

About your SDG&E[®] Virtual Net Metering billing



Congratulations, you're benefiting from the electricity produced by a solar system installed at your complex.

Virtual Net Metering is a program for residential and commercial complexes to share generation from a solar system. The owner or property manager determines what percentage of the generation will be allocated to each tenant.

Account set-up

How will I know when my account will start billing on virtual net metering?

As an SDG&E[®] customer living or working in a Virtual Net Metering property, you'll automatically be set up to receive allocations designated by the property manager or landlord. There's no paperwork required by SDG&E, no program to join and nothing to sign. You'll see a "welcome to solar" bill message on your first full month's bill.

Monthly billing

Will SDG&E continue to read my meter(s) each month?

We'll continue to collect monthly reads from your meter(s). Smart meter data from the meter(s) will be collected and transmitted wirelessly to us.

What information will I receive on my bill?

Your bill displays your previous and current month's reads with the difference between the two. The generation allocated to you is then deducted from the total consumption and shown as the Total kWh. There's also a line item stating your allocation and applied generation credit for that billing period.

Is there a minimum monthly charge?

Yes. All residential customers are billed either their regular monthly bill or a minimum charge, whichever is higher. The minimum charge is 33 cents per day or about \$10.00 per month. CARE, FERA and Medical Baseline customers pay 16 cents per day. For commercial customers the minimum charges vary. Please refer to your rate schedule to confirm the amount of your

monthly minimum charge. This covers a portion of our costs to serve our customers whether they use energy or not.

Can the generation credits offset all of the charges on my bill?

These are kWhr credits and may only be used to offset kWhr usage. If over generation credits are accrued, the credits will be applied only to amounts that represent electric energy (kWhr) charges. Over generation credits cannot be used to offset other charges such as monthly minimum charges, customer charges, or for commercial customers demand charges.

Why can't over generation credits be used to offset minimum charges and other monthly charges?

These types of charges represent costs to us that aren't recovered in energy rates and therefore by law, can't be reduced by over generation credits.

Monthly generation credits

If I'm allocated more electricity than I use will I get money back each month?

No. If you're allocated more kWh than you use during a particular month, you'll receive a generation credit for the month. We keep track of the generation credits and apply them to energy charges accumulated during other months within your 12-month settlement period.

How do you calculate the dollar amount of my over generation credits?

First we start with the excess kWhrs, which are determined by subtracting the number of kWh you used from the number of kWh you were allocated. Then we multiply the excess kWh by the price per kWh to determine the credit you'll receive. Because the price of energy can vary, we perform this calculation separately for each month your system generates more electricity than

» you use. The dollar value of your excess generation is carried forward and used to offset charges for energy supplied by us.

Payments

Am I required to make a payment each month on my virtual net metered electric account?

Yes. Even if you may have excess generation credits, you'll be charged a minimum bill which must be paid each month to maintain good credit with SDG&E. You're also responsible for any gas service charges on your account, as the solar credits can't be applied towards your gas service.

As a virtual net metering customer, am I eligible to participate in either the auto debit program or SDG&E's pay-by-phone program?

Yes. Virtual net metering customers can participate in either program.

Can I enroll or stay enrolled on the Level Pay Plan?

No. The Level Pay Plan isn't available to virtual net metering customers.

Can my electric service be shut off if there's a past due balance on my virtual net metered electric bill?

Yes. Virtual net metering customers are required to make a payment every month or your account will be subject to disconnection. Your account will go through the True-Up settlement process if the account is closed. If you receive late or pink notices regarding past due amounts please contact our Customer Contact Center at **1-800-411-7343** to make arrangements.

Annual settlement - True-Up

How will I know when the 12-month settlement period is up?

The first page of your monthly will bill will indicate that this is a True-Up bill.

Why is there an annual True-Up?

During the year credits may be generated and are carried forward. At True-Up, credit can be applied to earlier months that perhaps had more usage. In this way you're not put at a disadvantage depending upon what time of year you start receiving net metering benefits.

Do I need to contact SDG&E at the end of the 12-month settlement period in order to continue as a virtual net metering customer?

No, you don't need to do anything to continue as a virtual net metering customer.

What information will you provide to me at the end of my settlement period?

Your True-Up bill will show the amount of your excess generation reimbursement if you were allocated more energy than you used for the 12-month period.

Annual excess generation compensation or carry-over

How can I tell if I have excess generation?

At this time, you aren't able to access a year-to-date a cumulative excess generation total for a current settlement period without manually tracking it month by month.

How will I get compensated for my excess generation?

There's a line item that shows the amount in kWh of the excess generation applied to your account and the compensation rate used to calculate your excess generation reimbursement. We'll apply credit to any bill amounts owing at the time of your true-up. You may call and request a refund check for any amount that's left over, or leave the credit on the account to apply towards future bills.

How's the compensation determined?

The Net Surplus Compensation (NSC) rate may fluctuate monthly, as it's based on a rolling 12-month average of spot market prices. Based on current wholesale market prices, the rate is approximately 4 cents per kWh. See sdge.com/nem and "Excess Generation" for a history and current wholesale pricing information.

Why is the annual excess generation credit less than the monthly kWhr credits shown on my monthly statement?

The monthly credit is calculated using the full retail rate for energy and transportation. Several components go into this rate, including generation, transmission, distribution, and the funding of public purpose programs. At the annual True-up the monthly retail credits are no longer applied. As provided under law, we then buy your excess generation at the same wholesale rate we pay other generators.

If you need additional information, please visit sdge.com/nem or call our Customer Contact Center at **1-800-411-7343**.