

April 1, 2018

**VALLEY CLEAN ENERGY
NET ENERGY METERING TARIFF**

I. APPLICABILITY

- A. This Schedule is applicable to enrolled Valley Clean Energy customers who use a Renewable Electrical Generation Facility.
- B. To be eligible, the Valley Clean Energy customer must take service on a PG&E NEM Tariff Schedule, including, but not limited to, NEM, NEM2, NEMV (Virtual Net Energy Metering), NEM2V, NEMVMASH (Virtual Net Energy Metering for Multifamily Affordable Housing), NEM2VMASH, NEMA (NEM Aggregation), and Multiple Tariff facilities as described by PG&E Electric Schedules NEM and NEM2.
- C. PG&E NEM Tariff Terms and Conditions Apply. Valley Clean Energy NEM customers are also subject to the terms, conditions, and billing procedures of PG&E for services other than electric generation.
- D. This schedule is available throughout the territory of Valley Clean Energy.

III. DEFINITIONS

- A. "Annual True-up Period" means the twelve-month period commencing in May of each year.
- B. "Net Electricity Consumer" means a customer who generates less electricity than is delivered by Valley Clean Energy during an Annual True-up Period.
- C. "Net Electricity Generator" means a customer who generates more electricity than is delivered by Valley Clean Energy during an Annual True-up Period.

IV. RATES, BILLING, AND ANNUAL CASH-OUT PROCESS

- A. Rates and Monthly Billing for Valley Clean Energy Service
 - 1. Each NEM customer will receive a monthly billing statement reflecting net electricity consumption, charges incurred, generation bill credits accumulated from previous billing cycles, and credits generated during the current billing cycle. The monetary value of any excess generation during a monthly billing cycle shall be calculated as follows:

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- i. For Customers on a non-TOU Tariff: If during a monthly billing cycle, the electricity delivered by Valley Clean Energy to the NEM customer is less than the electricity delivered to Valley Clean Energy, the value of the excess kilowatt-hours (kWh) produced shall be calculated according to the electricity usage charges of the customer's otherwise applicable rate schedule, plus an additional \$0.01/kWh.
 - ii. For Customers on a Time of Use ("TOU") Tariff: If during any TOU period, the electricity delivered by Valley Clean Energy to the NEM customer is less than the electricity delivered to Valley Clean Energy, the value of the excess kilowatt-hours (kWh) produced shall be calculated based on the applicable time-of-use rate when the excess kilowatt-hours were produced, plus an additional \$0.01/kWh. The customer will be due a net bill credit during the billing cycle if the aggregate of Valley Clean Energy electric generation charges and credits, as summed across all applicable TOU periods, results in a net credit for the billing cycle.
2. 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.
3. Any net bill credits reflected on the customer's bill will be carried over for use in subsequent billing cycle(s) through the Annual True-up Period until such credits are exhausted.

B. Annual Cash-out

1. On an annual basis, Valley Clean Energy will determine whether a participating customer is a Net Electricity Consumer or a Net Electricity Generator during the preceding Annual True-up Period. For new customers, the Annual True-up Period for the first year will cover the period starting on the date that the customer commenced service under this NEM Schedule through the customer's April billing cycle.
2. When the customer is a Net Electricity Consumer at the end of the Annual True-up Period, any net bill credit balances remaining at that time will be reset to zero for the beginning of the next True-Up Period.

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3. When the customer is a Net Electricity Generator at the end of the Annual True-up Period, the customer is eligible to receive Net Surplus Electricity Compensation (NSC) for any net electricity production during the prior twelve-months. Per the California Public Utilities Code Section 2827(h)(4)(B), any NEM customer electing Load Aggregation shall be ineligible to receive Net Surplus Compensation, with any excess kilowatt-hours retained by Valley Clean Energy, and any credits being set to zero.
4. The Net Surplus Electricity Compensation rate for each kilowatt-hour of net electricity production during the True-up Period is:
 - i. The NSC Rate is the simple average of PG&E's default load aggregation point (DLAP) price for all hours between 7a.m. and 5p.m., for the 12-month period ending April 30, plus an additional \$0.01/kWh. Valley Clean Energy shall use the NSC Rate as the value of the electricity portion of its Net Surplus Compensation Rate. Valley Clean Energy will wait five (5) days after the DLAP Cutoff Date for the CAISO to have time to finalize the day-ahead PG&E DLAP prices.
 - ii. If the customer certifies ownership of Net Surplus Electricity RECs, obtains certification of the RPS eligibility of the Electrical Generation Facility from the CEC, and transfers ownership of the WREGIS certificates to Valley Clean Energy, Valley Clean Energy will pay a Renewable Attribute Adder (RAA) for each kilowatt-hour produced. The RAA shall be valued as the average premium for voluntary renewable programs in the Western Electricity Coordinating Council (WECC), based on United States Department of Energy (DOE) published data. The value will be pulled from PG&E's annual advice letter submitted in in compliance with Resolution E4475 and Decision 11-12-018.
5. For eligible customers who have at least \$100 in Net Surplus Electricity Compensation and elect the cash-out option, Valley Clean Energy will pay amounts owed at the end of the Annual True-Up Period by check. Customers not electing to cash out or with a credit balance of less than \$100 will have remaining credits rolled over as a bill credit for use during the next Annual True-up Period.

V. PG&E NEM SERVICES

1. Valley Clean Energy 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 Valley Clean Energy 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

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from 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.

VI. RETURN TO PG&E BUNDLED SERVICE

- A. Valley Clean Energy 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 a Valley Clean Energy customer for 60 days or more.

- B. If a NEM customer opts-out of the Valley Clean Energy program and returns to PG&E bundled service, that customer may request that Valley Clean Energy settle any remaining net generation credits on the account, provided that the request is received within 90 calendar days of the return to PG&E service. The settlement method will be the same as the Annual Settlement process set forth in Section IV.B.