

Subject: Assembly Bill 920 and Changes to Net Energy Metering (NEM)

Dear Customer:

On October 11, 2009, Governor Arnold Schwarzenegger signed Assembly Bill 920 (AB920 – Huffman – Solar and Wind Generation) into law. This law addresses several aspects of renewable energy in California. One provision of the law that directly affects you as a Southern California Edison (SCE) NEM customer is a requirement that SCE offer you compensation for any net surplus electricity generated over a 12-month period.

Your NEM account has a designated “relevant period” of 12 months, based on the date your renewable energy generation system’s interconnection is finalized. At the end of this period, under the current law, SCE reconciles your electricity consumption against accrued energy credits for the preceding 12 months, and any remaining surplus energy credits are zeroed out. AB920 changes the NEM program by allowing you to receive compensation for your remaining surplus energy.

In accordance with the new law you are eligible to receive compensation for net surplus electricity in 2011. You may elect to not participate by completing and returning the attached NEM Surplus Electricity Compensation Selection Form (also available at www.sce.com/nemAB920). If you do not return the attached form, SCE will enroll you in the net energy compensation option beginning with your next relevant period.

The form provides the following options, which you may change once every 12 months (please note that Option 2 may result in a loss of energy credits):

1. Choose to receive compensation (check the “I Am Interested in Receiving Compensation” box on the selection form). Select this option if you wish to select when your participation begins for purposes of measuring your surplus energy. In the future, you will have the opportunity to choose whether to receive a payment or an electricity credit.
2. Choose not to receive compensation (check the “I Am Not Interested in Participating in The Program” box on the selection form).



If you choose to participate and receive compensation under Option 1 above, you may also elect when to start your relevant period for purposes of measuring your surplus energy. You have the following two choices under Option 1 (please note that Option 1a may result in a loss of energy credits):

- 1a. Choose to end your current relevant period now. SCE will perform the normal reconciliation on your account and start a new 12-month relevant period for tracking your surplus energy (check the "I Elect to Enroll in The New Tariff Now" box on the selection form). Your new relevant period begins on your next regularly-scheduled meter read date subsequent to SCE's receipt of your selection form. Any surplus energy remaining under your current relevant period is forfeited.
- 1b. Choose to start the 12-month relevant period for tracking surplus energy at the end of your current relevant period (check the "I Elect to Enroll in The New Tariff at The End of My Current Relevant Period" box on the selection form). Any surplus energy remaining under your current relevant period is forfeited.

AB 920 also requires that the California Public Utilities Commission set the compensation amount for surplus electricity by January 1, 2011. The compensation amount will be used to pay eligible customers for net surplus electricity generated during their relevant period ending in 2011. SCE will notify you of the compensation amount as soon as it is established; then, you will have the option to either receive payment for your surplus electricity, or have the surplus electricity credited towards your electricity usage in your next relevant period.

When available, the revised NEM tariff will be posted online at:
www.sce.com/scheduleNEM.

We are available to assist you with any questions you may have regarding your new options. Please feel free to contact SCE Customer Service:

Residential NEM Customers
866-701-7868

Business NEM Customers
866-701-7869

Sincerely,

Southern California Edison

Net Energy Metering (NEM) Surplus Electricity Compensation Selection Form

Customer Information (as it appears on your monthly SCE statement):

Customer or Business Name	
Street Address	
City, State, ZIP	
Phone	
Extension	
Service Account #	

NEM Surplus Electricity Compensation Option (please check one box below):

- I **am** interested in receiving compensation for the surplus electricity I generate during my 12-month relevant period. I understand that in the future, I will have the opportunity to select whether to receive payment for my surplus electricity, or to receive an electricity credit toward my energy usage in my next relevant period (SCE will notify me when the compensation amount is established by the California Public Utilities Commission [CPUC]). I understand that I may change or cancel my compensation selection once every 12 months
- I **am not** interested in participating in the program and elect not to receive compensation.

Relevant Period Selection (please check one box below):

- I elect to enroll in the new tariff now. Please end my current relevant period, perform the normal account reconciliation for that period, and start a new relevant period for my account.
- I elect to enroll in the new tariff at the end of my current relevant period.

By completing and returning this form to SCE, I confirm the above NEM surplus electricity compensation and relevant period selections. I understand that the terms of my selections are subject to any future changes directed by legislature or the CPUC.

Customer Signature:

Signature	
Title	
Date	

**Please return this form to:
Net Energy Metering – AB 920
Southern California Edison
PO Box 800
Rosemead, CA 91770-9810**

