

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Revisit Net Energy Metering Tariffs Pursuant to Decision D.16-01-044, and to Address Other Issues Related to Net Energy Metering.

Rulemaking 20-08-020

NOTICE OF EX PARTE COMMUNICATION

Laura Deehan State Director Environment California 3435 Wilshire Blvd., Ste. 385 Los Angeles, CA 90010 510-844-6804 Ideehan@environmentcalifornia.org

January 26, 2022

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As an interested party in the net metering proceeding at the California Public Utilities Commission, R.20-08-020, Environment California gives notice of the attached ex parte communication on behalf of itself and the other parties to proceeding R.20-08-020 that are signatories of the attached communication.

Today, on January 26, 2022, Environment California sent the attached letter to all five Commissioners, as well as Maria Sotero and Kerry Fleischer, Brian Korpics, Simi George, advisor to Commissioner Rechtschaffen, Cheryl Wynn, advisor to Commissioner Shiroma, and Mary Claire Brown, advisor to Commissioner Houck. In addition, the letter was sent to Governor Newsom's energy staff. The communication was sent on behalf of 70 organizations that are named on the letter. It expresses the organizations' opposition to the proposed decision from December 13th, 2021, in particular opposition to the solar penalty charges, changing existing customer agreements prior to the 20 year grandfathered agreement end and sudden drastic cuts to the net metering credit.

We are concerned that the proposed changes as written will set back California's climate change and clean energy goals, consign the public to annual power outages, reduce customer bill savings and harm low-income access to solar energy. California cannot expect to decarbonize and achieve 100% clean energy without empowering the state's 40 million residents and businesses to contribute to this effort.

Respectfully submitted,

/s/ Laura Deehan

Laura Deehan State Director Environment California 3435 Wilshire Blvd., Ste. 385 Los Angeles, CA 90010 510-844-6804 Ideehan@environmentcalifornia.org January 26th, 2022



Wednesday, January 26th, 2022

To: President Alice Reynolds,

Cc: Members of the California Public Utilities Commission,

In 2006, California set out to be a national leader in clean energy by setting a goal to get solar on a million rooftops. In 2018, the state once again led the country by committing to 100% clean electricity. However, the Golden State's position as a national leader on clean energy is at risk if the California Public Utilities Commission's (CPUC) proposed decision on net energy metering (NEM) is adopted. As climate, clean energy, conservation, faith, and environmental justice leaders from across the country, we're urging you to defend California's extremely successful NEM program by issuing an alternate proposed decision right away.

The proposed decision put forth by the CPUC would penalize consumers who want to invest their own money in clean energy solutions by establishing a solar tax of about \$48 per month for a typical system size and slashing compensation for extra electricity sold back to grid by about 88%. These penalties – which apply to solar and solar paired with battery storage – are a direct disincentive to consumer adoption of the critical technologies that will enable California to achieve its GHG reduction plans and grid resiliency in the face of ongoing blackouts and public safety power shutoffs.

Making matters worse, this proposed decision kicks current consumer solar customers off the NEM program rates promised to them by the CPUC five years earlier than expected. This is pulling the rug out from under the 1.3 million Californians who have played a critical role in making the state a leader in solar energy by investing in solar.

The changes need to be gradual and predictable in order to achieve a rooftop solar market accessible to ratepayers of all economic backgrounds and to ensure rooftop solar grows at the pace needed to reach our climate goals. History shows that when drastic cuts are made to NEM programs people stop putting solar panels on their rooftops.

Nevada's January 2016 cut to NEM compensation was followed by a 47% reduction in residential solar installations over the next year (compared with the 12 months preceding the change). The September 2017 restoration of net metering was followed by an increase in solar adoption that eventually led residential rooftop solar adoption to return to its earlier level.

In California, the Imperial Irrigation District abandoned net metering in July 2016, causing residential solar installations to fall from a peak of more than 11 MW per year to less than 2 MW annually two years later – a decline of 88%.

Now is not the time for California to backslide. In 2021, California, and the rest of the country, saw the climate emergency accelerate. People faced the unacceptable choice of living without electricity or living with increased risk of wildfires.

State regulators calculate that to get to 100% clean energy, California needs at least 28.5 gigawatts (GW) more customer-sited solar by 2045; that's nearly three times as much as California has today. The effects of California's decision on net metering will be far-reaching, with impacts felt across the country. This is because California represents 36% of residential solar deployment nationally, and 20% of all solar deployed in the U.S. is residential solar. California decision makers have the opportunity to save rooftop solar in the Golden State and by extension, across the U.S.

Rooftop solar is critical to protecting the environment beyond reducing dirty and dangerous fossil fuel pollution. Rooftop solar also helps protect agricultural land, fragile habitats and natural areas while creating a more resilient electricity grid. Plus California and the CPUC have a responsibility under existing law to ensure that rooftop solar grows with residential customers across all levels of income, including customers living in disadvantaged communities. While the proposed decision states this as a goal, it would fail to achieve it, instead putting rooftop solar out of reach for all but the wealthiest Californians.

Rooftop solar reduces renewable energy's land burden by cutting the total amount of utility-scale solar needed in the state. Building 28.5 GW of rooftop solar would enable California to maintain existing land uses on more than 148,000 acres of land – an area about half the size of the City of Los Angeles – compared with replacing that capacity with utility-scale solar.

Installing solar energy paired with energy storage on homes, businesses, schools, community centers and farms will improve the resilience of communities to climate-related disruptions to the electricity grid by providing power during outages.

California cannot help lead the nation to a 100% clean energy future without empowering its state's 40 million residents and businesses to put solar panels on their rooftops and batteries in their homes and buildings.

We urge the CPUC to issue an alternate proposed decision right away that allows rooftop solar and solar paired with battery storage to continue to grow. The alternate proposed decision should remove all penalty fees, fairly compensate solar and solar plus storage customers for the true value that they are adding to the grid, and honor the 20-year promise made to existing customers.

Sincerely,

350 Bay Area 350 Silicon Valley Active San Gabriel Valley Alliance of Nurses for Healthy Environments American Solar Energy Society Azul CALPIRG California Interfaith Power and Light California Native Plant Society Catholic Charities Center for Biological Diversity Center for Climate Change and Health Central California Asthma Collaborative

Citizens Climate Lobby-San Mateo County Citizens' Climate Lobby North Orange County Climate + Energy Project Climate Reality - Los Angeles Chapter Climate Reality Project Orange County Chapter Coalition on the Environment and Jewish Life Defenders of Wildlife **EcoWorks** Edge City Networks End Climate Silence **Environmental Action Environment America Environment California** Environmental Justice Coalition for Water **Environmental Protection Information Center Environmental Working Group** Environteers **Evergreen Action** Fossil Free California Friends of Harbors, Beaches and Parks Friends of the Earth U.S Generation180 Greenpeace Hoosier Environmental Council Institute for Local Self-Reliance Kalamazoo Nature Center Kentucky Interfaith Power and Light **KY Solar Energy Society** Little USA Community Solar Campus New York Interfaith Power & Light NextGen California Pacific Environment Pacifica Climate Committee Philadelphia Solar Energy Association Physicians for Social Responsibility

Port Arthur Community Action Network Reform and Sustain San Francisco Bay Physicians for Social Responsibility Sierra Club Sierra Club Ohio SoCal 350 Climate Action Solar United Neighbors Solstice Sunrise Cincinnati Sunrise Movement Howard County Sunrise Movement Orange County

Sunrise Movement Salt Lake City Sustainable Silicon Valley Sustaining Way Texas Campaign for the Environment Texas Physicians for Social Responsibility Texas Poor People's Campaign The Climate Center The Climate Center The Climate Mobilization The Nature Conservancy Vote Solar West End Revitalization Association