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

CleanPowerSF

CleanPowerSF Solar Billing Plan

Part 2

Rate Fairness Board

December 4, 2025

Summary of CleanPowerSF's SBP Proposal

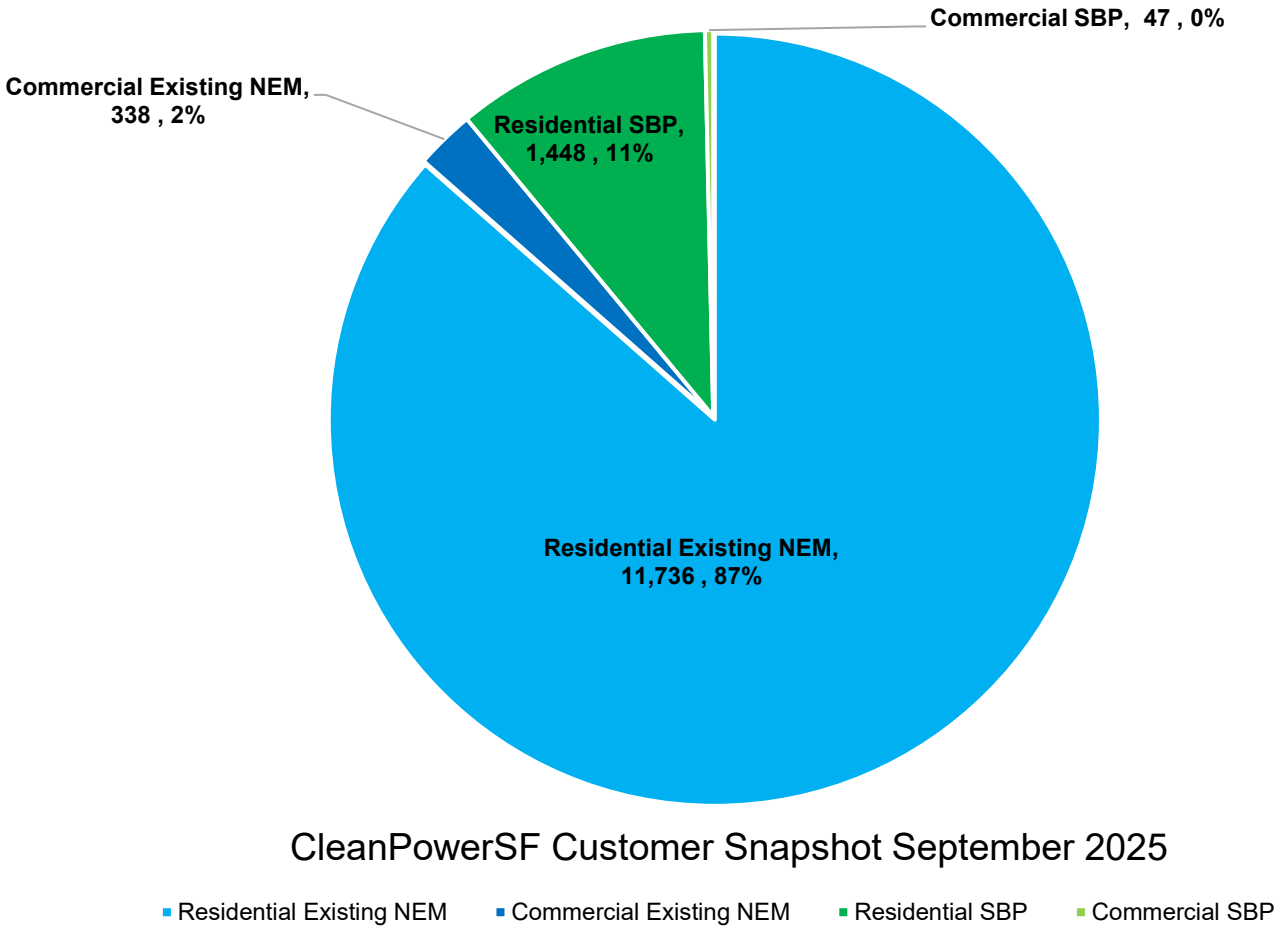
Tariff Elements:

a. Credit energy sent to grid at an hourly market value rather than retail rate
b. Provide an hourly Local Energy Credit to reflect higher local value
c. Provide an hourly Equity Credit for customers on CARE or FERA
d. For customers who annually generate more than they use:
    i. Keep leftover credits at the end of the year
    ii. Receive an additional renewable energy credit value

Policy Rationale:

- Promotes on-site use of energy rather than exporting energy the grid doesn't need at midday
- Aligns credit "prices" with the real, grid value of energy
- Encourages smart use and energy storage

Net Energy Metering Customer Stats



Solar Customers	Residential	Commercial	Total
Existing NEM	11,736	338	12,074
Solar Billing Plan (SBP)	1,448	47	1,495
Total	13,184	385	**13,569**

Who would this affect?

Of the SBP Customers…	Counts	Percent
Accounts that never send energy to grid	709	47.4%
Accounts that send less energy than they use	559	37.4%
Accounts that send more energy than they use	227	15.2%
Total	**1,495**	**100%**

Public Comment

- 116 written public comments received between June and July 2025
- Respondents could provide their organization/affiliation; of those who did:
  - Most identified as San Francisco homeowners
  - Others were from local rooftop solar companies and community organizations.

Themes

- Cost and fairness: retail prices are favorable for solar customers; cutting the export rate is unfair to existing system owners and makes it more expensive to install new rooftop solar.
- Low Income Credit: mixed support; equity and affordability vs. cost fairness concerns
- Avoided Cost Calculator: confusion and criticism on whether it adequately accounts for avoided transmission and new power plant construction costs, or the value of emissions-free generation. Suggest recognition of local generation value
- Net Surplus Compensation: support alignment with environmental values but need for greater clarity around exact hourly values
- Incentives: strong support, especially for battery storage

Avoided Cost Calculator (ACC)

- The ACC is a California Public Utilities Commission approved tool that is:
  - Updated every two years through a public process
  - Accounts for market energy costs, avoided generation capacity costs, and avoided emissions costs
  - Assigns an hourly value to electricity exports statewide based on these avoided costs
- ACC values are used to value energy exports by:
  - Investor-owned utilities (e.g. PG&E, SCE)
  - All PG&E-affiliated CCAs except CleanPowerSF and King City Community Power
- ACC was adopted in 2022 following a public process with stakeholder input

Other CCAs that have adopted SBP

Ava Community Energy

PENINSULA CLEAN ENERGY

SAN JOSE CLEAN ENERGY
A Program of the City of San José

DESERT COMMUNITY ENERGY

Central Coast Community Energy

SILICON VALLEY CLEAN ENERGY

PIONEER COMMUNITY ENERGY

CLEAN ENERGY ALLIANCE

REDWOOD COAST EnergyAuthority

VALLEY CLEAN ENERGY

MCE Empowering Our Clean Energy Future
CONTRA COSTA | MARIN | NAPA | SOLANO

Sonoma Clean Power

SAN DIEGO COMMUNITY POWER

CPA CLEAN POWER ALLIANCE

Public Outreach and Next Steps - UPDATED

Date	Step
November 2024	Listening Session with local San Francisco solar installers
February 2025	Rooftop Solar Webinar for the general public
March 2025	Directed customers to a new Solar Billing Plan website through CleanPowerSF's annual Net Energy Metering postcard
June 2025	Solar Workshop in which staff publicly released the CleanPowerSF Solar Billing Plan proposal
June – July 2025	A written public comment period during which staff received written comments on the proposal presented at the workshop and listed on the website
September 2025	San Francisco Commission on the Environment presentation
November 2025	Rate Fairness Board presentation
Early 2026 ~~December 9, 2025~~	SFPUC Commission Action

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Staff Proposal

December 4, 2025

Agenda

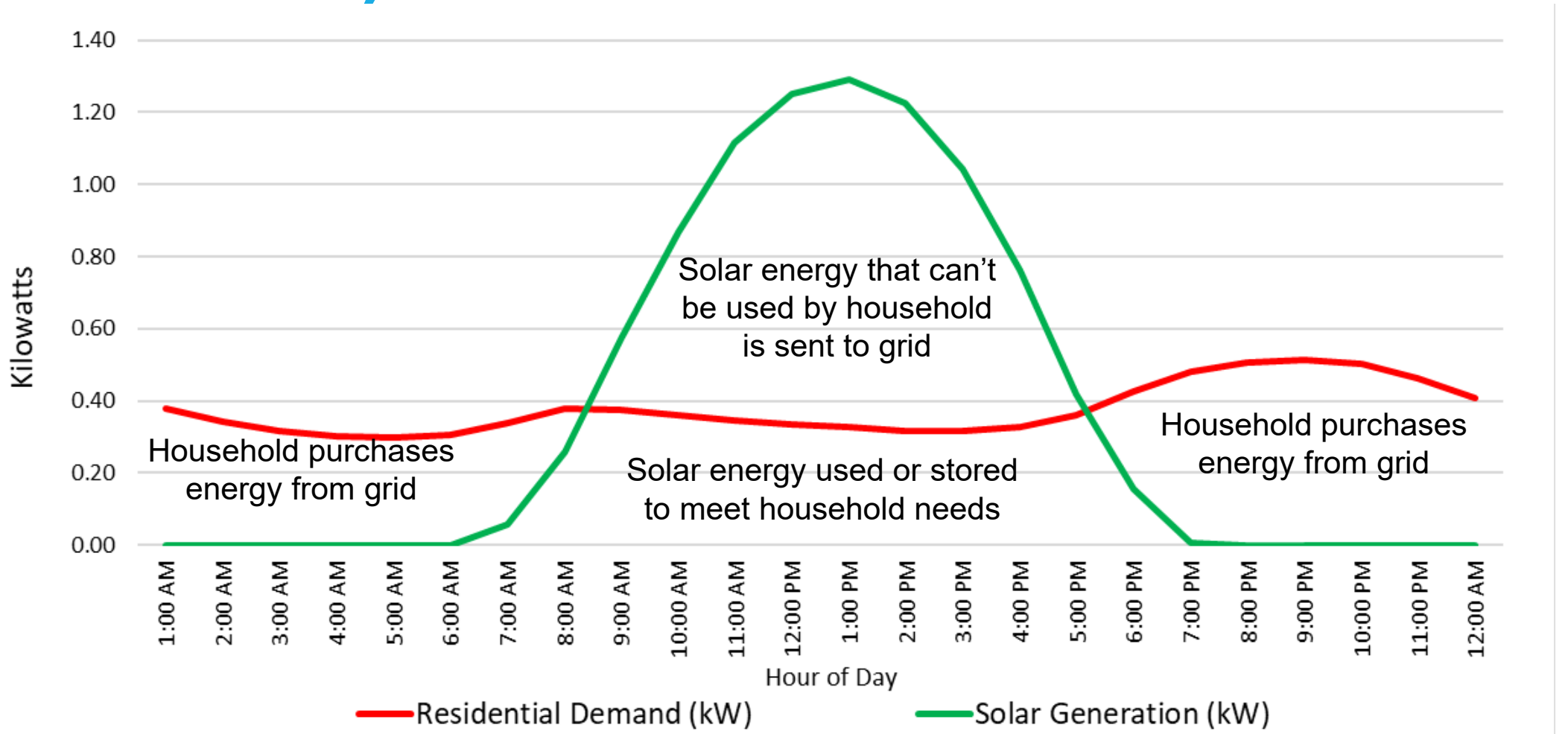
Purpose: Review proposed successor to Net Energy Metering in advance of Commission meeting

- Why a New Tariff?
- Staff Proposal
- Who would this impact?
- What is the ACC?
- Invest Savings in Programs
- Public Outreach and Next Steps

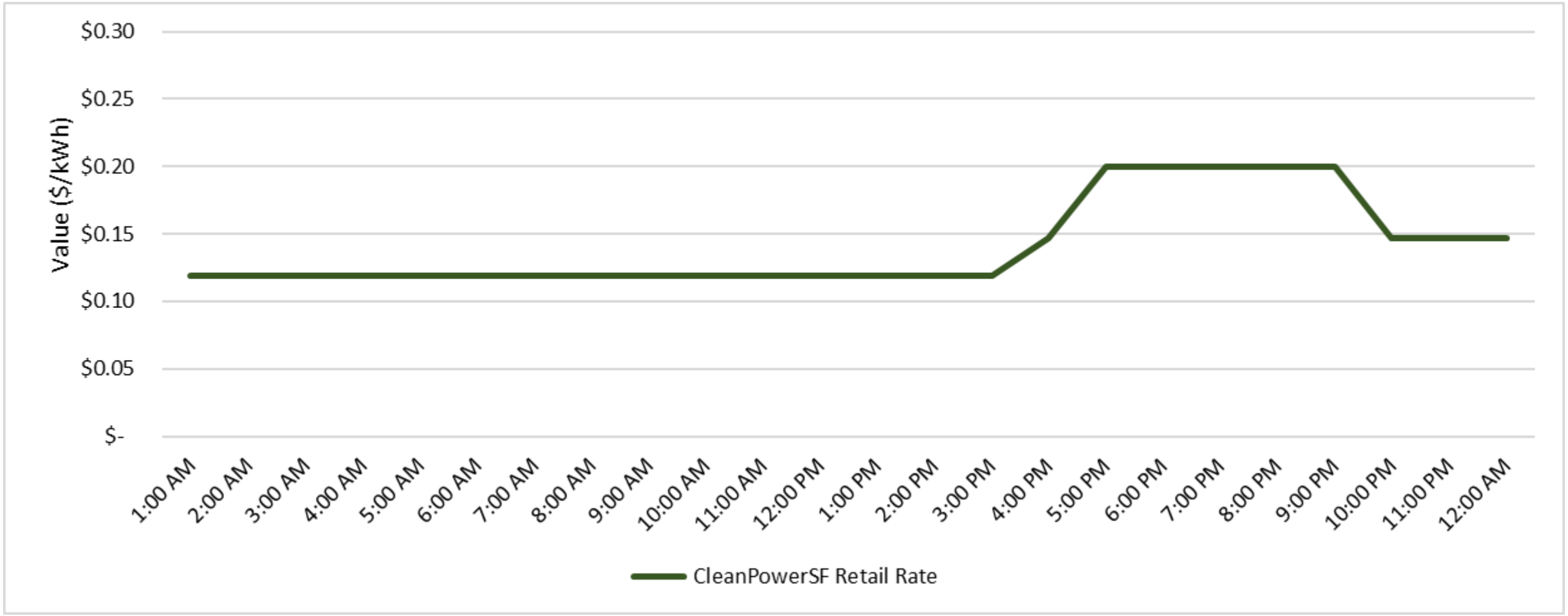
Why a New Tariff?

- Early rooftop solar displaced fossil fuels:
  - Delivering clear environmental benefits and
  - Reducing emissions.
- Today, there is more solar:
  - Rooftop solar often displaces other solar, especially during midday
  - Grid needs have shifted.
  - The challenge now is about when clean energy is delivered to the grid.
- Retail rates for exported solar no longer reflects its value to ratepayers.
- New tariffs must:
  - Encourage onsite (behind the meter) use of generation
  - Reflect the value of power sent to the grid

How Net Energy Metering (NEM) Works (Illustrative)

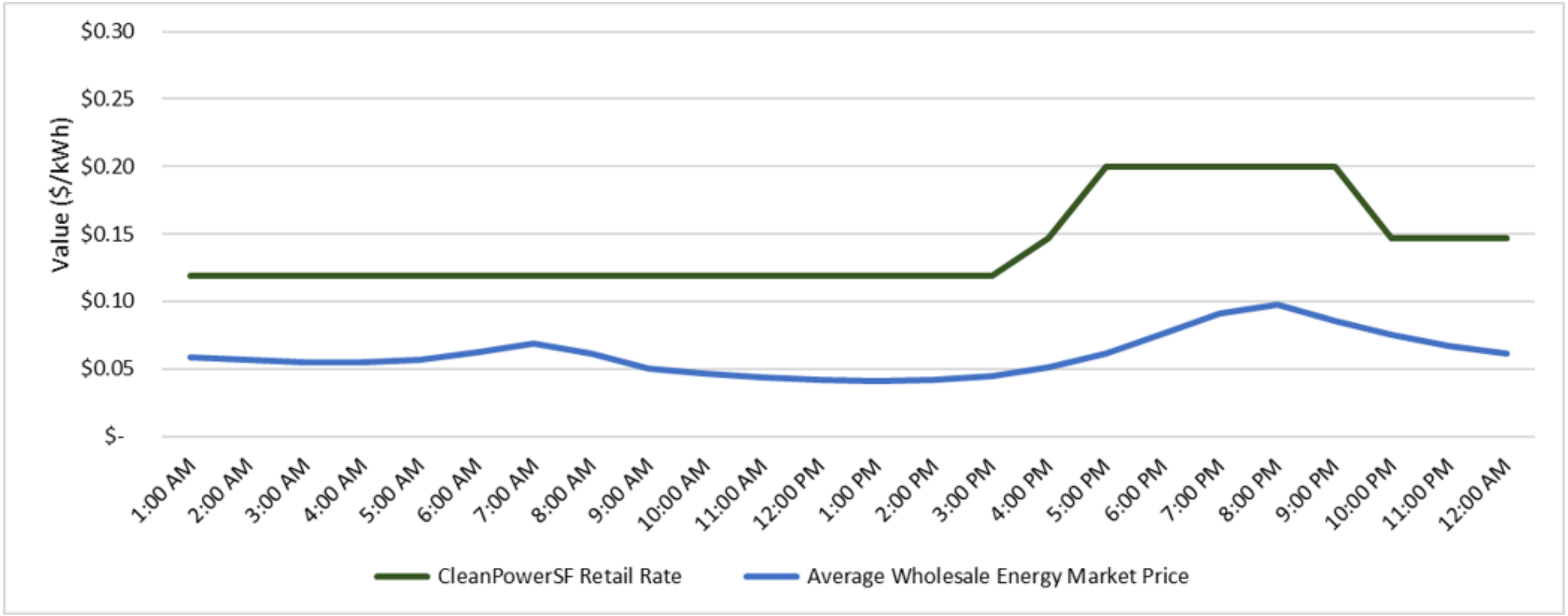


Valuing Solar Energy Sent to the Grid



*CleanPowerSF Retail Rate uses the E-ELEC rate schedule values.

Valuing Solar Energy Sent to the Grid



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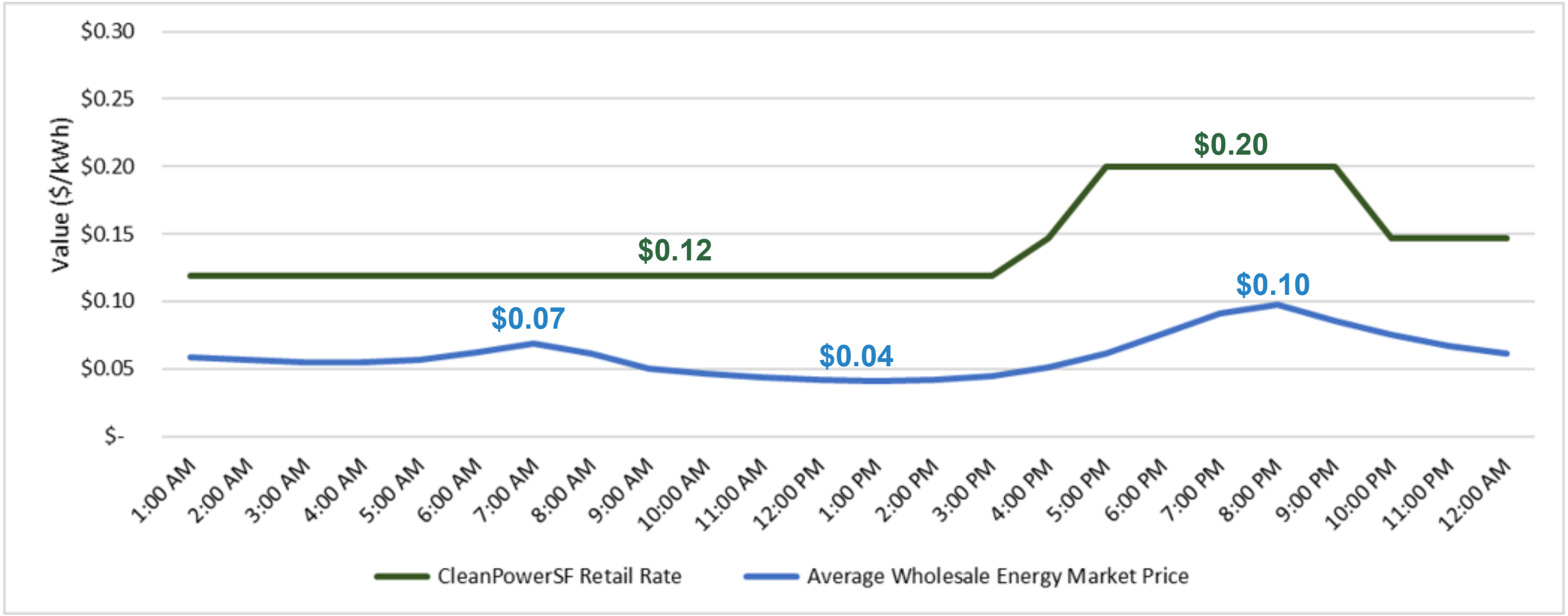

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Proposal Objectives

- Align incentives for customer generation with the market value to encourage smarter use.
- Continue to support rooftop solar/onsite renewables and electrification.
- Ensure equity and fairness.
- Consider administrative feasibility.

Key changes from NEM to Solar Billing Plan

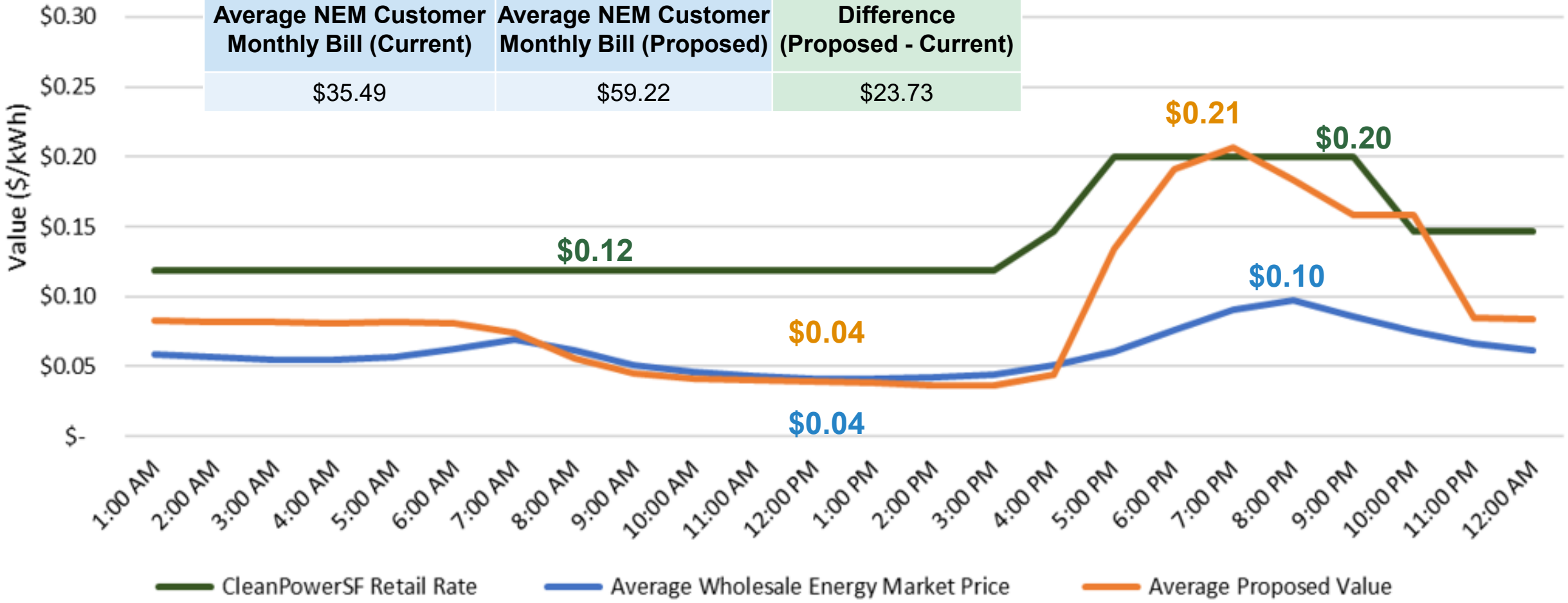
	NEM (status quo)		Staff Recommendation
The rate paid for power sent to the grid	Retail rate		Change to hourly rate based on a state-approved market value
Local Energy Credit	None		Add an additional credit for all qualifying power sent to grid
Equity Credit	None		Add an additional credit for low income Customers' Generation
Net Surplus Generation	Fixed rate		Change to renewable value and not reset remaining credits

Proposed new tariff would be limited to customers also on PG&E's Solar Billing Plan:

- Customers with interconnections after April 2023
- Customer on Net Energy Metering (NEM) more than 20 years.

Valuing Solar Energy Sent to the Grid

Average NEM Customer Monthly Bill (Current)	Average NEM Customer Monthly Bill (Proposed)	Difference (Proposed - Current)
$35.49	$59.22	$23.73



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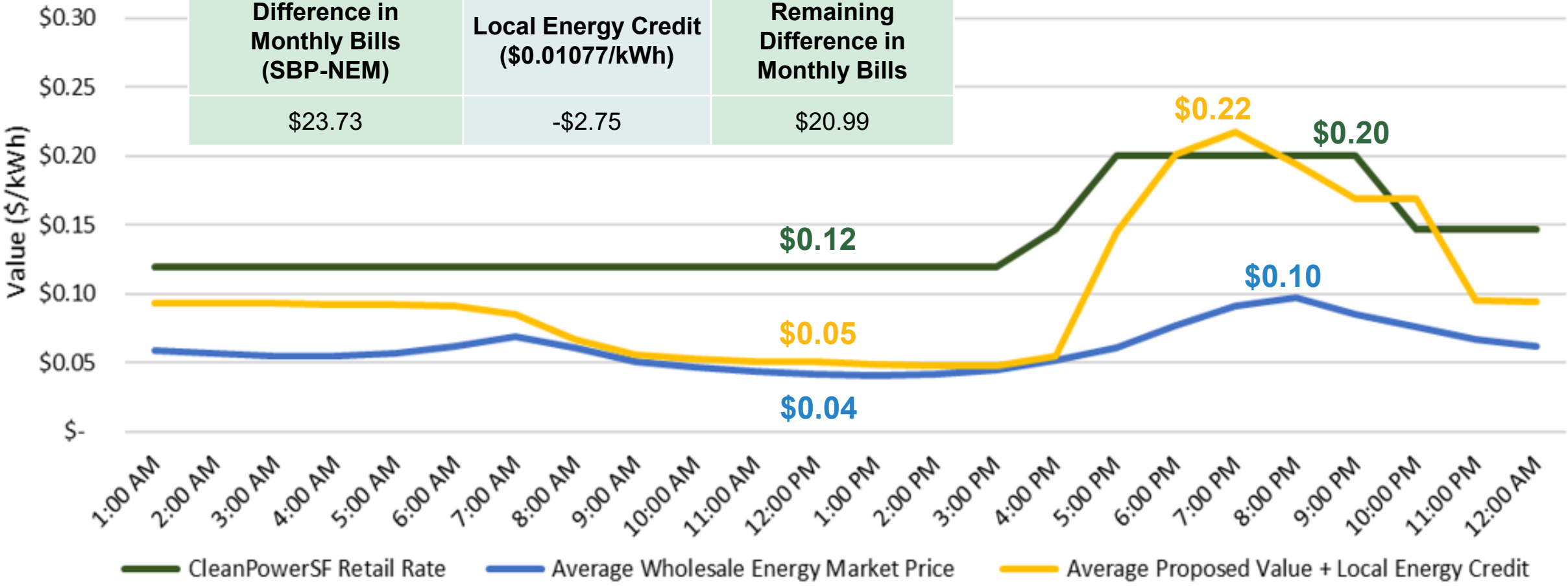
***Average Proposed Value based on data from 2026.

Valuing Solar Energy Sent to the Grid

Difference in Monthly Bills (SBP-NEM)	Local Energy Credit ($0.01077/kWh)	Remaining Difference in Monthly Bills
$23.73	-$2.75	$20.99



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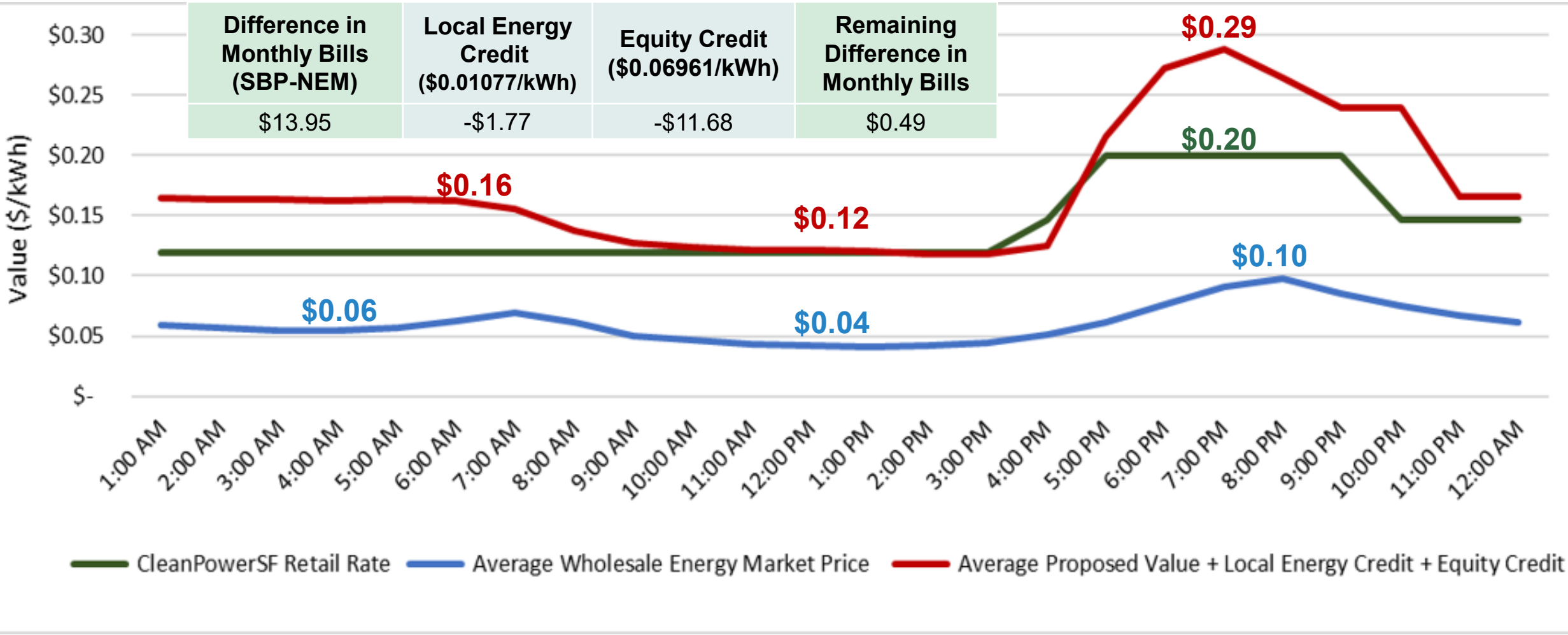
Bill Impact to Low Income Customers

Difference in Monthly Bills (SBP-NEM)	Local Energy Credit ($0.01077/kWh)	Equity Credit ($0.06961/kWh)	Remaining Difference in Monthly Bills
$13.95	-$1.77	-$11.68	$0.49



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Valuing Annual Net Surplus Generation

Currently, every year in May:

- CleanPowerSF determines if NEM customers are “Net Generators” or “Net Consumers”
- Net Generators are paid for surplus generation (Net Surplus Compensation, NSC)

Staff Proposal

In addition to the credits already earned, Net Surplus Generation will also be valued at the avoided market cost of renewable energy credits. ($0.03628/kW)

Reinvesting Savings in Programs

Moving away from NEM frees up ratepayer resources for new incentive programs to support electrification:

- Water Heater Upgrade Program
- EVChargeSF
- All-Electric Multifamily Program
- Battery Storage (In development)

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Questions