



**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

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

Rulemaking 20-08-020

**REPLY COMMENTS OF GRID ALTERNATIVES, VOTE SOLAR, AND  
SIERRA CLUB ON THE PROPOSED DECISION REVISING NET ENERGY  
METERING TARIFF AND SUBTARIFFS**

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Dated: December 5, 2022

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In accordance with Rule 14.3(d) of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), GRID Alternatives, Vote Solar, and Sierra Club (“Joint Parties” or “GRID et al.”) respectfully submits these reply comments focused specifically on the low-income elements of the Proposed Decision (“PD”) and party comments in the above-captioned proceeding. These PD reply comments are timely filed pursuant to the November 10, 2022 Administrative Law Judge’s Ruling.

- 1. The PD definition of low-income is too narrow and should be expanded to include residential customers in disadvantaged communities, residential customers in tribal communities, and residential customers with a household income at or below 80% of area median income (AMI).**

In reviewing opening comments, multiple parties support expanding the definition of low-income to include customers with household incomes equal to or less than 80% AMI as eligible for the protections afforded to low-income customers. The Center for Biological Diversity (“CBD”) supports expanding the definition of low-income and aligning with the Environmental Social Justice Action Plan, stating that “working-class Californians represented the largest demographic that installed rooftop solar in 2021.”<sup>1</sup> Protect Our Communities Foundation (“PCF”) notes that the Commission recognized the problem of “ignor[ing] impacts

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<sup>1</sup> Center for Biological Diversity Opening Comments on Proposed Decision Revising Net Energy Metering Tariff and Subtariffs, p.8 (Nov. 30, 2022), [hereinafter “CBD Opening Comments”].

to customers falling just above the income limits for CARE” yet the PD itself “ignores the needs of customers falling just above income limits for CARE.”<sup>2</sup> The Center for Sustainable Energy (“CSE”) also calls out the “extremely problematic” definition of low-income, noting that “the Commission’s own Environmental and Social Justice (ESJ) Action Plan, adopted April 7, 2022 and created as ‘a commitment to furthering principles of environmental and social justice, as well as an operating framework with which to integrate ESJ considerations throughout the agency’s work,’ instead defines low-income households as those with household incomes below 80 percent of the Area Median Income (AMI) ‘for the purposes of CPUC policy and programs.’”<sup>3</sup>

GRID et al. strongly believe that expanding the definition of low-income to include residential disadvantaged communities, residential customers in tribal communities and residential customers with household income at or below 80% of AMI will enable growth of solar and solar plus storage for low-income households. If millions of low-income households are excluded from participating in the subtariff elements, growth cannot be expected.

**2. The PD’s use of a \$3.30/kW-DC installed cost of solar does not accurately reflect the costs associated with deploying solar to low-income customers.**

Multiple parties agree that an installed solar cost of \$3.30/kW-DC does not sufficiently address the costs of reaching low-income households. The installed solar cost for low-income customers is higher due to many of the specific barriers that were documented in the SB 30 Low-Income Barriers Study - Part A.<sup>4</sup> For example, 350 Bay Area notes, as GRID et al. previously raised in comments, that the PD does not fully consider financing costs.<sup>5</sup> In addition, “community engagement is a necessary component for adequate program participation in DAC and low-income communities,” as noted by Center for Biological Diversity.<sup>6</sup> The Commission

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<sup>2</sup> Opening Comments of the Protect Our Communities Foundation on the Proposed Decision of Administrative Law Judge Kelly A. Hymes Revising Net Energy Metering Tariff and Subtariffs, pp.13-14 (Nov. 30, 2022), [hereinafter “PCF Opening Comments”].

<sup>3</sup> Comments of the Center for Sustainable Energy Regarding the Proposed Decision Revising Net Energy Metering Tariff and Subtariffs, p.3 (Nov. 30, 2022).

<sup>4</sup> Jordan Scavo et. al., Cal. Energy Comm’n, *SB 350 Low-Income Barriers Study, Part A – Commission Final Report*, pp. 29-34 (Dec. 16, 2016), available at <https://efiling.energy.ca.gov/getdocument.aspx?tn=214830>.

<sup>5</sup> 350 Bay Area Opening Comments on Proposed Decision Revising Net Energy Metering Tariff and Subtariffs, p.3 (Nov. 30, 2022).

<sup>6</sup> CBD Opening Comments, p.6.

must use an accurate installed solar cost for low-income customers in order to identify the ACC Plus Adder necessary for low-income customers to achieve a reasonable payback period. GRID et al. continue to recommend that the Commission use the installed solar cost identified in the July 2020 Disadvantaged Communities - Single-Family Solar Home (“DAC-SASH”) Semi-Annual Progress Report. This report constitutes the latest and most specific data available in this proceeding’s record on the true installed solar cost for low-income households, identified as \$4.28/W-DC.<sup>7</sup>

Multiple parties suggest that the Commission incorporate into its model the Inflation Reduction Act (“IRA”), but it is critical to note that low-income customers will often not be able to realize the tax advantages created and extended by the IRA without entering into a third-party ownership agreement. As correctly identified by the County of LA, low-income customers with zero or limited tax liability will receive no tax credit advantage by deploying rooftop solar.<sup>8</sup> As such, third party ownership arrangements are the most common type of financing low-income customers utilize to access clean distributed generation.<sup>9</sup> This further underscores the need to incorporate financing costs into installed solar costs which a cost of \$4.28 takes into account more accurately. Any new modeling done to incorporate IRA considerations must also account for the actual cost of low-income solar, including full cost of financing.

To comply with the statutory requirement to create a net metering alternative “designed for growth” among low-income customers, the Commission needs to ensure that the NEM successor alternative incentives remain in place long enough for low-income customers to opt-in in larger numbers. PCF recommends that the Commission “retain the current tariff for those customers and ensure compensation for exports at retail rates (not CARE rates) until there is greater parity in installations among lower- and higher-income customers.”<sup>10</sup> We support this recommendation.

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<sup>7</sup> Opening Comments of GRID Alternatives, Sierra Club, and Vote Solar on the Proposed Decision Revising Net Energy Metering Tariff and Subtariffs, pp.9-10 (citing Ex. PAO-01 at 3-61:18-19) (Nov. 30, 2022).

<sup>8</sup> Opening Comments of the County of Los Angeles on Proposed Decision Revising Net Energy Metering Tariff and Subtariffs, p.3 (Nov. 30, 2022).

<sup>9</sup> Galen Barbose et. al., *Residential Solar-Adopter Income and Demographic Trends: 2021 Update*, p.36 (April 2021), available at [https://eta-publications.lbl.gov/sites/default/files/solar-adopter\\_income\\_trends\\_final.pdf](https://eta-publications.lbl.gov/sites/default/files/solar-adopter_income_trends_final.pdf).

<sup>10</sup> PCF Opening Comments, p.14.

If the definition of low-income is not corrected as GRID et al. recommend in Section 1, then the Commission must reject the proposal by the Joint IOUs and PAO suggesting that the glidepath remain only for low-income customers.<sup>11</sup> Expanding access for low-income households as defined in the ESJ Action Plan requires that the Commission support these customers with incentives in order to actually expand access for this customer group. Removing the glidepath for the general market (i.e., the non-CARE/FERA market) would most harm access for households that make 80% of AMI or less but are ineligible for CARE or FERA. GRID et al. urge the Commission to reject any recommendations that would decrease the ability of these customers to access distributed renewable energy.

**3. The PD errs in expecting AB 209 funding to adequately support low-income solar deployment and fails to advance procedural equity in determining how the funds are spent.**

There were multiple parties in agreement with GRID et al. that the AB 209 funding is not guaranteed and changes should be made to ensure adequate funds to help low-income customers with access to solar and storage. Center for Biological Diversity urged the CPUC to reinstate the Equity Fund, noting that SGIP funding is neither an adequate substitute nor guaranteed because “[t]he extent of AB 209 funding is further uncertain, subject to legislative appropriation amidst a projected State budget shortfall.”<sup>12</sup> The Joint CCA’s stated that additional funding to aid low-income customers would be needed because SGIP has historically run out quickly and AB 209 might face “possible delays [that] may impact the availability of funds starting July 1, 2023.”<sup>13</sup>

GRID et al. agrees with these evaluations of how uncertain AB 209 funding is and continues to recommend that the Commission create a backstop of funding for the equity fund in the case that the legislature does not actually fund this program. This would alleviate the uncertainty and ensure the intent of the equity fund is not lost due to budget constraints or unforeseen occurrences. GRID et al. additionally request the Commission allow all stakeholders

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<sup>11</sup> Joint Opening Comments of Southern California Edison Company (U 338-E), Pacific Gas and Electric Company (U 39-E) and San Diego Gas & Electric Company (U 902-E) on the New Proposed Decision of ALJ Hymes Revising Net Energy Metering Tariff and Subtariffs, p.7 (Nov. 30, 2022); Opening Comments of the Public Advocates Office to Proposed Decision, p.5 (Nov. 30, 2022), [hereinafter “PAO Opening Comments”].

<sup>12</sup> CBD Opening Comments, pp.5, 7.

<sup>13</sup> Comments of San Diego Community Power, The Redwood Coast Energy Authority, East Bay Community Energy, San Jose Clean Energy, and Peninsula Clean Energy Authority on the Administrative Law Judge’s Proposed Decision Revising Net Energy Metering Tariff and Subtariffs, p.6 (Nov. 30, 2022).

an opportunity to provide meaningful feedback on how to develop and administer the Equity Fund as was initially laid out in the December 2021 PD.

**4. Multiple Parties Remain Silent or are Incorrect in Their Assessment that the Subtariff Complies with State Law.**

It is apparent in the comments of the Joint IOUs that they believe that equity is satisfied by reducing the number of successor tariff and subtariff participants, as they made no mention of income-eligibility, tribal access, disadvantaged communities, or the insufficient payback yield by a verifiably too-low installed cost of hard-to-reach customers. Similarly, CalAdvocates issued one sentence that recognizes that CARE/FERA customers “realize lower average bill savings per self-consumed kWh generated and have historically been shut out of the Distributed Energy Resources (DER) market,” but made no further discussion of possible solutions.<sup>14</sup> GRID et al. believe that utility service providers and ratepayer advocates should support the growth of access to distributed renewable resources in disadvantaged communities. Accordingly, GRID et al. urge the Commission to adopt the recommendations in Sections 1-3 to expand the PD’s definition of low-income customers, use an accurate installed solar cost for the same customer group, and guarantee supportive funding. These are the necessary solutions to expand access for low-income customers.

**5. Conclusion**

State law requires sustainable growth and specific alternatives in disadvantaged communities. The PD as written leaves multiple disadvantaged communities behind with insufficient adders and uncertain funding. GRID et al. urge the Commission to address these issues in order to comply with state law and expand access to distributed renewable resources for low-income customers.

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<sup>14</sup> PAO Opening Comments, p.5.

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Respectfully submitted,

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