

California Net Billing Factsheet for Residential Solar Customers



The California Public Utilities Commission (CPUC) adopted a new program for homes installing solar. This program, called Net Billing, replaces the existing Net Energy Metering 2.0 ("NEM 2.0") program. It only applies to new solar systems installed on a customer's roof or property (a.k.a., "behind the meter systems") for customers of PG&E, SCE, and SDG&E.

Program details vary between the three utilities, but all new solar customers will be placed on an electrification rate. Excess electricity sent to the grid will be credited at the cost your utility would otherwise have to pay for power, known as avoided cost. You may be eligible for additional credits depending on your utility, where you live, or whether you take part in energy bill discount programs. In addition, there are some costs that you cannot zero out. This fact sheet is designed to help residential customers understand the high-level details of the new Net Billing program.

Here's what you need to know

Dates

If your interconnection application is filed on or after April 15, 2023, you will be placed on Net Billing instead of Net Metering (NEM) 2.0. Having a contract signed or a system installed before April 15, 2023 is not enough. If your interconnection application is rejected due to error and is not successfully re-filed before April 15, 2023, you will be placed on Net Billing once your application has been accepted.

Existing Solar Customers

There are no changes if you are already receiving service under the current NEM tariffs. You can stay on your current tariff for 20 years after your system is connected to the grid before moving to Net Billing.

Net Billing Compensation/Rates



Electricity Rates and Bills: New solar customers will be placed on an electrification time-of-use rate plan. Under an electrification rate plan, the amount you pay for electricity from the grid depends on the time of day and will be the highest from 4pm to 9pm. Households on the electrification rate will also pay around \$15 per month in fixed fees.



Base Export Rate: Instead of being compensated at retail rates for electricity sent back to the grid, you will receive a credit based on your utility's avoided cost of power. In the first year on the net billing tariff, the average residential customer can expect to be compensated \$675 for exports to the grid. If you submit your interconnection application before the end of 2027, your export rate will be locked in for 9 years from when your system is connected to the grid. After 9 years, your export rate will change every year.

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General Solar Adder: PG&E and SCE customers who sign up for Net Billing during the first five years of the program receive extra cents/kWh on top of the base export rate (the “adder”). SDG&E customers will not receive a solar adder. This adder is locked in for 9 years from when your system goes online. The adder is not available for systems on new homes.



Low-Income Adder: Low-income households can qualify for higher adders. Eligible households must fall in one of three categories: 1) Be enrolled in CARE or FERA; 2) Be in a single-family home located in a Disadvantaged Community (“DAC”); or 3) Be located in California Indian Country.



Charges: You will pay certain non-bypassable charges (“NBCs”) on electricity that you purchase from the grid. Compensation for solar production exported to the grid cannot offset or reduce the following charges: Public Purpose Program Charge; Nuclear Decommissioning Charge; Competition Transition Charge; and Wildfire Fund Charge. However, solar adder credits can reduce these charges.

Other Considerations



SGIP Funding: Low-income solar customers are expected to be eligible for additional incentives to help pay for solar+storage systems through California’s SGIP incentive program.



Batteries: Net Billing is designed to encourage solar customers to add battery storage to their solar systems. You may want to consider adding battery storage when you go solar. Batteries will allow you to store excess electricity and use it when electricity rates are highest.

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Additional Resources

Utility Electric Rate Plans

PG&E (E-ELEC)

https://www.pge.com/en_US/residential/rate-plans/rate-plan-options/electric-home-rate-plan.page

SCE (TOU-D-PRIME)

<https://www.sce.com/residential/rates/Time-Of-Use-Residential-Rate-Plans>

SDG&E (EV-TOU-5)

<https://www.sdge.com/residential/pricing-plans/about-our-pricing-plans/electric-vehicle-plans>

CPUC

<https://www.cpuc.ca.gov/electricrates>

CARE/FERA Program

<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/care-fera-program>

SB 535 Disadvantaged Communities

<https://oehha.ca.gov/calenviroscreen/sb535>

Fact Sheet – Net-Energy Metering Tariff Revisit Proceeding

<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/net-energy-metering/nem-revisit/fact-sheet>

SEIA Consumer Protection

<https://www.seia.org/initiatives/consumer-protection>