

## RESOLUTION NO. IPUC 2023-01

### A RESOLUTION OF THE INDUSTRY PUBLIC UTILITIES COMMISSION REVISING THE SCHEDULE OF ELECTRIC RATES FOR ELECTRIC SERVICE PROVIDED BY INDUSTRY PUBLIC UTILITIES, PURSUANT TO THE CITY OF INDUSTRY MUNICIPAL CODE SECTION 7.04.060.D., AND ADOPTING A NOTICE OF EXEMPTION REGARDING SAME

**WHEREAS**, net energy metering allows customers to generate their own renewable energy such as solar and wind to serve their energy needs directly on site and to receive a financial credit on their electric bills for any surplus energy, thereby allowing customers to reduce their monthly electric bill; and

**WHEREAS**, Public Utilities Code Section 2827 requires publicly owned electric utilities to offer a standard Net Energy Metering (“NEM”) Tariff Schedule to customers that install renewable generation under one megawatt in capacity that does not exceed the customer’s annual usage and meets all the applicable safety and performance standards and program requirements (“Eligible Customer-Generators”); and

**WHEREAS**, Industry Public Utilities (“IPU”) will have an initial open enrollment up to a program cap of 387 kilowatts (“kW”) for Eligible Customer-Generators that have received an approved NEM and Generating Facility Interconnection Agreement (NEM 1.0); and

**WHEREAS**, this program cap of 387 kW is set at 5 percent of IPU’s maximum coincident peak demand in the prior fiscal year, called the “NEM Capacity Value”; and

**WHEREAS**, IPU’s NEM Capacity Value will be adjusted annually based upon 5 percent of IPU’s maximum coincident peak demand during the prior fiscal year; and

**WHEREAS**, under NEM 1.0, during any billing cycle, if an Eligible Customer-Generator supplies IPU with more energy than the Eligible Customer-Generator consumes, the net energy produced will be carried forward in kilowatt-hours (“kWh”) on the electric portion of their bill and will be valued at the rate applicable at the time the energy was generated. At the end of each twelve-month period, the Eligible Customer-Generator can receive net surplus energy compensation for net surplus energy generated during the prior twelve-month period times the Net Surplus Compensation Rate (“NSCR”) set forth in NEM 1.0 Rate Schedule; and

**WHEREAS**, the NSCR will be adjusted September 1 of each year to reflect IPU’s prior fiscal year costs and will be posted on IPU’s website. The NSCR will include: (i) IPU’s annual weighted average cost of energy purchased from the California Independent System Operator (“CAISO”); (ii) IPU’s annual weighted average CAISO Wheeling Access Charge; and (iii) value of renewable energy credits based on IPU’s

most recently executed renewable power purchase contractual commitment of ten years or more; and

**WHEREAS**, once the NEM Capacity Value is reached, any new Eligible Customer-Generator will be served using IPU's ERG Rate Schedule and the IPU Interconnection and Eligible Renewable Generation Agreement ("ERG Agreement"); energy delivered from IPU to and consumed by ERG Customer will be measured by the "delivered" register on the electric meter; the monthly kWh delivered, and consumed electricity shall be billed monthly on the otherwise applicable rates; the renewable generation that is generated by ERG Customer and delivered to the electric grid will be measured by the "received" register on the electric meter; each month, the total quantity of renewable generation that is generated by and delivered to the electric grid is multiplied by the applicable ERG Rate Schedule, and that amount credited towards the monthly bill; if the amount credited to exceeds the total amount of the monthly bill, then that excess amount will be carried forward to next month's bill; and

**WHEREAS**, the ERG Rate Schedule will be adjusted September 1st of each year to reflect IPU's prior fiscal year costs and will be posted on IPU's website; the ERG Rate Schedule will include: (i) IPU's annual weighted average cost of energy purchased from the California Independent System Operator ("CAISO"); (ii) IPU's annual weighted average CAISO Wheeling Access Charge; and (iii) value of renewable energy credits based on IPU's most recently executed renewable power purchase contractual commitment of ten years or more; and

**WHEREAS**, the NSCR and ERG Rate is \$0.07668 per kWh; and is valid until September 1, 2023 and

**WHEREAS**, the statutory requirements of Public Utilities Code Section 2827 require that the tariff made available to Eligible Customer-Generators is based on the just and reasonable compensation for the value of net surplus electricity, while leaving other rate payers unaffected; and IPU's NEM 1.0 and ERG Rate Schedules, described above, meet that requirement; and

**WHEREAS**, to meet the statutory requirements of Public Utilities Code Section 2827, the Schedule of Rates and Electric Service Rules should be revised to include a Net Energy Metering 1.0 Rate Schedule and ERG Rate Schedule, Net Energy Metering Agreement, Eligible Renewable Generation Agreement, and other related documents to be signed by the customer ("Electric Service Rule 21") to assure all the applicable safety and performance standards and program requirements are met; and

**WHEREAS**, IPU provided the required notification to the public by publishing notice of this hearing on September 28, 2022, and republished on October 5, 2022, in the San Gabriel Tribune, a newspaper of general circulation adjudicated to publish legal advertisements for the City of Industry. Public Hearing was opened for public comments

on October 13, 2022 and continued to January 12, 2023. Public Hearing Notice was again published in the San Gabriel Tribune on December 14, 2022, and republished on December 21, 2022 and the public notice was posted at City Hall and on the IPU Website.

**WHEREAS**, based upon the Staff Report, testimony, and other evidence submitted at the public hearing held on January 12, 2023, the IPUC hereby finds and determines that: the proposed revised charges and rates set forth in, attached hereto and incorporated herein by reference, reflect the IPU's reasonable and prudent costs associated with operation of IPU and do not establish unfair, unreasonable, discriminatory or excessive rates that exceed the IPU's reasonable costs of providing electricity services to its customers; and

**WHEREAS**, the IPUC reviewed the adoption of this Resolution pursuant to the requirements of the California Environmental Quality Act of 1970, as amended ("CEQA"), and determined that the adoption of the revised Schedule of Rates has no foreseeable potential to result in a significant impact upon the environment and is exempt from CEQA pursuant to. Further, the IPUC has determined that the approval of the fees and rates is exempt from CEQA under Section 15273(a)(1) of the State CEQA Guidelines as such fees and rates are for the purposes of meeting the operating expenses of the municipal electricity enterprise; and

**WHEREAS**, all legal prerequisites to the adoption of this Resolution have occurred.

**NOW THEREFORE, THE INDUSTRY PUBLIC UTILITIES COMMISSION HEREBY FINDS, DETERMINES, AND RESOLVES AS FOLLOWS:**

**SECTION 1.** The IPUC hereby determines that all the facts set forth in the recitals above are true and correct, and are incorporated herein by reference.

**SECTION 2.** The IPUC has reviewed the proposed rate revisions pursuant to the requirements of the California Environmental Quality Act ("CEQA"), and determined that the adoption of the revised Schedule of Rates is exempt from CEQA, under the commonsense exemption set forth in Section 15061 of the CEQA Guidelines because the revised Schedule of Rates has no foreseeable potential to result in a significant impact upon the environment. Further, the adoption of the Schedule of Rates is exempt from CEQA pursuant to Section 15273 of the CEQA Guidelines because such fees and rates are for the purposes of meeting the operating expenses of the municipal electricity enterprise. Based on the foregoing, the City Council hereby adopts the Notice of Exemption, and directs Staff to file same as required by law.

**SECTION 3.** The Schedule of Rates for electricity service, as set forth in the Schedule of Rates set forth in Attachment A to Resolution No. 2022-16 is hereby rescinded in its entirety as of February 1, 2023. The Schedule of Rates set forth in

Attachment A to this Resolution is hereby adopted, and shall take effect on February 1, 2023.

**SECTION 5.** The Secretary shall certify to the adoption of this Resolution and the same shall be in full force and effect.

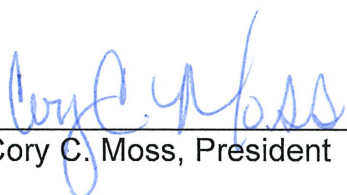
**PASSED, APPROVED AND ADOPTED** by the Industry Public Utilities Commission at a regular meeting held on January 12, 2023, by the following vote:

AYES: COMMISSIONER: Greubel, Marcucci, Radecki, Ruggles, P/Moss

NOES: COMMISSIONER: None

ABSENT: COMMISSIONER: None

ABSTAIN: COMMISSIONER: None

  
\_\_\_\_\_  
Cory C. Moss, President

**ATTEST:**

  
\_\_\_\_\_  
Julie Gutierrez-Robles, Secretary

# Attachment A

## Industry Public Utilities

### Schedule of Electric Rates

Schedule A  
General Service

A. Applicability.

Applicable to single and three-phase General Service including lighting and Power Service. Any Customer whose monthly Maximum Demand, in the opinion of IPU, is expected to exceed 20 kW or has exceeded 20 kW in any three (3) months during the preceding twelve (12) months is ineligible for service under this Rate Schedule. Effective with the date of ineligibility, the Customer's account shall be transferred to another applicable Rate Schedule.

B. Rates.

Customer Charge - \$/Meter/Day	\$ 0.412
Energy Charge - \$/kWh/Meter/Month	
Summer Season	\$ 0.18416
Winter Season	0.12883
Public Purpose Programs - \$/kWh/Meter/Month	\$ 0.00444

C. Billing Calculation.

A Customer's bill is calculated according to the rates and conditions above. The charges are calculated by applying the Rate Charges when applicable to the actual billing determinants (kilowatt hours [kWh], etc.).

Schedule B  
Large General Service

A. Applicability.

Applicable to single and three-phase service including lighting and Power Service Customers whose monthly Maximum Demand registers, or in the opinion of IPU is expected to register, above 20 kW and below 500 kW. Any Customer whose monthly Maximum Demand, in the opinion of the Utility, is expected to reach 500 kW or has reached 500 kW for any three (3) months during the preceding twelve (12) months is ineligible for service under this Rate Schedule. Effective with the date of ineligibility, such Customer's account shall be transferred to another applicable Rate Schedule. Any Customer whose monthly Maximum Demand has registered 20 kW or less for twelve (12) consecutive months is eligible for service under another applicable Rate Schedule.

B. Rates.

Customer Charge - \$/Meter/Month	\$ 56.77
Energy Charge - \$/kWh/Meter/Month	
For the first 300 kWh/kW of Maximum Demand	\$ 0.11808
All kWh above the first 300 kWh/kW	0.13328
Demand Charge - \$/kW of Billing Demand/Meter/Month	
Facilities Related	\$ 5.34
Time Related - Summer Season – On-Peak	7.65
Public Purpose Programs - \$/kWh/Meter/Month	\$ 0.00424

C. Maximum Demand.

The Maximum Demand in any month shall be the measured maximum average kilowatt input, indicated or recorded by instruments, during any 15-minute metered interval in the month.

D. Billing Demand.

The Billing Demand shall be the kW of Maximum Demand. The Time Related Summer Season Demand component shall be for the kW of Maximum Demand recorded for the Summer Season monthly billing period. The Facilities Related Demand component shall be for the kW of Maximum Demand recorded during (or established for) the monthly billing period. However, when IPU

determines the customer's meter will record little or no energy use for extended periods of time or when the customer's meter has not recorded a Maximum Demand in the preceding eleven months, the Facilities Related Component of the Demand Charge may be established at 50 percent of the customer's connected load.

E. **Billing Calculation.**

A Customer's bill is calculated according to the rates and conditions above. The charges are calculated by applying the Rate Charges when applicable to the actual billing determinants (kilowatt hours [kWh], etc.).



Schedule C  
Larger General Service

A. Applicability.

Applicable to single and three-phase service including lighting and power customers whose monthly Maximum Demand registers, or in the opinion of IPU is expected to exceed 500 kW or has exceeded 500 kW for any three (3) months during the preceding twelve (12) months. Any Customer whose monthly Maximum Demand has registered below 500 kW for twelve (12) consecutive months is ineligible for service under this Rate Schedule, and shall be transferred to another applicable Rate Schedule

B. Rates.

Customer Charge - \$/Meter/Month	\$ 46.66
Energy Charge - \$/kWh/Meter/Month	
For the first 300 kWh/kW of Maximum Demand	\$ 0.09704
All kWh above the first 300 kWh/kW	0.10954
Demand Charge - \$/kW of Billing Demand/Meter/Month	
Facilities Related	\$ 4.39
Time Related - Summer Season – On-Peak	6.29
Public Purpose Programs - \$/kWh/Meter/Month	\$ 0.00343

C. Maximum Demand.

The Maximum Demand in any month shall be the measured maximum average kilowatt input, indicated or recorded by instruments, during any 15-minute metered interval in the month.

D. Billing Demand.

The Billing Demand shall be the kW of Maximum Demand. When applicable, the Time Related Summer Season Demand component shall be for the kW of Maximum Demand recorded for the Summer Season monthly billing period. The Facilities Related Demand component shall be for the kW of Maximum Demand recorded during (or established for) the monthly billing period. However, when IPU determines the customer's meter will record little or no energy use for extended periods of time or when the customer's meter has not recorded a Maximum Demand in the preceding eleven months, the Facilities Related Component of the Demand Charge may be established at 50 percent of the customer's connected load.

E. Billing Calculation.

A Customer's bill is calculated according to the rates and conditions above. The charges are calculated by applying the Rate Charges when applicable to the actual billing determinants (kilowatt hours [kWh], etc.).

Schedule D  
Domestic Service

A. Applicability.

Applicable to domestic service including lighting, heating, cooking, and power or combination thereof in a Single-Family Residence or an individually metered Single-Family Dwelling in a Multi-Family Residence.

B. Rates.

Customer Charge - \$/Meter/Day	
Single-Family Residence	\$0.033
Multi-Family Residence	\$0.025
Energy Charge - \$/kWh/Meter/Month	\$ 0.10882
Public Purpose Programs - \$/kWh/Meter/Month	\$ 0.00328

C. Customer Charge: For purposes of applying the Customer Charge, the following definitions shall be used:

- Single-Family Residence: A building of single occupancy which does not share common walls, floors, or ceilings with other residential dwellings units.
- Multi-Family Residence - Apartments, mobile homes, condominiums, townhouses, or a building of multiple occupancy which shares common walls and/or floors and ceilings with other residential units.

D. Billing Calculation.

A Customer's bill is calculated according to the rates and conditions above. The charges are calculated by applying the Rate Charges when applicable to the actual billing determinants (kilowatt hours [kWh], etc.).

Schedule NEM 1.0  
Net Energy Metering

A. Applicability

This schedule is available to Eligible Customer-Generators, as defined in Section 2827 of the California Public Utilities Code, operating a Renewable Electrical Generation Facility, located on the customer's owned, leased, or rented premises with a capacity of no more than one megawatt that is intended primarily to offset part or all of the customer's own electrical requirements and which is interconnected and operates in parallel with IPU's power system pursuant to an Interconnection and Metering Agreement (NEM Agreement) with IPU. To be eligible for this Rate Schedule, the expected annual generation from the Renewable Electrical Generation Facility must not exceed the Customer's load (on a kWh basis) for the prior full calendar year, or if insufficient historical load data is available, the expected annual load based on the customer type and characteristics.

This Rate Schedule is available on a first-come, first-served basis until the total rated generating capacity used by Eligible Customer-Generators exceeds 5 percent of IPU's aggregate customer peak demand. The total amount of Eligible Customer-Generation connected to IPU's distribution system and served under this Rate Schedule at any time is defined as the NEM Capacity. The total amount of Renewable Electrical Generation Facility that is eligible for service under this Rate Schedule is 387 kilo-watts ("NEM Capacity Value") and it is determined using the aggregate customer peak demand, defined by IPU as the maximum coincident peak MW reading during the same one-hour interval for the fiscal year (Annual Peak Demand). IPU's NEM Capacity and NEM Capacity Value are reviewed annually and the NEM Capacity Value is adjusted using the following methodology with the result rounded up to the nearest 0.1 MW:

$$\text{NEM Capacity Value} = \text{APD}_{\text{avg}} * 0.05$$

Where: APD= Annual Peak Demand for the Fiscal Year  
 $\text{APD}_{\text{avg}}$  = The rolling five-year average of the APD in MW

**Current NEM Capacity Value is 387 kW**

B. Protocol for Administering the NEM Capacity

1. Eligible Customer-Generators will be served under this Rate Schedule until the total installed NEM Capacity equals the NEM Capacity Value. Once the NEM Capacity Value has been reached, new customer generation will be served using IPU's ERG Rate Schedule. Should the capacity of a proposed project be anticipated to result in IPU exceeding the NEM Capacity Value, the proposed project will not be eligible for service under this Rate Schedule.

2. Once a customer is eligible to be served under this Rate Schedule, they will remain eligible, unless the IPU revises eligibility criteria or the customer elects service under the ERG Schedule.
3. As NEM Capacity becomes available, those existing eligible renewable customer generators that are served under the ERG Rate Schedule, and would like to elect service under this Rate Schedule, shall notify IPU of their interest. Upon notification IPU will evaluate the interested customer for eligibility under this Rate Schedule based on the capacity of their generator and the installation service date, with the oldest installations receiving first consideration. More specifically:
  - a. Only customers with a renewable generator capacity that is less than or equal to the available NEM Capacity shall be considered for service under this Rate Schedule.
  - b. Those customers meeting the generator capacity requirement will be offered service under this Rate Schedule in chronological order based on the service date of their generation.
4. New or expanded eligible renewable customer generators will be considered on a first-come, first-served basis for service under this Rate Schedule for any remaining NEM Capacity. New customer generation will be served until the NEM Capacity Value is reached. When the capacity of a proposed project is anticipated to cause IPU to exceed the NEM Capacity, the proposed project will not be eligible for service under this Rate Schedule.

C. Territory

Within the entire service territory served.

D. Rates

All rates charged will be in accordance with the Eligible Customer-Generator's otherwise applicable rate schedule on a Net Energy Metering basis. An Eligible Customer-Generator served under this schedule is responsible for all charges in its otherwise applicable rate schedule, including the Customer Charge, when applicable, regardless of the Customer's monthly or annual net generation.

Eligible Customer-Generators under this Rate Schedule are subject to any new or additional charges pursuant to the Customer's otherwise applicable rate schedule.

E. Special Conditions

1. Definitions.

Renewable Electrical Generation Facility: a facility that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the California Public Resources Code including biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.

Net Energy Metering: measuring the difference between the energy supplied through the electric grid to the Customer and the energy generated by an Eligible Customer-Generator and fed back to the electric grid over a twelve-month period, as described in subdivisions (c) and (h) of California Public Utilities Code Section 2827.

Net Surplus Customer-Generator: An Eligible Customer-Generator that generates more energy in a twelve-month period than is supplied by the Utility to the Eligible Customer-Generator during the same twelve-month period.

Net Surplus Energy: All energy generated by an Eligible Customer-Generator measured in kilowatt-hours over a twelve-month period that exceeds the amount of energy consumed by that Eligible Customer-Generator.

Net Surplus Energy Compensation: Compensation, either monetary or as a billing credit, at a per kilowatt-hour rate, offered by IPU to the Net Surplus Customer-Generator for Net Surplus Energy. The currently applicable NSCR shall be posted to IPU's website.

2. Agreement.

In order for this schedule to apply, Customer must complete and sign the IPU Interconnection and Net Metering Agreement. This agreement contains additional terms and conditions, including without limitation, requirements relating to indemnification, insurance, and access to Customer's premises.

3. Meter Requirements.

IPU shall own, operate, and maintain a single meter on Customer's premises capable of registering the flow of electricity in two directions.

If the existing meter on Customer's premises is not capable of measuring the flow of electricity in two directions or supplying time-of-use information, Customer shall be responsible for the expenses involved in the purchase and installation of the meter.

IPU, at its expense, may install additional meters. However, if such meters are installed, the Net Energy Metering calculation shall yield an identical result to that of a single meter.

4. Billing.

Customer's Net Energy Metering calculation shall be calculated over each normal monthly billing period within a 12-month period. The monthly Net Energy Metering calculation shall be made by measuring the difference between the electricity supplied to Customer and the electricity generated by Customer and fed back to the grid over a normal one-month billing period.

At the end of each one-month billing period, IPU shall determine if Customer was a net consumer or a net producer of electricity.

In the event that the electricity supplied by IPU during the one-month billing period exceeds the electricity generated by Customer during the same period, Customer is a net energy consumer. If Customer was a net energy consumer, IPU shall bill Customer for the net energy consumption during such billing period based on the Customer's Rate Schedule and Customer shall pay for such net energy consumption monthly in accordance with Customer's monthly billing statement.

In the event that the electricity supplied by IPU during the one-month billing period is less than the electricity generated by Customer during the same period, Customer is a net energy producer. If Customer is a net energy producer, any excess energy generated by the customer shall be carried forward to the following billing cycle as a monetary credit on the customer's account until the end of the 12-month period.

If Customer terminates service prior to the end of any 12-month period, IPU shall reconcile Customer's consumption and production of electricity and bill Customer for Net Energy Metering charges, or if appropriate, issue a final payment for any excess generation, based on the applicable Net Surplus Compensation rate.

5. Net Surplus Compensation.

If at the end of the applicable 12-month period, Customer is a Net Surplus Customer-Generator, then IPU shall retain any Net Surplus Energy generated by Customer, including any associated environmental attributes or renewable energy credits (REC), and Customer's monetary value shall be reset to zero for the subsequent 12-month period.

If Customer is eligible for Net Surplus Energy Compensation, such compensation shall be calculated over the 12-month period.

In order to be eligible for Net Surplus Energy Compensation, Customer must: (1) elect a compensation option in Customer's NEM Agreement; (2) certify that

Customer has sole ownership of the environmental attributes and RECs associated with the energy generated from the Generating Facility; and (3) agree to transfer to IPU all rights, title, and interest Customer has to such environmental attributes and RECs.

IPU's Net Surplus Compensation rate shall provide just and reasonable compensation for the value of the Net Surplus Energy, while leaving other ratepayers unaffected.

If Customer is eligible for Net Surplus Energy Compensation, Customer shall receive compensation pursuant to the method selected in Customer's NEM Agreement.

6. Termination of Service

If Customer terminates service prior to the end of any 12-month period, IPU shall reconcile Customer's consumption and production of electricity over the time period from the end of the prior 12 month period until the date of termination. If at the end of the period prior to termination, Customer is a Net Surplus Customer-Generator, then IPU shall retain any Net Surplus Energy generated by Customer, including any associated environmental attributes or RECs. If Customer is eligible for Net Surplus Compensation, such compensation shall be calculated as measured from the end of the prior 12 month period until the date of termination.

7. Net Surplus Compensation Rate (NSCR).

The Net Surplus Compensation Rate (NSCR) shall be adjusted September 1 of each year to reflect the Utility's prior fiscal year costs and will be posted on the Utility's website. If the NSCR is not adjusted or otherwise updated for any individual year, the most recently effective NSCR shall apply. The NSCR will include: (i) the Utility's annual applicable weighted average cost of energy purchased from the California Independent System Operator (CAISO); (ii) the Utility's annual weighted average CAISO Wheeling Access Charge; and (iii) value of renewable energy credits based on the Utility's most recently executed renewable power purchase contractual commitment of ten years or more. The currently applicable NSCR shall be posted to IPU's website.



Schedule ERG  
Eligible Renewable Generation

A. Applicability

This schedule is available to Eligible Customer-Generators, as defined in Section 2827 of the California Public Utilities Code, operating a Renewable Electrical Generation Facility, located on the customer's owned, leased, or rented premises with a capacity of no more than one megawatt that is intended primarily to offset part or all of the customer's own electrical requirements and which is interconnected and operates in parallel with IPU's power system pursuant to an Interconnection and Metering Agreement (ERG Agreement) with IPU. To be eligible for this Rate Schedule, the expected annual generation from the Renewable Electrical Generation Facility must not exceed the customer's load (on a kWh basis) for the prior full calendar year, or if insufficient historical load data is available, the expected annual load based on the customer type and characteristics.

B. Territory

Within the entire service territory served.

C. Rates

a. Customer charges, demand charges, and other fees.

The applicable customer charges, demand charges, and other fees shall be billed monthly according to the ERG Customer's otherwise applicable rate schedule. ERG Customers under this Rate Schedule are subject to any new or additional charges pursuant to the Customer's otherwise applicable rate schedule.

b. Electricity delivered to and consumed by ERG Customer.

The electricity delivered from IPU and consumed by the ERG Customer will be measured by the "Delivered" register on the energy meter. The monthly kWh delivered and consumed electricity shall be billed monthly on the ERG customer's otherwise applicable rate.

c. Electricity generated by ERG Customer and delivered to the grid.

The renewable generation that is generated by the ERG Customer and delivered to the grid will be measured by the "Received" register on the energy meter. Each month, the total quantity of renewable generation that is generated by the ERG Customer and delivered to the grid shall be multiplied by the applicable ERG Rate, and that amount will be credited toward the ERG Customer's monthly bill. If the amount credited to the ERG Customer exceeds the total amount of the ERG

Customer's monthly bill, then that excess amount shall be carried forward to the next month's bill.

d. ERG Rate

The ERG Rate shall be adjusted September 1 of each year to reflect the Utility's prior fiscal year costs and will be posted on the Utility's website. If the ERG Rate is not adjusted or otherwise updated for any individual year, the most recently effective ERG Rate shall apply. The ERG Rate will include: (i) the Utility's annual applicable weighted average cost of energy purchased from the California Independent System Operator (CAISO); (ii) the Utility's annual weighted average CAISO Wheeling Access Charge; and (iii) value of renewable energy credits based on the Utility's most recently executed renewable power purchase contractual commitment of ten years or more. The currently applicable ERG Rate shall be posted to IPU's website.

e. Net Bill Credit.

If there is a total net bill credit in any month, that credit will be carried forward to the next month's bill.

f. Generation utilized on-site by the ERG Customer.

Electricity supplied by the Renewable Electrical Generation Facility that is utilized on-site by the ERG Customer will not be measured, charged, or credited by IPU.

D. Special Conditions

1. Definitions.

Renewable Electrical Generation Facility: a facility that generates electricity from a renewable source listed in paragraph (1) of subdivision (a) of Section 25741 of the California Public Resources Code including biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.

2. Agreement.

In order for this schedule to apply, Customer must complete and sign the ERG Interconnection Agreement. This agreement contains additional terms and conditions, including without limitation, requirements relating to indemnification, insurance, and access to ERG Customer's premises.

The ERG Interconnection Agreement application fee shall be:

\$300 for installations up to 100 kW,  
\$800 for installations greater than 100 kW, but less than 200 kW, and  
\$2,000 for installations greater than 200 kW.

3. Meter Requirements.

IPU shall own, operate, and maintain a single meter on Customer's premises capable of registering the flow of electricity in two directions.

If the existing meter on Customer's premises is not capable of measuring the flow of electricity in two directions or supplying time-of-use information, Customer shall be responsible for the expenses involved in the purchase and installation of the meter.

F. Billing.

ERG Customers shall be billed monthly, as set forth in the ERG Customer's otherwise applicable Rate Schedule.