

# ABAG POWER Executive Committee Meeting

Thursday, February 16, 2023

Jennifer Berg  
Director, Energy Section



1

## D 22-12-056\* – NEM 3.0

- **Changes to prior PD (which POWER commented on):**
  - Grandfathering of NEM 1 and 2 (takes effect April 13, 2023)
  - Fixed charge for 'grid benefits' removed
- **“Affordability front and center”**
  - Additional bill credits allowed to low-income households
  - NEM 3.0 will dovetail with Self-Generation Incentive program (SGIP) which allocates \$630M on top of the \$900M residential solar and storage incentives to low-income customers



\*Viewable at: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M499/K921/499921246.PDF>

2

## D 22-12-056 – NEM 3.0

### Highlights:

- Still going from net-metering to net-billing
- Customer export credited using Avoided Cost Calculator (ACC) resulting in a 75% decrease from NEM 2.0
- Import rates will shift from TOU to seasonal high differentials to promote load shifting
- Small adder for PG&E and SCE existing residential customers only for five years (~2-4 cents/kWh)
- Payback period lengthened from 6 to 9 years



3

## D 22-12-056 – NEM 3.0

### Issues raised in the revised Decision:

- Blames high non-participant rates solely on existing NEM customers
- Treats non-residential customers as not being cost-effective under NEM 2.0
- ACC does not consider other non-energy related benefits
- Moving fixed costs to the Demand Flexibility proceeding limits participation of underrepresented groups
- Issues with the E3 Study



4

## Post Decision Actions

Two Applications for Rehearing asking CPUC to reconsider its Decision filed January 2023:

- Californians for Renewable Energy, Inc. (CARE)
  - Violates PURPA
  - Part of a conspiracy to violate antitrust laws
- Center for Biological Diversity, et. al.
  - Violates several provisions of the Public Utilities Code, i.e. successor tariff requirement
  - Diminishes the benefits and inflates the costs of NEM systems
  - Defers significant considerations to other CPUC proceedings

