

Net Energy Metering (NEM) Cost of Service (COS) FAQ

How will true-up work with 3CE and the new COS?

3CE proposes to continue with an annual true-up, while invoicing will move to monthly. Monthly invoicing will help avoid an unexpected payment due at true-up. The annual true up statement will reconcile all the cumulative energy charges and credits for the entire annual billing cycle. Please see flyer for NSC cash out details.

Why are you charging a monthly fee of \$4.50? Is this fee in addition to PG&E's fee?

The proposed \$4.50/mo would begin January 2022 following the evaluation of what it costs 3CE to service NEM residential customers, however \$4.50/mo is lower than the total cost to service NEM residential customers. The new COS rate structure aims to bring predictability, simplicity, fairness and competitiveness. In order to bring more fairness to 3CE's rate structure, the new Cost of Service method evaluates the cost to service each different customer segment such as residential, business, ag, municipalities and NEM. Due to Net Surplus Compensation, the annual true-up process and other aspects of NEM, this class of customers requires much more staff time than your average residential customer, for example.

What is the Power Charge Indifference Adjustment (PCIA)?

PG&E and SC Edison charge their customers a Power Charge Indifference Adjustment (PCIA) and a Franchise Fee Surcharge. Both are calculated based on the number of kilowatt-hours used each month. The fees are included in PG&E's bundled charges. With 3CE, the fees are displayed so there is more transparency on your bill. The PCIA is intended to ensure that 3CE customers pay the difference between what PG&E and SC Edison paid for power contracted to serve customers prior to their switch to 3CE. For most 3CE customers, the PCIA is currently two to three cents per kilowatt-hour. The PCIA and Franchise Fee charges are currently factored into 3CE's rate setting process to keep 3CE rates competitive.

Why is the Net Surplus Compensation rate changing?

3CE launched in 2018 setting rates at 3-7% electric generation discount off our rates and provided a Net Surplus Compensation rate halfway between wholesale and retail. PG&E has been providing a wholesale NSC rate which changes monthly. 3CE proposes to provide predictability by fixing its NSC rate for 3 years with a rate that is more in line with the value of renewable energy available on the market for purchase.

When will the new proposed rates become available?

3CE expects to make the proposed rates available no later than June 2021. You will have an evaluation period allowing you to compare your choices and decide which is best for you. As a Community Choice Energy agency, our rates are approved by our Boards. We expect the new COS rates to go into effect January 1, 2022.

How does Cost of Service affect the EV Rates?

3CE's proposed rate structure simplifies its rate classes from the existing and complex 88 classes down to a simplified 10. Currently there is no specific residential EV rate class in 3CE's proposed new rate structure. The Time-of-Use rate features lower rates for electricity at night, allowing customers to control their energy bill by charging electric vehicles during off peak hours.

How long will the Cost of Service rates be in effect?

The proposed 3CE rate structure allows for stability and predictability by fixing the rates and NSC for 3 years. While PG&E changes their rates no less than four times a year and changes their NSC rate monthly, 3CE will provide the same rates, with no increases, for 3 years (January 1, 2022 - December 31, 2024).

Will you have a calculator that allows customers to evaluate which choice is best?

3CE has requested proposals from vendors to develop a calculator allowing customers to calculate estimated differences between 3CE's current rate structure and the new proposed rate structure. The calculator is expected to become available after the rates are approved by 3CE's Board.

How do I provide feedback?

Please provide feedback to info@3ce.org, with the subject line "NEM COS Feedback". The NEM COS workshop video, FAQs and flyer is available on our website, please review these resources to learn more about COS. The public is invited to attend our May and June Board meetings to provide public comment and learn more about COS.

What are my options if I do not want to participate? How do I return to PG&E bundled service?

3CE customers will be rolled into the new default Cost of Service rate structure beginning in 2022 on the month of their true-up unless they choose the alternate seasonal flat rate option during the evaluation period. Evaluation period to be announced following board approval in June of 2021. Customers who choose to return to PG&E bundled service may do so by visiting www.3cenergy.org/opt-out Please note: 1) If customers opt out outside of their enrollment period, PG&E requires the customer stay with them for 1 year. 2) Opted out customers will not be eligible for 3CE energy programs.