

# NEM 2.0 FAQ's

## **Q: Why is Anaheim moving from NEM 1.0 to NEM 2.0?**

A: Anaheim's NEM 2.0 is designed to be fair to all customers, and offers the most benefits to customers who also install an energy storage system or are able to change their daily energy use to align with the needs of the grid. NEM programs are designed to credit electric customers for excess energy produced by their solar panels and delivered back to the electric grid. Early NEM 1.0 programs in California were intended to encourage private investment in solar and to increase the amount of renewable energy used in California. While early NEM 1.0 programs were successful in meeting these goals, they also had a tendency to shift the costs of NEM programs to non-participating customers. In order to limit this shift in costs, legislation was enacted that would limit participation in NEM 1.0 programs once an electric utilities' total customer solar capacity reached 5% of the utilities' peak load. California's IOU's reached their NEM goal prior to July 1, 2017, while Anaheim reached its NEM goal in May 2019.

## **Q: Will the bill credit under NEM 1.0 and NEM 2.0 be identical?**

A: No. Under NEM 2.0, the bill credit will be calculated differently in that the ACC rate is multiplied by a Time of Use Factor. The Time of Use Factor varies based on the time that the energy was supplied to Anaheim's electric grid and adjusts the ACC rate to reflect daily, seasonal, and hourly changes in the supply and demand of energy in the wholesale energy market. As a not-for-profit agency, the Time of Use Factor under NEM 2.0 better reflects Anaheim Public Utilities' wholesale energy costs throughout the day and does not make the Utility more money.

## **Q: Is it still worthwhile to go solar with NEM 2.0?**

A: A solar PV system still generates electricity for your use and can reduce your utility bill. Additionally, if you have energy storage, you are able to bank energy yourself. A professional contractor can help you determine the benefits of going solar.

## **Q: I currently have solar, will I be forced to go on NEM 2.0?**

A: No, you are grandfathered in under NEM 1.0 until you replace your solar system, or close the account where the system is located. However, you are able to convert to NEM 2.0 at any time should you choose to do so.

## **Q: If I start my solar project this year can I still be on NEM 1.0?**

A: If you receive final approval of all required building permit applications from the City's Planning and Building Department for your solar system no later than December 31, 2020, you will be enrolled in NEM 1.0. If you receive final approval of your building permit application after December 31, 2020, you will be enrolled in NEM 2.0.

**Q: If I currently have solar, can I expand my system and still be under NEM 1.0?**

A: Yes, but only if you are currently on NEM 1.0 and have received final approval of all required building permit applications from the City's Planning and Building Department for that expanded solar system no later than December 31, 2020. For solar expansions approved January 1, 2021 or later, customers will be placed solely on NEM 2.0 for their entire system.

**Q: Is there a NEM 2.0 agreement that I have to sign?**

A: No, since this is a rate based program, no NEM agreements need to be signed; however, large solar interconnections may still need interconnection agreements, please visit <https://www.anaheim.net/501/Generation-Interconnection>. Additionally, solar and/or energy storage systems will require Planning and Building Department permits, please visit <https://www.anaheim.net/532/Permits>.

**Q: Where can I find additional information regarding Anaheim's Net Energy Metering Programs?**

A: For information regarding Customer Owned Solar, please visit [www.anaheim.net/utilities/solar](http://www.anaheim.net/utilities/solar). For information specific information regarding NEM 1.0 and NEM 2.0, please visit <https://www.anaheim.net/DocumentCenter/View/1252/Developmental-Net-Energy-Metering-PDF?bidId=>

**Q: If I sell my house, or give it to my child, before December 31, 2020, will they be enrolled in NEM 1.0?**

A: Yes, any transfer on or before December 31, 2020 will still allowed to be under NEM 1.0.

**Q: Why are you waiting until January 1, 2021 to implement NEM 2.0, why not do it now?**

A: Out of an abundance of caution, Anaheim is informing both Customers and solar contractors ten (10) months in advance of this change so that Customers who are considering solar have the opportunity to participate under either NEM 1.0 or NEM 2.0.

**Q: What if I'm on NEM 1.0 and elect to be on NEM 2.0, can I go back to NEM 1.0?**

A: No, once you have switched to NEM 2.0, you cannot go back to NEM 1.0.

**Q: What happens to my 'bank' if I elect to go to NEM 2.0?**

A: If you are a 'cash' election customer under NEM 1.0, you will receive a bill credit for your banked energy at the NEM 1.0 ACC rate when you switch to NEM 2.0.

**Q: What are the key differences in how excess solar energy will be credited?**

A: Anaheim's NEM 2.0 differs from NEM 1.0 in a few key ways: (1) all excess energy production from a renewable generating facility (e.g., solar facility) will be reimbursed by Anaheim under NEM 2.0 as a credit offset on a customer's bill; (2) the bill credit under NEM 2.0 will be calculated using a Time of Delivery Factor that increases the reimbursement for energy delivered during On-peak hours; and (3) as all excess energy is credited to a customer's bill, there is no longer any need to 'bank' excess energy to be used in a later month.

**Q: Does my electric meter track how much I generated each month?**

A: Anaheim's electric meters do not capture the total generation of the system. Instead, it will capture the excess energy produced that was sent to the grid.

**Q: How does metering under the NEM 2.0 program work?**

A: The NEM program uses a bi-directional meter to track the excess energy produced that was sent to the grid and the amount of electricity delivered to you from the power grid during each billing period.