Net Energy Metering Aggregation (NEM-A)

WELCOME GUIDE

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SOUTHERN CALIFORNIA EDISON®
Energy for What's Ahead®

Welcome to the Net Energy Metering Aggregation (NEM-A) Program. We thank you for supporting clean power and California's transition to a sustainable future. To help you become familiar with the program, we are pleased to provide you information about the NEM-A Billing and generation credit allocation methodology.

Key Definitions

Net Energy Metering (NEM): Customers with an eligible renewable generating system, such as a PhotoVoltaic, can receive a reduced energy bill by generating credits for the surplus electricity supplied to the power grid. This credit helps offset all or part of the costs associated with the energy consumed from Southern California Edison (SCE). Our standard NEM program is designed to offset one meter per generating system. NEM Aggregation (NEM-A) is designed to offset energy consumption costs from multiple service accounts (meters) served by a single, renewable generating system.

Applicable Energy Charges: Depending on your rate, a utility bill is comprised of service charges, demand (kW) charges, energy (kWh) charges, and standby fees. Only energy charges may be offset by the exported power of the generating system.

- Kilowatt-hours (kWh): the unit of measure for how much energy you consume.
- Kilowatts (kW): the unit of measure for how quickly you consume energy.

Benefiting Account: An eligible service account that is included in the NEM-A arrangement. Benefiting accounts may be of a different rate class and/or schedule, but must have the same SCE customer name.

- All accounts in an NEM-A arrangement must be (1) all SCE Bundled Service accounts; or (2) all Direct Access (DA) Service accounts served by the same Electric Service Provider; or (3) all Community Choice Aggregation (CCA) or Community Aggregation Service accounts.

Generating Account: The main account established by the Customer of Record (the owner or name on the account) that serves the aggregated load of multiple service accounts (Benefiting Accounts) within the NEM-A arrangement. The Generating Account is the one associated with the renewable generating system.

12-month Billing Period: Each 12-month billing period begins on the date you receive our Permission to Operate, and ends 12 months from that date, and remains the same for subsequent years.

12-month Settlement Bill: Energy charges can be offset by energy credits over the 12-month billing period.

Basics

An NEM-A “arrangement” is composed of the group of Benefiting Accounts associated with a single generating system that will have credits allocated to them from the Generating Account.

As mentioned previously, the NEM program is designed to first offset the energy consumption (or load) associated with the generating meter and then exports any excess energy back to our power grid. The allocation methodology uses the net energy of the generating system minus its onsite load, not the total power exported.

- Exported generation credits are allocated proportionally between the Benefiting Accounts with respect to their corresponding loads over the course of the 12-month billing period.
- Although the generating meter experiences a reduction in load prior to exporting excess power back to our power grid, it is also considered to be a benefiting meter in terms of the allocation methodology and credits are allocated to the Generating Account as well.

There is a one-time $16 set-up fee for every account in the NEM-A arrangement. Any account added to an NEM-A arrangement is subject to this one-time fee. There is also a $2.70 monthly billing fee per account. Any NEM-A arrangement (e.g., multi-tariff) requiring manual billing will require a one-time $25 set-up fee for every account and $20 monthly billing fee for every account. There is no limit to the number of service accounts that can be aggregated.

- All NEM-A accounts will be billed monthly for both energy and non-energy charges per Advice Letter 3626-A and 3626-E-A.

The NEM-A program is designed to dynamically reallocate exported generation credits to all accounts in the NEM-A arrangement. You may elect to change the start date of your 12-month settlement bill one time only by completing and returning an NEM One-Time Relevant Period Change Request form 14-936 at **sce.com/nem.**

- NEM-A customers are permanently ineligible for Net Surplus Compensation.

Note: New customers participating in NEM-A may experience a delay in receiving their NEM-A bill. All data from the generating system will be captured and subsequently applied to the service accounts in the NEM-A arrangement. The preferred metering for a NEM-A Benefiting Account is our standard Edison SmartConnect® meter. Having an Edison SmartConnect meter installed for each Benefiting Account will reduce the likelihood of delayed billing. If you have any questions regarding your SCE meter, please contact your SCE Account Manager or call **1-800-655-4555.**

How the Generation Credit Allocation Methodology Works

The NEM-A program allocates generation credits (or exported power) based on a 12-month billing period such that the generation credits allocated are proportional to each Benefiting Account's annual consumption within the 12-month billing period. According to this methodology, the Benefiting Account in the NEM-A arrangement, which had the most consumption (or cumulative usage), would also have the proportionate amount of available generation credits allocated to it. However, there are some cases when the monthly adjustment can be a positive adjustment and it is due to reallocating of the credits.

In terms of the monthly bills, the credits from the exported generation are applied based on the **year-to-date usage** up to that billing, **not the usage** for that one billing period. For example, if in the second month of NEM-A billing an account used more power than any of the other account, it may still not get the most exported generation credits allocated to it for that billing period due the year-to-date usage on another account being greater over the two months under review.

Each month, the NEM-A allocation methodology applies the exported generation credits among all the accounts based on the dynamic shifting of the year-to-date usage on each account's electric meter. By the 12-month settlement bill, each account in the arrangement will have been allocated a percentage of the exported generation credits equal to the percentage of its respective year-to-date usage divided by the sum of all the usage in the NEM-A arrangement.

The NEM-A allocation methodology was designed to ensure that all renewable generation receives value and is applied where it is needed at the end of the 12-month settlement bill.

Energy Consumption	Account A	Account B	Account C	All Accounts
	Monthly | Year-to-Date	Monthly | Year-to-Date	Monthly | Year-to-Date	Year-to-Date
Month 1	4,960 | 4,960	960 | 960	1,570 | 1,570	7,490
Month 2	4,864 | 9,824	836 | 1,792	1,284 | 2,854	14,474
Month 3	4,320 | 14,144	1,152 | 2,944	1,646 | 4,500	21,592

Service Account B Month 3 Allocation: 2,944 ÷ 21,592 = 13.63%

For any additional questions, please contact your SCE Account Manager.

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