



CPUC Frequently Asked Questions: Modernizing the Net Energy Metering Tariff (NEM) to Meet California's Reliability and Climate Goals

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1. I am a Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), or San Diego Gas & Electric (SDG&E) residential customer interested in installing rooftop solar. How would the Proposed Decision affect me?

If you install rooftop solar after the new tariff goes into effect, you should be able to fully pay off your system in nine years or less based on your ongoing electricity bill savings.

Under the proposal, the average residential solar customer will save approximately \$100 a month on electricity bills. Solar customers will also go on an electricity rate that will make it more affordable to add additional electrical appliances, such as heat pump water heaters, and take advantage of at-home electric vehicle charging.

2. I am interested in installing rooftop solar plus battery storage. How would this Proposed Decision affect me?

Under the new tariff, a solar system paired with battery storage will generate significant savings on your electricity bill. The payback for solar systems with battery storage is lower and electricity bill savings are higher. Under the proposal, the average residential solar plus storage customer should save at least \$136 a month on electricity bills. The Proposed Decision intentionally incentivizes customer storage because of the higher benefits it brings to both the grid and to the environment (relative to a solar-only customer system).

There is also \$900 million in State funding of upfront incentives available beginning July 1, 2023 for customers installing solar plus battery storage. These upfront incentives will decrease the payback for a solar plus battery storage adopter even more.

3. I currently have solar panels. How would this Proposed Decision affect me?

If the Proposed Decision is adopted, it will have no effect on existing solar customers. Existing solar customers will continue to remain on their current Net Energy Metering (NEM) tariff for 20 years after their system is connected to the electric grid.

4. Would the Proposed Decision increase the profits of PG&E, SDG&E, and SCE?



The proposal does not affect utility profits. Utilities only make a profit on investments in the transmission and distribution system. There is no profit on the sale of electricity because utilities are required to simply buy energy and sell it to customers at cost, without adding a profit margin on top.

5. Does this Proposed Decision include a charge specific to solar customers?

No. There are no charges specific to solar customers proposed in the Proposed Decision.

6. I live in PG&E, SCE, or SDG&E territory, but a local public power agency supplies my power. How would the Proposed Decision affect me?

Public power agencies, also known as [Community Choice Aggregators](#), or CCAs, purchase power for their customers and transmit the power using the utilities' electric grid. Your public power agency decides whether to offer you a tariff if you want to install solar or solar and battery storage. If they do, your public power agency will determine how much to pay you for the energy exported from your solar system and how much to charge you for energy imported to your home.

7. I don't have rooftop solar. How would the Proposed Decision affect me?

Even if you don't have rooftop solar, the Proposed Decision controls electricity costs and improves electric bill affordability for all Californians by reducing overall costs to the grid.

You are continuing to do your part to combat climate change by being a customer of a California utility or CCA because they are using your utility bill payments to enable new renewable energy projects to come online.

The CPUC offers several community solar programs for low-income customers and customers living in disadvantaged communities. If interested, please visit: cpuc.ca.gov/solarindacs.