San Francisco Water Power Sewer
Services of the San Francisco Public Utilities Commission

CleanPowerSF

CleanPowerSF Solar Billing Plan

Updated Proposal
Rate Fairness Board

June 22, 2026

Agenda

Purpose: Review and discuss revised Solar Billing Plan (SBP) proposal

Agenda:

- Why a revised Solar Billing Plan proposal?
- Summary of Changes from Initial Proposal
- Analysis of Impacts to Customers
- Next Steps
- Questions/Discussion

Why a Revised Solar Billing Plan Proposal?

Original Proposal (January 2026):

- CleanPowerSF proposed using state-approved energy export values for northern California with additional credits for local generation and low-income customers, in alignment with other CCAs.
- This proposal faced criticism for:
    - Linking our program to a CPUC-controlled process
    - Difficult for customers to understand
    - Based on a regional rather than San Francisco-specific valuation of energy.

Revised Proposal

- Like Net Metering, would use retail rates to credit solar energy exports, using:
  - CleanPowerSF-specific average energy costs
  - Easier-to-understand retail rate time-of-use periods.
- Unlike Net Metering, would exclude from credits the portion of CleanPowerSF's costs associated with running the program (non-energy fixed/administrative costs).
- Simplifies year-end true-up process by eliminating need for Net Surplus Compensation.

NEM / Proposal Comparison

Program Elements	Net Energy Metering (NEM) (status quo)	Initial SBP Proposal	Revised SBP Proposal
Import Charges Rate	Retail Rate	Retail Rate	Retail Rate
Base Export Credit Value	Retail Rate	Avoided Cost Calculator (ACC)	Retail Rate less Administrative Costs
Local Energy Credit ($/kWh)	No	$0.01077	No
Equity Credit	No	$0.06961	No
Retain Remaining Energy Credits	No	Yes	Yes
Receive Net Surplus Compensation ($/kWh)	$0.09830	$0.03628	No

Proposed Solar Export Credit Calculation

- **Export Credits would be calculated as the customer's retail rate minus CleanPowerSF's fixed costs, as determined through the City Charter-required cost of service process.**
  - Solar customers' exports would be credited at the average cost of energy reflected in their retail rate.
  - Export credits would not include the portion of retail rates that recover CleanPowerSF's fixed/administrative costs, which CleanPowerSF bears for solar customers even when they are exporting energy.

Included: Energy Supply Costs	Excluded: Fixed or Administrative Costs
✓ Renewable Portfolio Standard compliance ✓ Energy ✓ Capacity (Resource Adequacy compliance)	✓ Data Management & Service Fees ✓ Customer Service ✓ Bad Debt ✓ Customer Programs ✓ Operations (Staff, etc)
Energy Supply Costs represent **85%** of total costs for residential and **89%** for commercial customers.	Fixed/Administrative Costs represent **15%** of total costs for residential and **11%** for commercial customers.

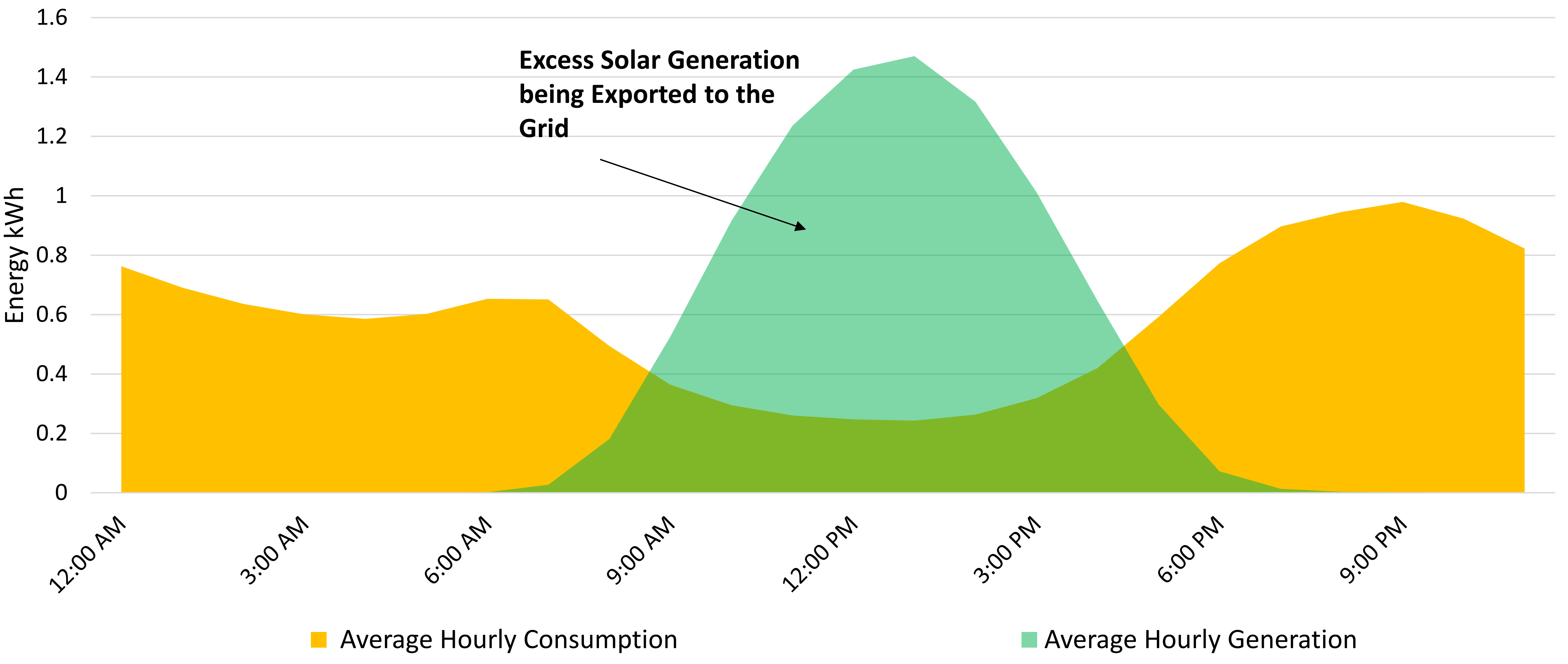
Changes to Year-End True-up Process

Eliminate Net Surplus Compensation

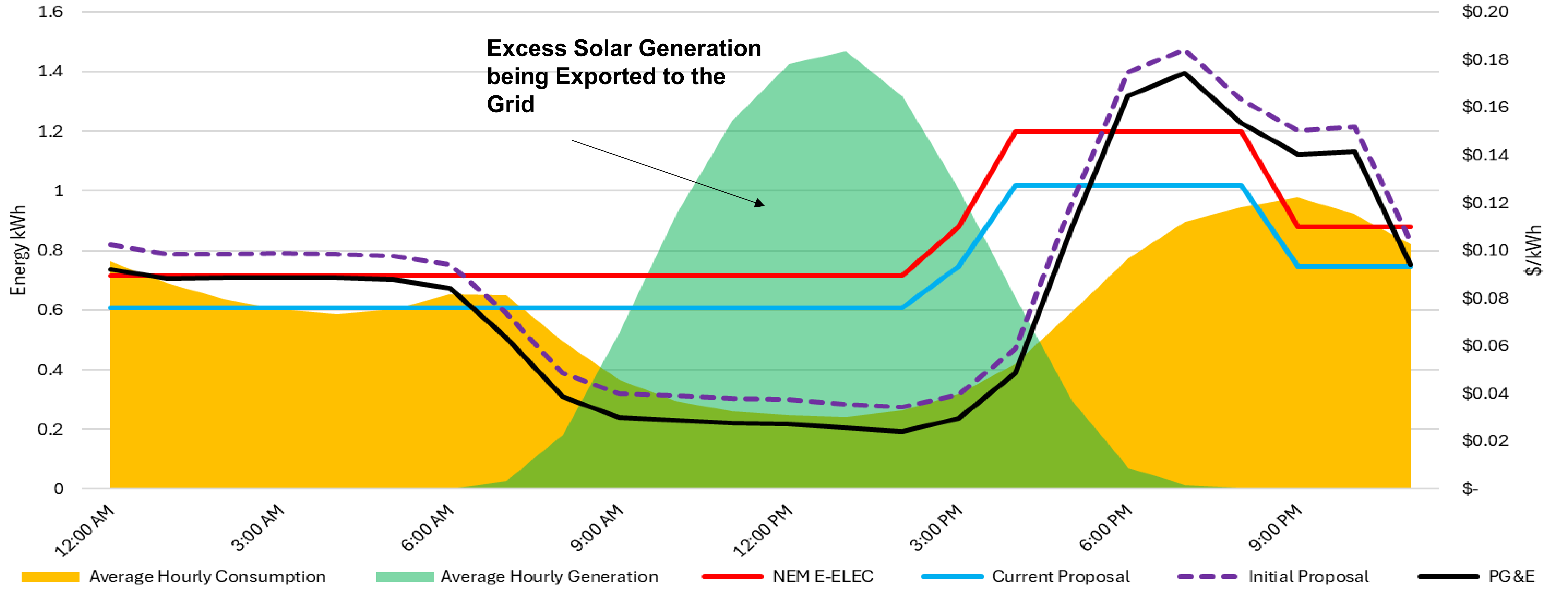
- Under NEM, customers that export more energy over the course of the year than they use or import, are eligible for Net Surplus Compensation (NSC).
    - Energy credits that have accumulated over the course of the year are zeroed out and the customer is compensated for the excess energy they produced at a Net Surplus Compensation Rate.

- Under Staff's revised proposal, the customer would retain the credits they've accumulated during the year and cash out or apply them to next year's bills.
    - No Net Surplus Compensation will be provided above the energy value of those credits.

Annual Solar Generation Peaks Midday While Load Rises in the Evening (Illustrative)



Residential Energy Export Credit Comparison



Comparison of Proposal Credit Amounts

Energy Export Credit Valuations	Formula	Average Hourly Value (8AM-8PM)
NEM Residential (E-ELEC Rate)	E-ELEC Retail Rate	$0.11116/kWh
E-ELEC less Fixed Costs (15%) (Current Proposal)	**E-ELEC Rate * 85%**	**$0.09419/kWh**
NEM Commercial (B-1 Rate)	B-1 Retail Rate	$0.11021/kWh
B-1 less Fixed Costs (11%) (Current Proposal)	**B-1 Rate *89%**	**$0.09833/kWh**
ACC + Local Energy Credit (Initial Proposal)	ACC + $0.01077	$0.07080/kWh

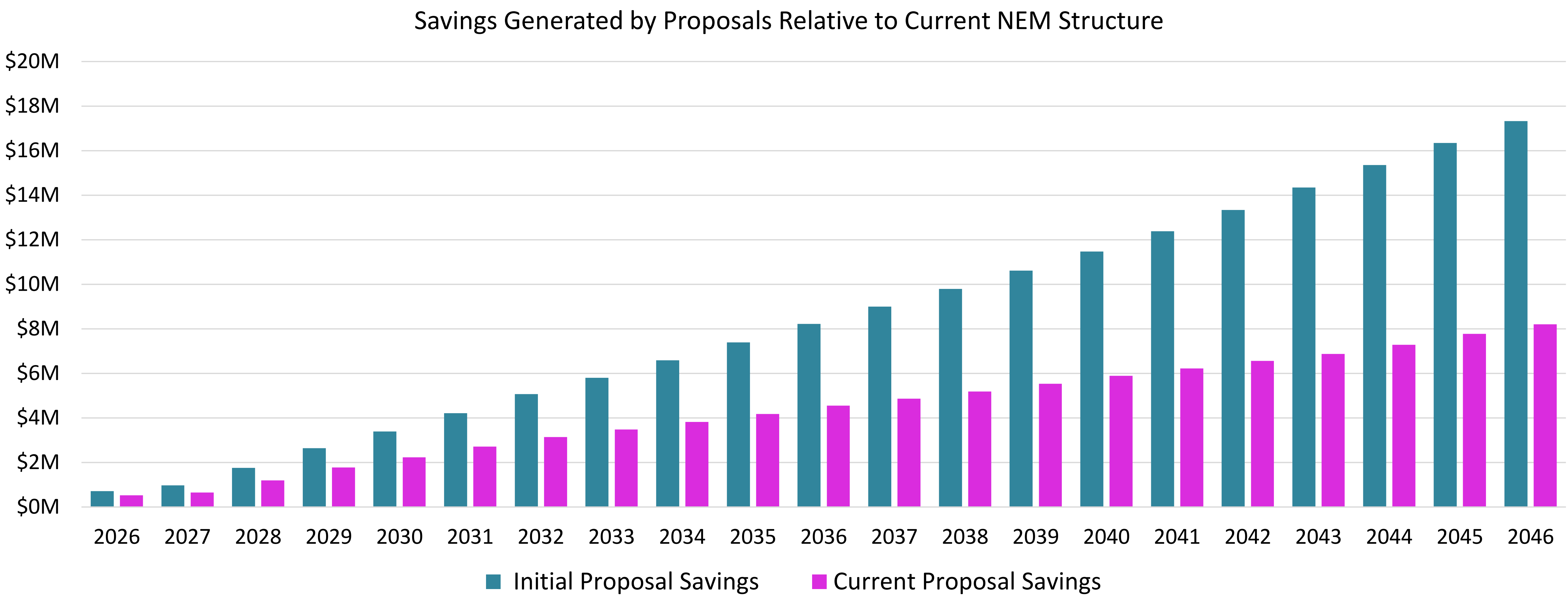
Annual Customer Export Credits Comparison: Retail vs. Current Proposal vs. Initial Proposal

Average Annual Export Credits Proposal	Residential	Commercial
Current NEM	$344.23	$2,009.72
SBP: % Retail Rate (Current Proposal)	$277.69	$1,792.94
SBP: ACC (Initial Proposal)	$102.44	$931.51
Impact Compared to Current NEM	**Residential Impact**	**Commercial Impact**
SBP: % Retail Rate (Current Proposal)	-$66.53 (-19.3%)	-$216.79 (-10.8%)
SBP: ACC (Initial Proposal)	-$241.78 (-70.2%)	-$1,078.22 (-53.7%)

Annual Customer Export Credits Comparison: CleanPowerSF vs. PG&E

Average Annual Export Credits Proposal	Residential	Commercial
SBP: % Retail Rate (Current Proposal)	$277.69	$1,792.94
SBP: PG&E	$102.44	$931.51
Impact Compared to Current NEM	**Residential Impact**	**Commercial Impact**
SBP: % Retail Rate (Current Proposal)	-$66.53 (-19.3%)	-$216.79 (-10.8%)
SBP: PG&E	-$241.78 (-70%)	-$1,078.22 (-54%)

Projected Savings to Ratepayers



* Values reflect export compensation based on average daylight-hour export values from 8 AM–8 PM.

** Savings reflect anticipated rate escalations year-over-year as well as solar panel degradation

What's Next?

Action	Date
Rate Fairness Board	June 22nd, 2026
Commission Vote	July 28th, 2026
Customer Education and Outreach	August 2026 – April 2027
Tariff Takes Effect	April 2027
Begins to appear on SBP Customer Bills	May 2027

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Questions