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Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

PRESS RELEASE

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CPUC ISSUES PROPOSED NET ENERGY METERING DECISION TO ENSURE CUSTOMERS CONTINUE TO BENEFIT FROM GOING SOLAR

SAN FRANCISCO, December 15, 2015 - The California Public Utilities Commission (CPUC) today helped ensure that Californians will continue to receive the benefits of using clean energy by proposing a successor program to the current Net Energy Metering (NEM) program. NEM allows a customer-generator, such as those who have installed solar photovoltaics (PV), to receive a financial credit for power generated by their on-site system and fed back to the utility.

The Proposed Decision issued today by CPUC Administrative Law Judge Anne E. Simon establishes a NEM successor program that would continue the existing NEM structure while making some adjustments to align the costs of NEM successor customers more closely with those of non-NEM customers.

In creating a successor program to the existing NEM program, the CPUC was directed by Assembly Bill 327 (Perea, 2013) to ensure that customers pay their appropriate share of costs while encouraging a sustainable customer-sited renewable distributed generation program. The Proposed Decision attempts to strike a balance between these requirements. These new costs for NEM successor customers include:

- One-time interconnection fee (likely to be approximately \$75-\$150). This fee, which represents the costs for a utility to review and ensure that a NEM system interconnects safely to the grid, has historically been borne by all utility customers, including non-NEM customers. The Proposed Decision finds that these interconnection costs can be paid by NEM successor customers themselves without jeopardizing the economics of the NEM installation.
- Non-bypassable charges that all utility customers pay. Non-bypassable charges are used to fund low income and efficiency programs. They are the equivalent of approximately 2-3 cents per kilowatt-hour of energy consumed. Historically, NEM customers have only paid for non-bypassable charges if over the course of a year they consumed more electricity from the grid



than their installation produced. The Proposed Decision finds that NEM successor customers should pay for non-bypassable charges on all energy they consume from the grid, regardless of the amount of energy they have exported to the grid.

In order to maximize the value of time-of-use rates in improving customer responsiveness to grid impacts, the Proposed Decision requires NEM successor customers to utilize time-of-use rates. Customers who sign up in 2018 or later must utilize time-of-use rates as soon as they sign up, while customers who sign up before 2018 must utilize time-of-use rates beginning when all residential customers go on default time-of-use rates in 2019.

The Proposed Decision establishes a framework to develop two new programs to drive adoption of renewable distributed generation among residential customers in disadvantaged communities. One program would provide financial incentives for multi-family buildings to install solar PV, and the second would allow residential customers in disadvantaged communities, regardless of whether they own or rent, to participate in NEM even if they aren't able to install a renewable energy system on their premises.

The successor NEM program would take effect for new NEM customers after the utilities' existing NEM program participation caps are met, or July 1, 2017, whichever occurs first.

The Proposed Decision is scheduled for the CPUC's January 28, 2016, Voting Meeting.

The Proposed Decision is available at:

<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=156443378>.

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