



# Solar Billing Plan (SBP)

(Previously Net Billing Tariff (NBT))

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Community Advisory Committee

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# What is Solar Billing Plan?

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- New solar interconnection policy for all new interconnection applications after April 15, 2023.
  - PG&E is currently scheduled to begin billing customers on the Solar Billing Plan (SBP) on December 15<sup>th</sup>, 2023.
- Per the California Public Utilities Commission(CPUC), the new policy changes are intended to:
  - Credit excess solar generation at its grid value (vs retail prices).
  - Charge SBP customers for grid electricity based on high differential Time Of Use (TOU) tariffs and encourage solar + battery storage installations.
  - Discourage mid-day solar exports to the grid and encourage shifting exports to later in the day with battery storage to help curb demand during On Peak hours (4pm-9pm).

# PCE SBP Policy

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- Primary Billing: PCE's proposed Solar Billing Plan will closely model PG&E's SBP tariff.
  - Customers will be charged for consumption at the standard retail rates for their applicable rate schedule and credited at the Energy Export Credit (EEC) rate.
- The Export Credit Rates are determined through a public proceeding managed by the CPUC using the Avoided Cost Calculator.
  - Energy Export Credit rates vary by the hour and day throughout the year. Credit values for solar systems connected by 2027 will be predetermined and set for nine years. Credit values for systems connected after 2027 will be updated every two years to reflect the most current energy prices.

\*Export Credit Rate Information from PG&E



# Annual Cash Out on SBP

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- SBP customers will follow the Annual Cash Out timeline that occurs after each April billing cycle, similar to NEM customers.
  - The Annual Cash Out for SBP customers will be calculated under the Net Surplus Compensation (NSC) model, as mentioned previously they will be credited at the EEC rate monthly rather than retail.
  - Cash out amounts will be calculated based off the net kWh quantity at the end of their 12-month period and PG&E NSC rate. PCE will include an additional \$0.01 per kWh adder to the PG&E NSC rate.
  - Customers with NSC credit amounts in excess of \$300 will be issued a check and amounts under \$300 will be applied as an on-bill credit.

# Alterations from PG&E SBP

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- The Export Credit Reversal “clawback” charge will not be assessed to PCE customers at the time of their annual cash out.
  - Since the customer is being credited monthly at the EEC rate, the customer is already losing value compared to the retail credits provided under the NEM tariff.
  - Adding the NSC cash out payment on top of monthly EEC credits increases value of excess generation for customers, while still falling below the retail rate earned on the NEM tariff.



# PCE Policy Considerations

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- PCE will benefit from an observational approach, as only ~1% of our NEM customers will transition to SBP in it's first year.
  - EEC values will still apply to T&D exports regardless of CCA Generation export rates, so any variance in PCE credit rates could create a confusion.
  - Analyzing the first year of billing on this tariff will provide a better assessment of its success and how incentives and export credit adders can be most impactful.