



## Changes to NEM Should be Guided by These Considerations and Key Principles

- **Better balance customer choice & equity:**

Californians should be free to generate or store their own clean power, but those choices shouldn't substantially increase the bills of customers who don't make or don't have that choice; many of whom are middle, low-income and or live in disadvantaged communities.

- **Californians simply should not be expected to pay more for energy from rooftop solar if the same renewable energy and environmental benefits can be achieved at a lower cost:**

Many pressing and competing priorities are putting upward pressure on electric rates. Any incentive mandates imposed by regulators and policy makers to further the state's greenhouse gas reduction and clean energy goals must achieve the maximum benefit at the least cost for all customers. The current NEM structure does not. The cost of solar systems has dropped 70% but the incentives paid to customers are tied to retail rates and continue to increase.

- **Recognize that everybody benefits & everyone should equitably contribute to the grid and public policy programs:**

We all rely on and need a dependable and resilient grid and all customers—those with solar systems and those without—should contribute equitably towards its maintenance. It's counter-productive and unfair that the current NEM structure expects customers who aren't financially eligible for solar to cover more of the costs of grid maintenance and mandated public purpose programs such as energy efficiency and low-income assistance.

- **Solar systems without storage provide limited value:**

Any changes to NEM need to incentivize solar systems paired with energy storage over stand-alone systems. Storage is necessary to help manage the current glut of midday solar so it can be stored when there is low demand in the middle of the day and be available during peak evening demands.

- **Provide prospective solar customers with a reasonable and transparent payback period for their system:**

Customers who don't have solar shouldn't be expected to pay more. But likewise, the solar industry and customers interested in installing solar deserve clear, stable rules to guide their decision making.