



SOUTHERN CALIFORNIA
EDISON

An *EDISON INTERNATIONAL* Company

NET ENERGY METERING [NEM]

To encourage small electrical customers to install environmentally friendly sources of electrical power, the State of California has passed laws to make the process of interconnecting **solar**, **wind**, **biogas** or **fuel cell** powered generation systems with a total installed capacity of one (1) megawatt (1000 kilowatts) or less as simple and economical as possible. The *current* legislation also provides for “Eligible Customers” to receive the additional benefits provided by a billing process referred to as *Net Energy Metering*. SCE supports these objectives and has tailored its tariff rates and interconnection requirements to minimize the “red tape” while ensuring the safe operation of the equipment its customers may install.

Net Energy Metering allows a customer to *net* the energy produced by its generating facility against the energy received from its electric service provider. The “Relevant [netting] Period” is established as a 12 month rolling period following the “effective” date Net Energy Metering service is initiated for an eligible customer. During this period, if the customer has produced more energy than has been consumed, the corresponding service account will be charged only for the “non-energy” related components of the electric service it has received. If the customer’s generation has not met all of its energy needs, the customer will also be billed for the shortfall, or net energy supplied by its energy service provider. Residential and small commercial customers will be established on an Annual Payment Plan for the energy charges while the “non-energy” charges will continue to be due monthly. Medium to Industrial Net Energy Metering commercial customers will continue to be billed monthly with surplus energy credits carried forward from month to month of the Relevant Period. Please note that State code does not provide for surplus energy credits to be carried forward past the 12-month netting period and *surplus energy is not purchased by SCE*. In all cases, customers will be provided with monthly statements to allow them to monitor the status of their account.

SCE does not design, engineer or install generating systems for its customers. We are also not able to recommend specific contractors or equipment suppliers. SCE encourages its customers to educate themselves with regard to the technology and equipment they may purchase and install and to determine that their installation will comply with all state and local code and zoning requirements. SCE requires that its customers provide a signed copy of their local building inspector’s final inspection and approval of their installation as part of SCE’s approval process. If a customer’s existing meter is not capable of measuring the flow of electricity in two directions, an appropriate meter shall be provided. In some cases, a cost may be required for a meter change or for reprogramming of the meter.

The California Energy Commission (CEC) currently provides technical information and financial assistance for renewable and alternative energy systems. Consumers may contact the CEC at 1-800-555-7794 or by visiting their Internet site at: <http://www.gosolarcalifornia.ca.gov/>. Another helpful although commercially sponsored Web site is <http://www.californiasolarcenter.org>. Please note these Web sites are not sponsored, nor provided by SCE. Accordingly, SCE cannot be responsible for the accuracy of the information they contain.

Once a customer has decided to go forward with the installation of a generating facility for the purpose of receiving the benefits provided by SCE’s Net Energy Metering tariff, the following process should be followed to interconnect equipment legally and safely with SCE’s electric system and to ensure that they begin receiving all benefits of operating such a system.

- A. The customer *must* submit an **NEM Interconnection Application** to SCE for interconnection with its electric system, providing the following information:

- 1) **Single Line Diagram** A general description of the generating system to be interconnected must include all of the following: Solar Module – Complete Manufacturer and Model Number, total number of each type of installed module, total number of installed solar modules, CEC-PTC rating, Inverter – Complete Manufacturer and Model Number, number of each type, CEC-efficiency rating (%), AC Nameplate calculation, service address and SCE Meter. In addition, the single-line diagram must show the general arrangement and relationship of the various components of the generating system to be installed.
 - 2) **Utility Bill** A *current* [within 6 months] copy of the customer’s billing statement showing that SCE has provided electric service for the location where the customer intends to install its generating system. The information on this bill will ensure that SCE identifies the account, service address, and meter correctly in the Interconnection Agreement to be formed for the customer’s installation.
 - 3) **Construction Permit** [New Construction Projects Only]. An initial Permit from Building and Safety is required with the NEM Application on new services or modified services.
- B. Based on the information provided in a customer’s application, SCE will prepare and send via US Mail a “Net Energy Metering and Interconnection Agreement” [Form 16-344] for the customer¹ to sign and return both Agreements to SCE for its acceptance.
- C. The customer or its contractor may then complete the installation of its Generating Facility using UL approved devices for interconnection with the utility’s grid or by installing an interconnection pursuant to SCE’s Rule 21 - Generating Facility Interconnections. This document may be viewed at SCE’s Website: <http://www.sce.com/NR/sc3/tm2/pdf/Rule21.pdf>. After installation, the Generating Facility must be inspected by the appropriate Building and Safety Department and SCE must receive a signed copy of the inspector’s final inspection and approval document².
- D. The customer will then receive SCE’s written Authorization Letter for interconnection and be eligible to receive the benefits of SCE’s Net Energy Metering tariff. [**Note:** After being authorized to interconnect to SCE’s grid, the customer begins to participate in the NEM Program on the next meter read date after the date of the NEM Interconnection Approval Letter, or the next meter read date after the installation date of the appropriate meter, if a meter change was required.]

Additional information regarding SCE’s Net Energy Metering Program, tariffs, and contracts may be obtained from Laura-Diane Rudison at (626) 302-9680 (e-mail: lauradiane.rudison@sce.com).

¹ IMPORTANT: Please note the individual signing the Interconnection Agreement must be duly authorized to bind the Customer of Record to its terms. Accordingly, unless the individual is an “owner of a proprietorship”, “officer of a corporation”, “director or general manager of an agency”, or an equivalent official, please also provide documentation showing the signature authority of the individual who does sign on behalf of the “Customer of Record”

² Jurisdictional Building and Safety final inspection documents must be submitted to SCE via FAX: (626) 571-4272, Email: customer.generation@sce.com