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To: Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov)
Cc:
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Subject: CPUC Allows Solar Customers to Continue to Receive Credit for Excess Power for 20 Years After System Installation: CPUC Press Release

**FOR IMMEDIATE RELEASE
PRESS RELEASE**

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov
Docket #: R.12-11-005

**CPUC ALLOWS SOLAR CUSTOMERS TO CONTINUE
TO RECEIVE CREDIT FOR EXCESS POWER FOR
20 YEARS AFTER SYSTEM INSTALLATION**

SAN FRANCISCO, March 27, 2014 - The California Public Utilities Commission (CPUC) today said that customers with rooftop solar systems can continue to receive credit on their utility bill for the excess power they generate and send to the grid for 20 years from the date of the system's installation.

The CPUC's decision today is in response to Assembly Bill (AB) 327 (Perea, 2013), which called for the CPUC to craft a program that will replace or modify the current practice of compensating customer-sited renewables – a process known as Net Energy Metering (NEM) - at the full retail price with a new renewable energy tariff beginning when each utility reaches its cap on NEM participation or July 1, 2017, whichever comes first.

“Today's Decision ensures that customers with solar will continue to receive the benefits they expected under Net Energy Metering for many years. It also strikes the right balance between reducing cost shifts to customers without solar and ensuring minimal disruption to the solar market resulting from possible revisions to the current Net Energy Metering framework,” said CPUC President Michael R. Peevey, the Commissioner assigned to the NEM proceeding. “The magnitude of cost shifting can be largely addressed through various options before the CPUC to reform residential rates, and ultimately, the costs are constrained by the cap on Net Energy Metering

participation.”

Because AB 327 allows for large changes in the NEM structure, it would potentially introduce a great deal of uncertainty into the solar market. Until the CPUC issues a final decision on the new renewable energy tariff, and all of the implementation details have been resolved, customers interested in going solar could not determine the value of their investments after July 1, 2017. To mitigate that uncertainty, AB 327 establishes a transition period during which customer-sited renewables connecting to the grid before the end of the NEM program continue receiving full-retail credits and other benefits provided by NEM rather than being switched immediately to the new tariff. This enables customers to have a better sense of the value of solar photovoltaic systems installed before the new program commences.

The proposal voted on is available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M089/K245/89245777.PDF>.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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California Public Utilities Commission

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