

Net Billing FAQ

1. What is the current status of NEM in California?

- On December 15, 2022, the California Public Utilities Commission approved the implementation of a new tariff to succeed the NEM program, known as Net Billing.

2. What is the cutoff date for submitting a valid interconnection request under NEM 2.0?

- SCE must receive a valid interconnection agreement four (4) months after the Commission issues its final decision to continue being billed on NEM 2.0. The exact date has not been finalized but equates to roughly mid-April 2023.

3. I am a current NEM customer, how will Net Billing impact me?

- Net Billing will not change the way current NEM customers are billed until their current NEM billing period expires. Under the terms of the NEM program, customers may continue the terms and conditions of their current NEM billing for up to 20 years from the date they received the Permission-to-Operate (PTO) from SCE. Once that period expires, SCE will serve existing and new customers under the terms of Net Billing.

4. Does Net Billing change the interconnection process or related fees?

- No. Net Billing will not change the current interconnection process and related fees.

5. How will customers be paid for generation on Net Billing?

- On Net Billing, customers will be compensated for energy exported to the grid based on the electricity's value to the electric grid, in each hour of the day. The value of these credits vary by the time of day and season and generally follow Time-of-Use (TOU) periods. The value of these credits will usually be lower than the rate that customers pay for electrical service, just as the market price SCE pays for energy from other sellers is lower than the retail price of its electric service.

6. Will Net Billing include any new fees?

- No. Net Billing will not include any new fees.

7. Are there any changes to the Multifamily Affordable Solar Housing (MASH) or Solar on Multifamily Affordable Housing (SOMAH) Programs?

- The decision does not include changes to the MASH and SOMAH programs. New customers for these programs will continue to be placed on NEM 2.0.

8. What is the payback period under Net Billing?

- Residential customers installing a new solar system can expect to recover their investment in an average of nine years and non-residential customers can expect to recover their investment in an average of five years.

9. Why is NEM Changing?

- The CPUC was legally required to reform the NEM subsidy program. Assembly Bill 327 (signed into law in 2013) requires the CPUC to ensure that benefits of the NEM subsidy are equal to or greater than the cost of the subsidy to the non-NEM customers who provide it. A CPUC study released in 2021 confirmed that the cost of the NEM subsidy to non-NEM customers is greater than the benefits that solar rooftop power provides to the grid and the state's policy objectives. This oversized subsidy increases non-NEM customers' bills by hundreds of dollars per year.
- California has committed to 100% of electricity coming from renewable and carbon-free resources by 2045. SCE has a [Pathway](#) to reach that 2045 goal, which includes keeping rates affordable for all customers by ending outdated and unnecessary subsidies.