AMENDMENT 12 TO EXHIBIT A: Scope of Services

A.4 Task Order 2 – Data Management and Customer Call Center Services

SMUD and VCEA agree to the following services, terms, and conditions described in this Amendment 12 to Exhibit A, Task Order No. 2 (Amendment 12), the provisions of which are subject to the terms and conditions of the Master Professional Services Agreement (Agreement) between the Parties. If any specific provisions of this Amendment 12 conflict with any general provisions in the Agreement or Task Order 2, the provisions of this Amendment 12 shall take precedence. Capitalized terms used in this Amendment which are not defined in this Amendment will have the respective meanings ascribed to them in the Agreement or a previous Amendment thereof.

The Effective Date of this Amendment 12 is the date of last signature below.

1. **Section 1, SCOPE OF WORK, is amended to add Section 1.10 below:**

**"1.10 IMPLEMENTATION OF SECOND NEM TRUE-UP POLICY"**

1.10.1. Scope of Work

Currently, VCE has one NEM True-up Policy which provides for NEM Customers to have monthly settlements and a true-up that occurs annually in February (Policy 1). With the introduction of the second NEM True-up Policy, Policy 1 will be available only to customers with an estimated annual balance above a dollar threshold that will be established by VCE. The second NEM True-up Policy will provide the ability to enroll the majority of legacy NEM customers according to a methodology that mirrors PG&E NEM billing, wherein customers with an estimated annual balance below the dollar threshold set by VCE will settle annually on their existing NEM true-up date ("Policy 2"). All NEM customers, regardless of whether they are enrolled in Policy 1 or Policy 2, will be compensated for their monthly surplus generation and true-up on an annual basis.

SMUD will implement a technology solution to support Policy 2 and to update the NEM adder methodology for all NEM customers. Both policies will be technically available to all customers but the placement of customers on either Policy 1 or Policy 2 will be dictated by VCE’s business rules.

A. **Policy 2 is detailed below:**

- Customers retain annual billing cycles and keep their existing true-up dates.
  - The true-up date is the month of the “True-up End Period” from the PG&E provided 4013 file.
  - The true-up will run in the first bill of that month every year.
  - VCE’s true-up date will not change if PG&E changes their true-up date in the 4013.
  - SMUD will coordinate with PG&E to seek a list of true-up dates for any NEM customers whose true-up date does not appear in the 4013.
- Customers receive an informational bill each month, but settlement is not required outside the customer's true-up month.
B. The business process for determining customers’ applicable policy is defined below:

- Legacy NEM customers on a list approved by VCE will be defaulted to VCE’s existing NEM policy, defined as monthly settlement, annual true-up in February.
  - This customer list will be developed by evaluating customers’ 2018 historical usage data. The analysis to compile this list is not included in this scope of work.
- All new move-ins will be defaulted to Policy 1.
- All new solar installations (existing VCE customer converting from non-NEM to NEM) will be defaulted to Policy 1.
- If a customer request to change policies is approved by VCE, the policy change will be applied as directed by VCE:
  - Effective retroactively, since last true-up, or if no true-up has occurred, since beginning of enrollment. This would result in rebilling all periods on/after the effective date of the retroactive switch.
  - Effective on next bill cycle, triggering a true-up on the customer’s next bill.
  - Effective on the next true-up of customer’s current policy. Customer is billed and true-up according to their current policy, then begins billing on the new policy following their true-up.
- After a customer is enrolled in Policy 1 or Policy 2, their status will not be automatically re-evaluated, and the customer will not be moved from one policy to another unless an evaluation of qualification for policy change is requested by the customer. Customers may request a policy change through the call center. Customer requests to move from Policy 2 to Policy 1 will be honored and the customer will change policies effective on either their next bill cycle or next true-up. Customer requests to move from Policy 1 to Policy 2, or customer requests for retroactive policy switch, will require approval from VCE. The policy switch can be made effective the next bill cycle after VCE approval, on the customer’s next true-up date, or retroactive to the date approved by VCE.

Regardless of whether they are enrolled in Policy 1 or Policy 2, Legacy NEM customers will be enrolled on their true-up month beginning in January 2020.

The excess generation monthly compensation method will be updated to net billing determinants together prior to applying the penny adder. As a result, customers on time-of-use (TOU) rate schedules that generate excess energy on a monthly basis will receive the retail value plus a $0.01/kWh credit for their excess generation. This updated methodology will apply to Policy 1 and Policy 2.

1.10.2. Deliverables and Due Dates

The schedule for the implementation of Policy 2 is estimated to be six (6) months, and includes the following milestones and due dates:

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Responsible Party</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Task Proposal approved</td>
<td>VCE</td>
<td>June 17, 2019</td>
</tr>
<tr>
<td>2 Requirements gathering initiated</td>
<td>SMUD</td>
<td>July 1, 2019</td>
</tr>
<tr>
<td>3 Customer list to mass enroll on each policy</td>
<td>VCE</td>
<td>September 30, 2019</td>
</tr>
</tbody>
</table>
1.10.3. Schedule

It is estimated that the Scope of Services in this task will be completed in six (6) months from the effective date of this Amendment 6, and SMUD will finalize the system requirements and implement the technical solution prior to January 2020.”

Section 4, COMPENSATION FOR SERVICES is amended to add Section 4.6, Implementation of a Second NEM True-up Policy, as follows:

“The fixed fee for the Implementation of a second NEM True-up Policy is $100,000. Monthly enrollment of NEM customers during 2020 and the ongoing maintenance of Policy 1 and Policy 2 are included in the included in the fixed fee for Data Management and Call Center Services as described in Section 4.1 of this Task Order 2.”

Section 5, PAYMENT TERMS, is amended to add the following.

“SMUD will invoice the fixed fee for the Implementation of the second NEM True-up Policy upon completion, and payment will be due net thirty (30) days from date of the invoice.”

[Signature Page follows]
SIGNATURES

The Parties have executed this Amendment 12, and it is effective as of the date of last signature below.

**Valley Clean Energy Alliance**

By: 

Name: Mitch Sears

Title: Interim General Manager

Date: June 18, 2019

Approved as to Form: N/A

**Sacramento Municipal Utility District**

By: 

Name: Arlen Orchard

Title: CEO

Date: June 23, 2019

Approved as to Form: [Signature]