
- (1) If the Customer's OAT employs "time of use" rates, any net energy consumed monthly shall be calculated according to the terms of the OAT. When the Customer is a net generator during any discrete time of use period over a billing period, the net kilowatt-hours generated shall be valued at the same price per kilowatt-hour as the Utility would charge for retail kilowatt-hour sales during that same time of use period.
  - (2) If the Customer's OAT employs "tiered" rates, any net energy consumed monthly shall be calculated according to the terms of the OAT. When the Customer is a net generator over a billing period, the net kilowatt-hours generated shall be valued at the same price per kilowatt-hour as the Utility would charge for the same tiered quantity of energy during that billing period.
  - (3) The Utility shall provide all customers with Net Energy Metering consumption and generation information on a monthly basis. Such monthly update shall include the current accrued balance owed to the Utility for Net Energy Metering charges, or current accrued credits for Net Energy Metering generation, whichever applies.
  - (4) If the energy generated exceeds the energy consumed by the Customer, the Customer is a net energy generator. If the Customer is a net generator of energy over a normal billing period, any excess kilowatt-hours generated during the billing period shall be carried forward as a monetary value to the following billing period (until the end of the Customer's Twelve-Month Period).

- (5) At the end of each Twelve-Month Period, the Utility shall retain any Net Surplus Energy generated by the Net Surplus Customer Generator, including any associated environmental attributes or renewable energy credits (REC), and Customer's monetary value shall be reset to zero for the subsequent Twelve-Month Period. In addition, no payment will be made to any Customer for the excess energy delivered to the Utility's grid, unless the Customer elects to receive Net Surplus Energy Compensation for that excess energy by electing a compensation option, as set forth in Subsection 2.c.6 herein.
  
- (6) Customer may, upon the Utility's timely receipt of Customer's written affirmative election, be eligible for Net Surplus Energy Compensation. The Customer's Net Surplus Energy Compensation shall be calculated over a Twelve-Month Period beginning with the Customer's regularly scheduled meter read date in January following receipt of a timely filed affirmative election and conclude as of the Customer's regularly scheduled meter read date the following December.

Customers may receive Net Surplus Energy Compensation for Net Surplus Energy at the end of a Twelve-Month Period by affirmatively electing one of the following methods:

- i. Receive compensation based on an annual time-differentiated per kilowatt-hour rate for Net Surplus Energy generated during the prior Twelve-Month Period. The rate will be posted on the Utility's website ([RiversidePublicUtilities.com/ElectricRates](http://RiversidePublicUtilities.com/ElectricRates)) on January 1 of each year and will be effective from January 1 through December 31. The rate shall be established annually by the Public Utilities General Manager based upon the average hourly cost of renewable energy purchased by the Utility and reported in the most recently audited fiscal year; or
  
- ii. Receive the Net Surplus Energy as a kilowatt-hour credit calculated using the Net Surplus Energy Compensation rate and applied against future billing periods.

- (7) Affirmative elections remain effective for each Twelve-Month Period following the execution of such election. Customers are eligible to revise their Net Surplus Energy Compensation elections by giving written notice to the Utility at least thirty days prior to the beginning of each succeeding Twelve-Month Period.
- (8) If any Customer terminates service under this Schedule prior to the end of any Twelve-Month Period, the Utility shall reconcile the Customer's energy consumed and generated following the last reconciliation, according to the requirements set forth in this schedule, except that those requirements shall apply only to the months since the most recent twelve-month bill.

**3. Metering:**

Net Energy Metering shall be accomplished using a Required Meter. The Utility shall own, operate and maintain the Required Meter on the Customer's premises. If the existing meter at Customer's premises is not capable of measuring the flow of energy in two directions, Customer shall be responsible for all expenses involved in the Utility's purchase and installation of the Required Meter. The Utility, at its expense, may purchase and install additional meters with the consent of the Customer to provide the information necessary to accurately credit or bill the Customer or to collect generating system performance information for research purposes. If an additional meter or meters are installed, the net metering calculation shall yield a result identical to that of a single meter.

**4. Definitions:**

- a. "Renewable Electrical Generation Facility" means a facility that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the California Public Resources Code including biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation, 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.
- b. "Net Energy Metering" means measuring the difference between the energy supplied through the electric grid to the Customer and the energy generated by an Eligible Customer-Generator and fed

back to the electric grid over a Twelve-Month Period, as described in California Public Utilities Code Section 2827 (c) and (h).

- c. “Net Surplus Customer Generator” means an Eligible Customer-Generator that generates more energy in a Twelve-Month Period than is supplied by the Utility to the Eligible Customer-Generator during the same Twelve-Month Period.
- d. “Net Surplus Energy” means all energy generated by an Eligible Customer-Generator measured in kilowatt-hours over a Twelve-Month Period that exceeds the amount of energy consumed by that Eligible Customer-Generator.
- e. “Net Surplus Energy Compensation” means compensation, either monetary or as a billing credit, at a per kilowatt-hour rate, established by Riverside’s Board of Public Utilities and adopted by Riverside’s City Council, offered by the Utility to the Net Surplus Customer Generator for Net Surplus Energy.
- f. “Required Meter” means a single meter capable of registering the flow of energy in two directions.
- g. “Small Commercial Customer” means a customer that has a maximum peak demand of less than 20 kilowatts, as defined in subdivision (h) of Section 331 of the California Public Utilities Code.
- h. “Standard Contract – NEM” means that standard contract entitled “Net Energy Metering Interconnection Agreement for Solar or Wind Turbine Electric Generating Facilities” available to Eligible Customer Generator, as established by Riverside’s Board of Public Utilities and adopted by Riverside’s City Council from time to time, and offered in accordance with California Public Utilities Code Section 2827.
- i. “Twelve-Month Period” means the Twelve-Month Period commencing with the Customer’s regularly scheduled meter read date in January and concluding as of the Customer’s regularly scheduled meter read date the following December. The Customer’s first such period will commence as of the date of interconnection and conclude as of the regularly scheduled meter read date the following December, and may be less than 12 months.

**5. State Mandated Public Benefits Charge:**

The rates in Eligible Customer-Generator's OAT are subject to a surcharge as adopted by City Council Resolution No. 19203, and such surcharge as in effect from time to time. The applicable Public Benefits Charge will be applied in accordance with the Customer's OAT. The Public Benefits Charge that is applicable to the Customer under the Customer's OAT shall be calculated based upon the Customer's total energy usage charges including net energy consumed, monthly or annual minimum charges (including service, customer, reliability, and demand charges, when applicable), for the applicable billing period.

**6. Miscellaneous Fees and Charges:**

Rates charged pursuant to this Schedule shall be subject to any Energy Users Taxes, Utility Users Taxes and any other governmental taxes, duties, or fees which are applicable to Electric Service provided to Customer by the Utility. Rates are also subject to adjustment, as established by Riverside's Board of Public Utilities and adopted by Riverside's City Council in response to federal or state climate change laws, renewable portfolio standard or other mandated legislation. These adjustments may include but are not limited to charges to mitigate the impacts of greenhouse gas emissions or "green power" premiums.

**7. Power Cost Adjustment Factor ("PCAF"):**

The "PCAF", as provided in Part C of the General Provisions, shall apply to Customer's net energy consumed and such other charges as indicated by Customer's OAT.

**8. Environmental Attributes and Renewable Energy Credits ("REC"):**

Customers electing service under this Schedule must certify that they have sole ownership of the environmental attributes and RECs. For Customers who elect to receive Net Surplus Energy Compensation, any environmental attributes and RECs associated with such compensation shall be the property of the Utility. Customers who elect to receive net surplus energy as a kilowatt-hour credit calculated using the Net Surplus Energy Compensation rate and applied against future billing periods may transfer ownership of any environmental attributes and RECs to the Utility.

**9. Program Cap:**

The total contract generating capacity for qualifying customers of this Schedule shall collectively not exceed the required total rated generating capacity percentage of the Utility's aggregate peak customer demand as required by California Public Utilities Code section 2827 (c)(1).

Until the program cap is reached, the Schedule shall be open to eligible customers on a first-come-first-served basis. Once the program cap is reached, the Schedule will be closed to any new customers, until such time as qualified customers included within the program cap, with an executed Standard Contract – NEM, no longer receives service under this Schedule, thus allowing participation by additional eligible customers until a new program cap is reached.

**10. Applicable Rate Schedule:**

**a. Applicable Rate Schedule**

For Customers applying for service at an existing service address, the Utility will assign the electric rate schedule based on the characteristics of the service address. The Utility will presume that any electric rate previously assigned to that service address is the appropriate schedule, unless Customer requests a review for another applicable rate schedule, rate, or optional provision. In certain situations when a Customer does not qualify for an electric rate previously assigned to that service address, the Utility will assign the applicable rate to the Customer. The Utility assumes no responsibility for advising the Customer of lower optional rates under existing schedules available as a result of the Customer's changes to the characteristics of the service address.

**b. Change of Rate Schedule**

A change to the applicable rate schedule may be made if the Utility determines that the Customer no longer qualifies for the assigned rate schedule. Subject to meter availability, the change will become effective for service rendered after the next regular meter reading following verification and approval by the Utility of such eligibility. Any change in rate schedules pursuant to this section shall be made prospectively.