BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

FILED
10/16/26
04:59 PM
R2501005

Order Instituting Rulemaking on Customer-Generated Renewables for Priority Communities.	Rulemaking 25-01-005 (Filed January 16, 2025)

REPLY COMMENTS OF THE CALIFORNIA SOLAR & STORAGE ASSOCIATION ON THE UPDATED ENERGY DIVISION SMALL AND MULTI-JURISDICTIONAL UTILITY CUSTOMER GENERATION STAFF PROPOSAL

Ryan Gallentine
Policy Director
California Solar & Storage Association
1107 9th St., #820
Sacramento, California 95814
(630) 921-0923
ryan@calssa.org

October 16, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on Customer-Generated Renewables for Priority Communities.	Rulemaking 25-01-005

REPLY COMMENTS OF THE CALIFORNIA SOLAR & STORAGE ASSOCIATION ON THE UPDATED ENERGY DIVISION SMALL AND MULTI-JURISDICTIONAL UTILITY CUSTOMER GENERATION STAFF PROPOSAL

I. INTRODUCTION

Pursuant to the Administrative Law Judge's Ruling of September 28, 2026, the California Solar & Storage Association (CALSSA) submits these reply comments on the Small and Multi-Jurisdictional Utility (SMJU) Customer Generation Tariff Reform Staff Proposal (Staff Proposal).

CALSSA agrees with PacifiCorp, the Solar Energy Industries Association (SEIA), and the Big Bear Area Regional Wastewater Agency (BBARWA) that the Commission should not cut short the legacy periods it established for existing customers of PacifiCorp and Bear Valley Electric Service (BVES). Those terms were adopted by Commission decision, written into tariffs, and relied on by customers who invested in solar. Ending them would also leave customers of California's smallest utilities, most of them in rural and mountain communities, with less protection than any other solar customer in the state. CALSSA also supports SEIA's request that the Commission establish a legacy period for Liberty Utilities (Liberty) customers, and asks that it be set at 20 years, as it is for every other NEM customer in the state.

II. THE COMMISSION SHOULD KEEP THE LEGACY COMMITMENTS IT ADOPTED IN D.20-01-007 AND D.20-01-008

The Staff Proposal would migrate PacifiCorp's legacy NEM customers to net billing at their first true-up after January 1, 2027. As PacifiCorp's opening comments explain, Schedule NEM-35 states that customer sites "shall be grandfathered until March 1, 2040." The Commission specifically considered and adopted it in D.20-01-007, in a section devoted to NEM closure and legacy treatment. PacifiCorp itself concludes that migrating these customers "thirteen years early would undermine a commitment made in a Commission-approved tariff."

BVES customers hold the same kind of commitment. Ordering Paragraph 4 of D.20-01-008 directs that BVES's legacy NEM customers "shall have a 20-year duration of service period from the date of interconnection." BVES still tells its customers on its website that they will remain on NEM for 20 years.

The Commission explained in D.20-01-007 why it sets these terms: so that customers have "a uniform and reliable expectation of stability of the NEM structure under which they decided to invest." Customers in Yreka, Crescent City and Big Bear did exactly what the Commission invited. They invested on the strength of a date the Commission put in writing. Withdrawing that date years before it arrives is a bait and switch, and it would tell every Californian weighing a long-term clean energy investment that a Commission commitment lasts only until it becomes inconvenient.

The Staff Proposal offers no reason to set these commitments aside. Its discussion of the Commission's authority (Section IV.G) addresses the DGS and NB-136 tariffs but never mentions Schedule NEM-35 or Ordering Paragraph 4 of D.20-01-008. Its claim that these customers have "substantially recovered their capital costs" is unsupported by any payback analysis.

Nor is the cost shift large enough to justify breaking these commitments. Only 692 customers, about 1.5 percent of PacifiCorp's California customers, take service on Schedule NEM-35. Both legacy schedules have been closed to new customers since 2020, so these populations can only shrink. Staff itself found PacifiCorp's export-side cost shift "limited," and the Staff Proposal never quantifies the total cost shift attributable to legacy customers at any of the three utilities. A shift spread across so few customers is not consequential to non-participating ratepayers. It is certainly not a reason to force customers off an arrangement they entered on terms with a specific end date. Notably, PacifiCorp, the utility that would carry out the change, does not ask for it and urges the Commission to keep the 2040 date. The Commission should adopt PacifiCorp's and SEIA's requests and confirm that existing legacy periods remain in effect.

III. RURAL SOLAR CUSTOMERS DESERVE THE SAME PROTECTION AS CUSTOMERS OF THE LARGE UTILITIES

Customers of Pacific Gas and Electric, Southern California Edison and San Diego Gas & Electric who invested under NEM 1.0 and NEM 2.0 received 20-year legacy periods under D.14-03-041 and D.16-01-044. Customers who take service today under the Net Billing Tariff receive nine years, as the Staff Proposal's Table 1 acknowledges. Under the Staff Proposal, solar customers in these areas would receive none. The only difference is the size of the utility that happens to serve them.

The reasons the Staff Proposal gives are about the utilities, not the customers: limited billing systems, "paper-based" records, and the fact that Section 2827.1 applies by its terms only to utilities with more than 100,000 service connections. None of these makes a homeowner's investment less deserving of protection. These customers face higher installed costs, which Staff acknowledges, along with steep rate increases, wildfire risk and public safety power shutoffs. They have also had less access to the programs available in the large utilities' territories.

The Commission has already answered this question. Where the statute was silent for the SMJUs, the Commission chose in 2020 to extend the same protection, finding in D.20-01-007 that the duration-of-service requirement reflects an "important policy that should be applied to all customers using distributed renewable energy systems." Administrative convenience is not a sufficient reason to reverse that finding and give rural Californians less.

IV. LIBERTY CUSTOMERS SHOULD RECEIVE THE SAME 20-YEAR LEGACY PERIOD AS EVERY OTHER NEM CUSTOMER

Liberty customers deserve the same 20-year legacy period every other NEM customer in California has received: at the large utilities under D.14-03-041 and D.16-01-044, and at PacifiCorp and BVES under D.20-01-007 and D.20-01-008. Liberty's NEM tariff remains open, so a customer can install solar under it today and be migrated within less than a year, long before any reasonable payback. That outcome cannot be squared with D.14-03-041's principle that customers "should at least have an opportunity to recoup their initial investment," and the Staff Proposal offers no payback analysis to support it. CALSSA supports SEIA's request for a Liberty legacy period and asks that it be set at 20 years from interconnection.

The statute points the same way. As Liberty notes, the language Staff attributes to Section 2827(c)(1), giving the Commission discretion to set the continuation period "for a length of time to be determined by the commission," does not appear in the statute. What Section 2827(c)(1) does say is that once a utility reaches its program cap, customers already taking service "have a right to continue to receive service pursuant to the standard contract or tariff." Until the cap is reached, as SEIA notes, Liberty must keep the tariff open. Either way, the statute protects existing customers rather than authorizing their removal. The Staff Proposal does not address where Liberty stands relative to its cap, and Liberty itself asks the Commission to consider its enrollment-limit status and to clarify its legal authority before moving anyone.

Finally, the proposed timeline is not achievable. Liberty reports that it is still installing the advanced meters needed to separately measure imports and exports, and warns that Staff's migration date could arrive before the new tariff and billing changes are ready. A proposed decision is not expected before the first quarter of 2027, and the Staff Proposal allows six months after the decision for billing updates. Migrating customers at their first true-up after January 1, 2027 therefore risks billing errors and customer confusion. Liberty, PacifiCorp and BVES each ask that migration or implementation wait until the necessary tariffs, meters or billing systems are actually in place.

V. CONCLUSION

CALSSA respectfully requests that the Commission (1) confirm that PacifiCorp Schedule NEM-35 customers retain service through March 1, 2040, and that BVES legacy NEM customers retain their 20-year duration of service under D.20-01-008; (2) establish a 20-year legacy period from interconnection for Liberty NEM customers, and not close Liberty's NEM tariff without a showing that the statutory program cap has been reached; and (3) tie any implementation to each utility's demonstrated metering and billing readiness.

Respectfully submitted,

/s/ Ryan Gallentine
Ryan Gallentine, Policy Director
California Solar & Storage Association
1107 9th Street, Suite 820
Sacramento, CA 95814
(630) 921-0923
ryan@calssa.org

October 16, 2026