



CPUC INFORMATION SHEET

Proposed Decision on Consumer Protections for Solar Customers, Multifamily and Multi-Property Solar Programs, and Implementation of Greenhouse Gas Standards for Fuel Cells

August 2, 2023

In December 2022, the California Public Utilities Commission (CPUC) adopted a [decision](#) that modernized rooftop solar and storage incentives for residential households to support grid reliability and control costs for all ratepayers.

In a [Proposed Decision](#) issued on Aug. 2, 2023, the CPUC is recommending a similar modernization for two other types of customers: multi-tenant properties and customers with adjacent properties. These changes will only apply to future customers.

The proposal also enhances solar consumer protections by improving oversight of the marketplace so that consumers have more transparency into solar provider performance. Further, the proposal creates an evaluation process for the approved net billing tariff (NBT), clarifies rules for fuel cell systems (NEMFC), and implements a new law that established fair wage requirements for construction workers of certain solar and storage projects.

The proposal has been issued for public comment and will be on the CPUC's September 21, 2023, Voting Meeting agenda. Members of the public can comment on the proposal via the Docket Card for the proceeding [here](#).

For more information, please see cpuc.ca.gov/nemrevisit.

Modernizing Onsite Renewable Generation for Multi-tenant Properties

- The proposal modifies CPUC rules for multi-tenant properties installing renewable energy generation through the creation of the virtual net billing tariff (VNBT), which applies to future customers only.
- The VNBT will improve price signals to encourage multi-tenant property owners to install storage with solar systems to support grid reliability.
- Under VNBT, like its predecessor, Virtual Net Energy Metering (VNEM), utility customers compensate VNBT participants for electricity they export to the grid. VNBT participants share this compensation among tenants and property owners through electricity bill credits. Compensation is based on the hour of the day that the energy is exported to the grid. By storing solar energy when it is readily available during the day, customers with battery storage can export it back to the grid when it is most needed in the hours when the sun is setting.
- Each electrical utility collects funds from all customers in its territory to pay the export credits (\$) and allocates these credits to each participating tenant. Tenants receive a proportion (%) of the monthly generation export compensation.



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- To support a gradual transition to the new tariff, residential multi-tenant properties receive a monetary adder for nine years on top of the standard energy export compensation. The adder is available to new customers for five years and steps down incrementally over that period.
- Existing low-income multifamily VNEM tariffs related to the CPUC's Solar On Multifamily Affordable Housing (SOMAH) Program and Multifamily Affordable Solar Housing (MASH) Program are maintained and slightly modified to improve customer experience and encourage storage.

Modernizing Onsite Renewable Generation for Customers with Multiple Properties, Including Agricultural Customers, Schools, and Nonprofits

- The proposal establishes a net billing aggregation tariff to replace the current NEMA tariff for future customers.
- Like NEMA, the aggregation tariff will allow customers to transfer bill credits within contiguous properties.
- To support a gradual transition to the new tariff, new customers with multiple properties receive a monetary adder for nine years on top of the standard energy export compensation. The adder is available to new customers for five years and steps down incrementally over that period.

NEM Fuel Cell

- The proposal clarifies rules for fuel cell systems that started operating after the date of enactment of Assembly Bill (AB) 1637, which requires fuel cells on the NEM fuel cell tariff to comply with the California Air Resources Board greenhouse gas standards.
- The proposal also clarifies rules around reporting requirements, verification and penalties, renewable fuel blending, and ongoing export compensation.

Enhancing Protections for Solar Customers

- The proposal reforms the CPUC's Public Watch List of Non-Compliant Solar Providers process to improve consumer protections and better deter solar providers from violating consumer protection-related laws and regulations.
- The proposal requires audits of solar provider interconnection applications, conducted by Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E). The audits will consist of 100 randomly selected interconnection applications every six months to identify non-compliant providers.
- Non-compliant solar providers will remain on the Public Watch List for three months for CPUC violations and six months for Contractors State License Board and/or Department of Financial Protection and Innovation violations.



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- To further enhance consumer protections, the CPUC will develop and issue revised requirements for bill savings estimates presented by solar providers to potential solar customers to reflect recent changes to tariffs.

Prevailing Wages for Solar Workers

- Learn more about the prevailing wage mandate in [AB 2143 here](#) and [Public Utilities Code 769.2 here](#).
- The proposal implements AB 2143 by requiring payment of prevailing wages at the time of interconnection for all construction workers and apprentices installing certain large solar projects. The statutory requirement does not apply to residential facilities with 15 kW or less of capacity, single-family homes, public works, modular homes, modular home communities, or multifamily housing with two or fewer stories.
- The proposal amends the interconnection process to include review of whether a project needs to comply with the wage rule. It also requires contractors to disclose the wage rule to the utility customer.
- As required by AB 2143, upon a finding of a willful violation, violators' facilities lose access to NEM or NBT.

Evaluation of the Net Billing Tariff

- The proposal authorizes a \$2.5 million budget for an evaluation of NBT, VNBT, and the aggregation tariff effects on equity, greenhouse gas emissions, electrification, the electric grid, and installation trends; as well as of solar consumer protection measures.
- The evaluation will utilize three years of data, and the evaluation is expected to be released within five years of NBT implementation.