



Locally powered energy innovation.

February 25, 2019

Notification: Important Change to Your Net Energy Metering (NEM) Account

Dear NEM Customer:

Beginning February 1, 2019, Clean Power Alliance became the new electricity generation provider for residential customers in your area. We are proud to bring clean, renewable power choices to communities across Los Angeles and Ventura Counties, including options for customers who have installed solar or other renewable generation systems.

The purpose of this letter is to provide additional details on how Clean Power Alliance's launch will impact your Net Energy Metering (NEM) account and to give you more time - **until March 31, 2019** - to consider staying in Clean Power Alliance's NEM program or to decide to return to SCE as though you were never enrolled in Clean Power Alliance.

Note: If you have already opted out of Clean Power Alliance, you can disregard this letter.

What happens to your SCE bill when you're enrolled with Clean Power Alliance

Enrollment in Clean Power Alliance is automatic and occurs with your first meter read date on or after February 1, 2019. Once enrolled with Clean Power Alliance, SCE will continue to be responsible for monthly NEM electricity delivery service charges and credits, and Clean Power Alliance will now be responsible for monthly NEM electricity generation charges and credits.

Upon enrollment with CPA, a true-up will occur on your NEM account to allow the account to be transferred to Clean Power Alliance. For most customers this will occur, or will have occurred, on your February 2019 bill.

- Any SCE energy charges not offset by energy credits at the time of true-up will be billed to you at that time.
- Any SCE energy credits that exceed energy charges are set to zero and will reset when your account is transferred to Clean Power Alliance's NEM program. If you are eligible for Net Surplus Compensation at the time of true-up, SCE will issue you a check for any net surplus generation calculated at their most recent Net Surplus Compensation rate.

Clean Power Alliance's NEM program overview

Much like SCE's NEM program, Clean Power Alliance's NEM program allows you to earn bill credits at retail value for the electricity you generate. However, NEM credits received from Clean Power Alliance cannot be used to offset SCE charges, and NEM credits received from SCE cannot be used to offset Clean Power Alliance charges.

Here are some differences between Clean Power Alliance's NEM program and the generation portion of SCE's NEM program:

- Clean Power Alliance customers pay their bill each month instead of once a year as is the default in SCE's NEM program.
- Clean Power Alliance will true up *all* customers on an annual basis each April, beginning in April 2020 rather than on a unique date for each customer.
- Clean Power Alliance customers who generate more than they consume in a year will be eligible for net surplus compensation at rate 10% higher than SCE's net surplus compensation rate.
- There may be other differences in CPA's NEM policy that are specific to your circumstances. Please contact CPA if you have questions or would like additional information about CPA's NEM program.

Other important details about Clean Power Alliance's NEM program

Monthly Billing

With the Clean Power Alliance NEM program your NEM generation charges and credits will be settled on a monthly basis before receiving a final annual true-up. This means that you will begin to receive monthly bills for the electricity you consume in excess of the electricity you generate, whereas before you may have only received one annual settlement from SCE. The monthly billing option is intended to allow you to make smaller, more manageable monthly payments instead of one large payment at the end of the year, if applicable. While you will be billed for any electricity generation charges on a monthly basis, any net generation credits will continue to roll over monthly to be applied to future charges until the annual true up in April (see Net Surplus Compensation discussion, below).

At the time of the annual true-up, Clean Power Alliance intends for residential customers to have the opportunity to cash out generation credits at the retail rate up to 100% of the amount of payments the customer has made to CPA over the course of the relevant period. We have received feedback from customers that our written NEM Policy does not exactly match CPA's intent and Clean Power Alliance's Board will consider a clarification to the policy at its March 7, 2019 meeting to make Clean Power Alliance's intent clearer.

Net Surplus Compensation

At the time of the annual true up, if you are a net generator, Clean Power Alliance will provide a cash out in the form of a check for any Net Surplus Compensation value greater than \$100. Net Surplus Compensation value of less than \$100 will roll over for use during the next annual period, beginning with the first monthly bill. Once your account transfers to Clean Power Alliance's NEM program, your account will no longer be eligible for Net Surplus Compensation from SCE. Clean Power Alliance offers a Net Surplus Compensation rate that is always 10% higher than SCE's most recently published rate.

Opting Out

If you decide that Clean Power Alliance is not the right choice for you, you have the right to opt out. If you would like to opt out, we encourage you to contact us as soon as possible to avoid receiving a true up bill from SCE. However, even if you have already been enrolled in Clean Power Alliance, you still have the ability to opt out. **Up until March 31, 2019**, SCE will restore the NEM customer to their NEM relevant period with SCE and will restore any prior SCE NEM credits/balances **as a one-time courtesy**.

Note that if you have already received a bill containing Clean Power Alliance charges, those charges will be reversed and SCE will re-bill you for that billing cycle. Clean Power Alliance will not charge you any fees for opting out and remaining with SCE **by March 31, 2019**.

If you choose to opt out **after March 31, 2019**, you will not be restored to your prior position with SCE, and Clean Power Alliance's NEM policy and terms and conditions including the differences explained, above, will apply. Please visit our website at cleanpoweralliance.org/opt-out for this information. You can opt out by visiting cleanpoweralliance.org/opt-out or calling us at 888-585-3788 (TTY 323-214-1296).

To learn more about Clean Power Alliance's NEM program and view our current Net Surplus Compensation rate visit cleanpoweralliance.org/nem. You can also contact us by phone at 888-585-3788 (TTY 323-214-1296) or by email at customerservice@cleanpoweralliance.org.

If you have any questions regarding SCE's service, related programs, or rate options, please contact SCE's Customer Contact Center at 800-974-2356.

Sincerely,

Account Services
Clean Power Alliance