

Ivy Energy Advocates for Multifamily Properties in CPUC NEM Proceedings

CA Solar Projects have limited time to Secure NEM-2 rates

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/EINPresswire.com/ -- Public utilities, the solar industry, environmental groups, and energy advocates in California remain divided over the NEM-3 successor proposal from the state's Public Utilities Commission (CPUC) to reform its net energy

metering (NEM) billing framework. The newly revised [Proposed Decision \(PD\)](#) establishes a "Net Billing" tariff that introduces an entirely new framework for valuing exported solar energy. The new methodology will reduce the value of exported energy by roughly 75% compared to current NEM-2 levels and completely decouple the value of imported and exported energy.

Based on our initial analysis, this new tariff would cut the average export rate in California from \$0.30 cents per kWh to \$0.03 - \$0.08 cents per kWh and make those cuts effective for projects applying for interconnection starting as soon as April 2023. Other states that have implemented a similar cliff in the export compensation rate have seen sharp declines in solar deployment. A similar decrease in California would be counterproductive.

[Ivy's](#) participation in the NEM-3 proceedings has been instrumental in ensuring that multifamily building owners and tenants receive equitable treatment and a fair glide path to facilitate a manageable transition as the tariff is finalized. Ivy's advocacy will benefit the entire multifamily real estate market as it continues to adopt solar plus storage by ensuring a reasonable payback for the multifamily solar assets and smooth processes for interconnection.

Ivy was the only stakeholder involved in the proceeding exclusively focused on multifamily, advocating for increased equity in the program through fair treatment of the multifamily customer class. Ivy's approach to influencing policy and enabling its business model through intelligent split incentive software demonstrates Ivy's leadership as the solar industry's top multifamily billing service provider.



The multifamily solar market has had many more challenges than the single-customer residential solar market development; below are some of the key challenges:

- Split incentive problem between building owners and tenants - determine how to fairly distribute cost savings while ensuring the asset gets paid off.
- Interconnection and utility challenges are more prevalent due to added complexity of multi-unit solar projects.
- Billing and administration were a hassle for building owners before the Ivy billing solution was commercially available.
- Before the Title 24 solar mandate was enacted, multifamily property owners had little motivation to invest in solar.

Ivy advocated that the Commission acknowledge these challenges and provide multifamily customers with a longer glide path to transitioning away from VNEM to support more significant equity within the NEM program and the Commission's legal mandate to design specific policies for growing the market in disadvantaged communities (PUC § 2827.1). Ivy has shown that renters are overwhelmingly likely to be environmental and social justice (ESJ) populations. Increasing renter access to clean energy via VNEM is helping underserved communities of concern. The CPUC should allow VNEM to reach the same adoption capacity threshold as residential NEM to ensure equity between renters and homeowners.

Ivy encourages multifamily properties to act fast to grandfather solar projects under the NEM-2 tariff. Grandfathering NEM-2 rates ensures property owners receive the best solar export rates locked in for 20 years. The CPUC published the new NEM-3 (PD) on November 10, 2022, and has scheduled a final vote for December 15, 2022. Based on the current timeline, PG&E, SCE, and SDG&E customers have until April 14, 2023, at the earliest, to submit interconnection paperwork to be grandfathered into NEM-2 rates.

To qualify and grandfather your solar project into NEM-2 rates, the requirements are:

- 1.Engineering SLD (Single Line Diagram and Site plan)
- 2.Interconnection application with a contractor license. (Generally, this requires a dry utility package and building service gear engineered.)
- 3.EPC Signed Agreement.

The CPUC may delay the April 14 date; however, those updates will be announced at the committee's discretion. If the committee makes any changes or delays on December 15, then this date will be pushed back on a 1:1-day ratio until the final version of the PD is recorded. Property owners that are serious about grandfathering NEM-2 solar rates must act fast to ensure the best ROI. Reach out to our team or visit our [NEM grandfathering explainer page](#) to learn more on how to get the NEM-2 grandfathering process started.

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