

California Virtual Net Metering Program

IREC developed the National Shared Renewables Scorecard to provide policymakers, regulators, and other stakeholders with a tool for evaluating the strengths and weaknesses of state shared renewable energy programs. IREC graded **California's Virtual Net Metering Program** using the Scorecard's full criteria* and found that the program currently receives a **C+** because it **lacks many of the key components necessary for program success**.

KEY One star (★) indicates an especially important criterion for a state program. Two stars (★★) indicate one of the most heavily weighted and critical criteria for program success.			
Category	Criterion	Description	Program Grade
General Program Details	Aggregate Capacity Limit	Does the program have an unlimited aggregate capacity ?	✓
	Tracking & Reporting Requirements	★ Does the program specifically require the utility or other relevant entity to collect and make publicly available data regarding installed and queued capacity (e.g., via regularly updated public queue or annual public reports)?	✓
	Low- to Moderate-Income (LMI) Consumer Participation	★ Does the program have specific component(s) to promote LMI customer participation (e.g., capacity carve-out or target)?	✓
		Does the program explicitly address financial barriers faced by LMI participants (e.g., incentives or on-bill financing)?	✓
		Does the program have specific requirements regarding LMI customer marketing, education and outreach ?	✓
Customers and Subscriptions	Eligibility	Are all customer classes eligible for the program?	✓
	Portability	★ Does the program explicitly permit portability (i.e., allows participants to move within the utility service territory and take their subscription with them)?	✗
	Transferability	★ Does the program explicitly permit transferability (i.e., allows participants to leave the program or service territory and transfer their subscriptions to others)?	✓
Generation Systems	System Capacity Limit	Is the system size limit at least 5 megawatts (MW) ?	✓
	Siting Requirements	★★ Does the program allow both on-site and off-site facilities?	✗
		Can the facility and customers be located anywhere within the utility service territory?	✗
		Do the program rules explicitly address whether facilities can be co-located ?	✗
Ownership & Management	Are third-party facility ownership and management permitted?	✓	
Bill Credits	Valuation	★★ Is the bill credit valuation (whether embedded cost, value-based or other) above the short-term avoided energy cost rate for the utility?	✓
		★ Is the valuation methodology clearly articulated in the statute, rule and/or tariff?	✓
	Unsubscribed Generation	Is unsubscribed generation clearly treated and valued at least at an avoided cost rate?	✓
Renewable Energy Credits (RECs)	Subscribed RECs	Are subscribed RECs clearly treated?	✓
	Unsubscribed RECs	Are unsubscribed RECs clearly treated?	✓
State Program Grade:			C+
<p>Program Strengths</p> <ul style="list-style-type: none"> ✓ Values shared renewable energy generation at the retail rate minus non-bypassable charges, which is above the short-term avoided energy cost rate for the utility. This is one of the most heavily weighted, critical criteria for program success. ✓ Clearly articulates the valuation methodology. ✓ Promotes expanded access to low- to moderate-income customers, with components addressing financial barriers and requirements related to LMI customer marketing, education and outreach. ✓ Explicitly allows customer subscriptions to be transferred to another customer or back to the subscription organization. <p>Opportunities for Improvement</p> <ul style="list-style-type: none"> ➤ Allow the facility to be located either on- or off-site. The current rules state that facilities must be located on-site. This is one of the most heavily weighted and critical criteria for program success. ➤ Explicitly permit customer subscriptions to be moved with the customer within a utility's service territory. Portability is not specified within the current rules. ➤ Allow the facility and customers to be located anywhere within the utility service territory. Under the current program, the facility and subscribers must be located on same multi-tenant or multi-meter property. 			
<p>*Note: The criteria above are a subset of the full criteria used to arrive at the state grades, but reflect the most substantial program design components. For more information about the Scorecard, including the full criteria applied to grade state programs and definitions for many of the terms within the criteria, see https://sharedrenewablescorecard.org/.</p>			