

Net Energy Metering 2 (NEM2) Sunset



Contractor Frequently Asked Questions

When does the NEM2 program end?

The NEM2 program will be closed to new applicants starting **April 15, 2023**.

What do I need to submit to qualify a customer for NEM2?

Before **11:59 p.m. on April 14, 2023**, you must submit the following:

- Completed application, free of major deficiencies (e.g. no blanks, incomplete/inaccurate document, changes requiring resubmission per Rule 21)
- A single-line diagram (a simplified representation of an electrical system)
- A signed Contractor State License Board (CSLB) Disclosure and Solar Consumer Protection Guide (for residential, non-self install only)
- A signed Agreement and Authorization Form (for Standard NEM only)

To retain eligibility, final electrical clearance (often referred to as final building or electrical permit) must be submitted before **April 15, 2026**.

Can new construction projects that have applied for service but are unable to submit a generation application before the NEM2 sunset date still qualify for NEM2?

PG&E will make an exception for new construction projects unable to submit a completed application by the sunset date. If the load application is submitted by the NEM2 sunset date, the project will be eligible for NEM2 provided the site is energized under the same Service Point notification (also known as project or notification number). To retain this eligibility, final electrical clearance must be granted by **April 15, 2026**.

What does a major deficiency entail?

Blank fields, incomplete or inaccurate documents, or anything requiring application withdrawal and resubmission per Rule 21.



What are some common major deficiencies?

Common major deficiencies include but are not limited to:

- Wrong meter number
- Wrong Service Agreement ID (SAID)
- Changes in Point of Interconnection
- Material modifications, such as increasing system size
- Failure to meet timelines

Can I make changes to my application after submission?*

A one-time modification request will be allowed for:

- Like-for-like equipment replacements
- System size reductions not exceeding 20% (Any upgrades or mitigations caused by the change would be paid for by the customer.)
- System size reductions to avoid upgrades if the re-study determines the modification affects no other distributed energy resource (This modification requires a \$300 fee.)

What does like-for-like equipment replacements mean?

- **For inverters:** Certified, same nameplate or smaller, same fault current or smaller
- **For solar panels:** Certified same CEC-AC rating of the system or smaller
- **For batteries:** Same or less kWh and kW rating and same operating profile
- **For transformers:** Same connection type, same or smaller impedance and capacity

How is system size determined?

- **For solar systems:** The lesser of inverter nameplate capacity (kW) or maximum solar output (CEC-AC rating)
- **For batteries:** Both the inverter nameplate capacity (kW) and the capacity of the storage device (kWh) are considered in the definition of size
- **For other generation types:** The gross nameplate rating of the generator

*For Fast Track projects only. For other projects, consult Rule 21.

Can I add a battery to my application after I submit?

Adding a battery after initial submission is considered a material modification that would result in withdrawal and resubmission of the application. If the resubmission of the application is after the NEM2 sunset date (**April 15, 2023**), the project will not qualify for NEM2. Instead, you could gain Permission to Operate (PTO) approval without a battery and then submit an interconnection request for the battery later without losing NEM2 eligibility.

How will uncompleted applications left in the portal be treated after the sunset date?

Any applications that are in progress and not submitted in the portal by **11:59 p.m. on April 14, 2023** will be canceled. Contractors will be notified of their need to resubmit the interconnection application in the PG&E interconnection portal under Solar Billing Plan.

Can I add to my existing NEM1 or NEM2 system and not move to the new tariff?

You can increase your system size up to 10% or 1kW, whichever is greater, without moving to the successor tariff. If you increase your system size beyond this threshold, it is unclear if you can remain on NEM1 or NEM2 for the 20 year period (legacy status) from date the solar system PTO approval was provided. The final decision was not clear on how modifications above the threshold would work after the sunset date. These details will be determined in the coming months.