

Appendix A

Customer Explanation of Net Billing Tariff

How Electricity Bill Savings Work

If you install solar at your home, the majority of your electric bill savings will come from reducing the amount of electricity that you buy, or import, from your electricity provider. A minor additional amount of bill savings will come from your provider's Net Billing program. Net Billing provides financial credits on your bill when your solar system sends, or exports, excess electricity to the electric grid after first meeting the electricity needs in your home. If you are the original PG&E, SCE, or SDG&E customer who installed solar on your roof, you will have Net Billing for at least 9 years from the time your solar system starts operating.

Net Billing and Your Electricity Bill

Importing and Exporting Electricity

Since the sun isn't always shining, most solar customers also rely on electricity from the electric grid. Pairing a battery with your solar system allows you to store your excess solar energy from sunlit hours and then use the stored energy at home, instead of importing electricity from the electric grid, during part of the evening. Your monthly electric bill will summarize how much electricity your home imported from and exported to the electric grid, and the resulting overall charge or credit due to your account.

Bill Charges

PG&E, SCE, and SDG&E solar customers are required to go on an electrification time-of-use (TOU) rate plan. On a TOU rate plan, you will pay different prices for electricity at different times of the day (also called "TOU periods"). Prices for the energy you import from the electric grid are highest during the "peak" period between 4 p.m. and 9 p.m. The electricity rates in each plan, and which plans are allowed for use with Net Billing, are subject to change; go to cpuc.ca.gov/electricrates for details.

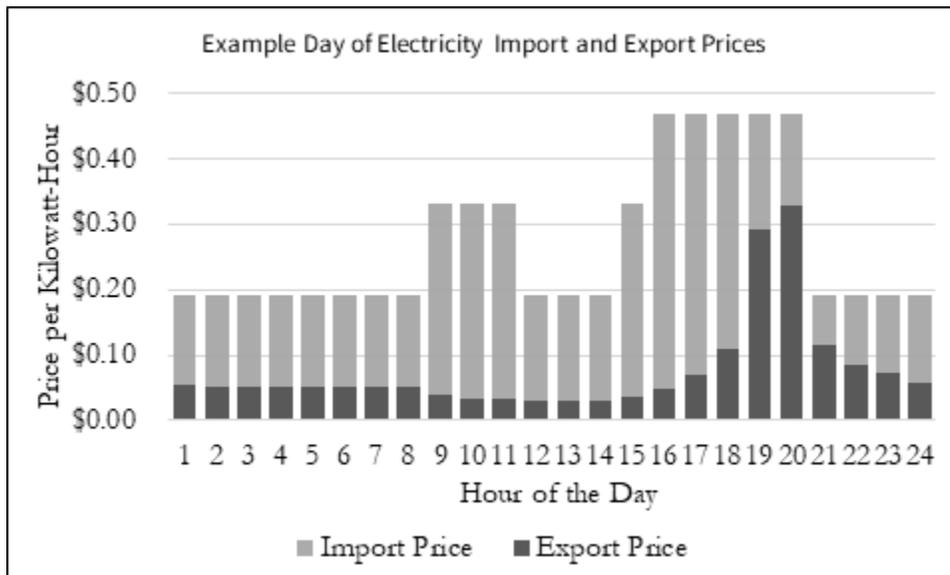
In addition to charges for energy you import, you may see non-bypassable charges and a fixed charge listed on your electric bill.

- All customers pay small charges to help maintain the electric grid and help low-income and disadvantaged Californians afford energy and access clean energy programs. These are called non-bypassable charges since you cannot bypass them using solar bill credits. However, if you receive the ACC Plus adder described below, you may apply it to non-bypassable charges.
- Each TOU rate plan eligible for use with the Net Billing program includes a monthly charge of around \$15, sometimes called a fixed, basic, or service charge or fee.

Bill Credits

Bill Credits for Exports

You will receive bill credits at a set price per unit (kilowatt-hour) of electricity exported, based on the electricity’s value to the electric grid in each hour of the day. The price will usually be lower than what you pay for a kilowatt-hour of electricity. The value generally follows TOU periods, meaning you will receive low prices for energy exported during the less expensive TOU periods, and so on. If you want to maximize your bill credits, you can pay closer attention and use less energy (in order to export more) during the specific hours in your “peak” TOU period when prices are highest. If you have a battery, you may be able to program it to automatically store up energy produced by your solar panels during sunny hours, and then export energy during the most lucrative evening hours.



If you apply to connect your solar system to the electric grid before the end of 2027, then for the first nine years after your solar system is interconnected to the electric grid, these prices will be based on what was predicted before you installed solar, to provide a measure of certainty for the purpose of predicting bill savings. However, you may opt out of this arrangement if you wish. After nine years, or if you either opt out or apply to connect your system after 2027, the prices you receive will be set every two years. They can rise or fall but are not expected to change drastically each year.

ACC Plus

California has an ACC Plus adder to help residential PG&E and SCE customers access solar energy. (SDG&E customers are excluded because their solar systems generate more bill savings due to SDG&E’s higher electric rates.) If you apply to connect your system to the PG&E or SCE electric grid before the end of 2027, you will receive the adder in the form of slightly higher-than-normal bill credits for your energy exports for nine years. After that, you will receive bill credits based on your exports’ value to the electric grid, as described above. If you have a low bill in a given month and part of the

adders are left over after reducing your bill to the minimum amount, that part of the adder will roll over to future months as needed and will not expire.

Customers who are required to add solar (e.g., by California's building code) do not receive the adder.

Monthly Payments and Net Surplus Compensation

Even though installing solar can reduce your electricity costs, most Net Billing customers will still pay electric bills in most months of the year. In months when there are excess solar bill credits, the credits will roll over to following months, until they are used up or it is time for your annual "true-up." Though it's rare, if you export more electricity than you import in a 12-month period, you will be paid "net surplus compensation" of a few cents per excess kilowatt-hour. Because this rate is so low, it is generally not in your financial interest to install a solar system that produces much more energy than you use.

(END OF APPENDIX A)