



Sullivan Solar Power

Leading the Solar Energy Revolution

Fact Sheet

SDG&E Proposed Rate Hike and the Impact for Solar Generating Customers

- SDG&E is proposing charging solar customers for transporting electricity as a “network use charge” for using the utility’s power lines.
- This proposed fee has the ability to create a precedent for all California utilities and rate-case for SDG&E in coming years.
- SDG&E currently collects a meter charge of \$5 per month from solar power customers for being tied to the utility grid, even if the customer produces all the energy they consume.
- All current solar power system owners entered into a net-metering agreement with the utility under the existing billing arrangement, which did not specify this additional charge.
- SDG&E is currently already receiving financial benefits from solar power system owners, whose contribution to the grid helps the company avoid the expense of building additional power plants.
- SDG&E solar power system owners are generating electricity, and while not home during on-peak hours, this clean energy is being directed to the nearest source of demand (ie. next door neighbors home). The next door neighbor is then paying SDG&E for the full-rate transmission and distribution costs, even though the electrons are coming from next door and not centralized power plants hundreds of miles away.
- A net-metered solar power system can eliminate all the consumption in a home by "exporting" energy to the grid. In most residential applications, the solar producer will receive credits as low as \$0.05 per kilowatt-hour exported. These exported kilowatt-hours flow to the nearest load (next door neighbor) and SDG&E is able to charge the neighbor up to \$0.30 per kilowatt-hour. SDG&E is making money from solar generation and solar power producers are subsidizing the utility.
- There are more than 12,000 solar power systems in SDG&E’s service territory. The proposed new charges have the potential to generate millions of dollars in annual revenue for SDG&E while incurring no additional costs.
- San Diego is the state’s #1 solar city; the entire SDG&E territory is home to 11 of the top 100 solar cities in the state. A quick view of the top 11 cities: San Diego, Escondido, San Marcos, El Cajon, Poway, Temecula, Vista, Carlsbad, Encinitas, La Mesa and Oceanside.
- The new rate structure will make operating a solar power system more expensive and will also increase the costs to non-solar producers.