

To: GWP Photovoltaic Electricity Customer Generators

AB 920 Net Metering Notice

This is to notify you of the recent passage of a law (AB 920) which deals with compensation from electric utilities to their Photovoltaic (PV) Electricity Customer Generators for net surplus electricity generated by their PV system.

Until recently, California law that applied to PV Electricity Customer Generators would allow electric utilities to erase ("zero out") any net surplus energy you generated in the course of a 12-month cycle. With the passage of AB 920, effective January 2011, electric utilities are required to provide compensation for net surplus generation by either crediting the customer towards future electric usage or by financial reimbursement. The current law would also allow electric utilities to zero out any net surplus energy without compensation should a customer not specify a method of reimbursement.

GWP does not zero out applicable credits at the end of a year, and has no plans to do so.

How This Change in Law Affects GWP PV Customer Generators

The new law now gives PV Customer Generators the right to choose compensation for surplus electricity and elect whether that compensation is a kilowatt-hour credit against future electricity consumption or is a financial payment. GWP has been providing compensation by applying a credit to future electricity purchases or by providing financial reimbursements for those PV Customer Generators who build up credit.

PLEASE NOTE: TO CONTINUE RECEIVING COMPENSATION UNDER OUR EXISTING POLICY, GWP PV CUSTOMER GENERATORS DO NOT NEED TO TAKE ANY NOTIFICATION ACTION.

Under the new law, PV Customer Generators can now choose at the end of an annual period the method by which they would like to be compensated for the net surplus electricity they produce. The process is as follows:

- The PV Customer Generator notifies the GWP of their election to receive either:
 - Net surplus electricity compensation for any surplus electricity generated during the prior 12-month period at the net surplus compensation rate, or
 - Apply the net surplus electricity as a credit for kilowatt-hours subsequently supplied by GWP to them at the same meter.
- Notification should be made by letter as follows:
 - Addressed and mailed or hand delivered to GWP Customer Service at:
Attention: Customer Service
Glendale Water & Power
141. N. Glendale Avenue, Level 2
Glendale, CA 91206
 - Clearly indicate the Account number, Meter number, and Interconnection Agreement number
 - Include customer of record's name and signature

- o The 12-month annual period will begin at the next meter read date for the affected meter.
- o At the end of the 12-month period, GWP will compensate the PV Customer Generators based on their written election 12 months earlier.

Please note that compensation for net surplus electricity may be considered as income by the IRS.

For your information I have included a summary of the current law and how it applies to you. If you have any questions regarding this notice please contact us at **818-548-2750**. Thank you.

Sincerely,

Glenn O. Steiger
 General Manager

Summary

California Law	Is this a Change in Law?	GWP Comments
Required PV Customer Generator systems to be sized to produce electricity primarily for their own use in order to benefit from the SB-1 provisions.	NO	
Allowed PV Customer Generators to interconnect their PV system into the GWP distribution system.	NO	
Required us to provide net metering, (when a PV Customer Generator's system produced more electricity than they needed the surplus electricity flowed into our system, was measured, and they were credited with for the surplus which they could later use).	NO	Essentially, our system acts as a storage battery for PV Customer Generator's use
Allowed utilities to zero out PV Customer Generators' credit and not provide any payment to them at the end of an annual period in which their system produced a net surplus of electricity.	YES	<p>GWP has not been zeroing out credits at the end of a year, and has no plans to do so.</p> <p>Most PV Customer Generators have their credits carried forward and applied against future electricity use. For a few others who built up credits GWP provided financial payment.</p>
The new law now requires utilities to give PV Customer Generators an option of annually carrying their credit forward or providing them with financial payment for their net surplus electricity.	YES	<p>Carrying the credit forward is the most advantageous alternative for most customers, as the credit is generally more valuable than a payment at the net surplus compensation rate.</p> <p>To continue receiving compensation under our existing policy, PV Customer Generators do not need to take any notification action.</p>

<p>The new law also allows utilities to zero out the annual credit and not provide any payment to them at the end of each year in which their system produced a net surplus of electricity if customers do not inform us of their preference for net surplus electricity credit or financial payment.</p>	<p>YES</p>	<p>GWP intends to continue carrying credits forward or providing financial payments, as applicable, to PV Customer Generators <i>including those who do not inform us of their preference.</i></p>
<p>Requires that the rate at which the net surplus electricity compensation be established by January 1, 2011 by the rate making authority in a public meeting.</p>	<p>YES</p>	<p>The City of Glendale has already established the rate at which net surplus electricity is to be compensated. It was established by the City Council in a public meeting on February 12, 2008.</p> <p>The rate was set at the GWP's fuel adjustment charge rate.</p>