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PRESS RELEASE

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CPUC ENSURES CUSTOMERS CONTINUE TO BENEFIT FROM GOING SOLAR BY APPROVING NEW NET METERING GUIDELINES

SAN FRANCISCO, January 28, 2016 - The California Public Utilities Commission (CPUC) today helped ensure that Californians will continue to receive the benefits of using clean energy by adopting a successor program to the current Net Energy Metering (NEM) program. NEM allows a customer-generator, such as those who have installed solar photovoltaics, to receive a financial credit for power generated by their on-site system and fed back to the utility.

The CPUC today established a NEM successor program that continues the existing NEM structure while making some adjustments to align the costs recovered from NEM successor customers more closely with those from 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. Today's 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. Today's Decision finds that these interconnection costs can be paid by NEM successor customers themselves without jeopardizing the economics of the NEM installation. Customers participating in the Single-family Affordable Solar Homes program are exempted from paying the fee.
- 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 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. Today's 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.

Said CPUC President Michael Picker, the Commissioner assigned to the proceeding, "Our course is not for the rooftop solar industry or for the utilities or the community clean energy aggregators. Our decision today is another big step toward giving California consumers more choice, more control, and more responsibility over energy and climate change issues. It's a big step, but it's only one of many."

In order to maximize the value of time-of-use rates in improving customer responsiveness to grid impacts, today's Decision requires NEM successor customers to utilize time-of-use rates. All residential customers interconnecting on the NEM successor tariff must be on a time-of-use rate as soon as they are interconnected. They can use any time-of-use rate available to them from their utility. There is an exception for SDG&E residential customers during the period before SDG&E's time-of-use rates are adjusted, which will be done in SDG&E's current General Rate Case Phase 2.

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

The proposal voted on is available at:

<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=157960987>.

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