

SANTA BARBARA CLEAN ENERGY
SOLAR+ NET ENERGY METERING (SOLAR+ NEM)
TERMS AND CONDITIONS OF SERVICE RESIDENTIAL
AND COMMERCIAL TARIFFS

A. PURPOSE

The Purpose of the Net Energy Metering (NEM) Program terms & conditions (T&C) is to provide details of Santa Barbara Clean Energy's (SBCE) Net Energy Metering program, **Solar+ NEM**, and how the program is administered for residential and commercial tariffs.

B. APPLICABILITY

Customers enrolled in Southern California Edison's (SCE) Net Energy Metering Program (SCE NEM) are automatically enrolled in SBCE's NEM Program, **Solar+ NEM**. The program is applicable for all NEM customers who have Renewable Generation Facilities such as rooftop solar. The facility must be eligible under SCE's Schedule NEM – Net Energy Metering or similar tariff option(s) focused on NEM, which may be amended or replaced by SCE from time to time. Each customer's eligible Renewable Generating Facility must fall within the capacity limits described in SCE's Schedule NEM and must be located on the customer's owned, leased, or rented premises, must be interconnected and operated in parallel with SCE's transmission and distribution systems and must be intended primarily to offset part or all of the customer's own electrical requirements.

This rate schedule will be available to customers that provide SCE with a completed SCE NEM Application and comply with all SCE NEM requirements as described in SCE's Schedule NEM. This includes, but not limited to, customers served by NEM-V (Virtual Net Energy Metering), VNM-A (Virtual Net Energy Metering for Multifamily Affordable Housing), VNEM-SOMAH (Virtual Net Energy Metering - Solar on Multifamily Affordable Housing) and Multiple Tariff facilities as described by SCE's Schedule NEM.

C. TERRITORY

Applicable in the SBCE service area.

D. RATES

All rates charged under this schedule will be in accordance with the customer's Otherwise Applicable SBCE rate Schedule (OAS). A customer 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, and all other charges owed to SBCE or SCE. Charges for energy (kWh) supplied by SBCE will be based on net metered usage in accordance with this tariff.

E. BILLING

NEM 1.0 and NEM 2.0 Customers

- a. The Customer's energy usage is tracked and billed on a monthly basis.

- b. Each month, a customer may accrue energy usage charges based on the net amount of energy consumed (kWh) during the current billing cycle. These charges are due and payable each month, in accordance with the applicable tariff under the OAS.
- c. A customer may accrue energy use credits based on any surplus energy the customer's generation system produces and supplies to the grid. The credit is calculated by multiplying the amount surplus energy (kWh) supplied to the grid by the tariff rate (\$/kWh) in effect at the time of day that the surplus energy is generated.
- d. Credits created by a customer's renewable generation system are used to offset charges. Each month, a customer may accrue a cumulative energy usage credit if the total value of the energy that the customer generated that month exceeds the value of the energy the customer consumed from the grid in that month. This cumulative energy use credit carries forward into next billing period and is reported on the supply/generation page of each month's bill as the *"Solar+ NEM Cumulative Resilience Credit Due"*. This *"Solar+ NEM Cumulative Credit Due"* due will carry over as a bill credit for use in subsequent billing cycles.

F. SBCE True-Up, Net Surplus Compensation & Cash-Out Processes

- a. *True-Up*. Each year a True-Up will occur at the end of the 12-month relevant period. If the customer is a net producer, they may have a *"Solar+ NEM Cumulative Credit Due"* at the time of True-Up. In that case the customer may be eligible for Net Surplus Compensation from SBCE.
- b. *Net Surplus Compensation*. If at the end of the 12-month relevant period, a customer has produced net surplus energy over the entire year, as measured in kWh, then the customer is eligible for Net Surplus Compensation (NSC) from SBCE (this would be reflected as a negative *"cumulative kWh relevant period year-to-date balance"* on the customer's bill). For eligible customers, surplus kWhs are paid out at the SBCE's NSC Rate using the following formula:

$$\text{NSC Payment}(\$) = \text{"cumulative kWh relevant period year-to-date" balance (kWh)} \times \text{NSC RATE}(\$/\text{kWh})$$

The *"cumulative kWh relevant period year-to-date" balance* will be reset to zero kWh upon True-up.

- c. *Cash-Out*. At the end of each customer's relevant period, any current customer with a NSC Payment equal to or greater than \$100 will be paid directly by check. NSC payments less than \$100 will be rolled over as a credit into the next relevant period and used to offset future charges.