

Applicability

The Net Metering 2.0 option is applicable to all customers who use one or more Renewable Electrical Generating Facilities with a total combined capacity across all customer accounts of not more than three megawatts that are located on the customer's owned, leased, or rented premises; interconnected and operating in parallel with the District's electric grid and intended primarily to offset part or all of the customer's own electrical requirements (see Rule 21); and where the District must stand ready at all times to supply the customer's residual electrical requirements. The Net Metering 2.0 option is also applicable to customers under MID's NEM 1.0 rate who modify their Facility or Facilities so that the output increased by 10% or more.

For any customer whose total combined Renewable Electrical Generating Facilities' capacity across all customer accounts exceeds one megawatt, the monthly capacity charge set forth below under Monthly Charges, Item 3, shall apply to the installed kW above one megawatt, and the customer shall receive no compensation for Excess Generation.

A Renewable Electrical Generating Facility is defined as a facility that generates electricity from a renewable source listed in paragraph (a)(1) of Section 25741 of the California Public Resources Code, with the exception that a small hydroelectric generation facility is not eligible if it will cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow.

The customer must sign the appropriate District Interconnection Agreement and Net Metering Agreement.

Metering Equipment

The customer will bear all costs of the metering required by Rule 21, including the incremental costs of operating and maintaining the metering equipment. The District will provide and install a self-contained meter for Net Generation Output Metering for NEM accounts.

Net Energy Methodology

For customers with a generating facility, electricity can flow in two directions: from District to customer (Usage) or from customer to District (Excess Generation). Usage occurs whenever the generating facility produces less energy than the customer requires and Excess Generation occurs whenever the generating facility produces more energy than the customer requires.

Under this Rate Schedule, Usage and Excess Generation are the net energy values used for billing. Both accrue from the concurrent interaction between the customer's generating facility, the customer's energy requirement, and the District's electric grid. Usage is net of the customer's generation and Excess Generation is net of the customer's energy requirement. Usage and Excess Generation are measured by the District-installed metering equipment and tracked as separate values. Net Usage, which is Usage minus Excess Generation, is not used for billing.

Excess Generation is not stored or "banked" by the District and does not reduce Usage. Excess Generation is delivered to the District's electric grid and used at other sites, so its value accrues to the customer at the District's NEM 2.0 Credit Rate (see below). The credit rate reflects the value of local, renewable energy delivered to the grid: avoided costs plus associated environmental attributes. Avoided costs include capacity charges, transmission/ancillary service charges and transmission/distribution system losses.

Consumed Generation is the energy produced by the generating facility that meets customer energy requirements in real time. Consumed Generation reduces Usage, so its value accrues to the customer at the District's retail energy rate.

All Renewable Energy Credits associated with Excess Generation for which the customer receives compensation as set forth below shall belong to the District. All Renewable Energy Credits associated with Excess Generation for which the customer does not receive compensation shall belong to the customer.

Settlement Period

Every billing cycle, Usage is charged and, where applicable, the monetary value of Excess Generation is credited (see Monthly Charges, below). As described above, these net energy values accrue in real time.

Monthly Charges

The total amount of a customer's bill, excluding applicable local and state taxes and surcharges, will be the sum of the charges and credits from paragraphs 1 and 2 and if applicable paragraph 3, listed below. Customers who are assessed the capacity charge will not be eligible for Excess Generation compensation, (paragraph 2 below).

1. Usage (Energy Delivered from MID)

Energy that is delivered from the grid, as measured by the District-installed metering equipment, shall be billed according to the customer's applicable Rate Schedule.

2. Excess Generation (Energy Delivered to MID)

Energy that is received from the customer, as measured by the District-installed metering equipment, will be converted to a monetary value based on the District's Credit Rate (listed below) and credited to the customer's account. Customers that have Grid-Charged Battery Energy Storage Systems will not be compensated for any excess generation.

3. Capacity Charge

Customers that have a total combined Renewable Electrical Generating Facilities' capacity, across all of the Customer's accounts, of more than one megawatt shall be subject to a monthly capacity charge of \$4.05 per kW, applicable to the installed kW above one megawatt (excluding the capacity of Renewable-Charged Battery Energy Storage Systems). Customers that have a total combined Renewable Electrical Generating Facilities capacity, across all of the Customer's accounts, of more than one megawatt (excluding the capacity of Renewable-Charged Battery Energy Storage Systems) shall not receive any compensation for Excess Generation.

Total Charges

The sum of the charges and credits for both the energy delivered and generated along with any applicable adjustments, surcharges and taxes will equal the customer's monthly bill.

Credit Rate

\$0.0760 (per kWh)