

Understanding Your Domestic Energy Bill for Solar Customers

A Guide to Net Energy Metering and Your Billing Process

SCE customers who produce their own power are eligible for a special metering and billing option called Net Energy Metering (NEM). The NEM schedule allows interconnected customers to receive a credit for the surplus electricity they supply to the grid. This credit is then applied to the customer's bill to offset all or part of the costs associated with the energy consumed. Under this billing option, each NEM customer is billed once a year for the "net" energy consumed over the previous 12 months, if any. Each customer is also billed monthly for nominal non-energy related charges.

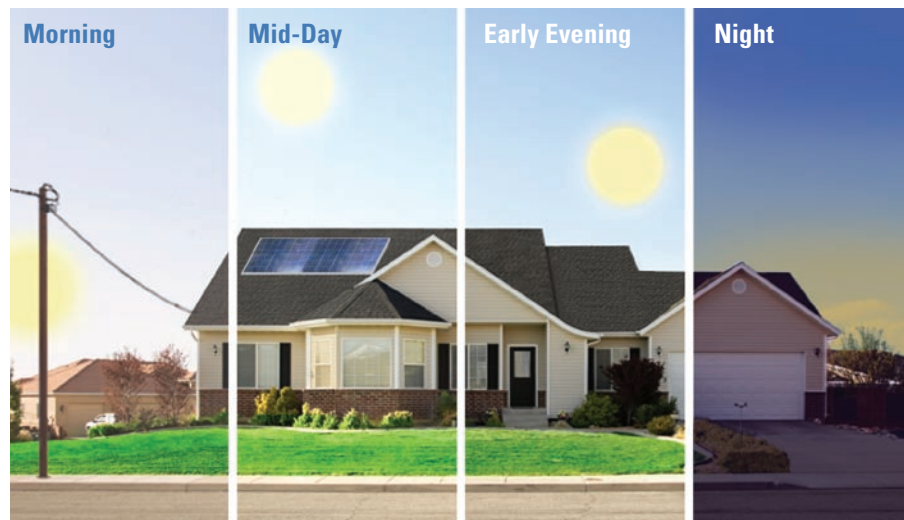
Here's How NEM Works

With a non-NEM account, an electric meter spins forward as it measures the amount of kilowatt-hours (kWh) of

electricity a customer consumes. With an NEM account, an electric meter not only spins forward as it measures the amount of kWh a customer consumes, but can also spin backward as it measures the net amount of electricity a customer generates. The electric meter spins backward when a solar customer generates more electricity than the customer is currently consuming, and the excess electricity is diverted back onto SCE's electric grid.

SCE will read your meter once a month, recording the "net" amount of energy either consumed or generated over the entire month. If, in a given month, your system generates more electricity than you consumed, the excess energy will be credited to your account at the same rate that you would have been charged had you purchased that electricity from SCE.

Here's an Example for a Solar Customer on NEM



Behind the scenes...



a Bi-directional Meter is measuring power delivered by SCE and power generated by the solar system displaying the net difference



an Inverter is converting DC power produced by the solar system, to AC power used to power the home

Morning

A solar system's energy generation rises with the sun. Energy consumption goes up as the day begins and people arrive at work. As solar production increases, you begin to reduce the amount of energy you purchase from SCE.

Solar energy generated by your system: 2 kWh

Energy consumed by you: 4 kWh

Net Energy Consumed: 2 kWh

Mid-Day

Solar production is at its highest. Your solar system generates more energy than your home or facility needs. Surplus solar energy automatically flows back to SCE for credit and the electric meter spins backward.

Solar energy generated by your system: 6 kWh

Energy consumed by you: 3 kWh

Net Energy Generated: 3 kWh

Early Evening

Solar energy production drops as the sun begins to set. Your home or facility begins to buy energy from SCE as your solar production decreases.

Solar energy generated by your system: 4 kWh

Energy consumed by you: 4 kWh

Net Energy Consumed / Generated: 0 kWh

Night

After business hours, energy consumption is low while solar energy generation has stopped completely. Your home or facility gets the energy it needs from SCE, tapping into the credit it earned when the sun was shining.

Solar energy generated by your system: 0 kWh

Energy consumed by you: 5 kWh

Net Energy Consumed: 5 kWh

Net for the day: 4 kWh energy consumed (-2 + 4 - 6 + 3 - 4 + 4 + 5)

Example of Energy Usage Totals

The bi-directional meter is read once each month. The meter measures the energy generated by the generating system and the energy consumed by a user over a month's time, and will display the net difference. Over a year, energy usage totals may look something like this:

Sample Relevant Period: August to July

Month 1 (Aug)	Month 2 (Sept)	Month 3 (Oct)	Month 4 (Nov)	Month 5 (Dec)	Month 6 (Jan)	Month 7 (Feb)	Month 8 (Mar)	Month 9 (Apr)	Month 10 (May)	Month 11 (June)	Month 12 (July)
Generated 550 kWh	Generated 520 kWh	Generated 420 kWh	Generated 200 kWh	Generated 155 kWh	Generated 190 kWh	Generated 185 kWh	Generated 215 kWh	Generated 395 kWh	Generated 410 kWh	Generated 465 kWh	Generated 550 kWh
Consumed 500 kWh	Consumed 510 kWh	Consumed 500 kWh	Consumed 400 kWh	Consumed 475 kWh	Consumed 415 kWh	Consumed 395 kWh	Consumed 405 kWh	Consumed 420 kWh	Consumed 405 kWh	Consumed 410 kWh	Consumed 525 kWh
Energy Charges = - 50 kWh (energy usage credit)	Energy Charges = - 10 kWh (energy usage credit)	Energy Charges = 80 kWh (energy usage charge)	Energy Charges = 200 kWh (energy usage charge)	Energy Charges = 320 kWh (energy usage charge)	Energy Charges = 225 kWh (energy usage charge)	Energy Charges = 210 kWh (energy usage charge)	Energy Charges = 190 kWh (energy usage charge)	Energy Charges = 25 kWh (energy usage charge)	Energy Charges = - 5 kWh (energy usage credit)	Energy Charges = - 55 kWh (energy usage credit)	Energy Charges = - 25 kWh (energy usage credit)

This sample customer's **annual energy bill** is tallied as: - 50 - 10 + 80 + 200 + 320 + 225 + 210 + 190 + 25 - 5 - 55 - 25 = 1,105 kWh x Energy Rate per kWh

Understanding Your Energy Charges & Credits

With the NEM schedule, it is important to note that you will be billed both monthly and annually.

Your monthly bill will include each month's **non-energy charges**, which include such items as your utility taxes and city and county fees. These charges are due and payable each month and, although small, your payment for these charges must be made monthly. Your monthly bill will also list each month's **energy usage charges** (if any), however you are not required to pay these charges on a monthly basis.

Your annual energy bill will come once every 12 months, and will include your **energy usage charges** for the entire year. This annual billing period is called your "relevant period" and is an important time frame to remember. During your relevant period, your net energy usage charges or credits are tracked on a monthly basis. At the end of your relevant period, the energy usage charges from each month are added together, and any net energy usage credits are applied to the account. The balance is used to determine the **total amount due** that will be listed on your annual energy bill.

If this calculation determines that you owe for energy charges, payment for these charges will be due at that time. If you have excess energy usage credits, your annual bill will not list any energy charges, however you will not be able to carry over these credits to your next 12-month relevant period; energy credits can only be applied to energy charges incurred during the current 12-month relevant period.

How Energy Credits will be Displayed

Your energy credits (in kWh) will be displayed in the following line item on your bill:

Total electricity you used this month in kWh: - 200

Credits are paid to you at the same rate by which you are normally charged had you purchased the energy from SCE. You will see details of these credits on the last pages of your bill under "Delivery Charges" and "Generation Charges." The summary of your month's energy credits

will be found in the following line item (displayed as a negative amount):

Energy Charge Total: - \$23.41

The credits you accrue will be applied only to your energy charges. Net generation credits can't be used, for instance, to pay non-energy or monthly minimum charges, or be applied to other service accounts other than the Net Energy Metering account billed in the statement. Also, Net Energy Metering does not allow you to sell power back to SCE or into California's wholesale electricity market.

How Energy Charges will be Displayed

If your system offsets most, but not all of your electricity needs, the energy supplied by SCE will be charged under your standard rate schedule. Charges will be displayed in the following line items found on the last pages of your bill:

Your previous month tracked energy charge total: - \$35.68

This is the total of the energy charges you have accrued since your relevant period began. This total does not include the current month's charges.

Your current month tracked energy charge total: - \$23.41

These are your energy charges for the current billing month.

Your cumulative tracked energy charge year-to-date: - \$59.09

This is the cumulative total of all your energy charges (including this month's charges) since your relevant period began.

Note: Please pay special attention to this line every month to avoid a single large energy payment at the end of your relevant period.

How Non-Energy Charges will be Displayed

Regardless of whether you have accrued any energy charges in a given month, your bill will still list SCE's customer charges and any applicable taxes and fees on your monthly bill. These non-energy charges will appear in the following section of your bill:

Details of your non-energy-related charges

These administrative charges must be paid monthly.

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SOUTHERN CALIFORNIA EDISON
An EDISON INTERNATIONAL® Company

P.O. Box 600
Rosemead, CA
91771-0001
www.sce.com

Your electricity bill

VALUED CUSTOMER / Page 1 of 6

For billing and service inquiries
call 1-866-701-7868, 24 hrs a day, 7 days a week

Date bill prepared: Aug 3 '06

1 **Your account summary**

Amount of your last bill	\$3.37	3 Net energy metering annual billing month #11
Payment we received on July 15 '06 – thank you	-\$3.37	
Balance forward	\$0.00	
Your new charges	\$1.82	
Total amount you owe by Aug 22 '06	\$1.82	2

4 **Compare the electricity you are using**

Your current read for meter V456E-999999 - Aug 2 '06	3010	Your next meter read will be on or about Aug 29 '06.
Your previous read - Jul 3 '06	-3210	
Total electricity you used this month in kWh	-200	

5 **Your daily average electricity usage (kWh)**

Please return the payment stub below with your payment and make your check payable to Southern California Edison.
If you want to pay in person, call 1-800-747-8908 for locations, or you can pay online at www.sce.com.

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SOUTHERN CALIFORNIA EDISON
An EDISON INTERNATIONAL® Company

Customer account 2-00-000-0000
Please write this number on your check. Make your check payable to Southern California Edison.

Amount due by Aug 22 '06 **\$1.82**

Amount enclosed \$

VALUED CUSTOMER
54321 ANY AVE
MNTERYPK, CA 91755

P.O. BOX 600
ROSEMEAD, CA 91771-0001

00 000 0000 00000000 00000000000000000000000000000000

SOUTHERN CALIFORNIA EDISON
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Your electricity bill

VALUED CUSTOMER / Page 3 of 6

7 **Details of your non-energy related charges**

Your rate: DOMESTIC
Billing period: Jun 30 '06 to Jul 30 '06 (30 days)

Delivery charges			
Basic charge	30 days x \$0.02900	\$0.87	
Balance of minimum charge		\$0.90	
Subtotal		\$1.77	
Monterey Park UUT	\$1.77 x 3.0%	\$0.05	
State tax	0 kWh x \$0.00022	\$0.00	
Your new charges		\$1.82	

8 **Your Delivery charges include:**
• \$1.77 distribution charges

Your overall energy charges include:
• \$ 0.62 franchise fees

Additional information:
• DWR provided 25.114% of the energy you used this month.

1. Your account summary

This displays the previous month's charges and any previous payments you made toward those charges. Note that any previous payments made toward your energy charges will be reflected here.

2. Total amount you owe by date

This shows the amount due and the date by which you should pay your bill to avoid a late fee.

3. Net energy metering monthly billing month

This section displays your NEM billing month in relation to your 12-month relevant billing period. Your relevant period begins in the anniversary month of when you transferred to NEM billing, and ends 12-months from then. In your 12th month, all energy-related charges will be due.

4. Total electricity used this month in kWh

This line item shows the total amount of electricity you used for the current month. If you "net consumed" energy, this amount will be a positive number, and you will have energy usage charges for the month. If you "net generated" energy, this amount will be a negative number (as in the example) and you will have an energy usage credit for the month.

5. Compare the electricity you are using

Compare your net energy usage from month to month. You will be able to see the dips and peaks in your net energy usage and generation, and if there are any seasonal trends.

6. Payment Stub

This section will show the amount due by the due date. Tear off this section and include it with your check in the return envelope.

7. Details of your non-energy related charges

This section provides details of your non-energy related charges. These include taxes and other fees related to the distribution of energy. These fees must be paid monthly; you can not apply your energy credits to these fees.

8. Additional Information

This section tells you important information about how your non-energy related charges are allocated. Additionally, look here for your monthly baseline allowance for the current season.

9 Details of your new charges

Your rate: DOMESTIC
Billing period: Jun 30 '06 to Jul 30 '06 (30 days)

Delivery charges

Energy – Summer		
Tier 1 (within baseline)	-200 kWh x \$0.03903	-\$7.81
DWR bond charge	-200 kWh x \$0.00485	-\$0.97

Generation charges

DWR		
Energy – Summer		
Tier 1 (within baseline)	-50 kWh x \$0.10369	-\$5.18

SCE

Energy – Summer		
Tier 1 (within baseline)	-150 kWh x \$0.06302	-\$9.45

Energy Charge Total		-\$23.41
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10 Additional information:

- Your previous month tracked energy charge total: - \$35.68
- Your current month tracked energy charge total: - \$23.41
- Your cumulative tracked energy charge year to date: - \$59.09

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Things you should know

To NEM customers on annual billing...

This statement reflects the Non-Energy related charges which are due and payable monthly. Your NEM energy charge is displayed for informational purposes only. "Your cumulative energy charge year to date" amount will be tracked monthly until the end of the relevant period. If you would like to make a payment greater than the minimum requirement, please feel free to do so and your credits will be reflected on your next statement. Please note, your cumulative energy charge year to date amount will be billed at the end of your relevant period.

12**9. Details of your new charges**

This section shows the details of your energy charges (or credits). If you “net consumed” energy (you used more energy than you generated), you will have energy charges. These charges are calculated monthly based on your usage. Since your energy charges are cumulative, this data is tracked and displayed here for informational purposes only—energy related charges are not due until the end of your relevant period.

10. Additional Information

This section provides a breakdown of your charges:

Your previous month tracked energy charge total:

This tells you the total amount of energy you have been charged from all the previous billing months since your relevant period began.

Your current month tracked energy charge total:

This amount tells you your total energy charges for the current billing month.

Your cumulative tracked energy charge year-to-date:

This amount tells you the total of all your energy charges (including this month’s charges) since your relevant period began.

11. Energy Charge Total

This amount gives you your Energy Charge Total for this billing period.

Energy charges and credits are calculated monthly based on your particular SCE rate. This data will be displayed for informational purposes only. As an NEM customer on Annual Billing, you are only required to pay energy related charges at the end of your 12-month relevant period. If you would like to include your current energy charges in your monthly payment, please feel free to do so; payments will be reflected as credits on your next statement. **As a domestic or small commercial customer (GS1), you are not required to pay your current energy charges each month, however doing so will reduce the chance of having a large balance due for energy charges on your annual bill.**

12. Things you should know/Current Tier Usage

Look here for important messages from SCE.

If you are “net consuming” in any given month, a **Current Tier Usage** graph will appear on your statement indicating the tier in which your usage falls. This graph will help you better understand how your usage charges are calculated. For help understanding SCE’s tiered billing structure, visit www.sce.com/tiers.

Additional Rate Options

As a solar customer, you also have the option to be placed on a **Domestic-NEM Time-of-Use (TOU)** rate, which bills (and credits) you differently depending on the time of day you are using and producing electricity. With a TOU rate, the cost of buying and selling electricity is highest during on-peak periods (10 a.m. to 6 p.m. on weekdays excluding holidays), and lowest during off-peak periods (all other times). It may help to view these rates in the same way as peak and off-peak telephone rates or airline fares.

Because a solar system generates electricity during the most expensive time of day—"on-peak" hours—you could

be accumulating surplus energy usage credit at the best rate while typically drawing electricity from the grid during "off-peak" hours at the least expensive rate. However, if you use energy during on-peak hours, you will be charged the higher on-peak rate, so be sure you are able to shift most of your usage to off-peak hours.

If you choose to be placed on a Domestic-NEM Time-of-Use (TOU) rate, you may need to install a special meter capable of measuring the flow of electricity in two directions. For more information regarding this rate, please call us at the contact number listed at the end of this sheet.

Frequently Asked Questions

What charges will be offset by my "net generation credits"?

If you generate more electricity than you use during a particular month, you will receive kWh energy "credits" for that month. SCE keeps track of the net energy credits you accumulate over your 12-month relevant period, and applies them to any excess "energy charges" at the end of your relevant period. Net generation credits cannot be used, for example, to offset non-energy-related charges such as monthly fees, or city and county taxes. These non-energy charges are required to be paid each month.

Does SCE pay me money for the excess energy I produce?

No. SCE follows the laws governing the payment of excess generation. Excess generation you send to the grid will be credited to your account at the same rate you would normally be charged had you purchased the energy from SCE. Net Energy Metering does not allow you to sell power back to SCE or into California's wholesale electricity market.

How does SCE calculate the dollar amount of my net generation credit?

First, we start with the excess amount of energy you generated for the month, which would be the difference between the number of kilowatt-hours (kWh) you used subtracted from the number of kWh you generated. Then we multiply the excess kWh by the price per kWh to determine the credit you will receive. Because the price of energy can vary, we perform this calculation separately for each month your system generates more electricity than you use.

What is my "relevant period"?

Your first relevant period begins immediately after you transfer to NEM billing, and ends 12 months from that date. Each year thereafter, your relevant period—also referred to as your annual billing cycle—remains the same.

Once a year, in the billing month that ends your relevant period, a "true-up" of your energy charges and credits occurs. This is when you are responsible for paying the balance of any energy charges (if any), you have accrued over the course of the year. Please be advised that your annual bill may be significant if you typically consume more energy than your system generates. To see these charges tallied on a monthly basis, see the "Cumulative Tracked Energy Charges to Date" line printed under section "Details of your new charges" on the last pages of your bill.

Can I carry over excess energy credits to my new 12-Month Relevant Period?

Similar to rollover minutes on your cellular phone plan, energy credits that are unused, accumulated, "anytime" credits carry over from month to month through the end of your current 12-month relevant period. These credits are applied toward your energy charges (but not your non-energy charges). However, please note that any energy credits remaining after your 12-month relevant period has ended will be forfeited.

Can I be charged a late payment charge?

Yes, if you overlook a payment of your monthly non-energy charges, a late payment charge of 0.9% will be applied to the total unpaid balance on the account. The late payment charge is applied in accordance with SCE tariffs.

Frequently Asked Questions (continued)

Can I still pay my total bill monthly?

Yes, you may include payment of your current energy charges along with payment for your non-energy charges each month if that is your preference; payments will be reflected as credits on your next statement. In fact, some customers prefer to make periodic payments of their energy charges to avoid a single large payment at the end of their relevant period.

Why does my billing have to change?

SCE is following California state law making the process of customer interconnection as simple and economical as possible. As such, current legislation allows eligible customers to receive the additional benefits provided by the billing process, referred to as Net Energy Metering (NEM), that gives you credit on your bill for the excess electricity you are generating.

Can I participate in the Summer Discount Plan?

Yes, however you will likely not receive the full dollar amount of credits offered by that program. The goal of the Summer Discount Plan is to reduce electricity usage by “cycling off” your air conditioner “(A/C)” during periods of high demand. If your solar system is sized to offset most of your electricity use or if you normally generate excess electricity each month, your generating system is already contributing to this goal by generating electricity for the grid. If we can reduce your usage by cycling off your A/C, we will give you credit for that reduction. However, if you are “net generating” electricity, we will not be able to reduce your usage by cycling off your A/C and therefore cannot provide you with credits.

What if I am a Direct Access customer?

Customers who procure power from another provider must contact their electric service provider (ESP) to confirm their ESP will support Net Energy Metering. The ESP must provide notice of eligibility in writing to SCE. If the ESP does not support NEM, SCE’s Direct Access Support Team will explain additional customer options. You can reach the support team by calling 800-799-4723.

How do I avoid a large settlement bill?

If you only pay your non-energy bills each month, then you may have to pay a large settlement bill at the end of the 12-month relevant period. To avoid this, you may pay your current energy charges along with your non-energy charges monthly.

Who do I contact for general questions about NEM, about my NEM Billing, or about Late Notices as an NEM customer?

For all NEM questions, please contact SCE’s Net Energy Metering support center directly at **866-701-7868**.

This fact sheet is meant to enhance your understanding of SCE’s Net Energy Metering Schedule. It does not replace the CPUC-approved tariff. Please refer to the individual rate schedule of interest for a complete list of terms and conditions of service, which can be viewed online at www.sce.com.

