

Schedule No. NEM-S
NET ENERGY METERING-SMALL

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APPLICABILITY

Applicable to Eligible Small Customer-Generators (CG), as defined in Special Condition 5.a., pursuant to Public Utilities Code (PU) Sections 2827 and 2827.8, with a generating capacity of less than 30 kilowatts (kW). Large commercial customers or customers with renewable generating capacity of 30 kW and greater are served under Schedule No. NEM-L. Availability of Schedule No. NEM-S will be on a first come, first serve basis until such time as the total rated generating capacity provided by all CGs under Net Energy Metering (NEM-S plus NEM-L) equals five percent (5%) of Bear Valley Electric Service (BVES) aggregate customer peak demand. An executed Net Energy Metering Surplus Generation Selection Form is required for eligible customers electing Net Surplus Compensation as provided in Special Conditions 4b

TERRITORY

Big Bear Lake and vicinity, San Bernardino County.

RATES

In each billing period, it will be determined whether a CG is a net consumer of energy or a net producer of energy by quantifying the difference between the electricity supplied and/or delivered by BVES, and the electricity produced by the CG and delivered into BVES' electric system each billing period.

Thus, where "ES" is "energy supplied" and/or delivered by BVES, and "EP" is "energy produced" by the CG and delivered into BVES system: Net Energy = ES minus EP

When Net Energy is positive, the CG is a "net energy consumer".

When Net Energy is negative, the CG is a "net energy producer".

As determined in each billing period, when the CG is a net energy consumer the charge for energy consumption will be based on all applicable energy charges, calculated by multiplying the customer's net consumed kilowatt-hours (kWh) by the applicable energy rate components of the customer's Otherwise Applicable Tariff (OAT).

As determined in each billing period, when a CG is a net energy producer, the resulting Net Energy produced will be used to calculate energy credits, calculated by multiplying the customer's net produced kWh by the applicable energy rate components of the customer's OAT.

Net Surplus Compensation (NSC) is equal to the Net Surplus Compensation Rate (NSCR) multiplied by the Net Surplus Energy. Pursuant to PU Code Section 2827 (h)(4)(a), NSC is designed to compensate NEM customers for Net Surplus Energy they produced in excess of their on-site load over their Relevant Period. NSCR calculation is based on the default load aggregation point (DLAP) price. See Special Conditions 4 (g) for calculation of NSCR.

(N)

SPECIAL CONDITIONS

1. Required Application and Contract: An **Application for Interconnection and Net Energy Metering** (Form No. 24) and an executed **Interconnection and Net Energy Metering Agreement** (Form No. 26) are required for service under this schedule.

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Eligible customers electing NSC must execute:

- a) Net Energy Metering (NEM) Surplus Electricity Compensation Selection Form (Form 30),
- b) Net Surplus Compensation Rate Selection Form (Form 41):
 - 1) Certify the customer's generating facility is a Qualifying Facility pursuant to the Public Utility Regulatory Policies Act of 1978 that is exempt from certification at the Federal Energy Regulatory Commission and
 - 2) Select compensation in the form of either a check payment or credit rollover

Eligible customers must provide BVES all required forms in order to receive compensation.

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2. Metering:

Net energy shall be measured (metered) using a single meter capable of registering the flow of electricity in two directions. If the customer's existing meter is not capable of measuring the flow of electricity in two directions, an appropriate standard meter shall be provided at BVES' expense. Any upgraded net meter, if requested in writing by the customer, will be installed at the customer's expense. BVES may elect to install an additional meter or meters, at BVES expense, with the customer's consent. Such additional metering shall be used only to provide the information necessary to accurately bill or credit the customer.

3. Billing:

- a. For all customers served under this Schedule all applicable Monthly Service Charges as defined in Special Condition 5.e., and/or other non-energy related charges, as defined in the customer's OAT, shall apply, regardless of the CG's monthly net production. Energy credits may not be used to offset these charges.
- b. BVES will provide the CG with net energy consumption information every billing period, upon the customer's inquiry, that will include the current accrued balance owed to BVES for positive net energy charges, if any.
- c. For Residential Customers as defined in Special Condition 5.g. and Small Commercial Customers as defined in Special Condition 5.c., energy related charges and credits are accumulated until the end of a Relevant Period as defined in Special Condition 5.f. at which time BVES will reconcile all charges for net energy use and net energy credits as provided in Special Condition 4. However, upon a customer's request, BVES shall permit a Residential Customer or Small Commercial Customer to pay all applicable energy charges every billing period in accordance with the customer's OAT. Such request must be made by the customer upon initiation of service under this Schedule or upon written notice to BVES no later than thirty (30) days prior to the end of a Relevant Period, whichever applies, and customers cannot change their billing preference at any other time.
- d. For all customers served under this Schedule, energy credits will be used to offset the energy-related charges on the final bill when they cease service under this Schedule. However, at no time will energy credits be applied towards any non-energy related charges.
- e. If a customer terminates service under this Schedule prior to the end of the Relevant Period, BVES shall reconcile the customer's consumption and production of electricity and bill the customer for positive Net Energy charges, plus any outstanding applicable charges (if any).

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4. Annual Energy Reconciliation: All CG's will receive an annual reconciliation of all energy charges and payments made for the energy component of service provided by BVES. This reconciliation will occur at the end of each Relevant Period. At this reconciliation all energy charges, energy credits and energy payments made, if any, will be tallied and reconciled in the final bill of the current Relevant Period:
- a. For all Residential Customers and Small Commercial Customers who did not choose to be billed every billing period for their energy related charges, BVES will subtract all accrued energy credits from all accrued energy charges. If this calculation results in monies owed BVES, such energy charges shall be due and payable in accordance with the customer's OAT and Rule 9. However, if this calculation results in an energy credit, Utility shall neither pay the customer for any unused energy credit nor carry forward any unused energy credit. The unused energy credit shall be zeroed out and a new Relevant Period shall commence.
 - b. For all Residential Customers and Small Commercial Customers who chose to be billed each billing period in accordance with the customer's OAT per Special Condition 3.c. for their energy related charges, should be the sum of CGs energy payments received by BVES for energy use billed during the Relevant Period plus energy credits from net production exceed the charges for energy use at the end of the Relevant Period, such excess payment up to the total amount paid by the CG for energy use, calculated at the end of the Relevant Period, shall be carried forward as a one-time credit to the next billing period. However, to the extent that energy credits exceed energy use, BVES shall neither pay the customer for any unused energy credit nor carry forward any unused energy credit. The unused energy credit shall be zeroed out and a new Relevant Period shall commence.
 - c. Effective January 1, 2010, eligible customers who qualify as Net Surplus Generators (as defined in Special Condition 5) may be eligible for compensation for Net Surplus Energy produced during a Relevant Period commencing in 2010 or thereafter. Net Surplus Generators must elect compensation by executing a Net Energy Metering (NEM) Surplus Generation Selection Form (Form No.30) and the Net Surplus Compensation Rate Form (Form 41). The Relevant Period used for purposes of measuring Net Surplus Energy commences with the election by the Customer of Net Surplus Energy compensation.
 - i. The Customer may elect to begin Net Surplus Energy compensation with the start of their next Relevant Period. BVES will perform the bill reconciliation as described above, and any unused energy credits and/or generation energy credits remaining shall be zeroed out prior to the commencement of the new Relevant Period.; or
 - ii. The Customer may establish a new Relevant Period, commencing with the next regularly scheduled meter read date following the execution of a Surplus Generation Selection Form. BVES will perform the bill reconciliation as described in Section bi above, and any unused energy credits and/or generation energy credits remaining shall be zeroed out prior to the commencement of the new Relevant period.
 - d. Customers electing to receive compensation for Net Surplus Energy may begin receiving such compensation beginning with the conclusion of the Customer's Relevant Period in 2011. Customers electing Net Surplus Energy compensation will continue to receive such compensation for each Relevant Period following the execution of such election, unless the Customer affirmatively elects to end Net Surplus Energy compensation. Customers are eligible to revise their Net Surplus Energy elections annually

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e. The customer is eligible to receive the NSC if at the conclusion of the Relevant Period the true-up process indicates that the customer is a Net Surplus Generator, and if the customer has executed all forms identified in Special Condition 1. If no Net Surplus Energy is produced, the customer is not eligible to receive NSC. Eligible customers from whom BVES has not obtained all required forms at the time of the processing of the final bill of the Relevant Period will not receive NSC.

f. To calculate the NSC, the kilowatt hours of Net Surplus Energy are multiplied by the NSCR. For the customer that elects the payment option, the NSC will be reduced by any amount that the customer owes BVES before a check is issued to the customer. For the customer that elects the rollover option, the NSC will be applied to future charges (customer's bill account) in the next Relevant Period. Net Surplus Energy is set to zero at the start of the next Relevant Period.

The customer may choose to change the compensation option from a check payment to a rollover or vice versa once a year.

g. NSCR is equal to the simple rolling average of the SCE hourly \$-per-kWh prices from the hour ending 08 through hour ending 17 (7 a.m. to 5 p.m.) for each day for the 12 month period corresponding to the customer's 12-month Relevant Period. The rolling average is calculated on a monthly basis to be effective the first of each month and is applied to all customers with a Relevant Period ending in that month. BVES, mimicking SCE methodology, uses a full 12 months (365 days, or 366 days in a leap year) of DLAP prices, as published on the CAISO Open Access Same-time Information System (OASIS), ending the twentieth (20th) day of each month. BVES then calculates the NSCR within five days of the first of the month to allow the CAISO to finalize the day-ahead DLAP prices. The rate will be applied to all eligible net surplus generators, irrespective of their rate class. The NSCR will be posted on SCE's website and updated monthly.

h. If any customer terminates service under this schedule prior to the end of a Relevant Period, BVES shall reconcile the customer's consumption and production of electricity and bill the customer for positive net energy charges, if any, as provided in Special Condition 3e.

5. Definitions: The following definitions are applicable to service provided under this Schedule.

a. Eligible Small Customer-Generator (CG): Residential Customers, Small Commercial Customers, who use a Facility as defined in Special Condition 5.d. The CG Facility must: be located on the eligible Customer's Premises as defined in Special Condition 5.b.; be interconnected and operate in parallel with BVES electric system; be intended primarily to offset part or all of the customer's own electrical requirements; and meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the California Public Utilities Commission regarding safety and reliability.

b. CAISO: California Independent System Operator.

c. Customer's Premises: The rented, leased or owned single family residence or commercial establishment to which the solar, wind or hybrid system of both is connected.

d. Service Charges: Includes all customer related charges as defined in the customer's OAT. The single exception is that for Residential Customers served under the "DO" tariff Service Charges will not include the Minimum Charge as defined in the DO tariff.

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- e. Relevant Period: A twelve-month period, or portion thereof if the agreement is terminated before the period ends, and commencing on the effective date of the executed Interconnection and Net Energy Metering Agreement.
- f. Commercial Customer, Small: A Small Commercial Customer is served under rate schedule A-1, which is consistent with the definition of Small Commercial in Public Utilities (PU) Code 331.
- g. Facility: A solar or wind turbine electrical generating facility, or a hybrid system of both, with a total capacity of less than 30 kW.
- h. Residential Customer: A customer served under rate schedules D, DO, DE or DLI.
- h. Net Surplus Energy: All electricity generated by an eligible customer-generator measured in kilowatt-hours over a 12-month period that exceeds the amount of electricity consumed by that eligible customer-generator.
- i. Net Surplus Generator: An eligible customer-generator that generates more electricity during a 12-month period than is supplied by the electric utility to the eligible customer-generator during the same 12-month period.
- j. SCE: Southern California Edison