

**MERCED IRRIGATION DISTRICT
ELECTRIC SERVICE SCHEDULE
ENVIRONMENTAL CHARGE**

APPLICABILITY:

The Environmental Charge (EC) shall apply to all customers receiving electric service from the District and to all kilowatt-hours (kWh) billed by the District under any and all rate schedules, tariffs, programs, or service classifications, regardless of customer class or service type, unless expressly exempted by the District.

TERRITORY SERVED:

This Schedule applies to all electric service provided by the District, within the area where the District provides electric service.

RATES:

- The EC shall be calculated as the product of the total kilowatt-hours (kWh) billed during the customer's billing period multiplied by the applicable EC rate. The EC shall be reviewed and adjusted annually based on the District's fiscal calendar year (April 1 – March 31). The EC shall be established based on a reconciliation of actual net costs incurred and projected net costs, with projected net costs determined based on a thirty-six (36) month forecast. To the extent actual net costs cannot reasonably be determined, the District may utilize projected net costs, adjusted for differences in actual and forecasted volumes. Any over- or under- collections will be incorporated into the calculation of the EC in the subsequent year.
- The District shall calculate the EC annually to recover net costs associated with the Renewable Portfolio Standard (RPS), Greenhouse Gas (GHG) emission reduction requirements, and other applicable federal, state, or local laws, regulations or mandates related to renewable energy and emissions reduction. The EC shall be based on a 36-month forecast of such costs.
- GHG costs include, but are not limited to: (1) forecasted expenditures related to GHG emissions, including the purchase of emission credits or offsets, net of any revenues from the sale of such credits; (2) costs imposed by applicable legislative mandates, regulatory agencies, or judicial orders or decrees; (3) costs associated with the implementation of GHG reduction technologies; and (4) any other costs related to compliance with GHG requirements.
- RPS costs include, but are not limited to, costs incurred to comply with the California Renewable Portfolio Standard, including procurement of eligible renewable energy resources, renewable energy credits, compliance payments, and related administrative or regulatory costs. Such costs may vary based on applicable laws, regulations and regulatory determinations, including any cost limitations, compliance rules, or methodologies adopted by the Legislature, California Energy Commission or other governing authorities, as well as the treatment of eligible generation resources in determining the District's RPS obligations.
- Other costs recovered through the EC include, but are not limited to, costs associated with compliance with other applicable federal, state, or regional laws, regulations, or programs intended to promote renewable energy, emissions reductions, or environmental compliance, to the extent such costs are not otherwise categorized as RPS or GHG costs.