

**ENERGY FOR PALMDALE'S INDEPENDENT CHOICE
EPIC EMPOWERMENT
NET ENERGY METERING
TERMS & CONDITIONS OF SERVICE**

A. PURPOSE

The Purpose of the Net Energy Metering (NEM) Program terms & conditions (T&C) is to provide details of Energy for Palmdale's Independent Choice (EPIC) Net Energy Metering program, EPIC Empowerment, and how the program is administered.

B. APPLICABILITY

Customers enrolled in Southern California Edison's (SCE) Net Energy Metering Program (SCE NEM) are automatically enrolled in EPIC's NEM Program, EPIC Empowerment. The program is applicable for all NEM customers who have Renewable Generation Facilities such as rooftop solar. The facility must be eligible under SCE's Schedule NEM – Net Energy Metering or similar tariff option(s) focused on NEM, which may be amended or replaced by SCE from time to time. Each customer's eligible Renewable Generating Facility must fall within the capacity limits described in SCE's Schedule NEM and must be located on the customer's owned, leased, or rented premises, must be interconnected and operated in parallel with SCE's transmission and distribution systems, and must be intended primarily to offset part or all of the customer's own electrical requirements.

This rate schedule will be available to customers that provide SCE with a completed SCE NEM Application and comply with all SCE NEM requirements as described in SCE's Schedule NEM. This includes, but not limited to, customers served by NEM-V (Virtual Net Energy Metering), VNM-A (Virtual Net Energy Metering for Multifamily Affordable Housing), VNEM-SOMAH (Virtual Net Energy Metering - Solar on Multifamily Affordable Housing) and Multiple Tariff facilities as described by SCE's Schedule NEM.

C. TERRITORY

Applicable in the EPIC service area.

D. RATES

All rates charged under this schedule will be in accordance with the customer's otherwise applicable EPIC rate schedule (OAS). A 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 EPIC or SCE. Charges for energy (kWh) supplied by EPIC will be based on the net metered usage in accordance with this tariff.

E. BILLING

1. Customers usage is tracked over a 12-month relevant period.
2. Each month, credits are calculated based on the customers system generation times the rate in effect the system generated the energy.
3. Each month, charges are calculate based on the customers energy usage times the rate in effect the customer used the energy.
4. System generated credits are used of offset charges. If there is a charge due, the charge will be billed to the customers. If there is a credit balance, the credit will roll forward to apply to future charges.
5. EPIC True-Up, Net Surplus Compensation & Cash-Out Processes.
 - a. True-Up. If a customer has a credit balance, the account will be reviewed to determine if a charge was incurred during the 12-month relevant period. If a charge was incurred, the customer will receive a credit for the amount of the charge, up to the credit balance in the account. All NEM accounts will be reset to zero kWh upon True-up.
 - b. Net Surplus Compensation. At the end of each NEM customer's 12-month relevant period, EPIC will determine whether or not each customer has produced net surplus energy, as measured in kWh, over the most recent 12 billing cycles. If a customer has produced net surplus NEM energy, as measured in kWh, then EPIC shall calculate such customer a Net Surplus Compensation (NSC) amount equal to the EPIC NSC Rate per kWh, as defined in the EPIC Rate Schedule, multiplied by the quantity of net surplus NEM energy produced by the customer during the True-Up Period.
 - c. Cash-Out. At the end of each customer's relevant period, any current customer with a NSC Payment equal to or greater than \$100, as determined during the applicable True-Up process, will be sent a direct payment by check. NSC payments less than \$100 will be rolled over into the next relevant period and used to offset future charges.

F. ACCOUNT CLOSURES

Customers who close their electric account through SCE or move outside of the EPIC service area prior to the end of their relevant period and have produced net surplus NEM energy, as measured in kWh, resulting in a credit balance in excess of currently applicable EPIC charges, shall receive a direct payment equal to the rate per kWh, as defined in the EPIC Rate Schedule, multiplied by the net surplus NEM energy.

G. SCE NEM SERVICES

Customers are subject to the conditions and billing procedures of SCE for their non-generation services, as described in SCE’s applicable NEM tariffs and options addressing NEM service. Customers should be advised that while EPIC may settle out balances for generation on a monthly basis, SCE will continue to assess charges for delivery, transmission and other services. Customers are encouraged to review SCE’s most up-to-date NEM tariffs, which are available at www.sce.com.