



Applicability

This Net Metering Electric Rate Schedule NM is applicable to all customers who own and operate a Renewable Resource electrical generating facility¹, or a hybrid system of a renewable source and a conventional generator, with a capacity of not more than 1 MW. The facility must be located on the customer's owned, leased, or rented premises, operate in parallel with the Port's transmission and distribution facilities, and must be intended primarily to offset part or all of the customer's own electrical requirements. This Rate Schedule is co-applicable with a customer's otherwise applicable metered rate schedule. Application for this Electric Rate Schedule NM is on a first-come, first-served basis and is limited to the aggregated total of eligible customer generators to 100 kW of nameplate generating capacity². The customer must sign the appropriate Port of Stockton Interconnection Agreement including payment for surplus energy delivered to the Port, if any.

Territory Served

The entire area within the Stockton Port District boundary or any other area served by Stockton Port District.

Generation Equipment

The eligible customer-generator must meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the California Public Utilities Commission regarding safety and reliability and the San Joaquin Valley Unified Air Pollution Control Board. Before connection of any generating equipment the customer must apply to the Port of Stockton for the interconnection and parallel operation of their generating facility. An electrical system study may be required to determine the impacts of the proposed generation equipment on the Port of Stockton's electrical system.

Metering Equipment

The Port of Stockton will pay for and install, at no cost to the customer, a single meter capable of registering the flow of electricity in both directions, or equivalent metering equipment. If the customer desires more detailed metering equipment, the customer will incur all associated costs. The Port reserves the right to install additional metering to collect generator operating or billing information at the Port's own expense.

Design, Interconnection and Protection Equipment

The Port of Stockton shall have the right to review the design of a customer's Generating Facility and Interconnection Facilities and to inspect a customer's Generating and/or Interconnection Facilities prior to the commencement of Parallel Operation with the Port's distribution system. The customer is responsible for all local building permits and final inspections with the local agency before the Port performs its final inspection. The



Port may require a customer to make modifications as necessary to comply with the requirements of the Port. The Port may require proof that the customer's protection system is performing to the level required by the Port and the Interconnection Agreement. The Port's review and authorization for Parallel Operation shall not be construed as confirming or endorsing the customer's design or as warranting the Generating and/or Interconnection Facilities' safety, durability or reliability. The Port shall not, by reason of such review or lack of review, be responsible for the strength, adequacy, or capacity of such equipment.

Monthly Charges

The customer will be billed monthly on their otherwise-applicable metered rate schedule using the net metered quantities of power consumed by the customer. The Port will provide the customer with a monthly accounting showing, among other things, the current net electricity consumption and any net deliveries to the Port's distribution system. On a monthly basis for customers that provide a de minimus net delivery to the Port, the net kilowatt-hours in the billing cycle shall be carried over to the following monthly period as a kWh value.

The customer is responsible for all charges from the otherwise-applicable Rate Schedule including monthly customer charge, state surcharge, Public Benefit Charge and city tax. For commercial, industrial, and agricultural customer- generators, the net balance of moneys owed the Port shall be paid in accordance with the customer's otherwise-applicable Rate Schedule.

If the eligible customer is a net energy consumer, as stated herein, the customer will be billed in accordance with the customer's otherwise-applicable Rate Schedule. If the eligible customer is a net energy producer within the 12 month Settlement Period as determined below, and has not entered into an agreement for the purchase of such surplus energy.

Annual Net Surplus Generation Compensation

If the eligible customer anticipates that it will be a net energy producer, the Port at its discretion, may enter into an agreement with the customer for the purchase of the surplus energy. The Port shall determine the amount of metered net surplus generation over the Settlement Period as described below. The Port will then either provide a monetary credit for net surplus generation to be paid to the customer or apply the monetary credit to the customer's account. Monetary value for each net surplus generated kilowatt-hour shall be based on the Port's avoided cost of energy. Any renewable energy credit associated with net surplus electricity purchased by the Port shall belong to the Port.

Settlement Period

The Port of Stockton will determine the monthly net effect of the renewable generator's production over the 12 month Settlement Period commencing on the anniversary date of the commercial operation of the renewable resource generator.



Termination

If a customer terminates service with the Port, the Port will reconcile the customer's consumption and production of energy during the period between termination, and the later of (i) the end of the last 12-month billing period and (ii) the last reconciliation.

¹ Renewable Resources are as defined in the latest version of the California Energy Commission's (CEC's) Renewables Portfolio Standard (RPS) Eligibility Guidebook and the Overall Program Guidebook. The RPS Guidebooks can be found at: <http://www.energy.ca.gov/renewables/documents/index.html#rps>.

² The aggregate of all eligible customer generators' name plate capacity shall not exceed 2.5% of the Port's aggregate customer peak demand. The District shall retain any excess kilowatt-hours and shall not owe the customer compensation for those excess kilowatt- hours.