City of Shasta Lake Net Energy Metering Program Tariff

Purpose and Motivation
The purpose of this Net Energy Metering Program (NEM Program) Tariff is to encourage investment in renewable energy and to promote California’s goals to reduce greenhouse gas emissions, under the terms and conditions defined herein.

Program Design
Overview
The NEM Program establishes general parameters that govern how energy accounting and billing practices will be applied to Eligible Customer-Generators within the City of Shasta Lake (City) electric service territory. This NEM Program Tariff compliments City policy and requirements established in the City’s Customer-Generation Interconnection Policy, the City’s Municipal Code, other supporting documents, and applicable contracts that facilitate a net energy metering agreement between the City and a Customer-Generator.

Definitions
Capitalized terms not defined in this Tariff are defined in the City’s Customer-Generator Interconnection Policy.

“Eligible Customer-Generator” means a residential customer, small commercial customer, or commercial, industrial, or agricultural customer of the City, who uses a Renewable Electrical Generation Facility, or a combination of those facilities, with a total capacity of not more than one megawatt, that is located on the Customer’s owned, leased, or rented premises, and is interconnected and operates in parallel with the City’s electrical distribution system, and is intended primarily to offset part or all of the Customer’s own electrical requirements.

“Interconnection and Net Metering Agreement A-1” means a contract between the City and Customer that facilitates the NEM A-1 Program.

“Small commercial customer” means a customer assigned to a commercial rate class under the City’s electric rate structure, that satisfies the conditions defined in subdivision (h) of Section 331 of Public Utilities Code, prior to installing any Equipment.

Scope
The NEM Program shall apply to all Eligible Customer-Generators operating within the City of Shasta Lake electric service territory, interconnected to the City of Shasta Lake electric infrastructure, and operating under a net energy metering arrangement. A net energy metering arrangement is any process for energy accounting and billing that enables a Customer to benefit from its Renewable Electricity Generation Facility on a kWh-for-kWh basis to avoid electric services charges of the City, facilitated by one or more electric meters. Eligibility for net energy metering does not limit an Eligible Customer-Generator’s eligibility for any other rebate, incentive, or credit provided by the electric utility, or
pursuant to any governmental program, including rebates and incentives provided pursuant to the California Solar Initiative.

Net Energy Metering Protocol
Under the NEM Program, Eligible Customer-Generators shall operate under a modified energy accounting and billing protocol than bundled electric customers and shall benefit from their Renewable Electricity Generation Facility on a kWh-for-kWh basis to avoid electric services charges of the City, with specific timing and accounting periods defined herein. All Eligible Customer-Generators seeking energy accounting and billing protocols established in this Tariff must submit a valid application and execute the City’s Interconnection and Net Metering Agreement applicable at the time. The NEM Program shall consist of the Net Energy Metering A-1 Program (NEM A-1) and Net Energy Metering A-2 Program (NEM A-2). Upon the effective date of the NEM Program, all applications for NEM Program services shall be processed under NEM A-1 on a first come first served basis, based on the date an application is deemed valid by the City, until such time NEM A-1 is suspended. All subsequent applications for NEM Program services shall be processed under NEM A-2, until a successor program is enabled.

Net Energy Metering A-1 Program
Under the NEM A-1, the City shall measure the difference between the electricity supplied by the City to the Eligible Customer-Generator through the electrical grid and the electricity generated by an Eligible Customer-Generator and fed back to the electrical grid over a 12-month period. NEM A-1 shall be accomplished using a single meter capable of registering the flow of electricity in two directions. An additional meter or meters to monitor the flow of electricity in each direction may be installed with the consent of the Eligible Customer-Generator, at the expense of the City. If the existing electrical meter of an Eligible Customer-Generator 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, except for Eligible Customer-Generators under the City’s Distributed Generation Rate, as set forth under Section “Treatment for Existing Distributed Generation Customers.” If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a single meter.

The residential or small commercial Eligible Customer-Generator, at the end of each 12-month period following the date of final interconnection of the Eligible Customer-Generator’s system with the City, and at each anniversary date thereafter, shall be billed for electricity used during that 12-month period. The City shall determine if the residential or small commercial Eligible Customer-Generator was a net consumer or a net surplus Customer-Generator during that period, with the specific billing procedures outlined in the applicable Interconnection and Net Metering A-1 Agreement.

All other Eligible Customer-Generators shall be billed for electricity used during the normal monthly billing cycle, with specific procedures outlined in the applicable Interconnection and Net Metering A-1 Agreement.

Net Energy Metering A-2 Program
Under the NEM A-2 Program, the City shall measure the difference between the electricity supplied by the City to the Eligible Customer-Generator through the electrical grid and the electricity generated by an Eligible Customer-Generator and fed back to the electrical grid over the normal billing cycle period.
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NEM A-2 shall be accomplished using a single meter capable of registering the flow of electricity in two directions. An additional meter or meters to monitor the flow of electricity in each direction may be installed with the consent of the Eligible Customer-Generator, at the expense of the City. If the existing electrical meter of an Eligible Customer-Generator 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, except for Eligible Customer-Generators under the City’s Distributed Generation Rate, as set forth under Section “Treatment for Existing Distributed Generation Customers.” If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a single meter.

All Eligible Customer-Generator, at the end of each normal billing cycle period, shall be billed for electricity used during that normal billing cycle period. The City shall determine if the Eligible Customer-Generator was a net consumer or a net surplus customer-generator during that period, with the specific procedures outlined in the applicable program tariff or agreement.

Program Term
The NEM Program established herein shall be effective upon the approval of the City Council and operate until revised, revoked, suspended, or otherwise changed by the City of Shasta Lake City Council. NEM A-1 shall be effective upon the effective date of the NEM Program and operate through its suspension date, as set forth below. Upon the suspension of NEM A-1, NEM A-2 shall activate until further acted upon by the City Council.

NEM A-1 shall remain in effect until the generation capacity limit is reached, which occurs when the total rated generating capacity used by Eligible Customer-Generators exceeds 5 percent of the City’s aggregate customer peak demand. For the purposes of this provision, “total rated generating capacity” shall equal the sum of the nameplate capacity (kW-AC) of all Eligible Customer-Generators interconnected to the City’s electric system and operating under a net energy metering arrangement. Additionally, the “City’s aggregate customer peak demand” is equal to the arithmetic average of the City’s peak demand for its native load during calendar years 2016, 2017, and 2018. Therefore, the NEM A-1 Program established herein shall remain in effect until a total rated generating capacity of 909.5 kW-AC of Eligible Customer-Generators are interconnected and operating as described herein.

Once the total generation capacity limit is reached, only Eligible Customer-Generators that had previously elected to receive service pursuant to NEM A-1 have a right to continue to receive service pursuant to NEM A-1, and all Eligible Customer-Generators operating under NEM A-1 that are party to the applicable Interconnection and Net Energy Metering A-1 Agreement, shall remain under NEM A-1 energy accounting and billing protocols for a period of 20-years from the date NEM A-1 is suspended.

NEM Program Service Fees
Customers who apply for, and Customers with Eligible Customer-Generators operating under, the NEM Program shall remit fees to the City for the following services. All rates and fees may be updated by the City from time to time.

Application Fee & Fees for Additional Services
Each application shall include a one-time service fee as set forth in the Customer-Generator Interconnection Policy. The application fee shall be paid upon the submittal of the City’s Solar
Application or applicable permit requests. Additional service fees will apply if the City must (a) repeat its review of application materials, plans, drawings, or permits due to prior application materials being incomplete or inaccurate; (b) repeat its electric service deactivation/activation during installation; and/or (c) perform its electric service deactivation/activation outside of normal business hours. Customer shall be responsible for all applicable costs of metering equipment and installation costs, as set forth in the Customer-Generator Interconnection Policy, or as otherwise required by law.

**NEM Program Fee**
A recurring fee shall be billed by the City to each Eligible Customer-Generator who enters into a net energy metering arrangement under the NEM Program to fund the City’s activities related to the additional energy accounting and billing protocols related to the NEM Program.

**Non-bypassible Charges**
Non-bypassible Charges (NBCs) are traditionally a percentage surcharged added to all electric bills published by the City. These dollars are used to fund energy efficiency rebates, low-income energy assistance programs, and other related programs. Eligible Customer-Generators who enter into a net energy metering arrangement under the NEM Program shall be assessed a $/kWh rate for energy delivered by the utility to the Customer, in lieu of the Public Benefits Surcharge. None of the electricity produced by the Customer-Generator will be assessed a NBC charge.

**Net Surplus Compensation Rate**
Customers who elect to receive compensation for electricity generation that exceeds their electricity consumption shall be compensated at the Net Surplus Compensation Rate, which is established by and may be changed by the City Council from time to time.

**Treatment for Existing Distributed Generation Rate Program Customers**
The Distributed Generation Rate Program (DGRP) shall remain in effect for a period of ten (10) years from the initial effective date of the NEM Program. Customers receiving compensation under the DGRP shall remain under the DGRP protocols until the DGRP reaches its expiration date or until the DGRP Customer-Generator voluntarily transitions to the NEM Program, whichever occurs first. The City shall allow DGRP Customer-Generators to transition to the NEM Program by submitting a valid transition request. DGRP Customer-Generators shall initiate their transition request by completing, signing, and dating both: “Request to Transition to NEM Program Form” (Transition Request Form), and the City’s applicable Interconnection and Net Energy Metering Agreement. The City shall deem a transition request as valid once all of the following are satisfied: (a) the City receives the DGRP Customer-Generator’s Transition Request Form and the applicable Interconnection and Net Energy Metering Agreement; (b) both documents are verified to the completeness and accuracy of data, are signed, and are dated; and (b) the identity of the signing party(ies) on behalf of the DGRP Customer-Generator are verified to be legally binding upon the customer account. After the transition request is deemed valid, the City shall, at its expense, make any necessary changes to the utility service meter to facilitate net energy metering as defined in the NEM Program. This work activity will be processed on a first-come, first-served basis and in consideration of other Electric Department work activities. After all requirements are satisfied, the change in energy accounting and billing protocols shall take effect on the first day of the next full billing cycle to which the Customer is normally assigned, and shall be processed under the NEM Program (NEM A-1, NEM A-2, or other) in effect on the date the DGRP Customer-
Generator’s transition request is deemed valid by the City. The annual settlement date for each transitioning Customer will be established under a process developed by City staff.

Following the transition to the NEM Program, no transfers from the NEM Program to DGRP shall be allowed. The City may, at its sole cost and discretion, remove the generation meter installed at the Customer’s facility pursuant to the DG Program.

The ability for Customers under the DG Program to submit a Transition Form shall expire upon the earlier of: two (2) calendar years following the effective date of the NEM Program, or upon the expiration of the NEM Program, as defined above. Upon the expiration of the DG Program, DG Program Customers will be transitioned to the prevailing distributed generation program.