



NET ENERGY METERING (NEM) SERVICE POLICY

APPLICABILITY:

PG&E NEM Services:

Pioneer is responsible for providing generation services and related charges to its Net Energy Metering (NEM) customers. NEM customers will continue to be PG&E customers and PG&E will continue providing delivery, transmission and other services (“non-generation services”), including charges for such services. NEM customers remain a PG&E customer for non-generation services without interruption, therefore, their PG&E NEM rates for non-generation services are not affected by being a Pioneer customer. For generation services, the rates of Pioneer NEM customers shall be based on applicable rate schedules established by Pioneer’s Governing Board.

Pioneer NEM customers are subject to the conditions and billing procedures of PG&E for their non-generation services, as described in PG&E’s Electric Schedule NEM¹ and related PG&E tariff options. Many NEM customers will receive an annual “true-up” statement from PG&E for these non-generation services. Customers are encouraged to review PG&E’s most up-to-date NEM tariff documentation, which is available from PG&E.

This Net Energy Metering (NEM) Service Policy is applicable to a customer who uses an eligible Renewable Electrical Generation Facility, as defined and within the capacity limits described in PG&E’s Electric Schedule NEM, that is located on the customer’s owned, leased, or rented premises, is interconnected and operates in parallel with PG&E’s transmission and distribution systems, and is intended primarily to offset part or all of the customer’s own electrical requirements (hereinafter “eligible customer-generator” or “customer”).

Pursuant to PG&E’s NEM program, this rate schedule is available on a first-come, first-served basis to customers that provide PG&E with a completed PG&E NEM Application and comply with all PG&E NEM requirements, as described in PG&E’s Electric Schedule NEM. This includes customers served by NEMV (Virtual Net Energy Metering), NEMVMASH (Virtual Net Energy Metering for Multifamily Affordable Housing), NEMA (NEM Aggregation) and Multiple Tariff facilities, as described by PG&E’s Electric Schedule NEM.

TERRITORY: The Pioneer Community Energy (Pioneer) service area located in PG&E service territory.

NET SURPLUS COMPENSATION (NSC) RATE: Pioneer’s NSC rate shall be \$0.005/kWh above PG&E’s current rate until such time it is re-set by its Governing Board.

¹ (<http://www.pge.com/tariffs/ERS.SHTML#ERS>),

RATES: All generation rates charged under this schedule will be in accordance with the eligible NEM customer's "otherwise-applicable Pioneer rate schedule" (OAS)¹. An eligible NEM customer served under this schedule is responsible for all charges from its OAS, including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges, and all other charges owed to Pioneer or PG&E. Charges for energy (kWh) supplied by Pioneer will be based on the net metered usage, in accordance with the applicable Pioneer rate schedule(s).

PIONEER CUSTOMER MONTHLY ACCOUNTING OF CREDITS AND CHARGES: Pioneer NEM customers will be credited and charged, as follows:

1. For NEM customer's with Non-Time of Use (TOU) Rates:

Any net consumption or production shall be charged and credited each billing cycle, as follows:

- a) If the eligible NEM customer is a "Net Consumer," having more usage than generation over a billing cycle, the eligible NEM customer will be charged in accordance with the eligible NEM customer's OAS rate.

Net Consumer Calculation

If: the difference between kWh generated and kWh consumed = Net Consumption kWh,

Then: Net Consumption kWh multiplied by OAS rate = Net Consumption \$ charged

- b) If the eligible NEM customer is a "Net Generator," having more generation than usage over a billing cycle, any net energy production (kWh) shall be valued at the OAS rate. The calculated value of any net energy production shall be credited, as described in Section 3.

Net Generator Calculation

If: the difference between kWh generated and kWh consumed = Net Generation kWh,

Then: Net Generation kWh multiplied by OAS rate = Net Generation \$ credited

2. For NEM customers with Time of Use (TOU) Rates:

- a) If the eligible NEM customer is a Net Consumer (as defined above) during any discrete TOU period, the net kWh consumed during such period shall be charged in accordance with applicable TOU period-specific rates/charges, as described in the eligible NEM customer's OAS.

TOU Net Consumer Calculation

If: For discrete TOU period, the difference between kWh generated and kWh consumed during TOU period = Net Consumption kWh for TOU period,

Then: Net Consumption kWh for TOU period multiplied by TOU period-specific rates/charges = Net Consumption \$ charged

¹ <http://pioneercommunityenergy.ca.gov/pioneer-rates/>

- b) If the eligible NEM customer is a Net Generator (as defined above) during any discrete TOU period, the net kWh produced during such period shall be valued in consideration of the applicable TOU period-specific rates/charges, as described in the eligible NEM customer's OAS. The calculated value of any net energy production during a specific TOU period shall be credited, as described in Section 3.

TOU Net Generator Calculation

If: For discrete TOU period, if the difference between kWh generated and kWh consumed during TOU period = Net Generation kWh for TOU period,

Then: Net Generation kWh for TOU period multiplied by TOU period-specific rates/charges = Net Generation \$ credited

3. Monthly Settlement of Pioneer's Electric Generation Charges/Credits:

For each billing cycle, NEM customers will receive a statement in their monthly PG&E bills. The statement will indicate amounts for Pioneer's Net Consumption charged and Net Generation credited.

a) Monthly Net Credit Balance

If accrued credits for Net Generation are in excess of accrued Net Consumption charges for the monthly billing cycle, the net credit balance will be carried forward and applied against future charges in subsequent billing cycles.

If: the difference between Net Generation credits and Net Consumption charges = Net Generation Credit Balance,

Then: Net Generation Credit Balance is carried forward to be applied against future charges

b) Monthly Net Charges

If accrued credits for Net Generation are less than accrued Net Consumption charges, the net charges will be billed as a balance due for that monthly billing cycle. The balance reflected on the bill shall be due and must be paid during each monthly billing cycle.

If: if the difference between Net Generation credits and Net Consumption charges = Net Consumption Charges,

Then: Net Consumption charges are due and will be billed on that billing cycle.

4. Pioneer Annual Cash-Out:

Cash-Out Eligibility: Any credit balance eligible for participation in Pioneer's cash-out program will be determined annually, as-of the final date of the NEM customer's March-April billing cycle. Only Net Generators, as measured over the preceding twelve (12) calendar months of Pioneer service (or the portion of such period during which the customer received service from Pioneer), will be eligible for Pioneer's cash-out program.

For Net Generators, the potential cash-out balance will be determined in the following manner: the difference between aggregate kWh generation and aggregate kWh consumption resulting in net

kWh generation, as measured over the preceding twelve (12) calendar months (or the portion of such period during which the customer received service from Pioneer), shall be multiplied by Pioneer's NSC rate. The resultant product shall be the amount eligible for Pioneer's annual cash-out program, pursuant to the provisions below.

At the close of each March-April billing cycle of each year, all current Pioneer NEM customers who are Net Generators with a Net Surplus credit balance totaling \$25 or more, will be issued a direct payment by check for this balance. Such checks shall be sent to each eligible customer's billing address. Upon issuance of such payment, the customer's associated credit balance will be set to zero.

The maximum NSC amount payable shall be \$5,000.

For customers with Net Surplus Generation totaling less than \$25, such balances will be carried forward and shall be applied to offset future Pioneer charges.

Annual Cash-Out Calculation

- If:** Aggregate kWh generation for preceding 12-month period minus aggregate kWh consumption = Net kWh generation,
Then: Net kWh generation multiplied by NSC rate (\$0.005/kWh more than PG&E's NEM NSC) = Net Surplus Compensation (NSC),
If: NSC is equal to or greater than \$25, Pioneer will send customer a check for NSC and set credit amount and charges to zero,
If: NSC is less than \$25, Pioneer will place a credit the customer's bill for the NSC amount which will be carried forward to be applied against future charges.

For customers with Net Consumption, as measured over the preceding twelve (12) calendar months of Pioneer service (or the portion of such period during which the customer received service from Pioneer), Pioneer will apply any remaining generation credits against Pioneer charges, until such credits are exhausted, resulting in a zero credit balance. Any remaining charge balance shall be due and payable.

Exhaustion of Accrued Credits Calculation

- If:** Aggregate kWh generation for preceding 12-month period is less than aggregate kWh consumption = Net kWh consumption,
Then: Net kWh consumption shall be calculated pursuant to the applicable provisions of Section 1. a) or 2. a), above = Net kWh Consumption \$,
Then: Net kWh consumption amount shall be charged and billed.

Customers who close their electric account through PG&E or move outside of the Pioneer service area prior to the March-April billing cycle of each year, are also eligible for the annual Pioneer cash-out process. Such processes will be administered in consideration of the provisions described in this section, with any potential cash-out amounts distributed to such customers via check.

NSC is not available for unoccupied or non-operational facilities.

NEM CUSTOMER RETURN TO PG&E BUNDLED SERVICE:

Pioneer NEM customers may return to PG&E bundled service, at any time. Customers should be advised that PG&E will perform an account true-up at the time of a return to PG&E bundled service, and that PG&E's standard terms for transitional electric generation rates apply to customer returns with less than six-months of advance notice, if they have been a Pioneer customer for 60 days or more.

If a Pioneer NEM customer opts-out of the Pioneer program and returns to PG&E bundled service, that customer may request to cash-out any remaining generation credits, subject to the provisions described above, in this policy, provided that the request is received by Pioneer within ninety (90) calendar days of the customer's return to PG&E service.

AGGREGATED NEM

Per the California Public Utilities Code Section 2827(h)(4)(B), aggregated NEM customers are "permanently ineligible to receive net surplus electricity compensation." Therefore, any excess accrued credits over the course of a year under an aggregated NEM account are ineligible for Pioneer's annual Cash-Out, as stated in Section 4. Rate schedules such as NEMA (Net Metering Aggregation), NEMFC (Net Energy Metering Fuel Cell), NEMBIO (Net Energy Metering Biogas) and RES-BCT (Renewable Energy Self-Generation Bill Credit Transfer) are not eligible. All other NEM rules apply to aggregated NEM accounts.