



**Staff Report Item 14**

**TO:** East Bay Community Energy Board of Directors

**FROM:** Kelly Brezovec, Director of Account Services

**SUBJECT:** Adopt an Update to the Net Energy Metering Policy, Effective April 2023

**DATE:** October 19, 2022

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**Recommendation**

Adopt a Resolution to Approve the Proposed Update to the Net Energy Metering Policy, Effective April 2023.

**Background**

The [initial NEM Policy](#) was adopted on February 21, 2018, followed by an [amendment to the NEM Policy](#) to clarify language in the tariff and add an additional step in calculating the annual cash-out for our “Existing NEM” customers on February 20, 2019. At its December 16, 2020, meeting, the Board of Directors adopted an update to the [Net Energy Metering \(NEM\) Policy](#) to include the new communities of Tracy, Pleasanton, and Newark, while otherwise maintaining the existing policy. At the March 17, 2021, meeting, the Board of Directors voted to update the [Net Energy Metering Policy](#) to move the majority of NEM customers onto the Standard EBCE NEM program, which pays customers at the wholesale rate for energy.

EBCE’s NEM Policy has always included one major difference from PG&E’s Policy. PG&E, for the most part, has NEM customers on an annual true-up, meaning that customers accrue debt for under-generation and credits for over-generation over the course of a 12-month cycle. EBCE does not hold on to that debt resulting from under-generation from month to month; rather, if a customer under-generates, EBCE will bill them for their usage. EBCE does carry over-generation credits from month-to-month. Our cycle for over-generation credits, or cash-out, is April to April for all customers.

Due to this timing discrepancy of when customers pay for their net usage, EBCE staff

identified that customers who receive a wholesale cash-out may perform better on an annual true-up cycle. This is because customers pay for energy at the retail rate but receive compensation at the wholesale rate. If customers have to pay throughout the year and over-generate at the end of the cash-out cycle, they may not be receiving the full retail value of their overgeneration credits. EBCE added a step, internally named the NEM Sweep, in 2019 to resolve this discrepancy and ensure that our NEM customers do just as well financially as they would on an annual true-up cycle.

EBCE staff have found this additional calculation to be burdensome and time intensive. In 2020, 2021 and 2022, there were issues with the NEM Sweep that caused checks and on-bill credits to be delayed until June, or later, creating a poor customer experience. NEM customers are very engaged and there is an uptick in calls regarding cash-outs during the April - June timeframe.

NEM customers who are familiar with PG&E's annual true-up have expressed a request for an annual EBCE true-up, as well. In 2020, EBCE conducted a survey of 500 NEM customers and found about 45% of customers preferred an annual billing option. With this customer feedback and the challenge of the NEM Sweep, EBCE is proposing to offer an annual true-up cycle for the Standard EBCE NEM customers, giving customers a choice. An annual true-up would result in the same financial leveling as the NEM Sweep calculation.

Today PG&E offers customers a choice of an annual or monthly true-up. An early version of proposed NEM 3.0 indicated a preference to start new residential NEM customers on a monthly true-up option, which EBCE already offers and would maintain as a choice.

## **Discussion**

### **Current Programs and Policy**

EBCE offers three different NEM programs, depending on the customer characteristics. The CARE/ FERA NEM program is for low-income customers that are on the CARE or FERA programs. Legacy municipal customers consist of municipal accounts in EBCE's original jurisdictions that interconnected their systems after EBCE started service. The vast majority (90%) of EBCE NEM customers fall into the Standard EBCE NEM program.

Customers receive monthly credits on their bill for surplus generation that can be used to cover future charges until the annual cash-out period. Monthly settlements are valued as follows based on customer definition, shown in Table 1.

Every April is the cash-out period when customers are paid via bill credit or check for their surplus generation during the previous 12-month cycle. The cash-out amount is calculated based on the NEM program with EBCE. Standard EBCE NEM customers receive a cash-out at PG&E's Net Surplus Compensation rate, which is the wholesale value of energy. Standard EBCE NEM customers are also eligible for the NEM Sweep during the annual cash-out

period. EBCE will review the financial outcomes of the Standard EBCE NEM Customers that have 1) been billed for retail charges by EBCE in the prior 12 months and 2) held a positive NEM balance (\$) in April. EBCE will assess whether these accounts would have had a higher cash-out on an annual NEM service, and if so, issue a credit or check for the difference.

Table 1: Monthly Bill Credit and Annual Payout Credit Amount by Customer Type

Customer Type	Monthly Bill Credit per kWh	Annual Payout Credit per kWh
Standard EBCE NEM Customer	Retail*	PG&E's Net Surplus Compensation (NSC) value
Legacy Municipal NEM Customer	Retail* + \$0.01	Retail* + \$0.01
CARE/FERA EBCE NEM Customer	Retail* + \$0.01	Retail* + \$0.01

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

A large portion of Standard EBCE NEM customers currently receive a higher cash-out than just the NSC rate times their excess generation due to the NEM Sweep calculation. These numbers are indicated in Table 2 below.

Table 2: NEM Statistics for 2022 Annual Cash Out

Number of Standard EBCE NEM Customers	45,300
% Net Generators	32%
% Net Consumers	68%
# of Customers Receiving a Cash-out Only (no Sweep)	9,000
# of Customers Receiving NEM Sweep	21,600
% Eligible Customers Receiving NEM Sweep	45%
Average NEM Sweep	\$20

## Proposed 2023 NEM Policy

Starting with the 2023-2024 NEM cycle, EBCE staff propose offering an annual NEM true-up option to all Standard EBCE NEM customers and removing the NEM Sweep calculation.

Table 3: Proposed Changes for Standard EBCE NEM customers

	Current	Proposed Monthly Option	Proposed Annual Option
Monthly credits at retail rate	Yes	Yes	Yes
Annual cash-out in April at the Net Surplus Compensation (NSC) Rate	Yes	Yes	Yes
Monthly true-up (customers pay for debts when they are due)	Yes	Yes	No
Annual true-up (credits and debits roll over until annual cash-out in April)	No	No	Yes, may be a payment required to EBCE or a check/credit for over-generation
Annual NEM Sweep calculation (process to make the financials of a monthly true-up mimic an annual true-up)	Yes	No; customers that are concerned about this potential difference are able to choose the annual true-up option	No

## Discussion of Proposed EBCE NEM Policy

### Enrollment Timing: On-going

Customers will be able to change their true-up cycle once per year, prior to March 1, with the new plan effective after the April true-up/cash-out. New EBCE NEM customers will default to the monthly true-up and be able to choose their preferred true-up cycle, which will take effect after the next April cash-out. Ongoing NEM enrollments and new NEM move-ins will receive a special NEM welcome kit email to explain their NEM choices.

### Customer Communications and Schedule for 2023 Option

EBCE will send, starting in December, at minimum, one letter or postcard and an email to every Standard EBCE NEM customer informing them of the policy change and new option to

select an annual true-up.

Customers who received a cash-out benefit from the NEM Sweep will be sent a personalized notice stating how much they received from the 2022 NEM Sweep and indicating they may receive a higher cash-out with the annual true-up option.

Customers will remain on the monthly true-up option unless they select the annual option, which will be available via phone or email conversation with a live customer service representative, and potentially an online web form. Since over 90% of our NEM customers today have an email address on file, we expect to see uptake via web and email. Customers that switch to the annual true-up option will be required to verify their email address so that EBCE has an up-to-date form of contact, should the customer close their account.

#### Discussion of CARE/ FERA and Legacy Municipal NEM

EBCE staff do not propose any changes to the CARE/ FERA and Legacy Municipal NEM programs. These customers are paid at the retail rate + \$0.01/kWh for their monthly and annual settlements and do not receive the additional NEM Sweep calculation.

#### Overview of Bay Area CCA NEM Offerings

Table 4: Overview of Bay Area CCA NEM Program Design

CCA	Monthly Credit Rate	Annual Cash-Out Rate	True-up cycle	Cash-Out Cycle
A	Retail + \$0.01/ kWh	Retail + \$0.01/ kWh	Monthly	Every April
B	Retail	2X Net Surplus Compensation (NSC) rate	Monthly	Every April
C	Retail + \$0.01/ kWh	2X NSC rate	Monthly	Every April
D	Retail + \$0.01/ kWh	NSC + \$0.01/kWh	Monthly or Annual	February (monthly) or PG&E true-up date (annual)
E	Retail	NSC + 25%	Monthly or Annual	Every April
F	Retail	3X NSC rate	Monthly	Every April

EBCE staff have calculated the different cash-out values if we offered variations on NSC plus a premium, but found that this would not solve the timing discrepancy issue of the monthly vs. annual true-up that our NEM Sweep calculation accounts for, since customers that specifically over-generate in the later months of the NEM year, or over-generated in certain billing

categories, such as taxes, are not included in the cash-out.

Table 5: Cash-out Calculation Comparisons for 2022 Annual Cash-Out

Cash-out value	Total cash-out	Average cash-out	# of Customers Receiving a Cash-out	# of Customers that Receive Less than with an NSC + NEM Sweep Policy
NSC + NEM Sweep	\$1.9M	\$40	31,800	N/A
NSC + \$0.01/ kWh	\$1.65M	\$35	15,000	23,000
NSC X 2	\$2.7M	\$56	15,000	21,500
NSC X 3	\$4.0M	\$85	15,000	20,500

We still see 20,500 customers faring worse financially in a policy that provides a higher cash-out value but does not include the NEM Sweep calculation. These customers are part of the 35% of NEM Sweep recipients that were not annual over-generators, but otherwise paid monthly non-energy portions of their bill, such as taxes, or over-generated only at the end of the year.

### **Financial Implications**

#### **Annual True-up Billing**

Customers that accrue debt to EBCE over the course of the NEM year will not be billed until April, annually. Figure 1 depicts various scenarios based on the mix of customers that choose the new annual true-up option. If all Standard NEM customers choose the annual option, EBCE could see \$3.5 million in outstanding bills in December, mostly credits that customers would use during the winter months, ending with \$2.2 million in bills that will go out in March and April. Customers would receive and pay these bills in April and May, restarting the cycle. Most likely is that the total outstanding debt peaks around \$1.75 million or lower, assuming half of eligible NEM customers switch to an annual NEM true-up option.

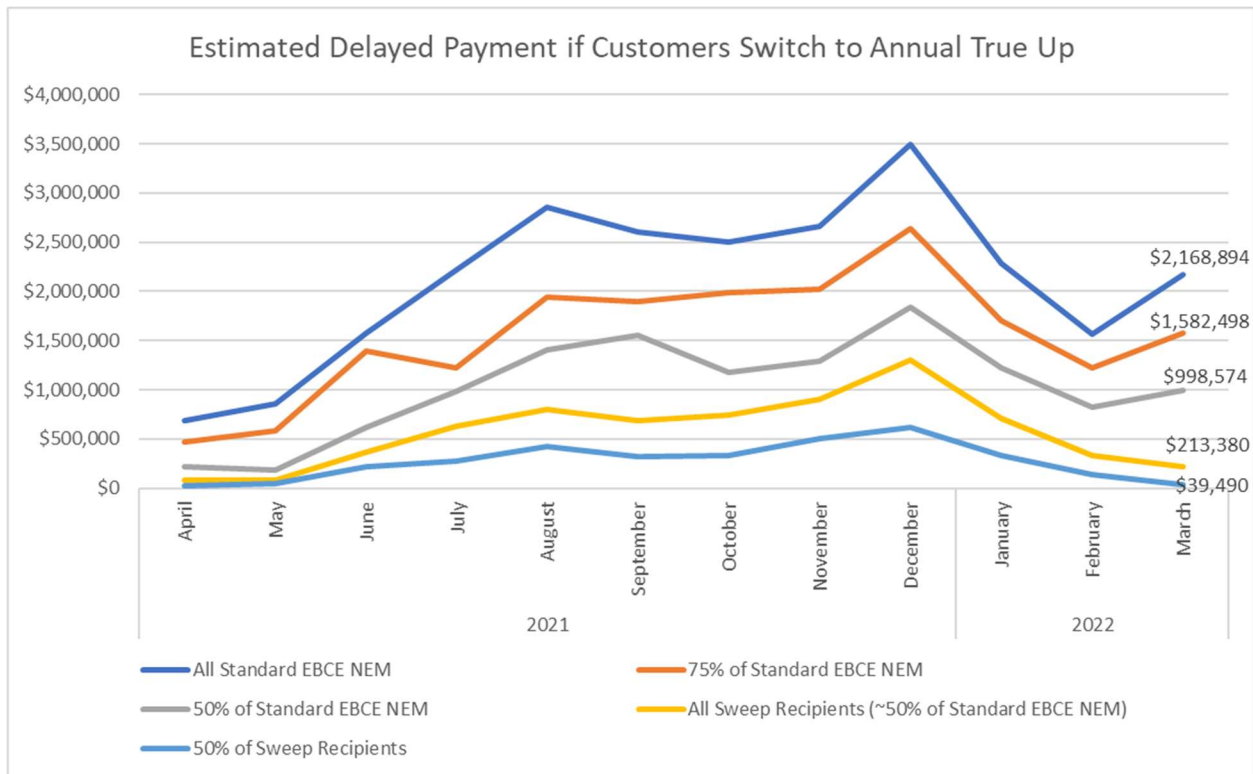


Figure 1: Estimated Delayed Payment if Customers Switch to Annual True-Up

### Implementation Financial Implications

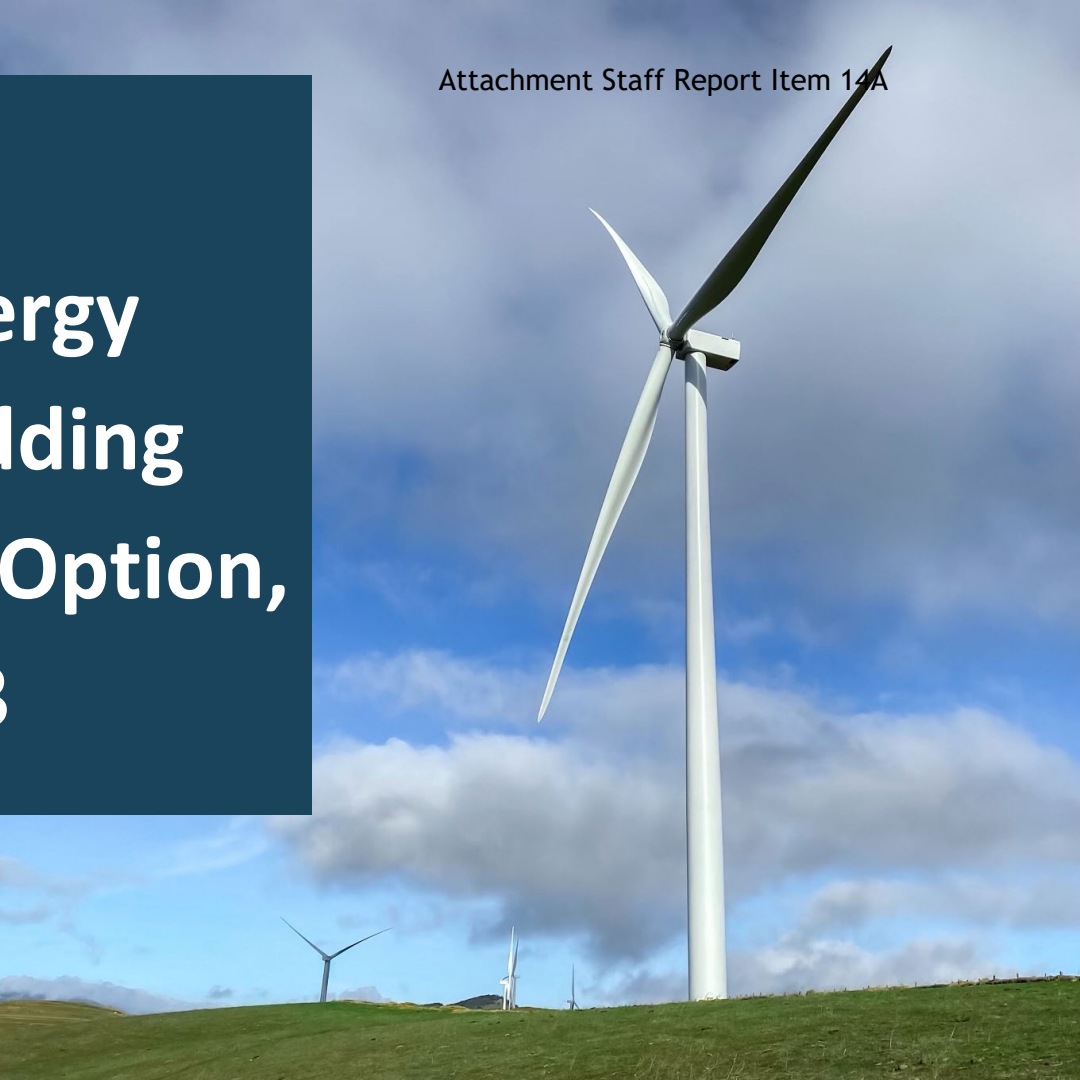
EBCE staff are confident that our billing agent, SMUD, can smoothly facilitate an annual NEM true-up option, as they currently offer this for Valley Clean Energy, and have included this option in our contract. SMUD estimates that the cost to implement EBCE-unique features will not exceed a one-time fee of \$45,000.

### Attachment

- A. NEM Policy Update PPT
- B. NEM Policy Update Resolution
- C. EBCE NEM Electric Schedule Policy, with edits
- D. EBCE NEM Electric Schedule Policy, updated

OCTOBER 19, 2022

# Update the Net Energy Metering Policy, Adding an Annual True-up Option, Effective April 2023





# Background – EBCE and PG&E Policy Review

EBCE’s NEM policy and PG&E’s default annual NEM true-up handle true-up and cash-outs very similarly, with a key difference:

	Standard EBCE NEM	PG&E’s Default
Monthly credits at retail rate for surplus generation	Yes	Yes
Annual cash-out at the NSC rate per kWh for surplus generation	Yes	Yes
Annual true-up for consumption of electricity	No	Yes
Monthly true-up for consumption of electricity	Yes	No
Annual true-up for transmission and delivery charges	Yes	Yes



# Background

- Staff identified that customers who receive a wholesale cash-out may have a better financial outcome with an annual true-up cycle
  - Customers pay for energy at the retail rate, but receive compensation at the wholesale rate
  - If customers pay throughout the year and overgenerate at the end of the cash-out cycle, they may not be receiving the full retail value of their overgeneration credits
- Staff added a step in 2019, the “NEM Sweep,” to account for this difference
- The NEM Sweep, while effective, is time-intensive, resulting in a delayed cash-out
- *Nearly half of NEM customers surveyed in 2020 said they would prefer an annual true-up*



Offer customers a choice of:

1. A monthly true-up, or
2. An annual true-up in April

And - remove NEM Sweep calculation



# Current NEM Policy

EBCE NEM Program	Monthly Bill Credit per kWh	Annual Payout Credit per kWh
Standard EBCE NEM Customer	Retail*	PG&E's Net Surplus Compensation (NSC) value
Legacy Municipal NEM Customer	Retail* + \$0.01/kWh	Retail* + \$0.01/kWh
CARE/ FERA NEM Customer	Retail* + \$0.01/kWh	Retail* + \$0.01/kWh

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



# 2022 NEM Cash-out: The Numbers

Attachment Staff Report Item 14A

Number of Standard EBCE NEM Customers	45,300
% Net Generators	32%
% Net Consumers	68%
# of Customers Receiving a Cash-out Only (no Sweep)	9,000
# of Customers Receiving NEM Sweep	21,600
% Eligible Customers Receiving NEM Sweep	45%
Average NEM Sweep	\$20



# Proposed NEM Policy Compared to Current

	Current	Proposed Monthly Choice	Proposed Annual Choice
Monthly credits at retail rate	Yes	Yes	Yes
Annual cash-out in April at the Net Surplus Compensation (NSC) Rate	Yes	Yes	Yes
Monthly true-up (customers pay for debits when they are due)	Yes	Yes	No
Annual true-up (credits and debits roll over until annual cash-out in April)	No	No	Yes, may be a payment required to EBCE or a check/credit for over-generation
Annual NEM Sweep calculation (process to make the financials of a monthly true-up mimic an annual true-up)	Yes	No; customers that are concerned about this potential difference are able to choose the annual true-up option	No



# Proposed NEM Policy- Discussion

Attachment Staff Report Item 14A

- **Enrollment Timing**

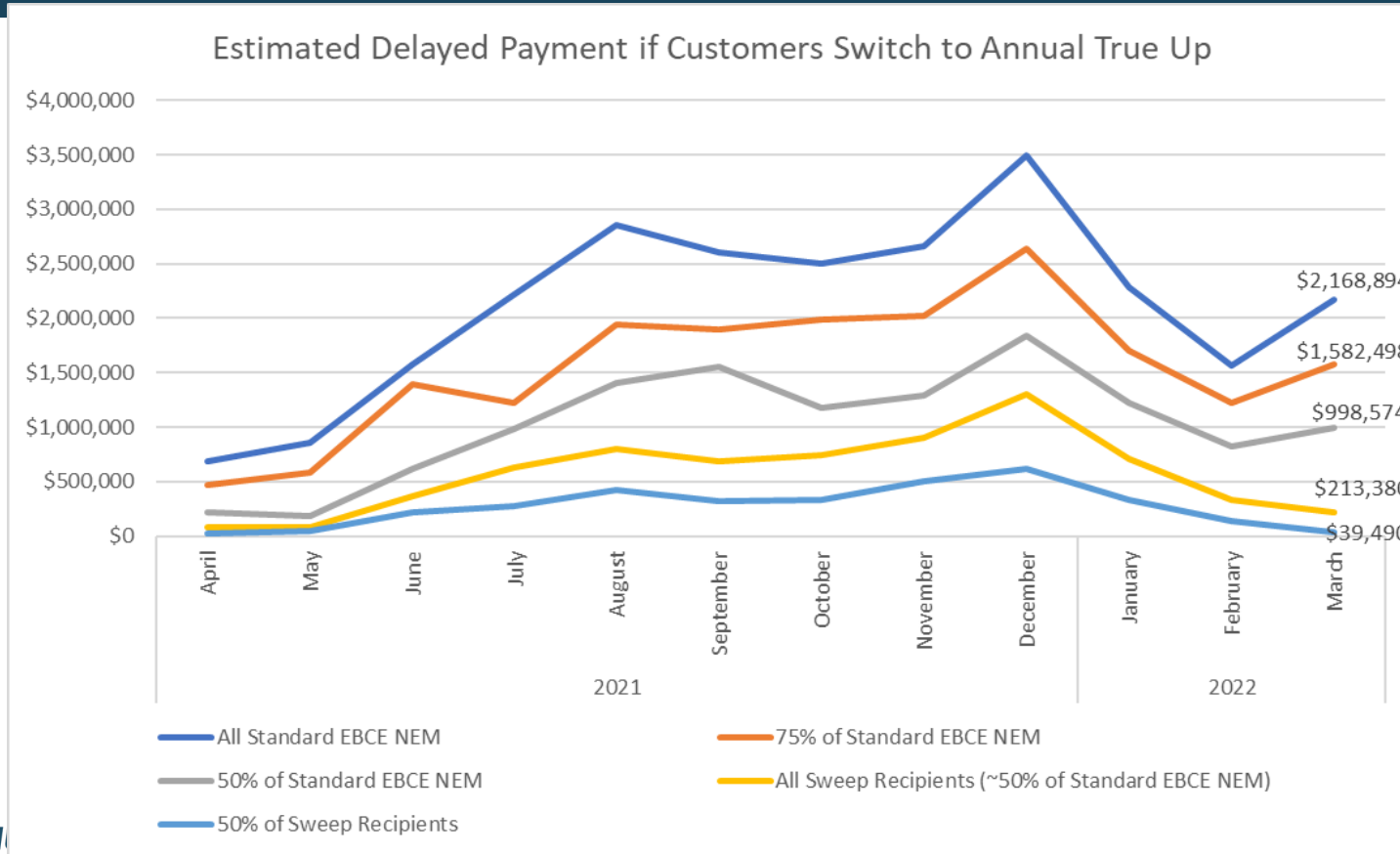
- Customers can change true-up cycle once per year. Change would be effective after next April cash-out
- Defaulted to a monthly true-up

- **Customer Communications**

- Starting in December 2022, EBCE will send a letter and email to all Standard EBCE NEM Customers
- Customers can select preferred true-up cycle via phone or email by March 1
- Ongoing NEM enrollments and move-ins will receive a special NEM Welcome Kit that explains their choices



# Financial Implications - Delayed Payment





# Financial Implications – SMUD Implementation

Attachment Staff Report Item 14A

- The bulk of the implementation fee for this option has already been included in our SMUD agreement
  - Due to some customizations for our plan, SMUD estimates a fee not to exceed:



# Thank You!



Questions? Give us a call:

1-833-699-EBCE (3223)



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# Additional Slides



# CCA Comparisons

CCA	Monthly Credit Rate	Annual Cash-Out Rate	True-up cycle	Cash-Out Cycle
A	Retail + \$0.01/ kWh	Retail + \$0.01/ kWh	Monthly	Every April
B	Retail	2X Net Surplus Compensation (NSC) rate	Monthly	Every April
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D	Retail + \$0.01/ kWh	NSC + \$0.01/kWh	Monthly or Annual	February (monthly) or PG&E true-up date (annual)
E	Retail	NSC + 25%	Monthly or Annual	Every April
F	Retail	3X NSC rate	Monthly	Every April



- **Comparison to other cash-out calculations**

- EBCE staff calculated the difference in cash-outs if customers received NSC + a premium
- We still see 20,500 customers faring worse financially on monthly true-up when NEM Sweep is not offered
- Annual true-up provides same financial leveling as NEM Sweep

Cash-out value	Total cash-out	Average cash-out	# of Customers Receiving a Cash-out	# of Customers that Receive Less than with an NSC + NEM Sweep Policy
<b>NSC + NEM Sweep</b>	\$1.9M	\$40	31,800	N/A
<b>NSC + \$0.01/ kWh</b>	\$1.65M	\$35	15,000	23,000
<b>NSC X 2</b>	\$2.7M	\$56	15,000	21,500
<b>NSC X 3</b>	\$4.0M	\$85	15,000	20,500



**RESOLUTION NO. R-2022-XX**

**A RESOLUTION OF THE BOARD OF DIRECTORS**

**OF THE EAST BAY COMMUNITY ENERGY AUTHORITY TO AMEND THE NET ENERGY METERING POLICY TO OFFER AN ANNUAL NET ENERGY METERING TRUE-UP OPTION**

**WHEREAS** The East Bay Community Energy Authority (“EBCE”) was formed as a community choice aggregation agency (“CCA”) 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-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of EBCE and parties to the JPA in March of 2020.

**WHEREAS** EBCE desires to retain Net Energy Metering (NEM) customers through an efficient annual cash-out process and offer customers a choice in managing their generation and usage,

**WHEREAS** The Board of Directors approved an initial Net Energy Metering Policy on February 21, 2018, and amended Policies on December 5, 2018, February 20, 2019, and December 16, 2020, and

**WHEREAS** EBCE will continue to offer NEM options that offer cash-out options for over-generation.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. The current Policy will remain in place through the April 2023 cash-out for current NEM customers.

Section 2. EBCE Standard NEM customers will be given a choice of an annual or monthly true-up policy and will have through March 1, 2023 to make their selection.

Section 3. The CARE/FERA EBCE and Legacy Municipal customers will remain on a monthly true-up policy and retain their current characteristics.

ADOPTED AND APPROVED this 19 day of October, 2022.

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Dianne Martinez, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board



## East Bay Community Energy Net Energy Metering Policy 6.5

### ELECTRIC SCHEDULE NEM - NET ENERGY METERING SERVICE

#### Fifth Amended and Restated Net Energy Metering Service Policy

**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.

#### DEFINITIONS:

Original Jurisdictions: Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Oakland, Piedmont, San Leandro, Union City and the unincorporated area of Alameda County

2021 Expansion Jurisdictions: Cities of Newark, Pleasanton, and Tracy

Customer definition by date of NEM system installation and location:

	Original Jurisdictions	2021 Expansion Jurisdictions
Standard EBCE NEM Customer	Anytime	Anytime
Legacy Municipal NEM Customers	6/1/18 - 4/1/2021	N/A
CARE/FERA EBCE NEM Customers	After 6/1/2018	After 4/1/2021

**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.

Updated 02.20.19, 06.19.19, 12.16.20, 03.17.21, ~~10.31.21~~, 10.31.22



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

a) Standard EBCE NEM customers may choose between a monthly or annual true-up option. Standard EBCE NEM customers will be defaulted to a monthly true-up, but and may select their preferred true-up cycle once per year before March 1, effective and it will take effect following the next April cash-out/ true-up period.

CARE/ FERA EBCE NEM and Legacy Municipal NEM customers must be enrolled in a monthly true-up cycle.

a)b) 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 or debited 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 for CARE/ FERA EBCE NEM accounts). The calculated value of any net energy production shall be credited to EBCE customers as described in Section (c).

b)c) For a customer with TOU Rates:

Any net consumption or production shall be valued monthly as follows:

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 or debited in accordance with applicable TOU period-specific rates/charges, as described in the eligible customer-generator’s OAS.

~~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 for CARE/ FERA EBCE NEM 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).

e)d) 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.

1. Monthly True-Up

For customers on a monthly true-up cycle, aAny remaining balance is due and must be paid during each monthly billing cycle.

2. Annual True-Up

For customers on an annual true-up cycle, any remaining balance will appear as a debit

Updated 02.20.19, 06.19.19, 12.16.20, 03.17.21, 10.31.22

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on the bill and roll over until the annual true-up in April.

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-credits are valued as follows based on customer definition:

Customer Type	Bill Credit per kWh
Standard EBCE NEM Customer	Retail*
Legacy Municipal NEM Customer	Retail* + \$0.01
CARE/FERA EBCE NEM Customer	Retail* + \$0.01

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

e) EBCE Annual True-Up and Cash-Out:

Customers on an annual true-up cycle are eligible for the annual true-up and/or cash-out. Customers on a monthly true-up are eligible for the cash-out.

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1. Annual True-Up

Standard EBCE NEM customers on an annual true-up cycle may owe EBCE money during the April true-up period. Any amount owed will be tracked monthly on the customer's bill as a debit and will be due at the true-up period. Customers on an annual true-up that have surplus kWh are eligible for the cash-out as described in section (e)2.

2. Cash-Out

During the April billing cycle of each year, all current ~~NEM Standard 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 a 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).

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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 true-up and cCash-oOut process.

EBCE will, at least once each year, conduct an audit of the CARE/FERA NEM customers to ensure that eligible CARE/FERA NEM customers are included in the CARE/FERA NEM program.

~~Annually in May, EBCE will review the financial outcomes of the Standard EBCE NEM Customers that have 1) been billed for retail charges by EBCE in the prior 12 months and 2) held a positive NEM balance (\$) 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.~~

~~CAnnual cash-Out~~ credits are valued as follows:

Customer Type	Annual Payout Credit per kWh
Standard EBCE NEM Customers	PG&E Net Surplus Compensation (NSC)
Legacy Municipal NEM Customers	Retail* + \$0.01
CARE/FERA EBCE NEM Customers	Retail* + \$0.01

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

e)f) 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 any EBCE NEM customer opts out of the EBCE program and returns to PG&E 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.  
 Updated 02.20.19, 06.19.19, 12.16.20, 03.17.21, 10.31.22

f)g) PG&E NEM Services:

All 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 or annual 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 interconnection anniversary with PG&E) for these non-generation services.  
~~true-up from PG&E (on their NEM anniversary with PG&E) for these non-generation services.~~

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Customers are encouraged to review PG&E's most up-to-date NEM tariffs, which are available from PG&E.

g/h) *Aggregated NEM*

Per the California Public Utilities Code 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 process as described in section (d). All other NEM rules apply to aggregated NEM accounts.



## East Bay Community Energy Net Energy Metering Policy 6.5

### ELECTRIC SCHEDULE NEM - NET ENERGY METERING SERVICE

### Fifth Amended and Restated Net Energy Metering Service Policy

**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.

#### DEFINITIONS:

Original Jurisdictions: Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Oakland, Piedmont, San Leandro, Union City and the unincorporated area of Alameda County

2021 Expansion Jurisdictions: Cities of Newark, Pleasanton, and Tracy

Customer definition by date of NEM system installation and location:

	Original Jurisdictions	2021 Expansion Jurisdictions
Standard EBCE NEM Customer	Anytime	Anytime
Legacy Municipal NEM Customers	6/1/18 - 4/1/2021	N/A
CARE/FERA EBCE NEM Customers	After 6/1/2018	After 4/1/2021

**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 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.

Updated 02.20.19, 06.19.19, 12.16.20, 03.17.21, 10.19.22

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

- a) Standard EBCE NEM customers may choose between a monthly or annual true-up option. Standard EBCE NEM customers will be defaulted to a monthly true-up, and may select their preferred true-up cycle once per year before March 1, effective following the next April cash-out/ true-up period.

CARE/ FERA EBCE NEM and Legacy Municipal NEM customers must be enrolled in a monthly true-up cycle.

- b) *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 or debited 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 for CARE/ FERA EBCE NEM accounts). The calculated value of any net energy production shall be credited to EBCE customers as described in Section (c).

- c) *For a customer with TOU Rates:*

Any net consumption or production shall be valued monthly as follows:

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 or debited 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 for CARE/ FERA EBCE NEM 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).

- d) *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.

1. Monthly True-Up

For customers on a monthly true-up cycle, any remaining balance is due and must be paid during each monthly billing cycle.

2. Annual True-Up

For customers on an annual true-up cycle, any remaining balance will appear as a debit on the bill and roll over until the annual true-up in April.

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 credits are valued as follows based on customer definition:

<b>Customer Type</b>	<b>Bill Credit per kWh</b>
Standard EBCE NEM Customer	Retail*
Legacy Municipal NEM Customer	Retail* + \$0.01
CARE/FERA EBCE NEM Customer	Retail* + \$0.01

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



**e) EBCE Annual True-Up and Cash-Out:**

Customers on an annual true-up cycle are eligible for the annual true-up and/or cash-out. Customers on a monthly true-up are eligible for the cash-out.

**1. Annual True-Up**

Standard EBCE NEM customers on an annual true-up cycle may owe EBCE money during the April true-up period. Any amount owed will be tracked monthly on the customer's bill as a debit and will be due at the true-up period. Customers on an annual true-up that have surplus kWh are eligible for the cash-out as described in section (e)2.

**2. Cash-Out**

During the April billing cycle of each year, all current 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 a 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 true-up and cash-out process.

EBCE will, at least once each year, conduct an audit of the CARE/FERA NEM customers to ensure that eligible CARE/FERA NEM customers are included in the CARE/FERA NEM program.

Cash-Out credits are valued as follows:

<b>Customer Type</b>	<b>Annual Payout Credit per kWh</b>
Standard EBCE NEM Customers	PG&E Net Surplus Compensation (NSC)
Legacy Municipal NEM Customers	Retail* + \$0.01
CARE/FERA EBCE NEM Customers	Retail* + \$0.01

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

**f) 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 any EBCE NEM customer opts out of the EBCE program and returns to PG&E 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.

**g) PG&E NEM Services:**

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PG&E tariff options addressing NEM service. Customers should be advised that while EBCE settles out balances for generation on a monthly or annual 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 interconnection anniversary with PG&E) for these non-generation services.

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*h) Aggregated NEM*

Per the California Public Utilities Code 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 process as described in section (d). All other NEM rules apply to aggregated NEM accounts.