TO: East Bay Community Energy Board of Directors
FROM: Annie Henderson, VP Marketing and Account Services
SUBJECT: Amendments to Net Energy Metering (NEM) Tariff for Solar Customers
DATE: June 19, 2019

Recommendations

Approve a Resolution to amend the Electric Schedule NEM - Net Energy Metering Service so that it is aligned with both customer expectations and existing operations.

Background
At its February 21, 2018 meeting, the EBCE Board adopted an initial NEM policy, and also directed staff to amend that policy, as necessary, after finalization of Local Development Business Plan (LDBP). Staff brought an amended policy to the board on December 5, 2018, that included amendments regarding the NEM program details, tariff, and the 2019 bi-monthly NEM customer enrollment.

At its February 20, 2019 meeting, the EBCE Board approved an additional amendment to the NEM tariff to revise the surplus payment calculation for customers receiving over $2,500 in retail credits and provide a review of financial outcomes for customers that have both made a payment to EBCE since the previous cash-out process, or start of service with EBCE, and have a positive balance during the current cash-out process.

Following the February Board approval, staff realized that there is a need to clarify a type of credit and correct an error in the tariff regarding the cash-out process.

Analysis

The cash-out process is detailed in the section entitled “Billing” in part “d” of the Electric Schedule NEM - Net Energy Metering Service. Both recommended edits are in this section.

The first edit is in the initial description of the EBCE Annual Cash-Out. The following is the current tariff, with proposed additions in bold and underlined text:

During the April billing cycle of each year, all current EBCE NEM customers with a cash-out credit balance of more than $100 will be offered a direct
payment by check for this balance. Any **cash-out** credit balance will be determined as of the final date of the customer’s March-April billing Cycle (i.e. the first bill period ending on or after April 1).

“Credit balance” here could be misinterpreted any current positive dollar credit balance that resides on the EBCE page of a NEM customer bill. EBCE offers three levels of cash-out payment depending on customer classification and the interconnection date. For two of these levels, the cash-out credit is different from the month-to-month credit balance: (1) for NEM customers interconnected prior to June 1, 2018 it is the product of the surplus kilowatt-hours and PG&E’s Net Surplus Generation rate; and (2) for municipal/low-income NEM customers interconnected after June 1, 2018, the cash-out credit is the EBCE retail rate plus $0.01 per kilowatt-hour.

To avoid confusion, staff recommends adding “cash-out” before credit balance to clarify the type of credit balance.

The second edit is in the section of the tariff that describes the review of financial outcomes of NEM customers that were interconnected prior to June 2018. The following is the current tariff language, with edits in bold, underline, and strikethrough:

> Annually in May, EBCE will review the financial outcomes of “existing” NEM accounts (interconnected before June 2018) that have 1) made payment to EBCE in the prior 12 months and 2) held a **positive** balance of at least **$100** in April. EBCE will assess whether these accounts would have had better financial outcomes on PG&E service, and if so, issue a credit or check for the difference. This applies to all rates schedules and service levels.

There should not be a minimum balance stated here, as all customers will have their monthly credit balance converted to a cash-out credit balance during the cash-out process. Staff recommends that the tariff is edited to read “held a positive balance in April,” removing “of at least $100” and adding “positive” for clarity.

**Fiscal Impact of Recommendation**

These tariff edits do not have a fiscal impact; the edits are clarifying operations as they already occur today.

**CEQA**

Not a project

**Attachments**

A. Exhibit A: Revised EBCE Electric Schedule NEM - Net Energy Metering Service  
B. Resolution Adopting Amended Electric Schedule NEM - Net Energy Metering Service
RESOLUTION NO.
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY TO FURTHER AMEND THE NET
ENERGY METERING POLICY

THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES
HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

Section 1. The East Bay Community Energy Authority (“EBCE”) was formed on
December 1, 2016, under the Joint Exercise of Power Act, California Government
Code sections 6500 et seq., among the County of Alameda, and the Cities of Albany,
Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San
Leandro, and Union City to study, promote, develop, conduct, operate, and manage
energy and energy-related climate change programs in all of the member
jurisdictions.

Section 2. EBCE desires to encourage customers to construct new on-site
energy generation systems and to retain current Net Energy Metering (NEM) customers
by minimizing any adverse financial impacts from becoming an EBCE customer.

Section 3. The Board of Directors approved an Initial NEM Policy on February
21, 2018, an amended policy on December 5, 2018, and a second amendment on
February 20, 2019.

Section 4. In April 2019, EBCE staff initiated the inaugural cash-out process for
NEM customers and identified components of the NEM tariff that needed additional
clarification in regards to the type of credit balance included in the cash-out process.

Section 5. The Board hereby adopts the amended Electric Schedule NEM - Net
Energy Metering Service, attached hereto as Exhibit A, effective immediately.

ADOPTED AND APPROVED this 19th day of June, 2019.

________________________________________
Scott Haggerty, Chair

ATTEST:

________________________________________
Stephanie Cabrera, Clerk of the Board
ELECTRIC SCHEDULE NEM - NET ENERGY METERING SERVICE

APPLICABILITY: This net energy metering (NEM) schedule is applicable to a customer who uses an eligible Renewable Electrical Generation Facility, as defined in PG&E’s Electric Schedule NEM (http://www.pge.com/tariffs), within the capacity limits described in PG&E’s Electric Schedule NEM 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, and is intended primarily to offset part or all of the customer’s own electrical requirements (hereinafter “eligible customer generator” or customer”).

This rate schedule is available on a first-come, first-served basis to customers that provide PG&E with a completed PG&E NEM Application and comply with all PG&E NEM requirements as described in PG&E Electric Schedule NEM. This includes customers served by NEMV (Virtual Net Energy Metering), NEMVMASH (Virtual Net Energy Metering for Multifamily Affordable Housing), NEMA (NEM Aggregation) and Multiple Tariff facilities as described by PG&E Electric Schedule NEM.

TERRITORY: The entire EBCE service area.

RATES: All rates charged under this schedule will be in accordance with the eligible customer generator’s otherwise-applicable EBCE rate schedule (OAS), which includes their rate schedule and EBCE service level (i.e. Bright Choice, Brilliant 100, or Renewable 100). 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, and all other charges owed to EBCE or PG&E. Charges for energy (kWh) supplied by EBCE, will be based on the net metered usage in accordance with this tariff.

BILLING: Customers with NEM service will be billed as follows:

a) For a customer with Non-Time of Use (TOU) Rates:
Any net consumption or production shall be valued monthly as follows:
If the eligible customer-generator is a “Net Consumer,” having overall positive usage over a billing cycle, the eligible customer-generator will be billed in accordance with the eligible customer-generator’s OAS.

If the eligible customer-generator is a “Net Generator,” having overall negative usage over a billing cycle, any net energy production shall be valued at the OAS plus any additional incentive payment as applicable (e.g. for new installations at low income or municipal accounts). The calculated value of any net energy production shall be credited to EBCE customers as described in Section (c).

b) For a customer with TOU Rates:
If the eligible customer-generator is a Net Consumer (as defined above) during any discrete TOU period, the net kWh consumed during such period shall be billed in accordance with applicable TOU period-specific rates/charges, as described in the eligible customer-generator’s OAS.

If the eligible customer-generator is a Net Generator (as defined above) during any discrete TOU period, the net kWh produced during such period shall be valued in consideration of the applicable TOU period-specific rates/charges, as described in the eligible customer-generator’s OAS, plus any additional incentive payment as applicable (e.g. for new installations at low income or municipal accounts). The
calculated value of any net energy production during a specific TOU period shall be credited to EBCE customers as described in Section (c).

c) Monthly Settlement of EBCE Charges/Credits:
NEM customers will receive a statement in their monthly PG&E bills indicating any accrued charges for their usage during the current billing cycle. Customers who have accrued credits during previous billing cycles will see these credits applied against current charges. Any remaining balance is due and must be paid during each monthly billing cycle.

When a customer’s net energy production results in a net bill credit over a billing cycle, the value of any net energy production during the billing cycle shall be noted on the customer’s bill and carried over as a bill credit for use in subsequent billing period(s).

Monthly settlements are valued as follows:

<table>
<thead>
<tr>
<th>Customer Type</th>
<th>Bill Credit per kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing NEM Customer as of 6/1/18</td>
<td>Retail*</td>
</tr>
<tr>
<td>New NEM Customers after 6/1/18</td>
<td>Retail</td>
</tr>
<tr>
<td>New Low Income and Municipal Customers after 6/1/18</td>
<td>Retail + $0.01</td>
</tr>
</tbody>
</table>

*Equivalent to the generation rate you are charged for power received from EBCE

d) EBCE Annual Cash-Out:
During the April billing cycle of each year, all current EBCE NEM customers with a cash-out credit balance of more than $100 will be offered a direct payment by check for this balance. Any cash-out credit balance will be determined as of the final date of the customer’s March-April billing Cycle (i.e. the first bill period ending on or after April 1). Customers who participate in the EBCE Cash-Out or transfer process will have an equivalent credit removed from their NEM account balance at the time of check issuance or transfer. In the event that customer’s credit balance is less than $100, such credits will continue to be tracked by EBCE and will remain on the customer’s account for future use (i.e., reduction of future EBCE charges).

Customers who close their electric account through PG&E or move outside of the EBCE service area prior to the April billing cycle of each year are also eligible for the annual EBCE Cash-Out process.

Annually in May, EBCE will review the financial outcomes of “existing” NEM accounts (interconnected before June 2018) that have 1) made payment to EBCE in the prior 12 months and 2) held a positive balance of at least $100 in April. EBCE will assess whether these accounts would have had better financial outcomes on PG&E service, and if so, issue a credit or check for the difference. This applies to all rates schedules and service levels.

Annual cash-out credits are valued as follows:

<table>
<thead>
<tr>
<th>Customer Type</th>
<th>Annual Payout Credit per kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing NEM Customer as of 6/1/18</td>
<td>PG&amp;E Net Surplus Compensation (NSC)</td>
</tr>
<tr>
<td>New NEM Customers after 6/1/18</td>
<td>The greater of retail capped at $2,500 or the PG&amp;E NSC</td>
</tr>
<tr>
<td>New Low Income and Municipal Customers after 6/1/18</td>
<td>Retail + $0.01</td>
</tr>
</tbody>
</table>

*Equivalent to the generation rate you are charged for power received from EBCE

Updated 02.20.19, 06.19.19
e) Return to PG&E Bundled Service:
EBCE customers with NEM service may opt out and return to PG&E bundled service at any time. Customers should be advised that PG&E will perform a true-up of their account at the time of return to PG&E bundled service, and that PG&E’s standard terms for transitional rates apply to customer returns with less than a six-month advance notice if they have been an EBCE customer for 60 days or more.

If an EBCE NEM customer opts out of the EBCE program and returns to bundled service, EBCE will cash-out any remaining generation credits on the account (using the approach detailed in section d above) and mail a check to the billing address.

f) PG&E NEM Services:
EBCE NEM customers are subject to the conditions and billing procedures of PG&E for their non-generation services, as described in PG&E’s Electric Schedule NEM and related PG&E tariff options addressing NEM service. Customers should be advised that while EBCE settles out balances for generation on a monthly basis, PG&E will continue to assess charges for delivery, transmission and other services. Most NEM customers will receive an annual true-up from PG&E (on their NEM anniversary with PG&E) for these non-generation services. Customers are encouraged to review PG&E’s most up-to-date NEM tariffs, which are available from PG&E.

g) Aggregated NEM
Per the California Public Utilities Commission Section 2827(h)(4)(B), aggregated NEM customers are “permanently ineligible to receive net surplus electricity compensation.” Therefore, any excess accrued credits over the course of a year under an aggregated NEM account are ineligible for EBCE’s annual Cash-Out as in section (d). All other NEM rules apply to aggregated NEM accounts.