Subject: Net Energy Metering Program (DCE NEM Program) is available to those DCE customers who are eligible under Southern California Edison’s (SCE) Net Energy Metering program. These SCE NEM Rate Schedules are available at: https://www.sce.com/regulatory/tariff-books/rates-pricing-choices/other-rates and may be amended or replaced by SCE from time to time. DCE’s NEM Policy may be amended or clarified from time to time.

Net Energy Metering Policy

DCE customers who want to participate in NEM after enrolling with DCE must provide SCE with a completed SCE NEM Application and comply with all other SCE requirements before being eligible for the DCE NEM Program.

Eligible DCE customers who meet the requirements for the SCE NEM Program will be automatically enrolled in the DCE NEM Program either at the time of initially enrolling with DCE or at the time SCE accepts them into SCE’s NEM Program.

RATES: All rates for the DCE NEM Program will be in accordance with the customer’s applicable DCE rate schedule. Nothing in this policy will supersede any SCE authorized charges.

CHARGES & BILLING: DCE’s charges for energy (kWh) will be calculated at the DCE rate schedule and billed on the net metered usage, as described below.

a) For a customer with Non-Time of Use (TOU) Rates:
   If the customer is a “Net Consumer,” having overall positive usage during a specific monthly billing cycle, the customer will be billed in accordance with the customer’s DCE Rate Schedule.

   If the customer is a “Net Generator,” having overall negative usage during a specific monthly billing cycle, any net energy production shall be valued at the applicable rate as set forth in the customer’s DCE Rate Schedule. The calculated value of any net energy production shall be credited to the customer according to the DCE Rate Schedule and applied as described in Sections (c) and (d).

b) For a customer with TOU Rates:
   If the customer is a Net Consumer during any discrete TOU period reflected within a specific monthly billing cycle, the net kWh consumed during such TOU period shall be billed in accordance with applicable TOU period-specific rates or charges as specified in the customer’s rate schedule.
If the customer is a Net Generator during any discrete TOU period reflected within a specific monthly billing cycle, any net energy production shall be valued at the applicable TOU period specific rates or charges as specified in the customer’s DCE Rate Schedule. The calculated value of such net energy production shall be credited to the customer according to the DCE rate schedule and applied as described in Sections (c) and (d).

c) Monthly Settlement of DCE Charges/Credits:
Each customer will receive a statement as part of its monthly SCE bill indicating any accrued charges for electric energy usage during the current monthly billing cycle. When a customer’s net energy production results in an accrued credit balance in excess of currently applicable charges, the value of any net energy production during the monthly billing cycle (in excess of currently applicable charges) shall be valued at the DCE Rate Schedule and noted on the customer’s bill, including the quantity of any surplus NEM production (measured in kWh), and carried over as a bill credit for use in a subsequent billing cycle(s).

A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable charges, reducing otherwise applicable charges by an equivalent amount to such credits. Any remaining credits reflected on the customer’s billing statement shall be carried forward to subsequent billing cycle(s) until either the excess the credit is used to satisfy current charges, the customer no longer receives service from DCE or an annual account true-up is performed.

d) DCE Annual True-Up & Cash-Out Processes:
   i. DCE Annual True-Up
   a. NEM Generation Credit Refund: During the monthly billing cycle in May of each year, DCE will perform a true-up of the most recent twelve (12) month billing cycle, or the period from the customer’s commencement of participation in the DCE NEM Program up to the following May (the “Relevant Period”). At the time of the Annual True-Up, if the customer has accumulated any NEM generation credits in excess of any currently outstanding charges, those NEM generation credits will be refunded to the customer up to the total DCE charges paid by the customer on the same NEM account during the Relevant Period, consistent with DCE’s Annual Cash-Out practice in (ii).

   DCE will perform the first Annual True-Up in May 2021. Commencing in May 2021, DCE will perform the Annual True Up for the 12-month period between May to April for all current NEM customers.

   b. Net Surplus Compensation: Net Surplus Energy is defined as any generation that exceeds total customer energy usage during the Relevant Period, as measured in kWh. DCE will also determine whether each customer has produced Net Surplus Energy over the course of the Relevant Period. If a customer has produced Net Surplus Energy, then DCE shall credit such customer an amount not to exceed $10,000 that is equal to the current Net Surplus Compensation rate per kWh, as defined in DCE Net Surplus Compensation Rate Schedule, multiplied by the quantity of Net Surplus Energy produced by the customer during the Relevant Period, consistent with DCE’s Annual Cash-Out practice in (ii)
below. The amount of excess generation kWh will be paid out at DCE’s Net Surplus Compensation aligned with the current SCE rate.

ii. **DCE Annual Cash-Out**
During the monthly billing cycle in May of each year, any current customer who has a combined NEM generation credit and Net Surplus Compensation value of $100 or more, as determined during the Annual True-Up process, that exceeds any outstanding charges, will be sent a payment by check via U.S. Mail to the customer’s mailing address on file at the time of mailing for the credit balance on their account, as determined through DCE’s Annual True-Up process (i). Customers receiving direct payment will have an equivalent amount removed from their NEM account balance at the time of check issuance. In the event that customers do not have a combined NEM generation credit and Net Surplus Compensation value exceeding $100, such credit balance will be carried forward to offset future DCE charges. All NEM accounts will be reset to zero kilowatt hours annually as of the customer’s May monthly billing cycle and the only NEM credits that will be carried forward on the customer’s account will be the combined NEM generation credit and Net Surplus Compensation credit balances less than $100.

iii. **DCE Cash-Out for Terminations**
Customers who close their electric account through SCE, opt-out of DCE and return to bundled service, or move outside of the DCE service area prior to the monthly billing cycle in May of each year, shall be trued up according to DCE’s Annual True-Up Process. If applicable, the customer shall receive a refund payment by check via U.S. mail to the customer’s mailing address on file at the time of mailing for any NEM generation credit on their account that exceeds outstanding charges at the time of true-up, up to the amount paid by the customer during the Relevant Period. If determined to have produced Net Surplus Energy, the customer shall also receive a check via U.S. Mail to the customer’s mailing address on file at the time of mailing for Net Surplus Compensation, up to a maximum of $10,000. Payments will be released 30 days after final billing to allow for any revised usage and/or adjustments from SCE. Checks will expire 90 calendar days after issuance. If checks expire or are returned to DCE, customers may request the reissuance of a check and DCE will make a reasonable effort to reissue the check within 30 days of a customer’s request.

e) **SCE NEM Program**
Customers are subject to applicable terms and conditions and billing procedures of SCE for SCE charges as described in SCE NEM Rate Schedules (except for generation-related charges, which are described in DCE’s rate schedules). Customers should be aware that while DCE settles balances for generation monthly, SCE will continue to calculate charges for delivery, transmission and other services annually for those customers with an annual billing option, and DCE NEM credits cannot be applied to any SCE charges.

Customers are encouraged to review SCE NEM Rate Schedules at [https://www.sce.com/regulatory/tariff-books/rates-pricing-choices/other-rates](https://www.sce.com/regulatory/tariff-books/rates-pricing-choices/other-rates).
f) Return to SCE Bundled Service:
DCE customers participating in the DCE NEM Program may opt out and return to SCE’s bundled service, subject to any applicable restrictions imposed by SCE. If a DCE customer opts out more than 60 days after their initial enrollment date, DCE will perform a true-up of their account, as specified in section (d)(iii), at the time of return to SCE bundled service. For details concerning opting out of DCE service, please contact DCE Customer Service.