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## Part 4 - Solar Expert – Or Not?

This weeks Going Green is the 4<sup>th</sup> installment in the “Solar Expert – Or Not?” series. If you missed any of the previous installments just send me an email (address is at the end of this article) and I'll send you a copy. Also keep in mind that past issues of Going Green are archived here -

<http://www.theenergyguy.com/Articles.html>

This week we'll take a look at whether or not it makes sense to over-size a solar electric system in the hopes that, under new rules being drafted by the California Public Utilities Commission (CPUC), you'll get a check from PG&E. This has been a hot topic in industry circles and a frequently asked question from solar customers lately.

### Claim -

**“A solar company told me PG&E will send me a check if I my annual electricity bill from PG&E shows a credit. So should I have them put in a really big system for me? Some friends of mine told me they have a system with a (negative) bill and they can't wait for PG&E to send them a check instead of the other way around!”**

### Reality -

**The largest system I recommend to OUR customers is one that will zero-out their electricity cost after 12 months of operation (PG&E bills customers annually for electricity; they bill monthly for the small “base bill” I refer to figuratively as “tax, license & docking fees”). As of the time of this writing we don't yet know the final details of the CPUCs decision but, from what I do know, I don't recommend people get excited and pay extra for an oversized system!**

My household has had solar for a long time and, despite driving an electric vehicle, I've had a couple years recently with a “minus \$50 electricity bill”. Or to say it another way, a \$50 credit at the end of the year. But do I expect PG&E will send me a check for \$50 the next time this happens? No, and I'll explain why.

First a little background. Governor Schwarzenegger signed AB920 in October 2009 and it went into effect on January 1<sup>st</sup>, 2010. The legislation basically said customers can either receive a check for the extra energy they produce or have the credit rolled forward on their electricity bills. Bottom line? Here we are in 2011 and the CPUC – still - hasn't - finalized – the - details. Reminds me of something one of my long-time government worker friends once told me - “Government's main job is to slow things down!”

Up until now if you generated more electricity than you used, you wouldn't get paid for it. But in the future, AB920 will force utilities to reimburse customers if they generate extra electric power over their

12 month billing cycle. If your system was sized correctly this doesn't happen, normally anyway, unless you're using less power on average than you were when your system was designed.

The legislation says that compensation is given only if you are a net exporter of electric power. In other words, if you return more kWhrs (kilowatt-hours) to the grid than you take over the year. It will not be based on whatever monetary credit you might accumulate. And the compensation will be based on a rate (\$/kWh) to be set sometime soon but, sadly, it's expected to be a pretty low rate.

Just like my own household's \$50 credit, some of our solar customers have a small monetary credit at the time of their annual "true-up" bill. But in all cases that I'm aware of they're still a net user and not a net exporter of electricity. This happens because people with a solar electric system typically export power to PG&E during peak periods when electricity is more expensive and import power during off-peak periods when electricity costs less.

If you'd like to stay posted on this issue, and see what PG&E has to say about it in the meantime, see this page on the internet -

<http://www.pge.com/myhome/saveenergymoney/solarenergy/nembilling/faq/>

I spoke with someone recently that got solar, and the sales person talked them into installing extra panels so they could get a check from PG&E. Again, that's not something I'd recommend – at least not just yet!

*Ray Darby is President of Sustainable Energy Group Inc., a Grass Valley company offering energy efficiency and solar services for residential and commercial buildings, from comparing the alternatives through installation and servicing of energy systems of all types. You can reach him at 530-273-4422, via email [RayDarby@SustainableEnergyGroup.com](mailto:RayDarby@SustainableEnergyGroup.com), or visit their web site at [www.SustainableEnergyGroup.com](http://www.SustainableEnergyGroup.com).*