

Questions and Answers About the City’s Interconnection Policies

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1. What is “NEM A-2?”

NEM A-2 is an arrangement between the City and customers who have their own distributed renewable generation equipment, such as rooftop solar, installed on their premises. NEM A-2 allows a Customer-Generator (C-G) to generate renewable electricity at their premises. When generation is used to directly serve their electricity usage, the C-G avoids having to pay the electric utility for that energy usage. When the C-G produces too little to serve their on-site electricity usage, retail charges will apply. When C-G produces more than they need, the City will compensate them at the Net Surplus Compensation Rate. All metering to determine retail charges and net surplus compensation are measured on an instantaneous basis by the City’s electric meter and bills are issued and settled monthly.

2. Does NEM A-2 apply to me?

All applications to interconnect distributed renewable generation equipment, such as rooftop solar, including all new construction, will be processed under the City’s NEM A-2 Program.

3. Are there any costs and/or fees associated with interconnecting under the NEM A-2 Program?

Yes, there are four costs/fees to consider.

- i. Application & Permit Fees: Customer (or contractor) must pay all applicable fees when applying to interconnect to the City's grid. Currently, the Electric application contains a fee of \$250 for residential and \$500 for non-residential structures. These fees cover the cost of the Electric department's review of application materials. Additional review fees will apply if more than 2 review iterations are required, so please take your time to avoid additional charges by answering all questions accurately, providing all required supplemental information, and covering all other requirements listed in the "Application Overview" document. The City's Development Services department also collects fees related to the City's building permit.
- ii. Meter Upgrade (if applicable): The Customer is responsible for reimbursing the City for its cost to upgrade the electric meter to one that complies with the technical requirements of the NEM A-2 Program. An upgrade is not required in all cases, as some locations have an existing meter that satisfies the technical requirements. With that said, the City Council has waived the meter upgrade fee through November 2020.
- iii. The NEM Program Fee of \$7/month shall be applied to the first electric bill after the system is energized and each bill thereafter. The fee may be updated by the City Council from time to time.
- iv. Tampering charges shall apply if any third party (i.e., non-City personnel) removes the City electric meter, breaks any seal or otherwise gains access to the utility access panel, or installs any equipment in the electric utility side of the metering cabinet or installs any supply-side taps. In addition, there will be a 6-month delay in issuing the "Permission to Operate" letter. These tampering charges are avoidable by not tampering with any equipment or panels as described here and in the "Application Overview" posted to the website.

4. Do I get to "lock in" my City electric rates by investing in solar?

No. While your arrangement with the system retailer may include a fixed monthly payment to the system retailer (or affiliate) to pay off the cost of your equipment, interconnecting to the City's grid does not establish any commitment from the City to apply any existing rate or any existing rate structure to you in the future.

Current City policy notes that Customer-Generators are to pay for electric services under rates and rate structures applicable at the time the monthly bill is generated, which pertains to future bills. The City reserves the right to adopt and apply different rate structures to customers, including Customer-Generators, at any point in the future. For example, the City reserves the right to adopt and apply a modified rate structure, including but not limited to Time-of-Use rates, tiered rates, demand-based charges, and structures with higher fixed charges and lower volume-based charges.

5. If I have solar, will I have electricity when the City is experiencing a power outage?

In most cases, no, your solar equipment will not generate during a power outage. National electric safety code requires solar equipment to detect grid power outages and to de-energize the solar equipment to prevent it from back-feeding electricity on the grid. This is designed to protect electric line workers who are in the field working near powerlines to restore power to the community. Therefore, a standard solar installation will stop generating in the event of a City power outage. However, solar with additional equipment can serve your premises in the event of a power outage.

Solar with a battery storage system and an automatic transfer switch can provide electricity to your premises in the event of a City power outage. Note, the automatic transfer switch is a safety device that prevents your generating equipment from back-feeding to the City's grid.

There are other ways to supply power to your appliances and/or your home, such as backup generators that run on gasoline, diesel, propane, or natural gas. Note, however, if you plan to have a backup generator hooked up to your home, they must have a transfer switch to prevent energy from flowing back to the City's electric grid. Please contact the City's Development Services department for more information.

6. Is there a 12-month true-up?

There is a 12-month true up only for those C-Gs with a NEM A-1 contract. These C-Gs will receive invoices each month and a true-up statement after the end of the 12th monthly billing period. The 12-month true up period is based on the original date the equipment was interconnected to the City's grid.

All other C-Gs, including those interconnected under NEM A-2, are billed on a monthly basis and those invoices are final (except in cases when a billing error is discovered, in which case bill corrections may be issued). Please note that the NEM A-1 Program was suspended on April 5, 2019 and all applications to interconnect to the City's grid are processed under NEM A-2.

7. Am I allowed to install an energy storage device, such as a battery unit, with my solar installation?

Yes, the City allows C-Gs to include energy storage devices to compliment their distributed energy generation equipment. The energy storage device must be configured in such a way that it cannot export energy to the City's electric grid.

8. How large of a system can I install?

Systems can be sized to serve up to the C-G's last 12-month usage (kWh). If 12-months of usage is not available, the system can be sized to 2 Watts-DC per square foot of permitted livable space.

New low-rise residential structures permitted in 2020 and each year thereafter are subject to applicable building codes, which establishes the size of an installation which is smaller than the City's default 2 Watts-DC per square foot of permitted livable space in most cases. It is City policy to allow installations permitted under the new building codes to size systems to the size defined in the building code or the City's 2 Watt-DC per square foot of permitted livable space, whichever is larger.

9. What is the purpose of Form C "Permission to Operate?"

Form C is the City's official written confirmation required before you energize your system. The PTO is issued by the City after the system is installed and passes all inspections. Systems can be energized prior to receiving a PTO for testing purposes only. Testing periods are defined under legal parameters and typically last 72 hours or less. Activating a system before a PTO is considered a material breach of the terms and conditions of the City's Interconnection policies. Any unauthorized energization of a system, with the sole exception made for test energy, shall result in a 6-month delay in issuing the signed Form C (PTO) letter.

10. Why is there a difference in the generation figure on the City electric bill and the generation reports I receive from my system retailer?

The City does not have access to the data provided to you by your system retailer, so the City cannot provide a full answer to this question. However, the system retailers' reports most likely show total gross system generation (i.e., the amount of generation before you use any of it). In contrast, the City's electric meter only measures the net amount of energy flowing to or from your premises after you first consume generation on-site.

11. Can the City tell me if I'm getting a good price on my Equipment?

No, the City does not provide specific advice. Generally speaking, it is wise to take the time to get multiple bids and to discuss your questions with each potential contractor. There are resources published by the State of California to ensure contractors hold valid licenses (Contractors State License Board), and there are several third-party websites available with information that may help in researching equipment.