

You've Decided to Go Solar. What's Next?

SCE Solar Series:

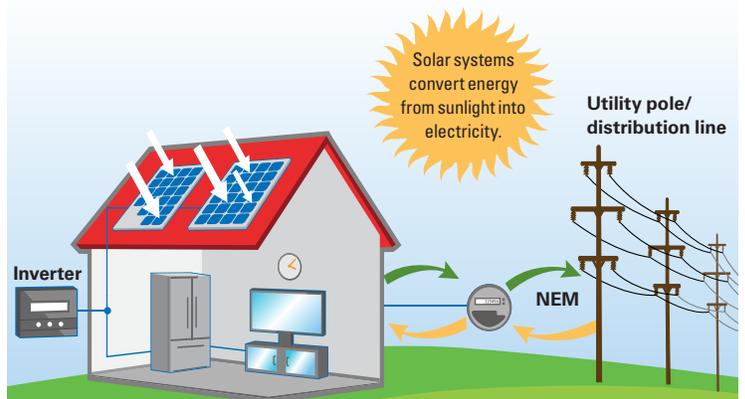
Get the Facts On Enrolling In Net Energy Metering and Interconnection

Once you've decided to install a solar generating system, what is next? Your next step is to request Interconnection of your system to our utility grid and simultaneously enroll in Net Energy Metering (NEM). Customers who produce their own electricity, and who have eligible renewable energy generation systems interconnected to our utility grid and meet program requirements, are eligible for a rate option called NEM. The NEM option allows you to receive retail rate credit for energy exported to the grid at times when generation exceeds on-site demand. This fact sheet provides helpful information about NEM and Interconnection, and how you can sign up.

How Net Energy Metering Works

With an NEM account, the meter measures the amount of kWh electricity consumed and the electricity sent back to our electric grid when your system generation exceeds the on-site demand you are consuming.

- When you sign up for NEM, we'll read your meter once a month and record the net amount of energy either consumed or generated over the entire month. Each month, you will be either a net consumer or a net producer of electricity. If you consume more electricity from us than you export back to the grid, you are considered a net consumer and will be billed for the amount of electricity that you consumed less the amount that you exported to the grid.
 - > For instance, if you consumed 500 kWh but exported 200 kWh to the grid, you would be billed for 300 kWh, i.e., 500 kWh – 200 kWh, based on your standard electric rate schedule
 - > Conversely, if in a given month you export more electricity to the grid than you consumed from us, you are considered a net producer for the month and will be credited for the amount of electricity sent to the grid less the amount supplied by us
 - For instance, if you consumed 500 kWh but exported 700 kWh to the grid, you would be credited with 200 kWh based on your standard electric rate schedule (appears on your bill as –200kWh)
- To be eligible for NEM, your system must be sized to offset part or all of your past 12-month billing history (annual usage) and the total capacity cannot exceed 1,000 kW
- You or your contractor can submit your Interconnection request (IR) and enroll in NEM. The IR for residential systems 30kW or less can be submitted after the City/County final permit inspection or at least 30 days prior to the permit inspection. This is only for a standard NEM application, this will not apply for complex systems, i.e., line side taps. All other types of IR's should start the application process at least 30 days prior to City/County inspection.



The energy is used in your home or business. Excess energy not used by your home goes back to the electric grid. When your solar system doesn't produce enough energy, you'll receive it from us as you always have.

The inverter converts the electricity produced by the solar system from direct current (DC) to alternating current (AC) for use in your home or business and measures the energy produced by the solar system.

Connecting to Our Grid

To connect your solar energy system to our utility grid, you will need to apply for "Interconnection" at sceinterconnect.powerclerk.com. Interconnection of your system to our grid helps ensure that you will have access to power even when your solar energy system is not producing enough electricity for your property (in the evening, for example). When you apply for Interconnection, we will ensure that:

- Your system is safe to operate and will not impact grid operation
- Our field personnel are aware that your property contains a self-generating power system that is feeding electricity onto our grid

Your generating system installer needs to comply with:

- ✓ Rule 21*
- ✓ SCE Electric Service Requirements for your electrical service panel
- ✓ National Electrical Code®
- ✓ Applicable local codes and regulations



Understanding Your NEM Billing

When you choose a NEM rate through us:

- Domestic accounts are billed monthly and once a year for the "net" energy consumed or generated each month over the previous 12 months (also referred to as your "relevant period"). Small business accounts with peak monthly demand equal to or less than 20 kW also qualify for annual billing. Large business NEM accounts are billed monthly for their energy charges and non-energy charges.
- Your monthly bill will include each month's **non-energy charges**, which include such items as your utility taxes and city and county fees. Your payment for these charges must be made monthly.
- Your monthly bill will also show each month's **energy usage charges** (if any). However, residential and small business customers are not required to pay these charges on a monthly basis. Make sure that you keep track of the energy charges on a monthly basis and plan your payment accordingly. Energy usage charges can be found on page 4 of the monthly statement, along with the cumulative total balance.
- At the end of your relevant period, all monthly energy charges are added together. If this calculation results in an energy charge, you are responsible for paying that amount to us. If this calculation results in an energy credit, you do not owe us any energy-related charges.
- In addition to comparing the dollar value of your monthly energy charges and credits at the end of your relevant period, we also do a comparison of the amount of kWh that you both consumed from us and exported to the grid. If you exported more kWh than you consumed, you are eligible to receive net surplus compensation from us. It is important to remember that your net surplus compensation is based on the comparison of kWh consumed and exported, not on the comparison of the monthly energy charges and credits that are calculated each month.
- Any net surplus energy at the end of your relevant period is given a monetary value known as the Net Surplus Compensation Rate (NSCR). The NSCR value is calculated using a market-based mechanism derived from an hourly day-ahead electricity market price known as the Default Load Aggregation Point (DLAP) price. Our DLAP price reflects the costs we avoid in procuring power during the time period net surplus generators are likely to produce excess power. We use the DLAP price corresponding to your 12-month relevant period to establish the rate for calculating your net surplus compensation.
- You may choose to either rollover your net surplus compensation to the next relevant period or receive payment in the form of a check. Net surplus compensation rolled over to the next relevant period can be applied towards energy and non-energy charges.



Get Started Today! Learn more at sce.com/gosolar.



*Learn more about Rule 21 details at sce.com/wps/wcm/connect/7bf4f653-227c-4a1f-aaeb-c78116a37074/03_Rule21_FAQ.pdf?MOD=AJPERES.

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