Net Energy Metering 3.0
Proposed Decision

R. 20-09-020

December 17, 2021
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

<table>
<thead>
<tr>
<th>Market Type</th>
<th>PG&amp;E</th>
<th>SCE</th>
<th>SDG&amp;E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential</strong></td>
<td>$1.62/kW</td>
<td>$3.59/kW</td>
<td>$0/kW</td>
</tr>
<tr>
<td><strong>Low Income</strong></td>
<td>$4.36/kW</td>
<td>$5.25/kW</td>
<td>$0/kW</td>
</tr>
<tr>
<td><strong>Non-Residential</strong></td>
<td>$0/kW</td>
<td>$0/kW</td>
<td>$0/kW</td>
</tr>
</tbody>
</table>
### Monthly Grid Participation Charge

<table>
<thead>
<tr>
<th>Category</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$8.00/kW</td>
</tr>
<tr>
<td>Low-Income</td>
<td>$0/kW</td>
</tr>
<tr>
<td>Non-Residential</td>
<td>$0/kW</td>
</tr>
</tbody>
</table>
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.