

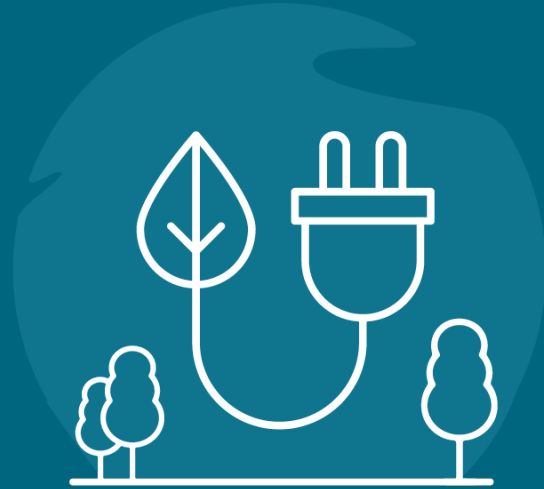
SOLAR SERVICE CHANGES

November 2, 2023

AGENDA

- Solar Billing Plan Transition
 - Overview
 - SJCE Plan
- Service Changes
 - Monthly invoicing
 - Bill credits
 - No true-up minimum period





SOLAR BILLING PLAN

Applies to new solar and storage customers and NEM customers transitioning after grandfather period expires

WHAT IS SOLAR BILLING PLAN?

- NEM 3.0 = Net Billing Tariff = Solar Billing Plan
- New billing plan for rooftop solar and storage customers
- Only affects:
 - new customers installing solar/storage after April 14, 2023
 - Customers under old Net Energy Metering billing plans will transition into Solar Billing Plan 20 years after their interconnection date
- Intended to incentivize storage installations and compensate exports based on their value to the grid

KEY CHANGES

- Solar exports now compensated at Energy Export Credit (EEC) rates
 - EEC matches solar export credits to the value that rooftop solar provides to the grid hour by hour
 - Value of EEC varies by month and by hour, but generally much lower than retail rates.



NEM VS SBP EXPORTS

- SBP highly incentivizes customers to include a storage component due to compensation rates being low during hours when solar is abundant but can be high during peak summer hours

Example rates

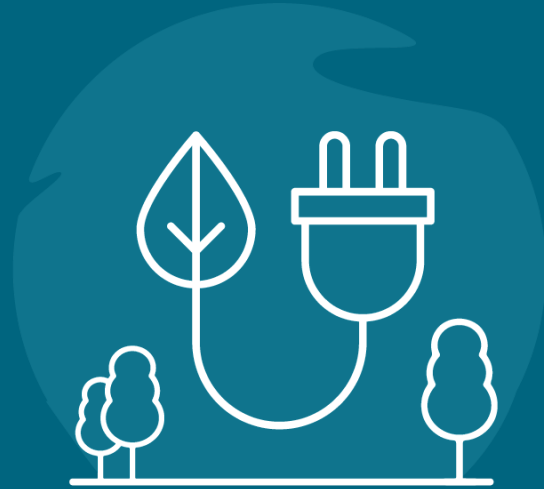
Time (weekday)	NEM Export Rate (E-TOU-C)	SBP Export Rate
April 2pm	\$0.13498/kWh	\$0.0014/kWh
April 8pm	\$0.14961/kWh	\$0.0845/kWh
September 11am	\$0.14505/kWh	\$0.0363/kWh
September 7pm	\$0.19708/kWh	\$2.9329/kWh

CCA BENCHMARKING

- Majority of CCAs are planning to align with the Solar Billing Plan of the Investor-Owned Utility in their service area (IOU)
 - Clean Power Alliance has approved a tariff that aligns with the IOU
- Most are looking into giving incentives for storage and helping customers with low incomes adopt solar and storage at a later date

SJCE PLAN

- SJCE transitions to Solar Billing Plan (SBP) in-line with PG&E: Cut over on December 15, 2023
- Transition NEM 1 and 2 customers over to SBP in-line with PG&E (20 years after interconnection date)
- Explore programs and incentives to continue SJCE's supportive position of solar and storage adoption and electrification



SOLAR SERVICE CHANGES

Applies to all solar and storage customers

SJCE NEM VS PG&E NEM

What's the same?

1. NEM fundamentals
 - Full retail credit: Customers get full value for energy sent back to the grid
 - True-up: NEM credits carry over month to month, but do not carry over between 12-month periods
2. PG&E is still responsible for permission to operation and interconnection
3. PG&E sends out monthly energy statement/bill

What's different?

1. Customers true-up at enrollment, and new true-up date is April with SJCE (with a 2nd true-up with PG&E on anniversary of interconnection)
2. Residential option for monthly billing with SJCE
3. Option for 100% renewable electricity
4. 25% higher Net Surplus Compensation (NSC) rate
 - Set each calendar year based on the average of PG&E's previous 12 months' NSC

TWO TRUE-UP CHALLENGES

- 75% of SJCE customers consume more energy than they generate
 - Average residential customer owes \$600+ at annual true-up
 - Average commercial customer owes \$5,000+ at annual true-up
- Two true-ups cause confusion and frustration
 - Spike in opt-outs
 - Poor customer experience



SOLUTION: MONTHLY INVOICING

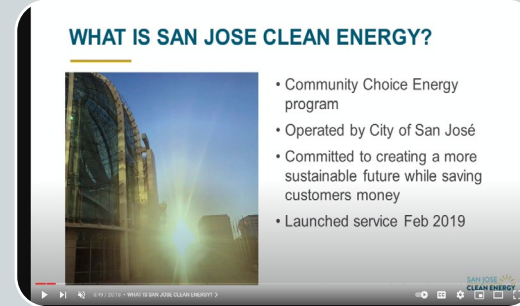
- Reconciles balance each month
 - Customers with a positive dollar balance for the month after being credited at retail rates will have that credit applied against future charges
 - Customers with a negative dollar balance pay for the electricity used that month – no large bill at the end of the year



OTHER CHANGES

- Customers that generated more than they consumed on an annual kWh basis will still be credited at the PG&E Net Surplus Compensation Rate +25%
- This credit will be applied as a credit to the customer's whole bill instead of sent out as a check
 - Credits can be applied to any part of the PG&E bill ("credit as cash")
- No minimum number of months (currently 10) in order for a customer to be automatically tried up

CUSTOMER OUTREACH



December 2023- January 2024

- Update solar pages on website
- Update solar collateral (factsheets, etc)

January 2024- February 2024

- Publish new solar services blog on SJCE website
- Promote blog on social media and Nextdoor

February 2024- March 2024

- Host webinars
- Send postcards to residential customers
- Conduct direct outreach to key accounts

April 2024-May 2024

- Process final true-up before transitioning to monthly invoicing