



SCHEDULE VNM-A-ST

Sheet 1

VIRTUAL NET ENERGY METERING FOR MULTIFAMILY AFFORDABLE HOUSING SUCCESSOR
TARIFF

APPLICABILITY

Optionally available to Qualified Customers as defined in Special Condition (SC) 4, owning, renting, or leasing in Multi-Family Affordable Housing Accommodations, as defined in SC 3, where the Owner of the complex has installed a solar electricity generating facility that is interconnected and operates in parallel with the Utility's transmission and distribution systems that is intended primarily to offset part or all of the complex's electrical requirements¹ (hereinafter "eligible customer-generator"), and contracts with the Utility to have all eligible output from the generator supplied to the Utility for the purpose of providing a credit to the Qualified Customers within the complex. The terms of this rate schedule shall apply to any Qualified Customer that is designated by the Owner on a Solar Generation Credit Allocation Request Form 142-02768 ("Credit Allocation Form"), unless the customer provides written notification to the Utility declining to receive a credit. This Virtual Net Energy Metering-Successor Tariff (VNM-ST) facilitates cost savings for Owners by avoiding the installation of an eligible customer-generator on each individual dwelling unit, and also provides Qualified Customers with benefits that would otherwise be provided under Schedule NEM-ST.

This schedule shall become available to eligible customer-generators upon request.

Accounts not fully utilizing energy allocated to them under this schedule may be eligible for additional compensation at the conclusion of their Relevant Period, as described in SC 9.

Service on this rate schedule must be taken in combination with the Qualified Customer's otherwise applicable rate schedule ("OAS").

Eligible customer-generators that elect to receive service under this schedule shall be permitted to remain on this schedule, as it existed on the date the eligible customer-generator's complete interconnection application, including the final building inspection, was received by SDG&E, for 20 years from the original year of interconnection of its REGF. The original year of interconnection is indicated by and measured from the date on the written Authorization to Operate in Parallel ("ATO") notice issued by SDG&E. Eligible customer-generators switching to this schedule from a different NEM schedule, may remain under this schedule for a period of 20 years from the original year of interconnection of the eligible customer-generator's solar electricity generating facility.

¹. Electrical requirements means the recorded kWh usage associated with all identified benefitting accounts over the most recent 12-month period preceding the submission of an interconnection agreement.

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TERRITORY

Within the entire territory served by the Utility.

RATES

The Qualified Customer Bill, as determined under SC 9c., is applicable, less Customer's Allocated Credit.

Qualified Customers may choose to be served under an applicable optional Time-of-Use ("TOU") rate. Where an eligible customer-generator completes its interconnection application for service under this schedule within a period of 120 days after SDG&E's 2016 General Rate Case Phase 2 ("GRC P2") proceeding (A.15-04-012) TOU rates become effective, Qualified Customers shall be permitted to 1) take service under the new TOU rates or 2) take service under existing TOU rates or tiered rates in effect at the time their interconnection application was completed for a period of time up to 5 years from the date they began receiving service under such a rate.

In the event an eligible customer-generator completes its interconnection application for service under this schedule 120 days after the effective date of the implementation of SDG&E's 2016 GRC P2 Qualified Customers shall be required to take service under an applicable TOU rate and shall not have the ability to opt-out to a non-TOU rate. At the time the eligible customer-generator completes its interconnection application, Qualified Customers shall be permitted to elect any applicable residential TOU rate option. In the absence of an election, Qualified Customers will take service under SDG&E's Domestic TOU rate for households with solar energy systems, Schedule DR-SES. Qualified Customers who were defaulted to Schedule DR-SES as a result of not making an initial election will have the option to elect a new residential TOU rate at a future point, to be effective in the eligible customer-generator's subsequent billing period. A Qualified Customer who optionally elects an applicable residential TOU rate option will have the option to elect a different residential TOU rate at a future point, provided under Rule 12, SC D.

Residential Qualified customers who do not have the option to take service on a TOU rate are allowed to interconnect under the NEM successor tariff on their existing rate schedule, or another rate schedule available to them. This exemption to the TOU requirement is applicable only to the limited number of customers who do not have a TOU rate available to them. This includes customers taking service under Schedules DM, DS, DT and DT-RV

In addition, under circumstances where an eligible customer-generator completes its interconnection application pursuant to this schedule prior to the date that default residential TOU rates go into effect, Qualified Customers may exercise the option to maintain their TOU rate at the time their interconnection application was completed under this schedule for up to five years from the date they began taking service under such rate.

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RATES (continued)

All eligible Qualified Customers taking service under this schedule are responsible for paying nonbypassable charges which pursuant to D.16-01-04 are defined as Public Purpose Program (PPP) charges, Nuclear Decommissioning (ND) charges, the Competition Transition Charge (CTC), and the Department of Water Resources Bond Charge (DWR-BC). These charges are calculated based on the total energy delivered by the Utility, during each metered interval recorded over the course of each monthly billing period.

In order to accurately calculate nonbypassable charges for customers participating in SDG&E's Residential Electric Smart Meter Opt-Out program and requesting service under this Schedule, an interval data recoding (IDR) meter with no radio communications ability will be used in place of the wireless meter to provide electric service for residential customers who elect this option.

SDG&E rates and rate design, including the rates and rate design reflected in this Tariff, are subject to change from time to time. Customers should take this into consideration when making any long term decisions based on rate structures that are currently in place.

SPECIAL CONDITIONS

1. Definitions: The Definitions of terms used in this schedule are found either herein or in Rule 1.
2. Treatment of Generation: Eligible customer-generators that are installed and utilized in providing service under terms of this rate schedule shall be treated as though they were installed and utilized under terms of Schedule NEM-ST, unless otherwise specified herein.

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VIRTUAL NET ENERGY METERING FOR MULTIFAMILY AFFORDABLE HOUSING SUCCESOR
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SPECIAL CONDITIONS (continued)

- 3. Affordable Housing Multi-Family Accommodations: Per PU Code Section 2852, is multi-family housing that meets at least one of following criteria:
 - a) Residential housing financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants, and for which the rents of the occupants who are lower income households, as defined in Section 50079.5 of the Health and Safety Code, do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.
 - b) A residential complex in which at least 20 percent of the total units are sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, and the housing units targeted for lower income households are subject to a deed restriction or affordability covenant with a public entity that ensures that the units will be available at an affordable housing cost, as for the purpose of VNM-A, this definition also includes New Solar Homes Partnership (NHSP)-eligible Affordable housing as defined in Public Resource Code Section 25401.6.
- 4. Qualified Customer: Is a customer that is receiving service on a rate schedule that would be applicable to a similar customer receiving service in combination with Schedule NEM-ST and meets one of the following conditions:
 - a) is located on the same property as the Owner's eligible customer-generator and is physically connected to the same Service Delivery Point (as defined in Rule 16) as the Owner's eligible customer-generator, or;
 - b) is located on the same property as the Owner's eligible customer-generator, and is physically connected to a different Service Delivery Point, where the Owner is a Multifamily Affordable Solar Housing Program participant.

The Qualified Customer definition shall extend to Owner for the purpose of billing common use areas and unoccupied units.

- 5. Owner: The Enterprise, or Entity, that owns the Multi-Family Affordable Housing Accommodations.
- 6. Property: All of the real property and apparatus employed in a single low income housing enterprise on contiguous parcels of land. These parcels may be divided by a dedicated street, highway or public thoroughfare or railway, so long as they are otherwise contiguous, part of the same single low income housing enterprise, and all under the same ownership.

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San Diego Gas & Electric Company
San Diego, California

Original Cal. P.U.C. Sheet No. 27213-E

Canceling Cal. P.U.C. Sheet No.

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SPECIAL CONDITIONS (Continued)

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7. Generator Interconnection Responsibility: To be eligible for VNM-A-ST service, the Owner shall have an effective interconnection agreement with the Utility and have submitted a Solar Generation Credit Allocation Request, Form 142-02768 ("Credit Allocation Request"), to the Utility. In addition, the Owner shall have paid all costs associated with the Utility installing a Generator Output Meter capable of recording in 15 minute increments, any wiring, trenching, conduit, or other facility costs incurred by the Utility to interconnect with the Owner's eligible customer-generator adjusted based on Rule 2 factors for a one-time payment. The location of the customer's Generator Output Metering equipment shall be approved by the Utility, and will normally be grouped with the service and metering equipment for one, or more, of the tenant or house meters. Eligible customer-generators whose system capacity² is equal to or less than one MW shall be responsible for paying an interconnection fee of \$132.00. Eligible customer-generators whose system capacity exceeds one MW shall be responsible for paying an interconnection fee of \$800.00. Additionally, all customers installing an solar electricity generating facility with a capacity in excess of 1 MW shall be subject to Network and/or Distribution upgrade costs in accordance with Rule 21.

If there is any load behind the Generation Output Meter in addition to incidental load related to the operation of the eligible customer-generator, SDG&E reserves the right to require, at the Owner's expense, the purchase and installation of metering equipment necessary to determine the total generation and total usage at the interconnection point. Such usage shall be billed as a common area account to ensure that all eligible generation output is allocated and that netting only occurs after credits have been allocated.

8. Solar Generation Credit Allocation Request Form (Form 142-02768): A form completed by the Owner that designates how the Energy Exported, as defined in SC 9a., will be allocated among the tenants and common use of the complex. The initial Owner-designated percentage split between common use and tenants shall become effective on the regularly scheduled monthly meter read date closest to the date on which the form is received by the Utility and will remain in effect for a minimum of five years. The designated allocation between tenant units shall remain in effect for a minimum of twelve months. The Owner may submit an updated form to revise these allocations at any time thereafter. These additional adjustments must also remain effective for at least twelve months. Modified Credit Allocation Requests shall become effective on the first regularly scheduled monthly meter read date that is at least 15 days following receipt by the Utility.

The Owner shall bear responsibility for ensuring that the percent allocations for individual Qualified Customers are based on the relative size of the tenant's unit, consistent with the manner in which affordable housing rents are established. Each tenant unit in the complex must receive a percent allocation of the total tenant-designated credit. Credit that is allocated to a particular unit, but not applied to a Qualified Customer's bill due to occupant nonparticipation or unit vacancy (no active account) will be retained by the Utility.

¹. System capacity is the electricity generating capacity based upon CEC-AC rating standards.

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VIRTUAL NET ENERGY METERING FOR MULTIFAMILY AFFORDABLE HOUSING SUCCESSOR
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SPECIAL CONDITIONS (Continued)

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9. Billing Process: The following billing process shall be used.

- a) Energy Exported: The metered output, delivered to the grid, as recorded by the Generator Output Meter and validated by the appropriate Utility billing processes during the specific billing period.
- b) Allocation of Credit: Monthly allocated Credits for common areas and Qualified Customers are determined by multiplying the monthly Energy Exported (kWh) by the percentages contained in the Credit Allocation Request on file with the Utility, and then converting each kWh credit to dollars using the Qualified Customer's OAS.
- c) Qualified Customer Bill: The OAS for each Qualified Customer, adjusted to conform to the conditions set forth in Schedule NEM-ST. Qualified Customers served under this schedule are responsible for all charges from their OAS including monthly billed minimum charges, customer charges, meter charges, facilities charges, energy and demand charges, excluding any adjustments due to power factor provisions. Applicable demand charges are defined in the OAS. Any nonbypassable charges shall be billed based on the total energy delivered by the Utility.
- d) Virtual Net Energy Metering and Billing: VNM means measuring the difference between the electric energy supplied by the Utility to Qualified Customers and the electric energy generated by an eligible customer-generator, fed to the electric grid, and credited to Qualified Customers over a 12-month period (Relevant Period).

At the end of each Relevant Period following the Qualified Customer's date of SDG&E's written authorization for the eligible customer-generator's parallel Operation with SDG&E's electrical system, the Qualified Customer shall be billed for net electric energy used during that period and the nonbypassable charges for the total energy delivered by the utility. If a Qualified Customer terminates service under this rate schedule prior to the end of any Relevant Period, the Utility shall reconcile the customer's consumption of electric energy with any remaining credit, and bill the customer as if it were the end of the normal Relevant Period.

(1) For an OAS with Baseline Rates:

If the Qualified Customer is a net consumer for the month, the net kWh consumed shall be billed in accordance with the Qualified Customer's OAS. If the Qualified Customer is a net generator, the net kWh generated shall be valued at the applicable baseline rates up to the billing period's baseline allowance, with any excess kWh generated valued at the applicable non-baseline rates. Any nonbypassable charges shall be billed based on the total energy delivered by the Utility.

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SCHEDULE VNM-A-ST

VIRTUAL NET ENERGY METERING FOR MULTIFAMILY AFFORDABLE HOUSING SUCCESSOR TARIFF

SPECIAL CONDITIONS (Continued)

9. Billing Process: The following billing process shall be used (continued)

d) Virtual Net Energy Metering and Billing (continued)

(2) For an OAS with Time-of-Use Rates

If the Qualified Customer is a net consumer during any discrete TOU period, the net kWh consumed shall be billed at the applicable TOU rates charged in the OAS. If the Qualified Customer is a net generator, the net kWh generated shall be valued at the applicable TOU rates charged in the OAS. Any nonbypassable charges shall be billed based on the total energy delivered by the Utility.

e) Net Surplus Compensation: A NEM-ST customer with "net surplus electricity" (all electricity generated by an eligible customer measured in kilowatt-hours over a 12-month period that exceeds the amount of electricity consumed by that eligible customer), is eligible to receive net surplus compensation ("NSC"), valued in accordance with the methodology adopted in D.11-06-016. If a customer has not generated excess kWhs, the customer is not eligible for NSC.

f) Compensation for net surplus energy: SDG&E will compensate eligible Qualified Customers with excess kWhs at the end of their relevant period for both the value of the electricity and the value of the renewable attributes. The utility will provide compensation for net surplus generation using the following formula:

$$NSC = \text{Value of Electricity} + \text{Value of Renewable Energy Credits (if applicable)}$$

(i) Value of the Electricity -

$$\text{Value of Electricity} = \text{Net surplus kWhs} \times \text{DLAP price}$$

The utility will use SDG&E's Default Load Aggregation Point (DLAP) price as the basis for the net surplus compensation rate (adopted in D.11-06-016). DLAP reflects the costs the utility avoids in procuring power during the time period net surplus generators produce excess power.

This rate is the simple rolling average of SDG&E's DLAP price from 7 a.m. to 5 p.m. corresponding to the customer's 12-month relevant period. The rolling average will be calculated on a monthly basis and be applied to all customers with a relevant period in the following month.

The utility uses a full 12 months of DLAP prices, as published on the CAISO Open Access Same-time Information System (OASIS), ending the twentieth (20th) day of each month. The utility then calculates the net surplus compensation rate within five days of the first of the month to allow the CAISO to finalize the day-ahead DLAP prices. This rate is applied to all eligible net surplus generators, irrespective of their rate class. This rate will be updated monthly and is available at www.sdge.com/NEM.

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SPECIAL CONDITIONS (Continued)

9. Billing Process: The following billing process shall be used (continued)

f) Compensation for Net Surplus Energy (Continued)

(ii) Value of Renewable Energy Credits –

Value of Renewable Energy Credits = Net surplus kWhs x Average Renewable Premium

The California Energy Commission (CEC) has determined the eligibility of net energy metering customer facilities for the Renewables Portfolio Standard (RPS) and developed an ownership verification and tracking process for Renewable Energy Credits (RECs) created by net surplus generators, which is set forth in the CEC's RPS Eligibility Guidebook, available at: <http://www.energy.ca.gov/renewables/documents/#rps>

The Utility will include an Renewable Attribute Adder (RAA) with the NSC rate if the eligible customer has: (1) certified ownership of RECs associated with his net surplus generation and provides this certification to the Utility; (2) obtained RPS certification from the CEC for his renewable electrical generation facility and provides this certification to the Utility; and (3) transfers the ownership of the RECs associated with his net surplus electricity to the Utility using the Western Renewable Energy Generation Information System (WREGIS). To effectuate these requirements, Customers requesting Utility compensation for the RAA must complete the Net Energy Metering Renewable Energy Credits Compensation Agreement (Form 182-1000).

The renewable attribute adder will be calculated using the most recent Western Electricity Coordinating Council (WECC) average renewable premium, based on United States Department of Energy (DOE) published data. The renewable attribute adder will only be paid to those net surplus generators who provide RECs to the Utility. This rate will be updated annually and is available at: <http://www.sdge.com/nem>.

In accordance with the process established in D.11-06-016, Qualified Customers who elect to receive NSC must notify the Utility that they are a Qualifying Facility exempt from certification filing at the Federal Energy Regulatory Commission ("FERC"). Since all eligible customer-generators with net power production capacities of 1 MW or less, currently meet the requirements for a qualifying facility exempt from certification filing at FERC by being under 1 MW (under FERC Order 732), SDG&E requires no additional documentation at this time. NEM-ST customers interconnecting a REGF with a capacity greater than 1 MW that are also electing to receive Net Surplus Compensation shall provide notice to the Utility that it is self-certifying such facility as a Qualifying Facility pursuant to the Public Utility Regulatory Policies Act of 1978 by properly completing and filing FERC Form No. 556 with the FERC. FERC Form No. 556 is not a requirement of interconnection.

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SCHEDULE VNM-A-ST

VIRTUAL NET ENERGY METERING FOR MULTIFAMILY AFFORDABLE HOUSING SUCCESSOR
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SPECIAL CONDITIONS (Continued)

9. Billing Process: The following billing process shall be used (continued)

f) Compensation for Net Surplus Energy (Continued)

(ii) Value of Renewable Energy Credits (continued)

Eligible Qualified Customers have the option to carry over NSC to future 12-month periods (as a bill credit) or can elect a monetary payment, if the amount is greater than one dollar (\$1). Payments for NSC shall be reduced by any amount the customer owes to the utility.

g) Greenhouse Gas Allowance Revenue Return: For customers eligible under Schedule GHG-ARR, volumetrically-based California (CA) Climate Credits will net when customers generate. Checks issued to NEM customers electing an off-bill payment for Net Surplus Compensation will incorporate any remaining CA Climate Credits.

10. Monthly Billing: The Utility shall provide Qualified Customers with eligible customer-generator production and individual consumption information with each regular monthly bill. The information shall include the current monetary balance owed to the Utility for the net energy consumed in the current Relevant Period. Qualified Customers shall pay any balance due for net energy consumed monthly. Any remaining credit over a monthly billing cycle shall be carried over to the following monthly billing period, until the end of the Relevant Period.

Qualified Customers shall not be eligible for the Level Pay Plan option set forth in Rule 9.

11. Generator Limitation: No generator shall be included behind the above described Generator Output Meter other than a Solar Generator.

12. Any customer with an existing solar electricity generating facility with a capacity in excess of 30kW and meter who enters into a new net energy metering contract (for example, form 142-02760.5 Interconnection Agreement For Virtual Net Energy Metering for Multifamily Affordable Housing (VNM-A) Solar Electric Generating Facilities) shall submit a completed form 142-02763 – NEM/VNMA Inspection Report (“Inspection Report”) to SDG&E, unless the electrical generating facility and meter have been installed or inspected within the previous three years. The Inspection Report shall be prepared by a California licensed contractor who is not the owner or operator of the facility and meter. A California licensed electrician shall perform the inspection of the electrical portion of the facility and meter and sign the Inspection Report. If an inspection is required, the customer shall submit the fully completed Inspection Report to SDG&E within 90 days of the customer becoming the customer of record at this account, or else the customer agrees to disconnect its Generating Facility and inform SDG&E it no longer will take service under net energy metering rate schedule NEM-ST or VNM-A-ST. By signing the Interconnection Agreement, the Inspection Report shall be incorporated into the Interconnection Agreement.

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SPECIAL CONDITIONS (Continued)

13. VNM-A-ST Grandfathering Provisions

This Special Condition is applicable to all Qualified Customers receiving service on this Schedule or where the Owner or Operator has submitted all documentation necessary to receive service on this Schedule.

- a) System Modifications - Generating Facilities eligible for the 20-year transition period outlined above that are modified and/or repaired shall remain eligible for the remainder of their 20-year transition period as long as the modifications and/or repairs do not increase the Generating Facility by more than the greater of (1) 10 percent of the Generating Facility's nameplate rating capacity, as established when the Generating Facility was originally interconnected, or (2) 1 kW; and provided the modifications and/or repairs do not result in the Generating Facility exceeding the Customer's annual onsite load. Qualified Customers making modifications and/or additions to their Generating Facilities that exceed the 10 percent or 1 kW limit referenced above have the option of either metering the additions and/or modifications separately under another eligible tariff, or having the entire Generating Facility served under another eligible tariff, subject to the terms and conditions contained therein.
- b) Ownership Transferability - Generating Facilities eligible for the 20-year transition period shall not lose their eligibility if transferred to a new owner, operator, or SDG&E account, provided the Generating Facility remains at its original location. The transfer of an existing Generating Facility to a new location is considered a new installation requiring a new Interconnection Agreement that is subject to the applicable tariffs in place at the time the new Interconnection Request is completed.
- c) Paired Energy Storage Systems - To the extent that eligible energy storage systems are considered an addition or enhancement to the Generating Facility served under this Schedule, the energy storage systems shall be treated in the same way, and subject to the same transition period, as the Generating Facilities to which they are connected.

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