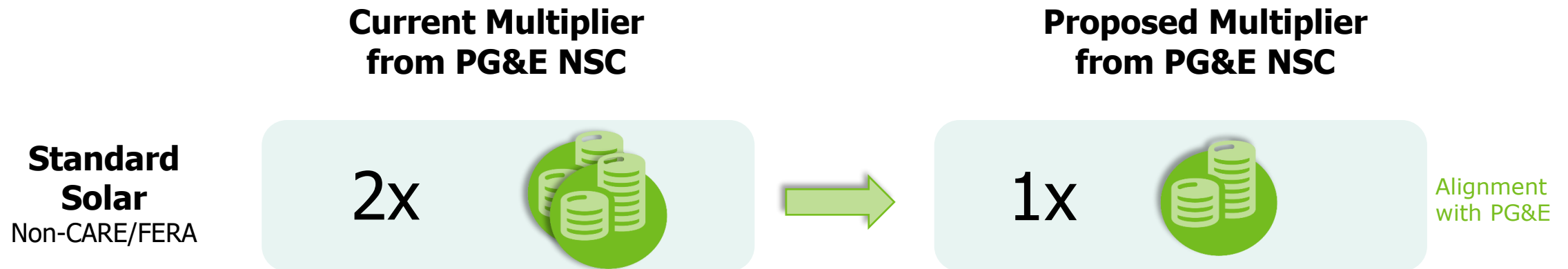

NEM - Net Surplus Compensation (NSC) Payment

Executive Committee Meeting
January 27, 2025



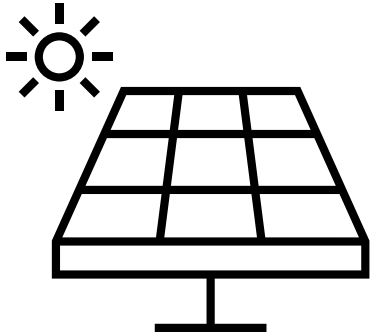
Proposal

Establish a new Net Surplus Cashout (NSC) rate for Standard Solar Net Energy Metering (NEM) customers effective January 2026. New NSC will be equal to PG&E's current NSC rate.





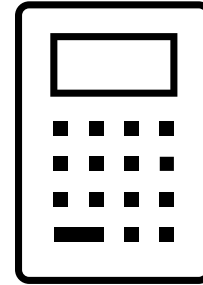
SVCE's NSC rate is 2x PG&E's



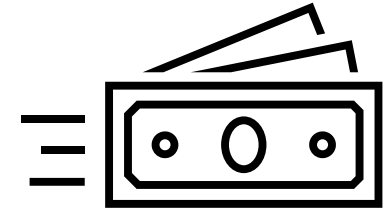
Customers produce and consume solar energy throughout the year.



Customers that produce more than they consume annually get paid at the end of the year.



Payment is based on excess kWh produced and the NSC.



Every April, SVCE distributes as a check in the mail or bill credits.

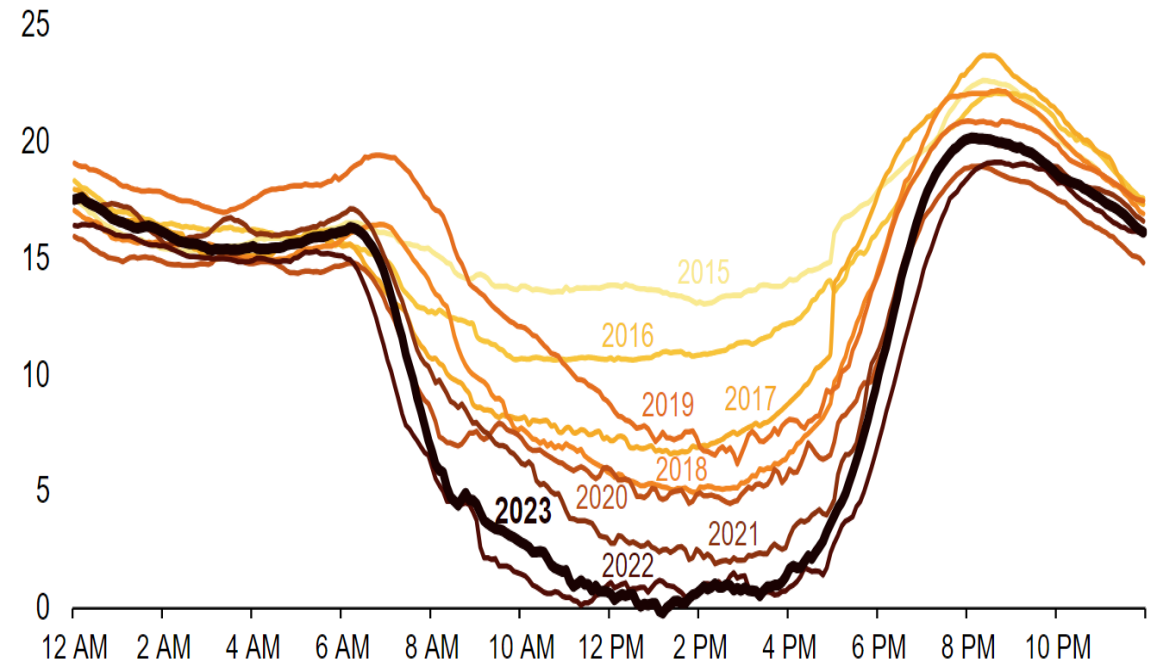


Statewide efforts to align solar incentives with energy value.

- Duck curve shows how midday generation value is decreasing
- In 2023, CPUC ordered changes to NEM rates and proposed new Net Billing Tariff (NBT) aka "NEM 3" to set value of energy to be based on an avoided cost calculator along with a new NSC rate
- SVCE adopted new NEM 3 rates in 2023, but did not change the NSC

California's duck curve is getting deeper

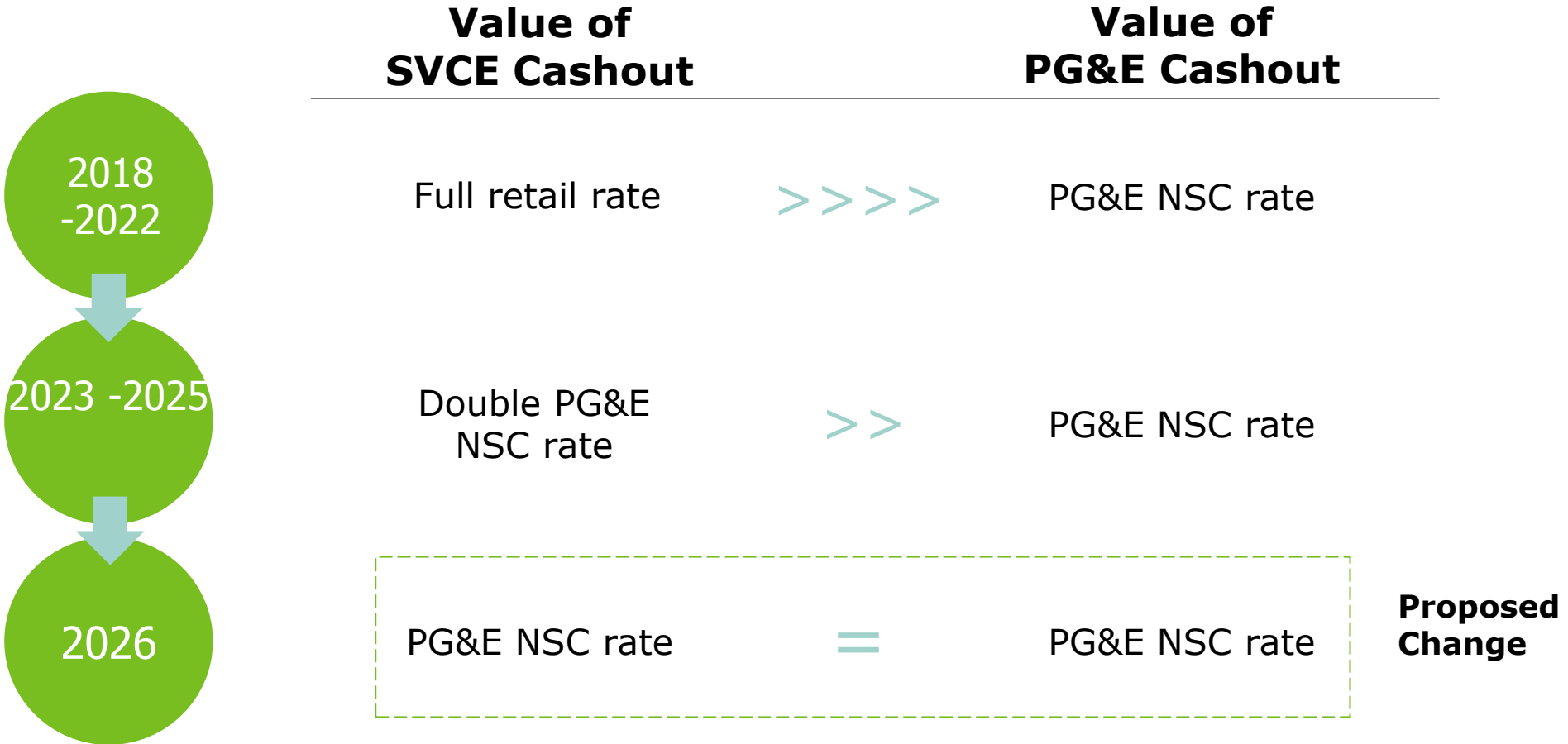
CAISO lowest net load day each spring (March–May, 2015–2023), gigawatts



Data source: [California Independent System Operator \(CAISO\)](#)



SVCE's NSC rate has evolved over time.



NSC: Net Surplus Compensation



NEM Rates and Net Surplus Compensation payments are changing

Situation

- SVCE pays higher than PG&E incentive for surplus solar power under NEM rates
- 25% of solar customers (~10,000 total) receive cash-outs
- **In 2024, cash-out expense was over \$1.7M**

Context

- NEM 1 and 2 customers already see large payments above the value of energy
- Most solar customers are higher income

Goal

- **Better align SVCE payments with grid value**

This will reduce payments to the majority of customers receiving cash-out – approximately ~25% of NEM customers.

Illustration of NEM Cashout Customers and Amounts

Customer Type	2024 Number of Customers	2024 Average Cash-Out	Average Cash-Out Under New Policy*
Standard	9,604	\$175	\$95

** For illustration only. Update to NSC would not occur until January 2026.*

Recommend the Executive Committee support staff's recommendation as follows:

Adopt new Net Surplus Compensation (NSC) multiplier under Standard Solar Net Energy Metering (NEM) rates to equal Pacific Gas and Electric's (PG&E) multiplier effective January 2026.

Questions

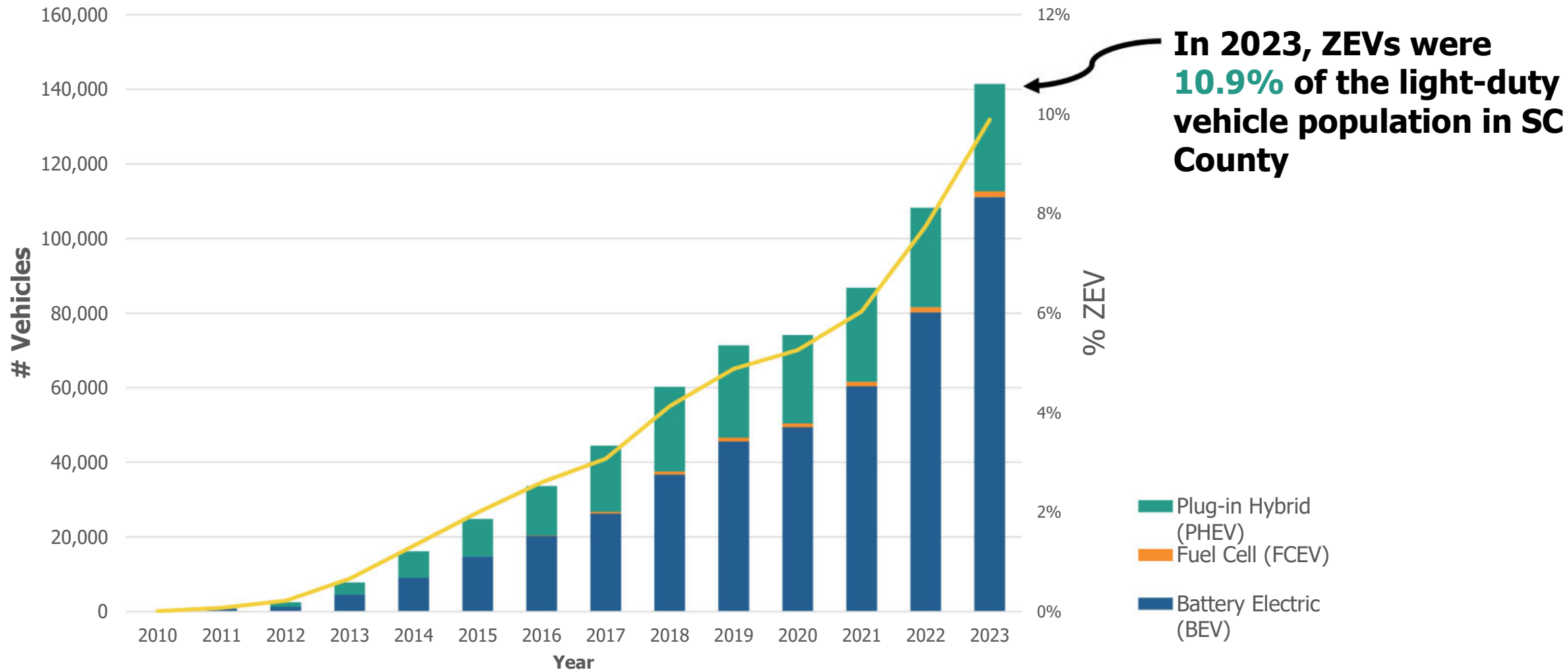


Programs Snapshot: EV Rebates

January 27, 2025
Executive Committee Meeting
Hannah Gustafson, Programs Lead



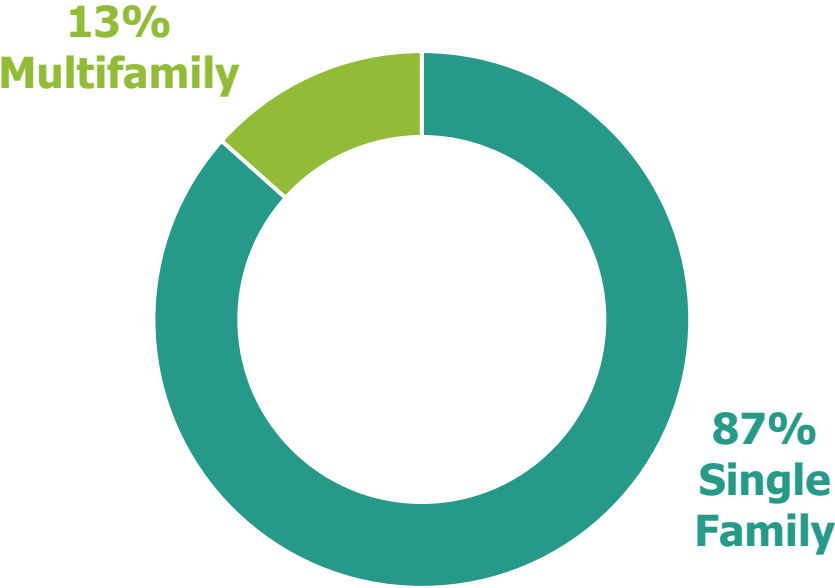
Santa Clara County is a Leader in ZEV Adoption





However, SVCE ZEV Adoption is not evenly distributed

EV adoption is lowest in the most vulnerable census tracts (SEVI 3 and 4).



% EVs Registered by Home Type in SVCE Territory



Notable Barriers to EV Adoption

1. Lack of home charging
2. Upfront vehicle cost
3. Confusion around EVs generally and available incentives

Program Objectives

- Increase **equitable EV adoption** among low-income and multifamily residents
- Deliver **targeted education** that addresses the needs of these residents



SVCE EV Rebate

Launched: Oct 2024

Program Goal: 600 EVs

Program Budget: \$1.5M



svcleanenergy.org/ev-rebate/



EV Rebate Now Available!



Customer Eligibility: Income-qualified SVCE customers (<80% AMI or enrolled in a qualified public assistance program)



Vehicle Eligibility: New or used EV or plug-in hybrid EV



Free one-on-one EV support through **Go Electric Advisor**



Stackable with federal, state, and regional incentives

How It Works:

Instant rebate at a local participating dealership

OR

Post-purchase rebate



EV Education in our Community

In partnership with Acterra, SVCE is sponsoring EV education events, including:



**November 2nd
@12-7pm
Gilroy**



**November 9th
@11am-1pm
Gilroy High School**



**January 23rd @6-7pm
Online**

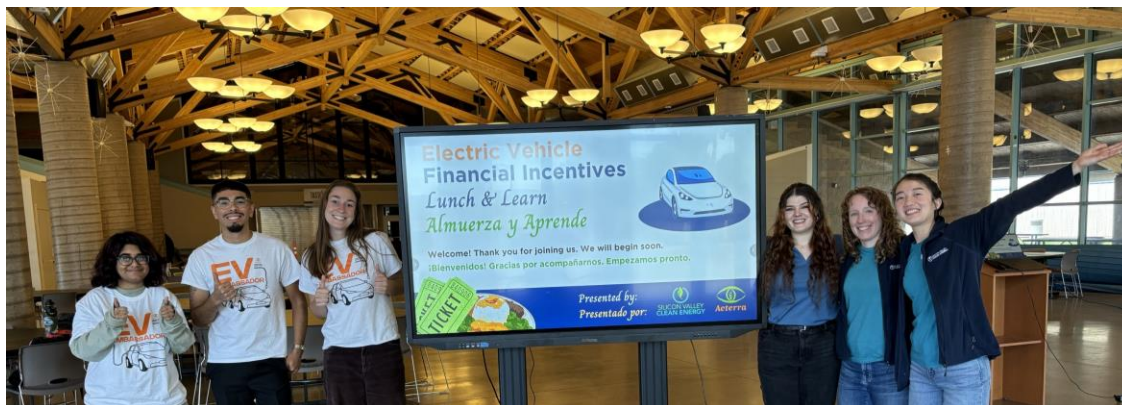
**Coming Soon: 2nd EV Expo
(Date TBD)**



What's Next?

Item 6
PRESENTATION

1. Continue to promote the rebate to eligible customers
2. Continue targeted outreach and education in lower adoption communities
3. Continue building local EV dealership relationships and networks
4. Track participation metrics and feedback from community members



Photos from La Ofrenda Festival EV Expo in Gilroy on 11/2/24 and Gilroy High School Lunch and Learn on 11/9/24