

# CPUC to Solar: Drop Dead

*On Dec. 15, The California Public Utilities Commission took an axe to the program that has incentivized the installation of rooftop solar panels statewide, slashing the credit for sharing extra solar energy with the grid. The claim that utilities "pay" customers for rooftop solar via net energy metering (NEM) mischaracterizes a bill reduction based on the customer generating their own electricity and therefore using less energy from the utility.*

Dec. 3, 2022

Dear Members of the California Public Utilities Commission (cc: Governor Newsom)

California set out to be a national leader in clean energy in 2006 with the goal of putting solar on one million rooftops. The state displayed its leadership once again in 2018 by committing to 100% clean electricity, and also in 2022 by setting bold interim targets to get there. However, California's position as a national clean energy leader is at risk if the California Public Utilities Commission's (CPUC) newest proposed decision on net energy metering (NEM) is adopted. As climate, clean energy, conservation, faith, and environmental justice leaders from across the country, we urge you to defend California's highly successful solar incentive program by directing the CPUC to issue an alternate proposed decision right away.

The proposal put forth by the CPUC would discourage Californians from investing in solar panels by slashing the subsidies they would receive by 75%, making it more expensive to go solar at a time when we should be accelerating our shift to clean energy. While this proposal is a modest improvement upon the CPUC's previous proposed decision, it is still too extreme. The state should encourage more adoption of rooftop solar, not less. If adopted in its current form, this proposal would disincentivize consumer adoption of the very technologies that will enable California to achieve its greenhouse gas reduction plans and grid resiliency in the face of ongoing blackouts and public safety power shutoffs.

History shows that when drastic cuts are made to NEM programs, people stop putting 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.



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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%.

Rooftop solar is key to California's clean energy transition, and we should be speeding up our progress. Under existing policies rooftop solar has become increasingly accessible for low- and middle-income families in the last decade, according to data from Lawrence Berkeley National Laboratory. This trend towards more solar accessibility across income levels, however, will not continue if it becomes more expensive to go solar under the new CPUC proposal.

Now is not the time for California to backslide. California's electricity grid was severely strained during September's heat wave, and we continue to watch the climate emergency accelerate with each additional wildfire, day of extreme heat, and year of drought. Rooftop solar, especially when paired with battery storage, is critical to protecting the environment by reducing dirty and dangerous fossil fuel pollution, protecting fragile habitats and natural areas, and creating a more resilient electricity grid.

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 fairly compensate solar and solar plus storage customers for the true value that they are adding to the grid, more gradually phase out existing solar compensation rates, and ensure strong solar incentives going forward that align with our climate and clean energy goals.

Sincerely,

Steven King, Environment California  
Monica Embrey, Sierra Club California  
Liz Robinson, Philadelphia Solar Energy Association  
Laura Neish, 350 Bay Area  
Glen Brand, Solar United Neighbors  
Roger Lin, Center for Biological Diversity  
Allis Druffel, California Interfaith Power and Light  
Nick Jensen, California Native Plant Society