



On January 28, 2015, the California Public Utilities Commission (CPUC) approved a new net metering tariff for PG&E, SCE and SDG&E customers that go solar after those utilities meet their caps on the previous tariff. The decision preserves net energy metering (NEM) credits at full retail rates. It adds an upfront fee and an ongoing fee, and requires that solar customers use time-of-use rates.

Interconnection Fee

As part of the NEM interconnection application, customers will pay a one-time fee that is set according to the utilities' historic costs for processing applications and studying impacts on the grid. The fee will start at \$75 for SCE, \$132 for SDG&E, and \$141 for PG&E, and may increase in future years.

Public Purpose Charges

Solar customers have previously been exempt from paying certain charges for a portion of their energy consumption. NEM 2.0 will narrow this exemption so that the amount of these charges that solar customers pay is closer to the amount they paid before going solar. This will show up as a new fee of \$5-\$9 per month for most residential solar customers. This money helps pay for items such as low-income bill assistance, energy efficiency rebates, energy research, and nuclear decommissioning.

Time-of-Use Rates

Residential customers have a choice between traditional tiered rates and time-of-use (TOU) rates, which vary depending on what time of day the electricity is used. The state wants people to use TOU rates to encourage them to reduce their usage in times of high demand. Under NEM 2.0, residential customers who go solar will need to be on TOU rates. Nearly all commercial and agricultural customers are already required to use TOU rates.

Protection Against Changes

The CPUC will consider revisions to these rules in 2019. If it makes changes, those changes will not apply to customers who go solar before the changes are approved. Customers are "grandfathered" from future changes for the first 20 years of operation of their solar systems. This does not guarantee that the underlying rates will not change, but it guarantees that NEM credits will be at full retail rates and that there will not be any new fees beyond those described above.

These tariff changes only apply to customers who go solar after the utilities meet a threshold of solar customers. CALSEIA estimates those caps will be met or reserved around June 2016 for SDG&E, October for PG&E, and Q2 2017 for SCE. Customers who already have solar or who install solar before the caps are met will get net metering without the new fees described above and without mandatory TOU rates.