October 12, 2021
President Marybel Batjer
Commissioner Martha Guzman Aceves
Commissioner Clifford Rechtschaffen
Commissioner Genevieve Shiroma
Commissioner Darcie Houck

RE: Don’t Undermine Solar Self-Generation

Commissioners,

The Alliance writes to express our strong opposition to efforts within the NEM 3.0 Proceeding to undermine solar self-generation in California. We urge you to reject these efforts.

Our opposition is based on a simple, fundamental fact: local, decentralized clean energy resources are essential to the survival of our communities—now and for the future. Without a vibrant program to support local solar and other distributed energy resources, our climate progress, the green jobs and economic development we need, our energy resilience in the face of power shutoffs intended and unintended; the social, economic and energy justice we demand; and the broad, equitable clean energy benefits needed by our communities—all of these will be set back for decades.

Not to mention that efforts to curtail on-site solar actually violate AB 327 (2013), which requires NEM to “ensure that customer-sited renewable distributed generation continues to grow sustainably and include specific alternatives designed for growth among residential customers in disadvantaged communities.”

In particular, we are concerned by the recently submitted “Joint Recommendations” opening brief in this case (announced by the Public Advocate’s Office—Cal Advocates). This brief proposes some of the most punitive and drastic measures in the United States to undermine the growth of on-site solar and storage adoption, with the clear intention of limiting the customer base of distributed solar in California.

The Cal Advocates, TURN, et al proposal would create a new punitive fee of approximately $36-$42 per month for a typical residential solar system and upward of $5,000 per month for farms and $11,000 per month for schools.1 These "Solar only" fixed charges, aimed to punish solar customers simply for generating their own power, are among the highest by a large margin among hundreds of utilities across the country. Moreover, it would substantially reduce the credit for energy exported to the grid and consumed by neighboring buildings who then pay the IOU full retail for locally produced power. In addition, the proposal would change the financial terms under which utility customers adopted solar, sending the signal that California clean energy policies cannot be trusted.

The drastic measures within these “Joint Recommendations” do not in any way represent public, consumer, community, or environmental sentiment within California.2

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1 At the typical size of 6-7 kW.
2 Hundreds of California environmental groups opposed AB 1139 which would have directed the CPUC to severely cut net metering.
In fact, contrary to law, this proposal would put distributed solar and storage out of reach for disadvantaged communities, low- and moderate-income families, and businesses, farms, schools and community centers. This at a time when all of these customers are increasingly demanding local distributed energy resource solutions and access to these technologies as wildfire threats mount, Public Safety Power Shutoffs (PSPS) increase, and investor-owned utility (IOU) rates continue to climb. Despite statements by Cal Advocates, TURN, et al, recent rate hikes are not due to the deceptive solar “cost shift” claimed by the IOUs. Rather rate hikes reflect the ever-mounting costs of massive transmission investment, utility-caused wildfire damage, and wildfire mitigation costs; transmission spending alone has increased 38% since 2016.3

Community Interests

In 2019, the fastest growing fraction of California’s solar market was represented by low- and middle-income communities. In 2021, over 150,000 local solar systems serve CARE customers – roughly 11% of California’s total 1,255,3604 solar rooftops. As costs for local solar continue their past precipitous decline5, adoption of solar in low-income communities will expand. This growth is key to building a new, climate-resilient, community-centered decentralized energy system and to deliver clean energy resources to our communities. Local distributed energy resources, under the ownership and control of the people and their communities, will help build the equity-centered future we all seek. To quote Dr. Shalanda Baker, Deputy Director for Energy Justice at the U.S. Department of Energy:

“For those on the front line of climate change--island nations, low-income communities, communities of color, and indigenous communities- justice actually requires [emphasis in original] access to decentralized energy...

The communities who will suffer the most from climate change are those who stand to gain the most from broadening access to rooftop solar in their communities today.”6

If the Cal Advocates, TURN, et al. proposal is adopted, access to on-site solar will drop precipitously. Only high-income customers, able to buy without regard to future savings, will be able to do so. On-site solar underpins much of California’s progress to our clean electricity targets and climate goals. Without the continued annual growth in local solar—10 MW/year in the San Diego region alone—and its penetration into low-income communities, the ability to meet California’s aggressive renewable energy goals would depend entirely on remote, large-scale solar facilities and transmission investments that benefit IOU shareholders.

As adoption of on-site solar drops precipitously, solar and clean energy jobs are cut, local resilience hubs and microgrids stall, and our collective ability to address the climate crisis via a locally-controlled, decentralized energy system is pushed back decades – all by the design and to the benefit of the IOUs.

4 http://www.seia.org/state-solar-policy/california-solar
5 “Solar costs have fallen 82% since 2010”, PV Magazine, June 3, 2020. Accessed 05/21/21 here: https://www.pv-magazine.com/2020/06/03/solar-costs-have-fallen-82-since-2010/
Conclusion
As indicated above, community interests call for the Commission to reject efforts within the NEM 3.0 Proceeding to undermine solar self-generation in California.

It’s time for the CPUC to put the interests of the people of California, who overwhelmingly want local solutions and resilience, ahead of the interests of IOU shareholders.

Sincerely,

[Signature]

Al Weinrub
Coordinator, California Alliance for Community Energy

Sent to:
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Copies to:
Service list in R20-08-020