

**SCHEDULE NO. NEM**  
**NET METERING SERVICE**

**APPLICABILITY**

This net energy-metering schedule is applicable to residential, small commercial, commercial, industrial, or agricultural Customers who use an electrical generating facility ("Customer-Generator"): (1) with a capacity of not more than 1,000 kilowatts; (2) that is located on the customer's owned, leased, or rented premises; (3) is interconnected and operates in parallel with the Utility's transmission and distribution facilities, (4) is intended primarily to offset part or all of the customer's own electrical requirements; and (5) uses one of the following generation technologies: (a) solar or wind turbine, or a hybrid system of both as specified in PUC 2827(b)(2) and 2827 (b) (4) ("Eligible Customer-Generator"); or (b) eligible fuel cell as specified in California Public Utilities Code Section 2827.10(a)(2) and (3) ("Fuel Cell Customer-Generator"). This schedule is applicable on a first-come, first-served basis for new (1) Eligible Customer-Generators until such time as the total rated generating capacity of Eligible Customer-Generators exceeds five percent of the Utility's aggregate peak load in California; and (2) Fuel Cell Customer-Generators until such time as 112,500 kW of rated generating capacity is served under this Schedule statewide and will expire on January 1, 2014 unless extended by legislation.

This service is not applicable to interruptible customers.

This service is not applicable to a Direct Access ("DA") customer where the Customer's ESP does not offer such a service. Additionally if a Customer-Generator participates in direct transactions with an ESP that does not provide distribution service for the DA, the ESP, and not the Utility, is obligated to provide net energy metering to the Customer-Generator.

This schedule is offered in compliance with California Public Utilities Code Section 2827, et seq. and is not intended to expand nor limit rights under such section.

**TERRITORY**

Entire California Service Area

**(Continued)**

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**RATES**

1. Net Energy Metering. All rates charged under Schedule NEM will be in accordance with the Customer-Generator's otherwise-applicable metered rate schedule ("OAS"). A 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 on the net consumption of electricity supplied by the Utility.
2. An eligible Customer-Generator who elects to receive compensation under this Schedule will receive a rate (the "Surplus Compensation Rate") that will mirror the actual cost of non-renewable energy supplied to Utility that is displaced by the generator for the applicable month. The Surplus Compensation Rate will be based on the Pacific Gas and Electric Company methodology used to determine its Default Load Aggregation Price as applied to the Utility's Commission-approved power purchase agreement rates. The Surplus Compensation rate will be defined as the rate in effect on the Calendar month in which the customer receives the meter reading.
3. The power factor charge, when it applies on the OAS, will be based on the average power factor over the past 12 billing months of operation prior to starting on this rate schedule. Customer-Generators without 12 billing months of power factor history, will have their power factor estimated based on the type of the connected facilities and their hours of operation. Power factor charges will be applied to the Customer-Generator's bill until the Customer-Generator demonstrates to the Utility's satisfaction that a specified correction has been provided. The Utility will continue to monitor and review the power factor and if warranted, change the power factor correction charge on the Customer-Generator's bills.
4. The voltage and transformer adjustment, when it applies on the Customer-Generators OAS shall be as stated on the OAS.

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1. Metering:

A Net Energy Metering. The following applies to all Customer-Generators.

- (1) Single Meter. Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions. If the eligible Customer-Generator's existing electrical meter is not capable of measuring the flow of electricity in two directions, the eligible 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.
- (2) Dual Meter. An additional meter or meters, installed in a dual meter socket ("dual metering"), to monitor the flow of electricity in each direction may be installed with the consent of the Customer-Generator, at the expense of the Utility, and the dual metering shall be used only to provide the information necessary to accurately bill or credit the customer according to the Customer-Generator's OAS or to collect generating facility performance information for research purposes. The Utility shall determine whether dual metering is required under this provision. If dual metering is installed, the Net energy metering calculation shall yield a result identical to that of a single meter capable of measuring the flow of electricity in two directions.
- (3) The Utility shall not require dual metering except where necessary for billing accuracy. If none of the normal metering options available at the Utility's disposal which are necessary to render accurate billing are acceptable to the Customer-Generator, the Utility shall have the right to refuse interconnection under this schedule.

B. TOU metering. The following applies to all Customer-Generators with a rating of over 200 kilowatts but not exceeding 1,000 kilowatts

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1. Metering: (Continued)

B TOU Metering (Continued)

1. TOU Metering shall be accomplished using a TOU meter capable of separately registering the flow of electricity in two directions. If the Customer-Generator's existing meter is not capable of separately measuring the flow of electricity in two directions, the Customer-Generator shall be responsible for all expenses involved in purchasing below. If an eligible customer-generator terminates service under this rate schedule, or experiences a change in electric service provider prior to the end of any 12-month period, the Utility shall reconcile the customer's consumption and production of electricity and bill the customer as described below, as if it were the end of the normal 12-month period and installing a meter that is able to separately measure electricity flow in two directions. If dual metering is installed, the metering calculation shall yield a result identical to that of a single meter capable of separately measuring the flow of electricity in two directions.
  - a. If none of the normal metering options at the Utility's disposal that are necessary to render accurate billing are acceptable to the Customer-Generator, the Utility shall have the have the right to refuse interconnection under this Schedule.
  - b. All TOU metered service account(s) serving operations that are located on property adjacent, or contiguous, are eligible for aggregation under Special Condition All such accounts must be under the same ownership and in the Customer-Generator's name.

2. Billing

Billing for Eligible Customer-Generators Using Net Energy Metering. The following applies to Customer Generators using a solar generating facility or wind generating facility at or below 1000 kilowatts or solar/wind hybrid generating facility at or below 1000 kilowatts:

- A. Net energy is defined as the difference between the electricity supplied by the Utility through the electric grid to the Eligible Customer-Generator and electricity generated by an Eligible Customer Generator and fed back into the electric grid over a 12 -month period or part, such that the end of the Relevant Period ends in December of each year ("Relevant Period").
- B. At the end of each Relevant Period, the Eligible Customer-Generator will receive a true up for net energy exported to the utility :

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- (1) In the event that the value of the electricity supplied by the Utility at the end of the Relevant Period exceeds the electricity generated by the Eligible Customer-Generator during the same period, the Eligible Customer-Generator is a net electricity consumer and the Utility shall bill the Eligible Customer-Generator for the net consumption during the Relevant Period based on the Eligible Customer-Generator's OAS.
  
- (2) In the event that the value of the electricity supplied by the Utility at the end of the Relevant Period is less than the electricity generated by the Eligible Customer-Generator at the end of the Relevant Period, the eligible Customer Generator will be paid at the applicable Surplus Compensation Rate applicable at the end of the Relevant Period.
  
- (3) The minimum threshold for monetary payment at the end of the true up period will be \$25 and amounts less than \$25 will be carried over to the next 12 month period.

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Billing: (Continued)

- C. Monthly Billing. If the Utility supplies the Customer-Generator with electricity, the Utility shall provide the Customer-Generator with net electricity consumption information with each regular bill. That information shall include the current monetary balance owed the Utility for the net electricity consumed since the last Relevant Period ended. For, Customer-Generators, the net balance of all moneys owed must be paid on each monthly billing cycle; when they are a net electricity producer over a monthly billing cycle, any excess kilowatt-hours generated during the billing cycle shall be carried over to the following billing period as a monetary credit, at the applicable Surplus Compensation Rate and appear as a credit on the Customer -Generator's account, until the end of the Relevant Period.
- D. Billing for Customer-Generators Using TOU Metering. The following applies to Customer -Generators using a wind generating facility or a solar/wind hybrid generating facility, , or a Fuel Cell generating facility using TOU Metering:
  - 1) The generation of electricity provided to the Utility by a Customer-Generator shall result in a credit to the Customer-Generator valued in accordance with the generation component of Schedule A-3 or above TOU schedule, as applicable. All electricity supplied to the Customer-Generator by the Utility shall be priced in accordance with either Schedule A-3 or the above TOU rates, as applicable.
  - 2) Time of Use Rates. For Customer-Generators taking service on OAS TOU, any net consumption or production shall be valued monthly as follows:
  - 3) If the Customer-Generator is a net consumer during any discrete time-of-use period, the net kWh consumed shall be billed in accordance with that same TOU period in the Customer-Generator's OAS.
  - 4) If the Customer-Generator is a net generator during any discrete TOU period, the net kWh produced shall be valued at the Surplus Compensation Rate per kWh of the same TOU period in the Customer Generator's OAS

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Billing (Continued)

- E. To calculate the maximum generation credit for a Customer-Generator, the Utility will, at the end of each Relevant Period, determine the credit for energy based on the following equation:
- F. Credit (\$) = Total energy fed back to the Utility (kWh) during the relevant period x Surplus Compensation Rate for the relevant period.
- G. The Utility shall provide the Customer-Generator with gross energy (kWh) consumption and net energy (kWh) consumed/produced information with each monthly billing statement.
- H. The Utility's written approval of the Customer-Generator'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 NEM.
- I. Payment at end of 12 month relevant Period. Utility will true up the Customer-Generators who elects service under this Schedule at the end of the 12 month period, which will be set on the basis of a calendar year and paid after the December bill. The minimum threshold for monetary payment at the end of the true up period will be \$25 and amounts less than \$25 will be carried over to the next 12 month period.

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3. Special Conditions

- 1) A visible disconnect switch is required to isolate the generating facilities from the Utility's distribution system. The disconnect switch shall be furnished and installed by the customer. The device must be accessible to Utility personnel and be capable of being locked in the open position.
- 2) Generating facilities shall not be operated in a manner that interferes with the Utility's operations or service to other customers. The Utility retains the right to disconnect service to maintain safety and quality of service to other customers.
- 3) The Utility will ensure that requests for establishment of net energy metering service for solar, wind and solar/wind hybrid generating facilities are processed in a time period not exceeding 30 working days from the date that the Utility receives a completed application for service hereunder, including a signed interconnection agreement from the Customer Generator and the electric inspection clearance from the governmental authority having jurisdiction. The Utility shall notify the Commission if it cannot interconnect within such period.
- 4) QF Status – Customers receiving net surplus compensation must first demonstrate to Liberty that they are Qualifying Facilities in order to receive service under this Schedule.

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LIBERTY UTILITES (CALPECO ELECTRIC) LLC  
SOUTH LAKE TAHOE, CALIFORNIA

Canceling 3rd Revised  
2nd Revised

CPUC Sheet No. 145  
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