

# Net Energy Metering 3.0 Proposed Decision

R. 20-09-020

*December 17, 2021*

The logo for TSDAL Energy & Environmental Law is centered on a yellow rectangular background. It features the letters 'TSDAL' in a bold, dark blue font, with a white circle between the 'T' and 'S'. Below this, the words 'ENERGY & ENVIRONMENTAL LAW' are written in a smaller, dark blue, all-caps font.

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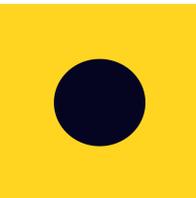
# Overview

- Export compensation
- Market Transition Credits
- Grid Participation Charges
- Eligible Rate Schedules
- Grandfathering
- Implementation



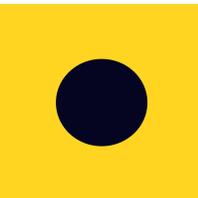
# Export Compensation

- Export compensation reduced as much as 20 to 25 cents/kWh.
- Compensation rate is now based on avoided cost calculator.
- Customer incentives for rooftop solar are now limited.



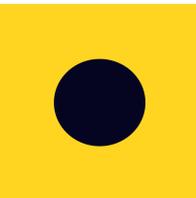
# Market Transition Credits

	PG&E	SCE	SDG&E
Residential	\$1.62/kW	\$3.59/kW	\$0/kW
Low Income	\$4.36/kW	\$5.25/kW	\$0/kW
Non-Residential	\$0/kW	\$0/kW	\$0/kW



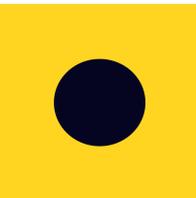
# Monthly Grid Participation Charge

<b>Residential</b>	<b>\$8.00/kW</b>
<b>Low-Income</b>	<b>\$0/kW</b>
<b>Non-Residential</b>	<b>\$0/kW</b>



# Eligible Rate Schedules

- Eligible rate schedules limited to one schedule per utility.
- Commission explains “requiring highly differentiated time-of-use rates will vastly improve the pricing signal to customers and meet several guiding principles in this proceeding.”
- SDG&E rate schedule is EV-TOU-5.
- Limits consumer choice and may further reduce incentive to participate.



# Grandfathering

- Residential customers (non-CARE) on NEM 1.0 and 2.0 will transition to NEM 3.0 no more than 15 years after the customer's interconnection date.
- NEM 2.0 tariff customers who voluntarily transfer to NEM 3.0 receive a \$0.20/Wh storage rebate for four years, decreasing by 25 percent per year over the subsequent four years.
- The 15-year legacy period is replaced with a 20-year legacy period for *future* NEM 2.0 customers, applicable to customers who enter into NEM 2.0 service after NEM 3.0 decision is adopted, or who later take control of a residential system that is operated under NEM 2.0 service.



# Implementation

**D + 30 days** – Utilities file Tier 1 advice letter with NEM 3.0 tariff.

**D + 45 days** – Utilities file supplemental advice letter with rate elements and tariff sheets.

**D + 100 days** – Energy Division decision on advice letters.

**D + 120 days** – NEM 2.0 tariff sunsets. No additional customers permitted to take service.

**D + 12 months** – Utilities finish billing system changes and complete implementation.

