



Does PG&E Pay for Solar Power?

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How PG&E Solar Compensation Programs Work

Let's cut through the confusion: PG&E doesn't write checks for solar power in the traditional sense, but they do offer compensation through California's Net Energy Metering (NEM) program. Under NEM 3.0 (effective April 2023), solar customers receive bill credits for excess energy fed back to the grid - though at lower rates than previous versions.

Here's what you need to know:

- Export rates vary from \$0.03 to \$0.36 per kWh depending on time of day
- Typical residential systems generate \$500-\$800 annual bill credits
- Battery storage now plays crucial role in maximizing value

The Truth About Direct Cash Payments

Wait, no - that's not entirely accurate. While PG&E doesn't pay solar customers cash directly, there's a twist. If your annual energy export exceeds consumption, you might receive a "true-up" payment. But here's the catch:

In 2023 data, only 12% of PG&E solar customers qualified for these payments, averaging just \$78 annually. The real value comes from offsetting your own usage first. As one San Jose homeowner put it: "It's more about saving than earning - my electric bill dropped 90%."

How Other States Handle Solar Compensation

California's approach differs significantly from places like Massachusetts or New York. While Germany's feed-in tariff system actually pays solar users premium rates, most U.S. utilities follow California's lead with net metering variants.

Key differences:



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State

Compensation Rate

Battery Requirement

California

\$0.08/kWh (avg)

Recommended

Arizona

\$0.10/kWh

Optional

3 Ways to Maximize Your Solar Investment

Given PG&E's complex compensation structure, here's how savvy Californians are adapting:

Shift energy use to daylight hours (run appliances when panels produce)

Install battery storage to avoid low export rates

Size systems carefully - bigger isn't always better anymore

As solar installer Maria Gutierrez notes: "We're now designing systems that prioritize self-consumption first, grid export second. It's a fundamental shift from the NEM 2.0 days."

Your Top Solar Compensation Questions

Q: Can I actually make money selling solar to PG&E?

A: Not really - the current system prioritizes bill credits over cash payments.

Q: How does PG&E's compensation compare to SCE?

A: Southern California Edison uses similar NEM 3.0 rules, but export rates vary slightly by utility territory.

Q: Will adding batteries increase my payments?

A: Absolutely! Storage lets you export during high-rate periods, potentially doubling credit value.

At the end of the day, going solar with PG&E still makes financial sense - you just need to play by the new rules. As the energy transition accelerates, understanding these compensation mechanisms becomes crucial for every eco-conscious homeowner.



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