

NEW NET ENERGY METERING AGREEMENT EFFECTIVE 4/15/2023

What is NEM?

- NEM stands for net energy metering and refers to the agreement you have with your utility after you have installed solar.
- NEM allows you to receive credit from your utility for the excess electricity your system generates, also known as “selling back” your extra energy to the utility company.
- The current existing NEM agreement is NEM2.

What is NEM3?

- NEM3 is a new version of the net energy metering policy approved by the CPUC (California Public Utilities Commission) on 12/15/22.

How does it differ from NEM2?

- There is no change for current solar owners. Current solar owners will remain under their existing net metering policy for 20 years after their system's PG&E interconnection date.
- Under NEM3, the payback period, or return on investment (ROI) period, will be longer—approximately 9-11 years. Pairing solar with battery storage will be more beneficial as the payback period will be shorter.
- Solar owners under NEM3 will earn around 75% less for the excess electricity they push back onto the grid (or buyback rates), increasing the payback period and decreasing overall savings.

When does NEM3 go into effect?

- PGE has an interconnection application deadline of April 14th, which means any solar systems applying for interconnection AFTER 4/14/23 will be on NEM3.

What does it mean for you?

- If you sign a contract prior to 3/1/23 with STG, it means that you are eligible to submit an application for NEM2 buy-back rates. Remember, NEM2 rates are grandfathered in for 20 years.
- You will still save money on NEM3 but the savings are not as favorable as the current NEM2 program.
- The current residential ROI for NEM2 is between 5-8 years. On NEM3, the ROI will be closer to 9-11 years. If you add battery storage to your system, the ROI period will be shortened.

How can STG help?

- Contact STG ASAP to process your solar contract so we can submit a complete interconnection application to PG&E by 4/14/23. For us to have the best chance to grandfather you into the NEM2 program, we need to have a contract signed by 3/1/23.
- STG cannot guarantee that anyone who signs a contract AFTER 3/1/23 will have their PG&E interconnection application submitted before the PG&E cut off date for NEM2, or 4/14/23.
- Please note that it is possible that there could be delays outside of our control, including delays of interconnection applications due to PG&E intake and overall workload which can affect the submittal and application process. There is likely to be a high demand of applications being submitted before the cut off date. STG cannot guarantee your application will receive NEM2 rates.