

October 26th 2021

President Marybel Batjer
Commissioner Martha Guzman Aceves
Commissioner Clifford Rechtschaffen
Commissioner Genevieve Shiroma
Commissioner Darcie Houck

Commissioners,

Meeting clean energy goals will be difficult, but they can be achieved by harnessing both large-scale renewables and customer-sited solar and storage as we electrify our energy economy. Modeling at the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC) shows that we can and must achieve our goals with an enormous increase in large-scale renewables combined with maintaining the momentum of rooftop solar. We represent a diverse subset group of Parties to the Net Energy Metering Revisit proceeding (R2008020) including community, environmental, business and consumer groups: Environmental Working Group, the Clean Coalition, 350 Bay Area, and the Silicon Valley Leadership Group.



Our group strongly disagrees with the recently submitted “Joint Recommendations” opening brief to this proceeding announced by the Public Advocate's Office and submitted on August 31st.¹ It is crucial to point out the brief specifically pushes what would be some of the highest solar specific fixed charges in the entire country. The proposal would lead to a significantly smaller distributed generation customer base in California just as the state needs more of the attributes onsite that distributed generation and energy storage can provide.

Emphasis on utility scale solutions and less promotion in the value of customer-based solutions directly conflicts with both the state's SB 100 roadmap and the realities of timelines for transmission, siting, upgrades and costs. California needs both solutions to be deployed and it must happen at a faster pace. We urge the CPUC to recognize the overall public's desire and the necessity for the opposite of the Joint Recommendations: a future of more not less access to onsite solar plus storage and resiliency, leading to more innovative microgrids, respect for the state's 30

¹ Opening Brief of the Public Advocates Office. August 31st 2021, Section V.

x 30 plan to protect California’s open spaces, and electrification gains with generation located close to power consumption. We strongly believe that policy positions of this ilk and as expressed in the Joint Recommendations are significantly out of step with the larger public, consumer and environmental sentiment in California.²

Furthermore, we’ve more recently seen evidence of alarming increases in the amount of diesel generators purchased across California as end energy customers of all sectors, (commercial, public sector, multifamily, and residential) are reacting to grid failures in efforts to keep the lights on.³ This unfortunate trend points major health, safety and environmental concerns we don’t yet fully appreciate. All stakeholders must learn to value clean and safe resilient solutions to grid shutdowns rather than the unfortunate dirty and harmful solutions too many California energy customers of all types are increasingly resorting to today. Onsite solar and storage can be a clean, safe, and healthy solution for clean back-up power, leading to more innovation in microgrids. The proposed “Joint Recommendations” would severely hurt the necessary adoption and implementation processes necessary for these storage technologies and designs to offset the clear damage of diesel generators.

Adoption of the “Joint Recommendations” section would not only not solve the state’s diesel generator problem, but would put distributed solar and storage out of reach for low- and moderate-income families, as well as businesses, farms, schools and community centers. These energy users are all increasingly demanding local distributed energy resource (DER) solutions and access to these technologies during a time of increasing wildfire threats, Public Safety Power Shutoffs (PSPS), and rate increases. It would create a new punitive fee of between \$36 and \$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. If implemented, these solar specific fees would factually right away be among the highest fees by a large margin among hundreds of IOU utilities across the country. It would also drastically and quickly reduce the net metering export credit value without a transition period other than a brief rollout based on implementation logistics. It would throw out the CPUC-approved net energy metering (NEM) eligibility period for existing solar customers, which would send the unfortunate signal that California clean energy policies cannot be trusted. Recent rate increases are most directly attributed to wildfires and infrastructure upgrades; transmission spending alone has increased 38 percent since 2016.⁴

In conclusion, our group collectively urges the Commission to adopt a net metering successor tariff with the following four characteristics, or “Principles”:

² A large and diverse coalition of groups that formed to defeat AB 1139-a bill clearly written to overrule, guide or direct the Commission to undercut rooftop solar in this NEM proceeding. NRDC was the only environmental organization in all of California support AB 1139, representing a fringe position.

³[Diesel Backup Spree by Businesses Equals 15% of California Grid Capacity, Elizabeth McCarthy October 6, 2021 https://cacurrent.com/diesel-backup-spree-by-businesses-equals-15-of-california-grid-capacity/](https://cacurrent.com/diesel-backup-spree-by-businesses-equals-15-of-california-grid-capacity/); MCubed analyses, “Diesel Back-Up Generator Population Grows Rapidly in the Bay Area and Southern California. California hosts a largely hidden grid of dispersed diesel generators, the population of which is growing rapidly. In December 2018 there were 6,497 back-up generators (BUG’s) with 3,810 MW of collective capacity in the Bay Area Quality Management District (BAAQMD). In 2021- less than three years later- BUG deployment had reached 8,722 generators, reflecting 4,840 MW of capacity, a 34 percent jump in the back up generator fleet.”

⁴ CPUC “Utility Costs and Affordability of the Grid of the Future” pp 36

- 1. Make solar and storage more affordable, not less, for low- and moderate- income families, renters, and environmental justice communities.**
- 2. No solar-specific fees.**
- 3. Fair value for exports and the right signals for a transition to more onsite solar plus storage.**
- 4. Uphold agreements with existing solar customers.**

The push for electrification of transportation and buildings in California will massively increase electricity consumption in cities and towns throughout the state. A growing, innovative and accessible DER market must play a key role in this clean energy future, which can save money for all ratepayers and provide resilience. With energy storage being attached to an increasing percentage of customer solar systems, the state has a tremendous opportunity to manage local energy needs dynamically.

We would also like to express full appreciation to the CPUC for interest in improving programs and rate structures to enable customer batteries to discharge in the hours of the year when such energy is needed most. We urge you not to suppress local solar (and solar plus storage) adoption during this process.

Respectfully,

Environmental Working Group
The Clean Coalition
Silicon Valley Leadership Group
Bay Area 350