

**ATTACHMENT 14
RESOLUTION NO. 5888(14)**

Supersedes Schedule NEM of Resolution No. 5592(09)

Schedule NEM

NET ENERGY METERING

APPLICABILITY

This net metering schedule applies to residential and/or small commercial customers who have a maximum peak demand of less than 1000 KW (1 MW), and use a solar or wind turbine electrical generating facility (or a hybrid system of both) with a capacity of not more than 1000 kilowatts that is located on the customer's premises, operates in parallel with the electric grid, and is intended primarily to offset part or all of the customer-owned electrical requirements (hereinafter "eligible customer-generator"). Availability of this schedule to eligible customer-generators will be on a first-come, first-served basis and will be available until such time as the total rated generating capacity used by eligible customer-generators equals five percent of the Utility's aggregate annual peak demand. The Utility's highest aggregate customer annual peak demand since 2004 occurred in 2007 at 26.3 MW. For the purposes of this schedule, 26.3 MW is the Utility's peak demand. Five percent of this peak demand is 1,315 KW. The total generating capacity available under this schedule is 1,315 KW.

Applicability of this tariff does not extend to customers whose solar and/or wind power production source exceeds 1000 kW or for other customer provided generation (such as biomass, hydroelectric, etc). Please See Schedule G-1, CUSTOMER OWNED GENERATION – DISTRIBUTION RATE, for information pertaining to such generation. Once customer-generation under this schedule exceeds 1,315 kilowatts, all new customer-provided generation brought online after the 1,315 kilowatts is installed under this schedule, will be subject to Schedule G-1.

TERRITORY

The entire area served by the City of Lompoc Electrical Utility.

CHARGES

All charges under this schedule will be in accordance with the eligible customer-generator's otherwise applicable residential (Schedule D-1 Domestic Service, Schedule D-2 Domestic Service – Mobile Home Park), commercial (Schedule A-1 General Service), and demand-metered (Schedule A-12 General Services – Demand-Metered, Schedule A-13 General Service – Economic Development Incentive Rate) rate schedules. An eligible customer-generator served under this schedule is responsible for all charges from its otherwise applicable rate schedule including monthly customer

charges. Charges for electricity supplied by the Utility will be based on the net metered usage in accordance with Net Energy Metering and Billing (Special Conditions below).

The Public Benefits Program (Schedule PBP-1) rate schedule is applicable to this rate schedule. Customer, minimum, consumption, and demand charges will be billed in accordance with the applicable residential (Schedule D-1 Domestic Service, Schedule D-2 Domestic Service – Mobile Home Park), commercial (Schedule A-1 General Service), and demand-metered (Schedule A-12 General Services – Demand-Metered, Schedule A-13 General Service – Economic Development Incentive Rate) rate schedules on the Customer's net energy usage or net electrical charges, as applicable.

SPECIAL CONDITIONS

1. Generation Agreement

Generation agreements (including, but not limited to, an Interconnection Agreement and a Net Energy Metering Agreement Election form) with the customer are required for service under this schedule.

2. Metering Equipment

Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions. If customer's existing electrical meter 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 capable of measuring electricity in both directions. If an additional meter or meters are necessary to monitor the electric generating system performance, the cost to install these meters will be the responsibility of the Utility.

3. Net Energy Metering and Billing

Net Energy is defined as measuring 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. At the end of each 12-month calendar period following the date of final interconnection, and at each anniversary date thereafter, the customer-generator shall be billed for electricity used during the period. If the energy generated exceeds the energy consumed during the 12-month calendar period, payment shall be made for the excess energy delivered to the Utility's grid at the Utility's average pool third party wholesale electric power purchase price for the preceding fiscal year. If the electricity supplied by the Utility during the 12-month period exceeds the electricity generated by the eligible customer-generator during the same period, the eligible customer is a net

electricity consumer and the Utility shall bill the customer for the net consumption during the 12-month period based on the retail price per kilowatt-hour for eligible customer-generator's rate class over the same period.

The rate applied to any excess energy shall be at the Utility's average annual cost of wholesale third party electric power purchases as determined for the preceding City Fiscal Year through June 30. The source of the City's cost information shall be based on the Northern California Power Agency's metered billing information for the City of Lompoc.

The Utility shall provide the customer-generator with net electricity consumption information on each regular bill. That information shall include the current amount owed to the Utility for the net electricity consumed since the last 12-month period. Upon the eligible customer-generator's request, the Utility will permit the customer-generator to pay monthly for the net energy consumed.

A utility customer receiving service under this NEM Schedule may choose their anniversary date and the 12-month period used in determining annual excess consumption or annual excess production using the Net Energy Metering Agreement Election form.

4. Virtual Net Energy Metering and Billing

Net Energy is defined as measuring 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. At the end of each 12-month calendar period following the date of final interconnection, and at each anniversary date thereafter, the customer-generator shall be billed for electricity used during the period. If the energy generated exceeds the energy consumed during the 12-month calendar period, payment shall be made for the excess energy delivered to the Utility's grid at the Utility's average pool third party wholesale electric power purchase price for the preceding fiscal year. If the electricity supplied by the Utility during the 12-month period exceeds the electricity generated by the eligible customer-generator during the same period, the eligible customer is a net electricity consumer and the Utility shall bill the customer for the net consumption during the 12-month period based on the retail price per kilowatt-hour for eligible customer-generator's rate class over the same period.

The rate applied to any excess energy shall be at the Utility's average annual cost of wholesale third party electric power purchases as determined for the preceding City Fiscal Year through June 30. The source of the City's cost information shall be based on the Northern California Power Agency's metered billing information for the City of Lompoc.

The Utility shall provide the customer-generator with net electricity consumption information on each regular bill. That information shall include the current amount owed to the Utility for the net electricity consumed since the last 12-month period. Upon the eligible customer-generator's request the Utility will permit the customer-generator to pay monthly for the net energy consumed.

A utility customer receiving service under this NEM Schedule may choose their anniversary date and the 12-month period used in determining annual excess consumption or annual excess production using the Net Energy Metering Agreement Election form.

5. Net Energy Metering Rebates

If funding for rebates is authorized, an owner is eligible for one rebate per property. The maximum rebate for single family residential installations is \$10,000. The maximum rebate for multifamily, commercial (single and multiple unit complexes), and industrial installations is \$50,000 per property.

6. Master Meters

When applied to multifamily or other multi-unit complexes where a single owner controls the complex and desires to install eligible NEM generation, Special Conditions 1 and 2 apply. The owner is eligible to utilize the NEM Schedule for a single retail account under their control. If there is no retail account under the owner's control, the owner can choose to install the generation under the G-1 schedule, or with another option of the Electric Utility's choosing. If the owner desires to aggregate consumer usage of individual units otherwise individually metered, the City may consider providing virtual metering through one (master) meter in lieu of the owner/customer converting the property to a true master metered complex. The following conditions would be identified in the Generation Agreement:

- a. The owner would assume responsibility for all utility costs for the property, including any water, solid waste, or wastewater charges applicable to the property.
- b. The owner/customer could retain the existing individual electric meters and would be responsible for minimum charges on the individual electric meters multiplied by the number of electric meters installed and operating at the property (less one).
- c. The owner/customer would be eligible to bill the individually metered units for their pro-rata share of net electric charges using the same Electric

Rate Schedule that applies to the owner/customer's primary bill according to State law.

- d. The City would provide a schedule monthly to the customer/owner of all production and consumption data of the electric meters the customer/owner is responsible for.
 - e. The City would provide a consolidated bill incorporating the energy consumption from all applicable retail meters and production from any applicable PV meters by property served.
 - f. Any other provision as necessary and agreed to within the Generation Agreement.
7. Miscellaneous

For customers who use service for only part of the year, this schedule is applicable only to an annual contract.