Net Billing Tariff (NBT)

(also known as Solar Billing Plan)

APPLICABILITY: Clean Power Alliance of Southern California's (CPA) Net Billing Tariff ("CPA NBT Tariff") shall be effective on September 1, 2023, and shall apply to (i) CPA customers served under Southern California Edison's (SCE) Schedule NBT (Net Billing Tariff)[1] ("SCE NBT Schedule"), (ii) CPA customers who are eligible for NEM Tariff and elect to switch the CPA NBT Tariff, and (iii) CPA customers who are automatically transitioned to the SCE NBT Schedule following the termination of their 20-year SCE Net Energy Metering (NEM) legacy period.[2] SCE rate schedules are available at: www.sce.com/regulatory/tariff-books/rates-pricing-choices/other-rates and may be amended or replaced by SCE from time to time. The CPA NBT Tariff may be amended from time to time or replaced by CPA's Board of Directors ("Board") at a duly-noticed public meeting of the Board.[3]

CPA customers served under CPA's NBT Tariff must provide SCE with a completed SCE NBT or SCE NEM Application and comply with all other SCE requirements for enrollment in the SCE NBT Program[4] before being eligible for the CPA NBT Program.

Eligible CPA customers who begin service under the SCE NBT Schedule on or after September 1, 2023 are automatically enrolled in the CPA NBT Tariff either at the time of initially enrolling with CPA or at the time SCE begins serving them on the SCE NBT Schedule. Eligible CPA customers who begin service under the SCE NEM or NBT Schedules prior to September 1, 2023, will be eligible for service under the CPA NEM Tariff (www.cleanpoweralliance.org/nem/) for 20 years following their SCE Original Permission to Operate Notice (PTO) Date.[5] At CPA's discretion, customers who began service under the SCE NBT Schedule between September 1, 2023 and December 31, 2023 and can document that their NEM or NBT application was submitted to SCE prior to September 1, 2023, may be placed on the CPA NEM Tariff for 20 years following their Original PTO Date.

Customers served under the CPA NEM Tariff may elect to switch to the CPA NBT Tariff. Customers who voluntarily switch to the CPA NBT Tariff or who are automatically transitioned to the CPA NBT Tariff following the termination of their NEM legacy period are not eligible to return to service under the CPA NEM Tariff.

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[1] SCE's proposed NBT Schedule was submitted to the California Public Utilities Commission in Advice 4961-E and 4961-E-A, available at www.sce.com/regulatory/advice-letters.

[2] See SCE Schedule NEM and Schedule NEM-ST at www.sce.com/regulatory/tariff-books/rates-pricing-choices/other-rates for details on SCE NEM legacy periods.

[3] Board agendas are available at: https://cleanpoweralliance.org/get-involved/agendas-minutes/

[4] See www.sce.com/residential/generating-your-own-power/solar-billing-plan for more information.

[5] CPA's NEM Schedule is available at: https://cleanpoweralliance.org/wp-content/uploads/2023/05/NEM-Tariff-4-6-23.pdf. Permission to Operate Notice (PTO) is SCE's written approval authorizing a customer to commence operation of a qualifying renewable electrical generating facility or approving customer's proposed modifications of the generating facility. The date that SCE provides the customer with the original PTO is referred to as the Original PTO Date. See SCE Schedule NBT for additional information.

NBT TRANSITION CUSTOMERS: Customers who begin service on the CPA NBT Tariff before CPA and SCE have fully implemented NBT billing systems will be initially served under the CPA NEM Tariff. These customers will be transferred to the CPA NBT Tariff at the end of their CPA NEM Tariff Relevant Period following full implementation of CPA and SCE NBT billing systems but no earlier than April 1, 2025.

RATES: All rates for the CPA NBT Tariff are in accordance with the customer's otherwise applicable CPA rate schedule (CPA OAS). Nothing in this tariff will supersede any SCE authorized charges.

CHARGES, CREDITS AND BILLING: CPA's charges and credits for energy (kilowatt-hours, or kWh) are calculated as described below.

a) Energy Charges:

As determined in each billing period, Energy Charges are calculated by multiplying the customer's energy consumption (electricity imported from the grid, as recorded on the import channel of the customer's SCE meter) in kWh by the applicable energy rate components ($/kWh) in the customer's CPA OAS.

b) Energy Export Credits:

As determined in each billing period, Energy Export Credits are calculated by multiplying the hourly-differentiated customer's energy export (electricity exported to the grid, as recorded on the export channel of the customer's SCE meter) in kWh by the Generation component of the hourly Energy Export Credit Price (EEC Price) derived from the State-approved Avoided Cost Calculator (ACC) value for each hour of the billing period.[6] Generation EEC Prices will be posted on CPA's website.[7] The calculated value of such net energy exports shall be credited to the customer and applied as described in Sections (c) and (d), below.

Energy Export Credits are calculated monthly and can be used to offset Energy Charges (as calculated above) incurred during the billing period but at no point can they offset demand charges, taxes, or other charges or fees within the Customer's OAS, nor will they offset any SCE charges. Any unused Energy Export Credits can be used to offset Energy Charges within the customer's Relevant Period as described in Section (d).

For customers with an Original PTO Date between April 15, 2023 and December 31, 2027, EEC Prices are fixed during the first 9 years (the "lock-in period") beginning on the Original

[6] The EEC Price is a $/kWh value which represents the estimated value of exports to the grid. Each year, the EEC Price is calculated using the California Public Utilities Commission (CPUC) Avoided Cost Calculator (ACC) approved to be effective as of January 1 of the calculation year (the "vintage year"). For each "vintage year", the EEC Price is calculated for each month of a 9-year horizon period, and it is differentiated by hour (24 hours) and by weekdays and weekend/holidays. In addition, each hourly EEC Price is broken down in two components: (1) the Generation EEC Price (energy, cap and trade and generation capacity) component, and (2) the Delivery Service EEC Price (transmission, distribution, greenhouse adder and methane leakage) component. The current version of the ACC is available at https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/idsm.

[7] www.cleanpoweralliance.org/nem/

PTO Date so long as the SCE Interconnection Agreement remains valid and under the name of the original customer (or an "Eligible Same Party In" as defined in SCE's Schedule NBT[8]). During the "lock-in period", these customers will have the EEC Prices derived from the ACC adopted by the CPUC to be in effect as of January 1 of the calendar year of the customer's Original PTO Date. A new customer, other than an Eligible Same Party In, moving into a dwelling with an existing generating facility served under SCE's NBT Schedule will not be eligible to retain the EEC Prices associated with the Original PTO Date of the generating facility.

For customers with an Original PTO Date after December 31, 2027, and for customers that have exceeded their "lock-in period", the EEC Prices change each year and are based on the EEC Prices derived from the CPUC ACC adopted by the CPUC to be in effect as of January 1 of the calendar year corresponding to the calculation month.

Residential customers eligible for an ACC Plus Adder as defined under the SCE NBT Schedule[9] will receive the ACC Plus Adder from SCE on the delivery portion of their monthly bills. Enrollment or disenrollment in CPA service does not affect the value of the customer's ACC Plus Adder credits.

c) Monthly Settlement of CPA Charges/Credits:

Each customer will receive a statement as part of their monthly SCE bill indicating accrued CPA Energy Charges for electric energy imported and/or CPA Energy Export Credits for energy exported during the current monthly billing cycle. When a customer's CPA credits during the monthly billing cycle result in an accrued credit balance in excess of currently applicable CPA Energy Charges, the value of those credits shall be noted on the customer's bill and carried over as a bill credit for use in a subsequent billing cycle(s).

A customer who has accrued credits during previous billing cycles will see such credits applied against currently applicable CPA Energy Charges, reducing otherwise applicable Energy Charges by an equivalent amount to such credits. Any remaining credits reflected on the customer's billing statement shall be carried forward to subsequent billing cycle(s) until either (i) the excess credit is used to satisfy current Energy Charges, (ii) the customer no longer receives service from CPA, or (iii) an annual account true-up is performed.

d) CPA Annual True-Up & Cash-Out Processes:

i) CPA Annual True-Up: During the April monthly billing cycle of each year, CPA will perform a true-up of the most recent twelve (12) monthly billing cycles (the "Relevant Period") for all active customers with at least 12 months of participation in the CPA NBT Program. If as of April an active customer has less than 12 months

[8] For residential customers an Eligible Same Party In is a legal partner of the Service Account holder on record at the time of the Original POT Date. For non-residential customers, it is the account-holding entity that continues to be majority-controlled by the same underlying individuals or entities from the Original PTO Date.

[9] ACC Plus Adder is an additional credit for Export Energy to eligible CPA Customers. Qualified low-income customers are eligible for a higher ACC Plus Adder rate. For additional information, see SCE NBT Schedule, available at: https://www.sce.com/regulatory/tariff-books/rates-pricing-choices/other-rates.

of enrollment in the CPA NBT Tariff, their first Annual True-Up will take place during April of the following year and then every 12 months thereafter.

a. Net Surplus Energy Adjustment: Net Surplus Energy is defined as any generation that exceeds total customer energy usage during the Relevant Period, as measured in kWh. If the customer's Net Surplus Energy at the end of the Relevant Period is greater than zero, CPA will calculate an Energy Export Credit Adjustment (in $) equal to the Net Surplus Energy (in kWh) multiplied by the then posted Average Retail Export Compensation Rate (in $/kWh). If the Net Surplus Energy is zero, then the Energy Export Credit Adjustment will be $0.

b. Energy Export Credit Refund: At the time of the Annual True-Up, if the customer has accumulated Energy Export Credits in excess of any currently outstanding Energy Charges, those credits will first be used to offset the Energy Export Credit Adjustment, if any. Any remaining Energy Export Credits will be refunded to the customer up to the total CPA Energy Charges paid by the customer on the same NBT account during the Relevant Period ("Refundable EEC"), consistent with CPA's Annual Cash-Out practice in Section (d)(ii).[10] Any unused Energy Export Credits shall not be carried forward to the start of a new Relevant Period; rather, the unused Energy Export Credits shall be zeroed out and a new Relevant Period will commence.

c. Net Surplus Compensation (NSC): CPA will determine at the time of Annual True-Up whether each customer has produced Net Surplus Energy over the course of the Relevant Period. If a customer has produced Net Surplus Energy, then CPA shall credit such customer an amount not to exceed $10,000 that is equal to the current Net Surplus Compensation rate per kWh, as defined in CPA Net Surplus Compensation Rate Schedule, multiplied by the quantity of Net Surplus Energy produced by the customer during the Relevant Period, consistent with CPA's Annual Cash-Out practice in (d)(ii) below. The CPA Net Surplus Compensation Rate Schedule is posted to CPA's website and updated monthly. CPA Net Surplus Compensation Schedule can be viewed at www.cleanpoweralliance.org/nem/.

d. NSC Renewable Attribute Adder (RAA): CPA will include a Renewable Attribute Adder (RAA) with the NSC rate if the eligible customer or their designee provides a completed and executed Form 14-935 verifying that the Customer has completed all of the following: (i) registered their generating facility at the Western Renewable Energy Generation Information System (WREGIS); (ii) obtained Renewables Portfolio Standard (RPS) ownership certification from the California Energy Commission (CEC) for the Customer's Net Surplus Energy and provides this certification to CPA; and (iii) transferred ownership of the Renewable Energy Credits (RECs) associated with the Customer's Net Surplus Energy to CPA.

[10] If a customer account has any outstanding balance at the time of Annual True-Up, the customer will have a 30-day grace period to pay in full before their Annual True-Up is performed in order to be eligible for Energy Export Credit refund.

For details on the CEC and WREGIS certification process, refer to the CEC's RPS Eligibility Guidebook, which can be found at: https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard

CPA will use the RAA values calculated by SCE using the most recent Western Electricity Coordinating Council (WECC) average renewable premium, based on United States Department of Energy (DOE) published data. The RAA will only be paid to those customers eligible for NSC who provide RECs to CPA.

Value of RECs = Net Surplus kWh x RAA.

The RAA is updated annually by SCE and is available at: https://www.sce.com/regulatory/tariff-books/rates-pricing-choices/renewable-energy-credit.

At the conclusion of each Relevant Period, the eligible customer must notify CPA that the customer has transferred the RECs associated with the Net Surplus Energy in WREGIS by completing Form 14-935 and will send the CEC RPS certificate with the form to CPA.

ii) CPA Annual Cash-Out: During the April monthly billing cycle of each year, any current customer with at least 12 months of enrollment in the CPA NBT Tariff who has a combined Refundable EEC and Net Surplus Compensation value of $100 or more that exceeds any outstanding Energy Charges, will be sent a payment by check via U.S. Mail to the customer's U.S. mailing address on file at the time of mailing for the credit balance on their account, as determined through CPA's Annual True-Up process as specified in this section d(i), above. Customers receiving direct payment will have an equivalent amount removed from their NBT account balance at the time of check issuance. In the event that customers do not have a combined Refundable EEC and Net Surplus Compensation value exceeding $100, such credit balance will be carried forward to offset future CPA Energy Charges, unless the customer requests issuance of a check for the credit balance by contacting the CPA Customer Service Center via phone or email. If such a request is received after the customer's rollover credit has been applied to charges in months following the Annual True-Up, a check will be issued for the remaining credit balance on the account. All NBT accounts will be reset to zero kilowatt-hours annually as of the customer's May monthly billing cycle and the only NBT credits carried forward on the customer's account will be the combined Refundable EEC and Net Surplus Compensation credit balances less than $100. Checks will expire 90 calendar days after issuance. If checks expire, the check amount will be returned to a customer's NBT account as bill credits and will be applied toward future charges.

iii) CPA Cash-Out for Terminations: Customers who close their electric account through SCE, opt-out of CPA and return to bundled service, or move outside of the

CPA service area prior to the April monthly billing cycle of each year, shall be trued up according to CPA's Annual True-Up Process. If applicable, the customer shall receive a refund payment by check via U.S. Mail to the customer's U.S. mailing address on file at the time of mailing for any Export Energy Credits on their account that exceeds outstanding Energy Charges at the time of true-up, up to the total amount of Energy Charges paid by the customer during the Relevant Period. If determined to have produced Net Surplus Energy, the customer shall also receive a check via U.S. Mail to the customer's mailing address on file at the time of mailing for Net Surplus Compensation, up to a maximum of $10,000. Payments are released 30 days after final billing to allow for any revised usage and/or adjustments from SCE. Checks will expire 90 calendar days after issuance. If checks expire or are returned to CPA, customers may request the reissuance of a check for up to one year after check issuance date and CPA will make a reasonable effort to reissue the check within 30 days of a customer's request. After one year, the funds will be considered unclaimed property and turned over to the California State Controller's Office.

e) SCE NBT Program:

Customers are subject to all applicable terms and conditions and billing procedures of SCE for SCE charges as described in SCE's NBT Rate Schedule (with the exception of CPA OAS charges, which are described in CPA's rate schedules). CPA may amend this tariff to align with the SCE NBT Schedule following CPUC approval of the SCE NBT Schedule and any future amendments to the SCE NBT Schedule. CPA calculates and applies generation charges and credits on a monthly basis. SCE will continue to calculate and apply charges and credits for delivery, transmission, and other services as detailed in SCE's NBT Rate Schedule, and CPA credits cannot be applied to any SCE charges.

Please review the SCE NBT Rate Schedule[11] for more information.

f) Return to SCE Bundled Service:

CPA customers participating in the CPA NBT Program may opt out and enroll in SCE's bundled service, subject to any applicable restrictions imposed by SCE. Customers who opt out of CPA service are subject to SCE NBT Rate Schedule[12].

If a CPA customer opts out more than 60 days after their initial enrollment date, CPA will perform a true-up of their account, as specified in Section (d)(iii), at the time of enrollment in SCE bundled service.

For details concerning opting out of CPA service, please contact CPA Customer Service at 888-585-3788 or customerservice@cleanpoweralliance.org.

[11] https://www.sce.com/regulatory/tariff-books/rates-pricing-choices/other-rates.
[12] https://www.sce.com/regulatory/tariff-books/rates-pricing-choices/other-rates