

PG&E proposes far-reaching changes for solar power

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SAN FRANCISCO -- PG&E on Monday filed a proposal that urges state regulators to undertake wide-ranging changes in the solar electricity system in central and Northern California.

Among the proposals: potentially reduced savings on electricity bills for people who switch to solar, a reduced credit for solar customers who have a surplus of electricity that they can return to the grid and a charge that is based on when a solar customer uses electricity, PG&E officials said Monday.

"Solar is an essential part of our clean energy future," said Anthony Earley, PG&E's chief executive officer. "We need smart energy reform to sustain its long-term growth in California."



PG&E Chief Executive Officer Anthony Earley.

The PUC would have to undertake a full set of hearings and consideration of other proposals before it made a decision on the solar electricity system. PG&E said its proposal wouldn't take effect until 2017 and won't affect the existing base of solar electricity customers that the utility has helped connect to the power grid.

At present, the average residential customer who has a monthly electricity bill of \$180 typically realizes a 60 percent discount on that bill, or a reduction of \$110 a month. Under the new plan, the average customer who switches to solar once the proposal is in effect in 2017 would realize a reduction of 50 percent, or \$90 less a month.

Solar customers with surplus electricity now receive a credit of 17 cents a kilowatt hour for electricity returned to the grid. The proposal would create a reduced credit of 10 cents a kilowatt hour.

"Solar is too important not to get it right," said Steve Malnight, a PG&E senior vice president for regulatory relations. "The solar energy reform that makes the most sense is one in which customers gain greater choice over how and when they use energy."

San Francisco-based PG&E said part of that choice would be a demand-based system whereby solar customers would pay a usage charge to be connected to the company's electricity grid. Customers would tend to pay more if they use electricity during hours of peak demand, and less if they use power during off-peak hours.

"The whole demand system is very difficult to figure out," said Mark Toney, executive director with The Utility Reform Network, a consumer group.

Customers on solar systems would be billed once a month under the plan. At present, they are billed once a year.

"We can craft the right rate reform that will help solar grow and help build the smart energy future our customers want and deserve," PG&E's Earley said.

PG&E has about 180,000 solar electricity customers and has connected about one-fourth of the nation's rooftop solar customers in its system. During 2014, the utility connected new solar customers at a rate of 4,000 a month. PG&E's solar customer base represents about 3.3 percent of the utility's 5.4 million electricity customers.

"We want to be sure to have a system that accounts for the growing demand that we expect for solar energy in California," said Greg Snapper, a PG&E spokesman.

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