Appendix B to Resolution No. 24-076

APPENDIX B

to Attachment 1 of the

Victorville Municipal Utility Services
Electric Service Rules, Regulations and Rate Schedules

Schedule Net Energy Metering 1.0

&

Schedule ERG (Eligible Renewable Generators)

(Originally adopted by Resolution No. 24-076 on September 1 ,2024)

Schedule NEM 1.0

Net Energy Metering

Schedule NEM 1.0
Net Energy Metering

A. Applicability

This schedule is available to Eligible Customer-Generators ("ECGs"), as defined in Section 2827 of the California Public Utilities Code, operating Renewable Electrical Generating Facilities, located on premises owned, leased, or rented by customers with a capacity of no more than one megawatt that is intended primarily to offset part or all of customers' own electrical requirements and which is interconnected and operates in parallel with the Utility's power system pursuant to the appropriate Interconnection Agreement with the Utility. To be eligible for this Rate Schedule, the expected annual generation from the Renewable Electrical Generating Facility must not exceed the ECG's load for the prior full calendar year, or if insufficient historical load data is available, the expected annual load based on the customer type and other characteristics.

This Rate Schedule is available on a first-come, first-served basis until the total rated generating capacity used by ECGs' exceeds 5 percent of the Utility's annual system peak demand. The total amount of ECGs' generation connected to the Utility's distribution system and served under this Rate Schedule at any time is defined as the NEM Capacity. The total amount of capacity that is eligible for service under this Rate Schedule ("NEM Capacity Value)" is determined using the Utility's contracted peak capacity (CPC) for the system to which the ECG's service is connected. The CPC may be adjusted depending on the Utility's future expansions. The Utility's NEM Capacity and NEM Capacity Value are reviewed annually and the NEM Capacity Value is adjusted using the following methodology with the result rounded up to the nearest 0.1 MW:

NEM Capacity Value = CPC * 0.05
The current NEM Capacity Value for each system is posted on the Utility's website.

B. Protocol for Administering the NEM Capacity

1. ECGs will be served under this Rate Schedule until the total installed NEM Capacity equals the NEM Capacity Value. Once the NEM Capacity Value has been reached, new customer generation will be served using the Utility's ERG Rate Schedule. Should the capacity of a proposed project be anticipated to result in the Utility exceeding the NEM Capacity Value, the proposed Generating Facility will not be eligible for service under this Rate Schedule.

2. Once an ECG is eligible to be served under this Rate Schedule, it will remain eligible, unless the Utility revises eligibility criteria or the ECG elects service under the ERG Schedule.

3. As NEM Capacity becomes available, a notice will be sent to those existing ECGs that are served under the ERG Rate Schedule and would like to elect service under this Rate

Schedule. ECGs will be selected in the order of their submitted design review payment. Only ECGs with a Renewable Electrical Generating Facility that is less than or equal to the available NEM Capacity shall be considered for service under this Rate Schedule.

4. New or expanded ECGs will be considered on a first-come, first-served basis for service under this Rate Schedule for any remaining NEM Capacity. New customer generation will be served until the NEM Capacity Value is reached. When the capacity of a proposed Renewable Electrical Generating Facility is anticipated to cause the Utility to exceed the NEM Capacity, the proposed Generating Facility will not be eligible for service under this Rate Schedule.

C. Territory

Within the entire service territory served.

D. Rates

All rates charged will be in accordance with the ECG's otherwise applicable Rate Schedule (the Rate Schedule in VMUS' published Electric Rate Schedules (tariffs) that would apply to ECG absent a NEM 1.0 Agreement) on a Net Energy Metering basis. An ECG served under this schedule is responsible for all charges in its otherwise applicable Rate Schedule regardless of its monthly or annual net generation.

ECGs under this Rate Schedule are subject to any new or additional charges pursuant to the ECG's otherwise applicable Rate Schedule.

E. Special Conditions

1. Definitions

Renewable Electrical Generating Facility or Generating Facility: a facility that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the California Public Resources Code including biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.

Net Energy Metering or NEM: measuring the difference between the electricity supplied through the electric grid to the ECG and the energy generated by the ECG and fed back to the electric grid over a Twelve-Month Period, as described in subdivisions (c) and (h) of California Public Utilities Code Section 2827.

Net Surplus ECG: An ECG that generates more electricity in a Twelve-Month Period than is supplied by the Utility to the ECG during the same Twelve-Month Period.

Net Surplus Energy: All electricity generated by an ECG measured in kilowatt-hours over a Twelve-Month Period that exceeds the amount of energy consumed by that ECG.

Net Surplus Energy Compensation (NSEC): Compensation, either monetary at the per kilowatt-hour rate offered by the Utility to Net Surplus ECGs for Net Surplus Energy or as a billing credit. The currently applicable NSEC rate shall be posted to the Utility's website.

Twelve-Month Period: The twelve-month (12-month) period commencing with the ECG's regularly scheduled meter read date in September and concluding as of the ECG's regularly scheduled meter read date in the following August. ECG's initial Twelve-Month Period will commence as of the date of interconnection of ECG's Renewable Electrical Generating Facility and conclude as of the regularly scheduled meter read date the following August and may be less than twelve months.

2. Agreement.

In order for this Rate Schedule to apply, the ECG must complete and sign the VMUS Interconnection and Net Energy Metering Agreement for NEM 1.0 ("NEM 1.0 Agreement"). The NEM 1.0 Agreement contains additional terms and conditions, including without limitation, requirements relating to indemnification, insurance, access to ECG's premises and Generating Facility requirements.

3. Billing.

ECG's Net Energy Metering calculation shall be performed over each normal monthly billing period within the Twelve-Month Period. The monthly Net Energy Metering calculation shall be made by measuring the difference between the electricity supplied to ECG and the electricity generated by ECG and fed back to the grid over a normal one-month (1-month) billing period. At the end of each 1-month billing period, the utility shall determine if the ECG was a net consumer or a net generator of electricity.

If the ECG was a net energy consumer, then the ECG shall be charged on a kilowatt-hour basis in accordance with that same Time-of-Use ("TOU") period in the ECG's otherwise applicable Rate Schedule. If the ECG is not on TOU rates, the ECG shall be charged based on its otherwise applicable Rate Schedule.

If the ECG is a net generator during any discrete TOU period, then the net kilowatt-hours produced shall be valued at the same price per kilowatt-hour as the Utility would charge for retail kilowatt-hour sales during that same TOU period and that value shall be credited to the ECG's monthly bill. Any excess kilowatt-hours generated over the entire monthly billing cycle shall be carried over to the following billing period as a monetary value and appear as a credit (the "Net Energy Credit Balance") on the ECG's bill until the end of the Twelve-Month Period.

If the ECG is not on TOU rates, then the net kilowatt-hours produced will be valued based on its otherwise applicable Rate Schedule and that value shall be credited to the ECG's monthly bill. Any excess kilowatt-hours generated over the entire monthly billing cycle shall be carried over to the following billing period as a monetary value and appear as a credit, (the "Net Energy Credit Balance") on the ECG's bill until the end of the of the Twelve-Month Period.

4. Net Surplus Energy Compensation

If at the end of the Twelve-Month Period ECG is a Net Surplus ECG, ECG may receive compensation for the Net Surplus Energy.

In order to be eligible for compensation, ECG must do the following in the NEM 1.0 Agreement: (1) elect a compensation option; (2) certify that ECG has sole ownership of the environmental attributes or renewable energy credits ("RECs") associated with the Net Surplus Energy generated by the Generating Facility; and (3) agree to transfer to the Utility all rights, title, and interest EGC has to such environmental attributes and RECs.

If ECG is eligible, it shall receive compensation at the end of each Twelve-Month Period in accordance with the method selected (the cash-out or credit option) in ECG's NEM 1.0 Agreement.

For ECG's who select the cash-out option, the Net Surplus Energy shall be multiplied by the applicable Net Surplus Energy Compensation rate and issued as a check. ERG's Net Energy Credit Balance will be re-set to zero.

For ECGs who select the credit option, the ECG's Net Energy Credit Balance will continue to roll-over and be applied against future billings.

5. Net Surplus Energy Compensation Rate (NSEC) rate.

The Utility's Net Surplus Energy Compensation rate shall provide just and reasonable compensation for the value of the Net Surplus Energy, while leaving other ratepayers unaffected.

The NSEC rate shall be adjusted September 1 of each year to reflect the Utility's prior fiscal year costs and will be posted on the Utility's website. If the NSEC rate is not adjusted or otherwise updated for any individual year, the most recently effective NSEC rate shall apply. The NSEC rate will be calculated using: (i) the Utility's annual applicable weighted average cost of energy purchased from the California Independent System Operator (CAISO); (ii) the Utility's annual weighted average CAISO Wheeling Access Charge; and (iii) value of renewable energy credits based on the Utility's most recently executed renewable power purchase contractual commitment of ten years or more. The currently applicable NSEC rate shall be posted to the Utility's website.

NSEC Rate Calculation:
Weighted average cost of energy purchased included in the CAISO settlements + Weighted average CAISO Wheeling Access Charge + Value of renewable energy credits based on the Utility's most recently executed renewable power purchase contractual commitment of ten years or more

6. Termination of Service.

If ECG terminates service prior to the end of any Twelve-Month Period, the Utility shall reconcile ECG's consumption and production of electricity over the period from the end of the prior Twelve-Month Period through the date of termination in the manner described in Section 4 above. If at the end of said period ECG is a Net Surplus ECG, the Utility shall retain any Net Surplus Energy generated by ECG, including any associated environmental attributes and/or RECs; calculate ECGs final compensation in accordance with the method selected by ECG; and remit any remaining credit balance on the account to ECG.

Schedule ERG (Eligible Renewable Generators)

Net Energy Metering

Schedule ERG (Eligible Renewable Generators)

Net Energy Metering

F. Applicability

This schedule is available to Eligible Renewable Generators ("ERG" or "ERGs") who are Eligible Customer-Generators, as defined in Section 2827 of the California Public Utilities Code, operating a Renewable Electrical Generating Facility, located on the customer's owned, leased, or rented premises with a capacity of no more than one megawatt that is intended primarily to offset part or all of the customer's own electrical requirements and which is interconnected and operates in parallel with the Utility's power system pursuant to the appropriate Interconnection Agreement with the Utility. To be eligible for this Rate Schedule, the expected annual generation from the Renewable Electrical Generating Facility must not exceed the ERG's load for the prior full calendar year, or if insufficient historical load data is available, the expected annual load based on the customer type and other characteristics.

This Rate Schedule is available to Eligible Customer-Generators who are not subject to Schedule NEM 1.0.

G. Territory

Within the entire service territory served.

H. Rates

All rates charged will be in accordance with the ERG's otherwise applicable Rate Schedule (the Rate Schedule in VMUS' published Electric Rate Schedules (tariffs) that would apply to ERG absent an ERG Agreement). An ERG served under this schedule is responsible for all charges in its otherwise applicable Rate Schedule, regardless of the Customer's monthly or annual net generation.

ERGs under this Rate Schedule are subject to any new or additional charges pursuant to the ERG's otherwise applicable Rate Schedule.

I. Special Conditions.

7. Definitions

Renewable Electrical Generating Facility: a facility that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the California Public Resources Code including biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.

Net Energy Metering: measuring the difference between the electricity supplied through the electric grid to the ERG and the energy generated by the ERG and fed back to the electric grid.

Net Surplus Energy: All electricity generated by an ERG measured in kilowatt-hours that exceeds the amount of energy consumed by that ERG at the end of each normal monthly billing period.

Net Surplus Energy Compensation (NSEC): Compensation, provided in the form of a monthly billing credit, at a per kilowatt-hour rate offered by the Utility to ERGs for Net Surplus Energy. The currently applicable NSEC rate shall be posted to the Utility's website.

8. Agreement.

In order for this schedule to apply, the ERG must complete and sign the VMUS Interconnection and Net Energy Metering Agreement for Schedule ERG ("ERG Agreement"). The ERG Agreement contains additional terms and conditions, including without limitation, requirements relating to indemnification, insurance, access to ERG's premises, and Generating Facility requirements.

9. Billing.

ERG's Net Energy Metering calculation shall be performed over each normal monthly billing period. The monthly Net Energy Metering calculation shall be made by measuring the difference between the electricity supplied to ERG and the electricity generated by ERG and fed back to the grid over a one-month (1-month) billing period. At the end of each 1-month billing period, the Utility shall determine if the ERG was a net consumer or a net generator of electricity.

If the ERG was a net energy consumer, then the ERG shall be charged on a kilowatt-hour basis in accordance with that same Time-of-Use ("TOU") period in the ERG's otherwise applicable Rate Schedule. If the ERG is not on TOU rates, then the ERG shall be charged based on its otherwise applicable Rate Schedule.

If the ERG was a net energy producer for that billing period, the Net Surplus Energy that was delivered to the grid shall be multiplied by the applicable Net Surplus Energy Compensation rate and credited to the ERG's monthly bill and applied against future billing periods. The value that is credited to the ERG's monthly bill will continue to roll-over and be applied against future billings.

10. Net Surplus Energy Compensation.

To be eligible for NSEC, ERG must do the following in the ERG Agreement: (1) certify that ERG has sole ownership of the environmental attributes and/or renewable energy credits ("RECs") associated with the Net Surplus Energy generated from the

Generating Facility; and (2) agree to transfer to the Utility all rights, title, and interest ERG has to such environmental attributes and RECs.

11. Net Surplus Energy Compensation Rate (NSEC rate).

The NSEC rate shall be adjusted September 1 of each year to reflect the Utility's prior fiscal year costs and will be posted on the Utility's website. If the NSEC rate is not adjusted or otherwise updated for any individual year, the most recently effective NSEC rate shall apply. The NSEC rate will be calculated using: (i) the Utility's annual applicable weighted average cost of energy purchased from the California Independent System Operator (CAISO); (ii) the Utility's annual weighted average CAISO Wheeling Access Charge; and (iii) value of renewable energy credits based on the Utility's most recently executed renewable power purchase contractual commitment of ten years or more. The currently applicable NSEC rate shall be posted to the Utility's website.

NSEC Rate Calculation:
Weighted average cost of energy purchased included in the CAISO settlements + Weighted average CAISO Wheeling Access Charge + Value of renewable energy credits based on the Utility's most recently executed renewable power purchase contractual commitment of ten years or more

12. Termination of Service

If ERG terminates service, the Utility shall reconcile ERG's consumption and production of electricity from the start of the current monthly billing period through the date of termination. If ERG has Net Surplus Energy for said period, then the Utility shall retain any Net Surplus Energy generated by ERG, including any associated environmental attributes or RECs, and, if appropriate, issue a final payment for any Net Surplus Energy, based on the currently applicable NSEC rate.