



Net Energy Metering Aggregation (NEM-A)
Welcome Guide

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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.
- **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.
- **Relevant Period:** Each "Relevant 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.
- **Settlement Bill:** Energy charges can be offset by energy credits over the 12-month billing period. All charges not offset by credits over the previous 12 months will be due with your Settlement Bill (12th monthly bill).

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 12 billing cycles.
 - 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 \$25 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 \$20 monthly billing fee, per account. There is no limit to the number of service accounts that can be aggregated.
 - Once your new 12-month billing cycle begins, your NEM-A accounts will be transitioned to automated billing and your monthly billing fee will be reduced to \$2.70 per account. This decrease in the monthly fee reflects the cost savings and efficiencies gained through the automated billing process that will take place after your new Relevant Period begins.
- Residential and small Commercial service accounts are billed Energy Charges annually, while large Commercial and Agricultural service accounts are billed Energy Charges monthly.

- However, effective October 2017, 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. Your settlement billing will occur at the end of your Relevant Period (12th billing) after your Permission to Operate has been issued. You may elect to change the start date of your Relevant Period one time only by completing and returning an NEM One-Time Relevant Period Change Request form 14-936 at sce.com/nem.

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 billing-period cycle such that the generation credits allocated are proportional to each Benefiting Account's annual consumption within the 12 billing-period cycle. 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.

In terms of the monthly bills, the credits from the exported generation are applied based on the **cumulative 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 cumulative usage on another account being greater over the two months under review.

Energy Consumption	Account A		Account B		Account C		All Accounts
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative	Cumulative
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: $2,944 \div 21,592 = 13.63\%$

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

Convenient Online Bill Access

With the introduction of bill automation at the end of 2017, manual spreadsheets will be discontinued. A new, convenient way to access your monthly NEM aggregated bill and spreadsheets will be made available through SharePoint, a secure electronic system. To sign up for online access to your NEM bills and spreadsheets, email **ElectronicBilling@sce.com** and provide your email address. You will receive a reply to your email message with instructions on how to set-up your account.

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 Relevant Period on the settlement bill.

NEM Aggregation Customer Billing Spreadsheet

Each account in the NEM-A arrangement, including the Generating Account receives its own monthly bill statement with corresponding allocation spreadsheet. The spreadsheet details how generation credits are allocated amongst all accounts in the NEM Aggregation arrangement. For customers requesting online bill access, monthly bills and spreadsheets will be made available through a secured SharePoint link for 30 days. If you miss the timeframe to download and review your billing information, you may contact your SCE Account Manager for a copy. Please note summary billing is not available.

The following pages include examples of monthly billing spreadsheets. Please note, spreadsheet headers vary depending on the account's rate plan type. See page 7 for a spreadsheet legend.

The first sample shown on the next page is for an account with a Time-of-Use rate plan. A sample spreadsheet for Schedule D (Domestic) rate plan is shown on page 6.

Spreadsheet Legend

NEM-Aggregation Monthly Allocated Solar Credits Summary

Header	Description
Winter Allocated Solar Credits (kWh)	Number of kWh Solar Credits allocated to the service account per applicable Winter billing time period
Summer Allocated Solar Credits (kWh)	Number of kWh Solar Credits allocated to the service account per applicable Summer billing time period
Allocated Solar Credits (kWh)	Sum of Winter and Summer Allocated kWh Solar Credits
Consumption (kWh)	Number of kWh consumed for the bill period prior to receiving Allocated kWh Solar Credits
Total Net Billed (kWh)	Difference between the kWh Consumption and the Allocated kWh Solar Credits for the bill period
Winter Allocated Solar Credits (\$\$)	Monetary Solar Credits based on the Winter Allocated kWh per applicable Winter billing time period
Summer Allocated Solar Credits (\$\$)	Monetary Solar Credits based on the Summer Allocated kWh per applicable Summer billing time period
Allocated Solar Credits (\$\$)	Sum of Winter and Summer Allocated monetary Solar Credits for the bill period (Tracked)
DWR & CA Climate Offsets (\$\$)	Sum of monetary energy charge and credit billing component Offsets for the bill period (Tracked)
Taxes, APS & A/C Cyc Offsets (\$\$)	Sum of monetary taxes and demand response program energy charge and credit billing component Offsets for the bill period (Untracked)
Energy Charges Prior to Allocations (\$\$)	Monetary Energy Charges billed on the SCE statement prior to applying any Solar Credit Allocation or Offsets
Total Allocations & Offsets Applied on SCE Bill (\$\$)	Sum of monetary Allocations and applicable Offsets applied to the current bill period Energy Charges as a "Billing Adjustment"
Tracked Solar Credits & Offsets Applied on SCE Bill (\$\$)	Tracked monetary Solar Credits & Offsets from prior bill periods applied as a "Billing Adjustment" to Energy Charges owing for the current bill period
Remaining Tracked Solar Credits & Offsets (\$\$)	Unused monetary Solar Credits & Offsets eligible to be tracked and available for future Energy Charges owed
Cumulative Energy Charges YTD (\$\$)	Year-to-Date cumulative sum of monetary Energy Charges, Allocated Solar Credits, applied Offsets, and remaining tracked credits/charges
DWR Energy Credit Offsets (\$\$)	Monetary Solar Charge required when Solar Credits are allocated in order to offset DWR Energy Credits received for consumed load (Tracked)
DWR Bond Charge Offsets (\$\$)	Monetary Solar Charge required when Solar Credits are allocated in order to offset DWR Bond Charges billed for consumed load (Tracked)
CA Climate Credit Offsets (\$\$)	Monetary Charge required for current bill period to offset CA Climate Credits (Small Commercial). CA Climate Credits are based on consumed kWh load, which is reduced by allocated Solar Credits, therefore requiring an Offset (Untracked)
CA State Tax Offsets, User Utility Tax Offsets, and City Franchise Surcharge Offsets (\$\$)	Monetary Energy Credits required for current bill period to offset applicable Surcharges and Taxes. Surcharges and Taxes are based on consumed load or billed charges, which are reduced by allocated Solar Credit, therefore requiring an Offset (Untracked)
APS Credit & A/C Cycling Discount Offsets (\$\$)	Monetary Energy Charge that, when applicable is required during summer bill period to offset received Automated Power Shift Credits (Non-residential) and A/C Cycling Discounts (Residential). APS Credits and A/C Cycling Discounts are based partially on billed charges which are reduced by allocated Solar Credit, therefore requiring an Offset (Untracked)

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