



## Net Energy Metering (NEM)

### APPLICABILITY:

The Net Energy Metering (NEM) Schedule, also known as NEM 1.0 and NEM 2.0, is applicable to the generation portion of the customer's electric utility bill for Central Coast Community Energy (3CE) customers who meet the following criteria:

- The customer is operating a Renewable Electrical Generating Facility (REGF) as defined by PG&E and SCE's NEM tariffs.<sup>1</sup>
- Submitted an interconnection application to PG&E or SCE before the Sunset Date of the NEM 2.0, Virtual Net Energy Metering (VNEM), and Net Energy Metering Aggregation (NEMA) tariffs; or
- Legacy NEM enrolled customers who are in their Legacy Period.

### RATES:

NEM enrolled customers' charges and credits will be calculated by applying the 3CE rates adopted by the 3CE Policy Board<sup>2</sup> according to their Otherwise Applicable Tariff (OAT) or Otherwise Applicable Metered Rate Schedule (OAS), the eligible Time-of-Use (TOU) rate code provided to 3CE by the incumbent Investor-Owned Utilities (IOUs).

### BILLING:

#### A. Net Metering

Total consumption and generation, measured by the import and export channels in kilowatt-hours (kWh), is the net of the total electricity consumption and the total generation exported to the grid for the TOU and billing period. See Special Conditions Sections (D) and (E) for specific terms for Virtual Net Energy Metering (VNEM) and Net Energy Metering Aggregation (NEMA) accounts.

#### B. Monthly Billing

Aggregated 3CE total generation-related charges and credits will appear by TOU period on the monthly statement received from the IOU. If the customer is on a rate schedule with a flat rate structure the total aggregated generation-related charges or

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<sup>1</sup> SCE NEM and PG&E NEM tariffs are available at: <https://www.sce.com/regulatory/tariff-books/rates-pricing-choices/other-rates> and <https://www.pge.com/tariffs/index.page>.

<sup>2</sup> See current 3CE rates at: <https://3cenergy.org/billing/>

credits will appear on one line. When the total 3CE charges exceed the total 3CE credits, the monthly statement will reflect a charge to the customer. Conversely, when the total 3CE credits exceed the 3CE charges, the excess credits will be banked, and the customer will receive a monthly statement with no energy charges for that month. Banked credit amounts will apply to future monthly charges and may be seen on subsequent monthly statements until fully used to offset 3CE charges or a true-up occurs. Monthly generation-related 3CE credits may not offset applicable taxes or monthly IOU Transmission and Distribution (T&D) charges. See Special Condition Section (F) for specific terms for the Seasonal Flat rate offering.

### C. Annual True-Up Process

At the end of the Relevant Period, the following steps will be performed by 3CE for all NEM accounts:

1. If there are remaining banked retail credits, all 3CE energy charges are summed and aggregated with all used 3CE credit amounts for the Relevant Period. If the result is positive, any remaining banked retail credit amounts offset the amount. If any banked amounts remain after the above process, the retail credit balance is reset to zero.
2. Net Surplus Compensation (NSC) is then calculated if the aggregated total of the import and export meter channels for the Relevant Period results in excess generation. NSC is calculated by multiplying the aggregated total by the 3CE NSC rate.<sup>3</sup> If the resulting NSC amount exceeds the applicable thresholds (residential=\$200; non-residential=\$500), the amount is delivered on the true-up statement as a bill credit. If the NSC amount is less than the applicable thresholds, then the amount is banked and carried over to the next Relevant Period. NSC amounts are never reset and may be seen on subsequent monthly statements until used for 3CE charges or the combination of multiple NSC amounts exceeds the threshold on a subsequent true-up. NSC amounts above the threshold may be requested to be delivered by check within 45 days of the true-up statement appearing on the bill. See Special Conditions Section (E) for specific terms for NEMA accounts.

## **SPECIAL CONDITIONS:**

### A. Relevant Period

3CE defines the Relevant Period as all billing periods occurring in the 12 months, from the start of the customer's January meter read to the end of the December meter read.

### B. Legacy Period

Legacy Period is defined as the time period that a NEM 1.0 or NEM 2.0 enrolled customer is grandfathered into their current NEM program. This period is defined as

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<sup>3</sup> Current 3CE NSC rates can be found at: <https://3cenergy.org/billing/nem/>

twenty (20) years from the original Permission to Operate (PTO) date of the generating system. Legacy Periods are tracked and communicated to 3CE by the customer's incumbent IOU.

#### C. Sunset Date

3CE defines the sunset date as April 15, 2023, for all NEM tariffs, with the exception of VNEM and NEMA. VNEM and NEMA have a sunset date of February 15, 2024.

#### D. Virtual Net Energy Metering

VNEM generation exported to the grid is measured by a single generating meter without on-site consumption. On the same premise there are multiple individually metered units that are the benefiting accounts for the VNEM account. The total generation exported to the grid, measured in kWh, is allocated to the benefiting accounts and netted with the total electricity consumption of the benefiting accounts for the TOU and billing period. Each benefiting account is billed monthly and true'd up annually according to the process described in Billing Sections (B) and (C).

#### E. Net Energy Metering Aggregation

A single site generator meter measures NEMA generation exported to the grid. On different adjacent and contiguous premises are multiple benefiting meters that are the benefiting accounts for the NEMA account. The total generation exported to the grid, measured in kWh, is allocated to the benefiting accounts and netted with the total electricity consumption of the benefiting accounts as well as the generating meter for the TOU and billing period. Each benefiting and generating account is billed monthly according to the process described in Billing Section (B).

NEMA does not qualify for NSC dispersal. The true-up process for NEMA will be completed as described in Billing Section (C.1) above.

#### F. Seasonal Flat Rate Offering

When 3CE customers who enrolled in the Seasonal Flat rate offering before October 31, 2021, have a monthly total of 3CE credits exceeding the 3CE charges, the excess retail credits will appear as a credit on their monthly bill statement. When the total 3CE charges exceed the total 3CE credits, the monthly statement will reflect a charge to the customer.

Seasonal Flat rate offering customers do not qualify for NSC dispersal. The true-up process for Seasonal Flat rate offering customers will be completed as described in Billing Section (C.1) above.

#### G. Return to Bundled Service

3CE NEM enrolled customers may voluntarily opt out of 3CE service at any time. A true-up of the current Relevant Period will occur on their last monthly statement with 3CE. The true-up will be processed according to the process detailed in Billing Section

(C), with the noted exception that NSC thresholds do not apply to customers returning to bundled service.

#### H. Account Termination

3CE NEM enrolled customers that terminate their NEM account with the IOU are trued-up for the current Relevant Period on their last monthly statement. The true-up will be processed according to the process detailed in Billing Section (C), with the noted exception that NSC thresholds do not apply to customers terminating service.

#### I. Reservation of Rights

3CE reserves the right to modify or terminate components of the Net Energy Metering schedule at a duly noticed public meeting of the 3CE Policy Board. By enrolling or remaining enrolled in the NEM schedule, the customer acknowledges and accepts 3CE's reservation of rights.

#### J. Limitation of Liability

For any act or omission in the performance of this tariff, the sole and exclusive remedy shall be the amount of direct damage actually incurred. In no event shall any party subject to this tariff be liable for any indirect, special, consequential, punitive, or exemplary damages, including lost profits, business interruption damages, or attorney's fees, whether in contract, tort, or strict liability.