

Schedule No. NEM-35
NET METERING SERVICE

APPLICABILITY

Applicable on a first-come, first-served basis to a residential, small commercial, commercial, industrial, or agricultural Customer that owns and operates a renewable electricity generation facility, a facility that uses 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, with a capacity of not more than one megawatt that is located on the Customer's owned, leased, or rented premises, 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. Notwithstanding the definition of applicability provided above, such definition shall also include the California Department of Corrections and Rehabilitation (CDCR) as set forth in Special Condition 12 of Schedule NEM-35 and the United States Armed Forces (USAF), as set forth in Special Condition 13 of Schedule NEM-35.

This provision shall be available until the later of the time that the total rated generating capacity used by the eligible Customer-generators exceeds five (5) percent of the aggregate Customer peak demand of the Utility or the Commission approves a Replacement Tariff, but in either circumstance no later than June 30, 2020. This Schedule is offered in compliance with Cal. Pub. Util. Code Ann. § 2827, *et seq.* (West 2002).

TERRITORY

Within the entire territory served in California by the Utility.

DEFINITIONS

Net Energy Metering is the difference between electricity supplied through the electric grid and electricity generated by an eligible Customer-generator and fed back to the electric grid over a 12-month period.

Replacement Tariff refers to the NEM successor tariff PacifiCorp will propose in an upcoming application.

BILLING

An eligible residential or small commercial Customer-generator shall be billed, at the end of the 12-month period following the date of the Utility's final interconnection of their system, and on the anniversary date thereafter, for electricity used during that period. The Utility shall determine if the eligible Customer-generator was a net consumer or a net producer of electricity during that time period.

If the electricity supplied by the Utility exceeds the electricity generated by the eligible residential or small commercial Customer-generator, the eligible residential or small commercial Customer-generator is a net energy consumer and shall be billed for the net energy supplied to the Utility as follows:

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BILLING (continued)

For eligible Customer-generators taking service under tariffs employing "baseline" and "over baseline" rates, any net monthly consumption of electricity shall be calculated according to the terms of the contract or tariff to which the same Customer would be assigned to if the customer did not use an eligible renewable electricity generation facility, except that eligible Customer-generators shall not be assessed standby charges on the electrical generating capacity or the kilowatthour production of an eligible renewable electricity generation facility. If those same Customer-generators are net generators over a billing period, the net kilowatthours generated shall be valued at the same price per kilowatthour as the Utility would charge for the baseline quantity of electricity during that billing period, and if the number of kilowatthours generated exceeds the baseline quantity, the excess shall be valued at the same price per kilowatthour as the Utility would charge for electricity over the baseline quantity during that billing period.

For eligible Customer-generators taking service under tariffs employing "time of use" rates, any net monthly consumption of electricity shall be calculated according to the terms of the contract or tariff to which the same Customer would be assigned to if the customer did not use an eligible renewable electrical generation facility, except that eligible customer-generators shall not be assessed standby charges on the electrical generating capacity or the kilowatthour production of an eligible renewable electrical generation facility. When those same Customer-generators are net generators during any discrete time of use period, the net kilowatthours produced shall be valued at the same price per kilowatthour as the Utility would charge for retail kilowatthour sales during that same time of use period.

For a customer-generator electing to take service under net metering aggregation, the electrical consumption (kilowatthour) registered on each account's meter will be reduced, for net metering billing purposes, by a proportional allocation, at the 15-minute interval level, of the electricity generated by the renewable electrical generation facility that is exported to Pacific Power's grid. The proportional allocation is determined per billing period based on the cumulative consumption of each Aggregated Account compared to the cumulative consumption of the net metering Aggregation Arrangement since the start of the Relevant Period, and the cumulative generation exported from the renewable electrical generation facility since the start of the Relevant Period. The Customer is required to designate one account in the net metering Aggregation Arrangement to receive any remaining kilowatthour not allocated due to rounding after the proportional allocation methodology described above is completed.

For all residential or small commercial Customer-generators and for each monthly period, the net balance of moneys owed to the Utility for net consumption of electricity or credits owed to the Customer-generator for net generation of electricity shall be carried forward until the end of each 12-month period.

For all commercial, industrial, and agricultural Customer-generators the net balance of moneys owed shall be paid in accordance with the electric service provider's normal billing cycle, except that if the commercial, industrial, or agricultural customer-generator is a net electricity producer over a normal billing cycle, any excess kilowatthours generated during the billing cycle shall be carried over to the following billing period as a monetary value, calculated according to the same procedure as for residential and small commercial Customer-generators, and appear as a credit on the Customer-generator's account, until the end of the 12-month period.

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BILLING (continued)

If the electricity generated by the eligible Customer-generator exceeds the electricity supplied by the Utility, the eligible Customer-generator is a net energy producer and the Customer-generator may elect to receive credit for excess kilowatt-hours that will be rolled into the next 12-month period or compensation at the end of each 12-month period. To be eligible for such compensation a system must meet the definition of an eligible Customer-generator within Section 2827(b)(4), including that the system be intended to offset part or all of the customer's own electrical requirements. The estimated production of a system cannot be more than the estimated electrical requirements of a Customer-generator. The Customer-generator seeking compensation must notify the Utility that they are a Qualifying Facility exempt from Federal Energy Regulatory Commission certification filing requirements using a form available from the Utility. If an eligible Customer-generator declines to elect either option, the Utility shall retain any excess kWh generated during the prior 12-month period.

A Customer-generator electing to participate in net metering Aggregation Arrangement, as described in Special Condition 14 below, the Generating Account shall be permanently ineligible to receive net surplus electricity compensation and the Company shall retain any excess kilowatthours and zero out any credits remaining on each account included in the Aggregation Arrangement. However, if a non-generating account is separated from the Aggregation Arrangement, and subsequently qualifies for net metering, it is eligible to receive net surplus compensation on a going forward basis, provided it meets all other applicable net metering eligibility criteria.

A Customer-generator who elects to receive compensation for the excess kilowatt-hours generated over each 12-month period will receive a rate equal to the simple rolling average of the Pacific Gas & Electric Default Load Aggregation Point ("DLAP") prices from 7 a.m. to 5 p.m. corresponding to the customer-generator's 12-month true up period. In order to receive a check from the utility, the total amount of compensation must be equal to or greater than \$25.00. If the amount is less than \$25.00 the compensation will be credited to the bill of the Customer-generator.

SPECIAL CONDITIONS

1. The annualized net energy metering calculation shall be made by measuring the difference between the electricity supplied to the eligible Customer-generator and the electricity generated by the eligible Customer-generator and fed back to the electric grid over a 12-month period. If the Utility is the Customer's Electric Service Provider, this condition may be modified where the Customer has a signed contract to sell any portion of the Customer generated energy to the Utility.
2. If the Utility is not the Customer's Electric Service Provider, the Utility may recover from the Customer-generator's Electric Service Provider the incremental costs of metering and billing service related to net energy metering in an amount set by the Commission.

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SPECIAL CONDITIONS (continued)

3. Net Energy Metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions. An additional meter or meters to monitor the flow of electricity in each direction may be installed with the consent of the customer-generator, at the expense of the Company, and the additional metering shall be used only to provide the information necessary to accurately bill or credit the customer-generator or to collect solar or wind electric generating system performance information for research purposes. If the existing electrical meter of an eligible customer-generator is not capable of measuring the flow of electricity in two directions, the customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions. A Customer-generator electing to participate in net metering aggregation must select either of two metering configurations described in Special Condition 14.
4. If the Customer-generator refuses consent for dual metering, and due to billing purposes a single bi-directional meter cannot be installed, the Utility shall have the right to refuse interconnection.
5. Customer shall furnish and install on Customer's side of the meter a safety disconnect switch which shall be capable of fully disconnecting the Customer's energy generating equipment from the Utility's electric service. The disconnect switch shall be located adjacent to the Utility's meters and shall be of the visible break type in a metal enclosure which can be secured by a padlock. The disconnect switch shall be accessible to utility personnel at all times. The Utility shall have the right to disconnect the Facility from The Utility's supply at the disconnect switch when necessary to maintain safe electrical operating conditions or, if in The Utility's sole judgment, the Facility at any time adversely affects The Utility's operation of its electrical system or the quality of The Utility's service to other Customers.
6. If the Utility is the Customer's Electric Service Provider, the Utility shall provide net electricity consumption information on each regular bill to every eligible residential or small commercial Customer-generator. The consumption information shall contain the current monetary balance owed to the Utility for net electricity delivered/consumed since the last 12-month period ended. The Utility shall permit the Customer to pay monthly for net energy delivered/consumed.
7. A net metering system used by a Customer shall include, at the Customer's own expense, all equipment necessary to meet applicable safety, power quality, and interconnection requirements established by the National Electrical Code, National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories. The Utility's written approval of the Customer's protection-isolation method to ensure generator disconnection in case of a power interruption from the Utility is required before service is provided under this Schedule.

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SPECIAL CONDITIONS (continued)

8. Notwithstanding any other provisions within this Schedule, any wind energy project greater than 50 kW, but not exceeding one megawatt ("wind energy co-metering") shall be subject to the following additional requirements:

The eligible customer-generator shall be required to utilize a meter, or multiple meters, capable of separately measuring electricity flow in both directions. All meters shall provide "time-of-use" measurements of electricity flow, and the customer shall take service on a time-of-use rate schedule. If the existing meter of the eligible customer generator is not a time-of-use meter or is not capable of measuring total flow of energy in both directions, the eligible customer-generator is responsible for all expenses involved in purchasing and installing a meter that is both time-of-use and able to measure total electricity flow in both directions. This condition shall not restrict the ability of an eligible customer-generator to utilize any economic incentives provided by a government agency or the electric service provider to reduce its costs for purchasing and installing a time-of-use meter.

The consumption of electricity from the Utility for wind energy co-metering by an eligible customer-generator shall be priced in accordance with the standard rate charged to the eligible customer-generator in accordance with the rate structure to which the customer would be assigned if the customer did not use an eligible wind electrical generation facility. The generation of electricity provided to the Utility shall result in a credit to the eligible customer-generator and shall be priced in accordance with the generation component established under the applicable structure to which the customer would be assigned if the customer did not use an eligible wind electrical generating facility.

9. The Utility shall make all necessary forms and contracts for net metering service available for download from its website.
10. The Utility shall ensure that requests for establishment of net energy metering are processed in a time period not exceeding that for similarly situated customers requesting new electric service, but not to exceed 30 working days from the date the Utility receives a completed application form for net metering service, including a signed interconnection agreement from an eligible customer-generator and the electric inspection clearance from the governmental authority having jurisdiction. If the Utility is unable to process the request within the allowable timeframe, the Utility shall notify both the customer-generator and the Commission of the reason for its inability to process the request and the expected completion date.

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SPECIAL CONDITIONS (continued)

- 11. Any Customer with an existing electrical generation facility over 30 kilowatts and meter who enters into a new net energy metering contract shall complete and submit a copy of *Form 3584*, the *NEM Inspection Report*, to the Utility, unless the electrical generating facility and meter have been installed and inspected within the previous three years. The *NEM Inspection Report* shall be prepared by a California licensed contractor who is not the owner or operator of the facility and meter. A California licensed electrician shall perform the inspection of the electrical portion of the facility and meter and sign the *NEM Inspection Report*. If an inspection is required, the Customer shall submit the completed *NEM Inspection Report* to the Utility within 90 days of becoming the customer of record, or disconnect the generating facility and inform the Utility that the Customer will discontinue Schedule NEM-35 service. The *NEM Inspection Report* shall be incorporated into the net energy metering contract.

- 12. California Department of Corrections and Rehabilitation(CDCR) Provisions
 - a) For the purposes of Special Condition 12 only, "Eligible customer-generator" includes the CDCR using:
 - 1. A renewable electricity generating facility, or
 - 2. A combination of renewable electricity generating facilities.
 - b) CDCR's total generation capacity shall not exceed eight (8) megawatts.
 - c) All generation shall be located on CDCR's owned, leased or rented premises, and shall be interconnected and operated in parallel with the electrical grid.
 - d) CDCR's generation at each CDCR renewable electricity generating facility shall be intended primarily to offset part or all of such facility's own electrical requirements.
 - e) The amount of any wind generation exported to the Utility's electrical grid by any such facility shall not exceed 1.35 megawatts at any time to qualify for service hereunder.
 - f) To the extent that CDCR interconnects a renewable electricity generating facility with a capacity greater than 1 MW, CDCR shall provide notice to the Utility that CDCR is self-certifying such facility as a Qualifying Facility pursuant to the Public Utility Regulatory Policies Act of 1978 by properly completing and filing FERC Form NO. 556 with the FERC, if CDCR elects to apply for Net Surplus Compensation. FERC Form No. 556 is not a requirement for interconnection.
 - g) CDCR Eligible Customer Generators are subject to network and distribution upgrade costs that arise solely from the interconnection of the renewable electrical generating facility.

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SPECIAL CONDITIONS (continued)

- 13. United States Armed Forces (USAF) Provisions
 - a) A USAF base or facility is defined as an establishment under the jurisdiction of the United States Army, Navy, Air Force, Marine Corps, or Coast Guard.
 - b) For the purposes of Special Condition 13 only, "Eligible customer-generator" includes the USAF using:
 - 1. A renewable electricity generating facility, or
 - 2. A combination of renewable electricity generating facilities.
 - c) USAF's total renewable electrical generation facility generation capacity shall not exceed the lesser of twelve (12) megawatts or one megawatt greater than the minimum load of the base of facility over the prior 36 month.
 - d) The renewable electrical generation facility shall not be eligible for net energy metering for privatized military housing for the purposes of Special Condition 13 if the renewable electrical generation facility was procured using a sole source process. A renewable electrical generation facility procured using best value criteria, if otherwise eligible, may be used for net energy metering for privatized military housing for purposes of Special Condition 13. "Best value criteria" means a value determined by objective criteria and may include, but is not limited to, price, features, functions, and life-cycle costs.
 - e) All generation shall be located on premises owned, leased or rented by the USAF base or facility, and shall be interconnected and operated in parallel with the electrical grid.
 - f) USAF's generation at each USAF renewable electricity generating facility shall be intended primarily to offset part or all of such base or facility's own electrical requirements.
 - g) Customers receiving service under this special condition shall not receive compensation, including net surplus compensation, as defined above, for energy exported to the grid. Energy exported to the grid shall not be netted with energy supplied by the Utility.
 - h) Customers eligible to take service under this special condition may elect to take service under the general provisions of this tariff rather than under the provision of this special condition. If a customer elects to take service under the general provisions of this tariff they must abide by all of the general provisions including the sizing limitations.
 - i) USAF Eligible Customer Generators are subject to network and distribution upgrade costs that arise solely from the interconnection of the renewable electrical generating facility.
 - j) Except as otherwise stated, the provisions set forth under this rate schedule shall apply to customers receiving service under this special condition.

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SPECIAL CONDITIONS (continued)

14. Net Metering Aggregation

- a) Except as otherwise provided for below under this Special Condition, all other terms and conditions of this schedule shall be applicable to customers receiving service under this Special Condition. Under this Special Condition, an eligible Customer-generator with multiple meters ("Aggregated Accounts") may elect to aggregate the electrical load of the meters located on the property where the renewable energy generation facility ("Generating Account") is located and on all property adjacent or contiguous to the property on which the renewable energy generating facility is located, provided that all properties are solely owned, leased, or rented by the eligible customer-generator that elects to aggregate its electric load pursuant to this Special Condition. All of the Aggregated Accounts, including a single Generating Account, that are billed together under this Special Condition are referred to as an Aggregation Arrangement.
- b) For the purposes of net metering aggregation only, parcels that are divided by a street, highway, or public thoroughfare are considered contiguous, provided they are within an unbroken chain of otherwise contiguous parcels and are all solely owned, leased or rented by the Customer. Customers are also eligible to participate in net metering aggregation where all meters in an Aggregation Arrangement are located within an unbroken chain of contiguous parcels that are all solely owned, leased, or rented by the Customer. For example, if there are three parcels (A, B and C), all of which are solely owned, leased or rented by the Customer, where A contains the renewable electrical generation facility and A abuts B, B abuts C, but A and C are separated by B, then the loads of all three parcels shall be eligible to participate in net metering aggregation. Refer to Diagram 1 (for illustrative purposes only). In addition, if there are five parcels (A, B, C, D and E) that form a cluster of contiguous parcels, where A contains the renewable electrical generation facility, and D and E are separated from A, B, and C by a street, highway or public thoroughfare, for the purposes of participating in net metering aggregation only, all five parcels are considered contiguous, provided they are otherwise contiguous and all solely owned, leased or rented by the Customer. Refer to Diagram 2 (for illustrative purposes only). In addition, an irrevocable easement granting sole use and control to the customer generator for an entire parcel can be used to establish contiguity. Otherwise, a customer generator's easement on a third party owned parcel will not be sufficient to establish parcel contiguity.

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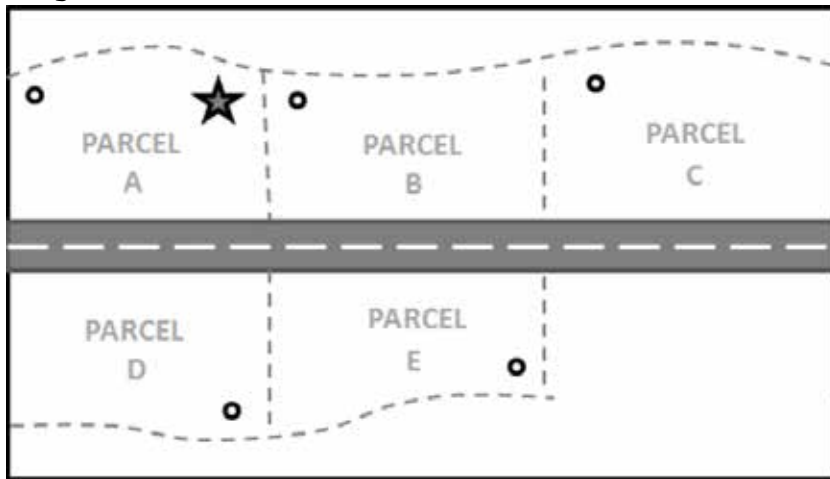
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SPECIAL CONDITIONS (continued)

Diagram 1



Diagram 2



- ★ = RENEWABLE ELECTRICAL GENERATION FACILITY
- = METER
- = ELIGIBLE

- c) Billing Service Charges: An eligible customer-generator electing net metering aggregation shall remit service charges for the cost of providing billing services as follows. These charges shall include:
- i) One-time setup charge of \$25.00 per Aggregated Account and for the Generating Account, and cumulatively, shall be limited to no more than \$500 per Aggregation Arrangement. Any account added to an Aggregation Arrangement is subject to this one-time setup charge;
 - ii) Monthly charge of \$5 per Aggregated Account and for the Generating Account;
 - iii) These billing service charges may be subject to change upon approval by the Commission on a going-forward basis.

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SPECIAL CONDITIONS (continued)

- c) The maximum capacity of the renewable electrical generation facility, or a combination of those facilities, eligible for participation under this Special condition is 1 MW. The customer-generator must provide Pacific Power with a list of additional Aggregated Accounts on the Net Metering Aggregation Form that are to be included in the Aggregation Arrangement.
- d) A Customer-generator may have more than one Aggregation Arrangement, but accounts may not be shared across multiple arrangements.
- e) A Customer-Generator may elect to modify the Aggregated Accounts included in an Aggregation Arrangement provided a minimum of 60-days notice is provided to Pacific Power prior to the change taking effect, and such change remains in effect for a minimum of 12 months and doesn't result in the renewable electrical generation facility being oversized compared to the electrical requirements of the Aggregation Arrangement.
- f) All accounts in an Aggregation Arrangement will be placed on the same billing cycle, and will be billed individually pursuant to this schedule. The electrical consumption (kilowatthours) registered on each account's meter will be reduced, for net metering billing purposes, by a proportional allocation of the electricity generated by the renewable electrical generation facility that is exported to the Pacific Power grid. The proportional allocation is determined per billing period based on the cumulative consumption of the aggregated account compared to the cumulative consumption of the Aggregation Arrangement.
- g) All accounts included in an Aggregation Arrangement are ineligible to receive net surplus compensation from Pacific Power. However, if an Aggregated Account that is not a Generating Account is separated from the Aggregation Arrangement and subsequently qualifies for net metering, that account is eligible for net surplus compensation on a going-forward basis, provided it meets all other applicable net energy metering eligibility criteria.
- h) Accounts included in an Aggregation Arrangement are permitted to have non net metering eligible generating facilities interconnected to them.
- i) Existing net metering customers electing to create an Aggregation Arrangement who also have executed^(T) an interconnection agreement and who are making no modifications to their renewable electrical generation facilities other than electing aggregation will not be required to complete^(T) a new interconnection agreement, nor conduct new interconnection studies.

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SPECIAL CONDITIONS (continued)

j) The net metering aggregation customer may elect to follow the standard net metering interconnection model where the renewable electrical generation facility is located behind an existing billing account meter. In this case no additional metering equipment is necessary. Customers may also request an additional service from Pacific Power for the purposes of interconnecting the renewable electrical generation facility. This additional service and associated metering must comply with the same locational constraints placed on all Aggregated Accounts by being located on the same or contiguous properties as the load of the Aggregated Accounts. The location must be approved by Pacific Power and must not result in adverse impacts to the electrical system, as determined by Pacific Power. No additional load other than the incidental load related to the inverters and support of the renewable electrical generation facility may be registered on this additional metered service. All costs associated with the installation of the new service location must be paid by the customer.

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