A Solar Near-Death Experience

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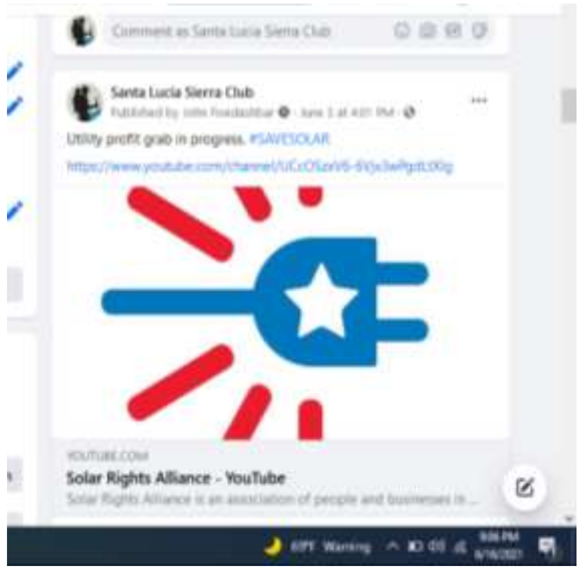

As one of its 2021 legislative priorities, Sierra Club California lobbied against Assembly Bill 1139 in Sacramento. The bill would have altered the state's net energy metering program by imposing heavy fees on users of rooftop solar panels, greatly discouraging future rooftop solar implementation and impairing the state's ability to achieve 100% zero emission energy. On June 3, AB 1139 was defeated in the Assembly due to the concerted efforts of solar advocates statewide. Rooftop solar must still be defended from similar bills in the future and from attacks by investor-owned utilities at the California Public Utilities Commission.

Consumers suffer when power is concentrated in the hands of a few. This was the lesson learned from the 2000 electricity crisis, and out of that grew California's commitment to consumer solar and localized energy. Over the past two decades, hundreds of thousands of Californians have invested in rooftop solar to combat climate change, lower energy bills, and invest in local communities.

The state encouraged these investments via policies like net metering, which lets solar users share their extra energy with their neighbors for a bill credit.

Today, utilities are threatened by this people-centered movement because it cuts at their profits. Rooftop solar is no longer niche but an increasingly affordable investment embraced by working class communities as a no-brainer solution to wildfires, blackouts, and rate increases. Utilities see this trend and want to end it by coming after the most powerful policy driving rooftop solar: net metering.

AB 1139 would have killed rooftop solar for all but the wealthiest homeowners, creating more inequity, by ending the state's current policy of ensuring the sustainable growth of rooftop solar, using coded policy jargon to force state regulators to charge solar users new monthly fees, and slashing the credit solar users receive for the extra energy they send back to the grid. It would have applied to all new solar users, and also the 400,000 existing solar users who do not own their own solar system. This includes 2,000 schools, small businesses, and scores of middle and low-income homeowners and renters who don't have extra cash and instead financed their systems with leases and Power Purchasing Agreements. The bill would have protected only the wealthiest solar homeowners who paid for their system in cash, creating more inequity at a time when we should be creating less inequity.

AB 1139 was premised on a utility-invented falsehood -- the rooftop solar "cost shift." The real cost shift is in the wildfires, power outages, the long-distance transmission lines that cause them, as well as the lack of government accountability on those responsible. In 2021 alone, utilities are charging ratepayers $4 billion in transmission costs, a 66% increase over 2016 in PG&E territory alone. Half of these charges were self-approved by PG&E. In addition, they charged ratepayers $5 billion in wildfire liability expenses in 2019 and those costs are expected to increase annually. This is an estimated $9 billion or more per year in expenses related to long-distance power lines. Utilities profit by building more and more expensive power lines. The state's investor-owned utilities charged ratepayers nearly $20 billion in transmission line projects between 2010 and 2019 and collected more than $20 billion in profits over a similar time period.

Rooftop solar reduces costs for all ratepayers. This saves everyone money, but also cuts utility profits. That's what this bill was all about. In 2018 alone, rooftop solar and energy efficiency prompted the state to scale back more than 20 power line projects, saving $2.6 billion. Maximizing rooftop solar could save American households nearly $500 billion over the next thirty years, while doubling down on our overreliance on long-distance power lines could cost Americans $350 billion. Reducing grid costs cuts against utility profits, even if it saves all ratepayers. As the CPUC recently stated, “IOUs are inherently incentivized to make investments to drive an increase in their rate base and therefore, their profitability.”

Lawmakers can best help working communities by continuing to reject bills like AB 1139 (and there will surely be more) and embracing proposals to bring rooftop solar and battery storage to millions more Californians. More affordable rooftop solar, not less, is the path to helping Californians struggling under the burden of skyrocketing energy bills, power outages and wildfires.

A Must-Read

“California’s major investor-owned utilities – Pacific Gas & Electric (PG&E), Southern California Edison (SoCal Edison) and San Diego Gas & Electric (SDG&E) – are pushing for dramatic changes in the net metering policies that have helped the state become the nation’s leader in rooftop solar adoption. The utilities’ proposal would create the nation’s highest fixed charges for solar customers while slashing net metering payments. The changes would severely hamper the state’s solar market at a moment when the state must accelerate clean energy deployment to meet its climate and energy goals. The California Public Utilities Commission is expected to rule on the future of net metering in the state near the end of 2021.”
- https://uspirg.org/sites/pirg/files/Blocking_Rooftop_Solar_2021.pdf