

The threat to rooftop solar and California's clean energy progress

July 2022



California's 1.4 million solar rooftops are a crown jewel of our clean energy leadership.

Just under half of all new solar is going into working & middle class neighborhoods. Solar has the potential to become like cars, TVs and cellphones.

Our only question should be: how do we get solar & batteries into the hands of millions of working and middle class people, including renters, churches, food banks, schools and businesses?

The investor-owned utilities are lobbying to reverse our clean energy progress.

If they get their way, the state's rooftop solar market will collapse. Just like it did when they got their way in other places.

Rooftop solar cuts into the IOU's profits. How?

Rooftop solar reduces the need to build as many long-distance powerlines - the profit engine for the IOUs.

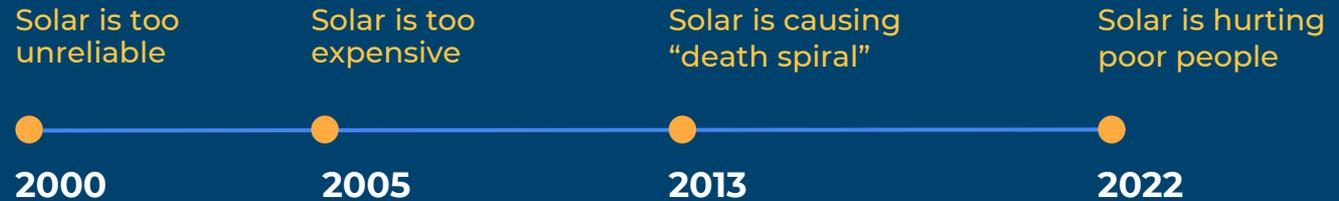
The IOU's get a 7-10% guaranteed profit on their transmission and distribution spending.

The less they spend building and maintaining long-distance powerlines, the less profit they make.

Utilities have long history of opposition to rooftop solar

Investor owned utility interests have long been opposed to rooftop solar.

Over the years, their message has changed. But their goal is still about protecting profits.



Utilities got what they wanted in the CPUC's first proposed decision

- \$700/year solar tax
- 80% cut in the credit for sharing excess solar energy with the grid
- Reduce protections for existing solar users from 20 years to 15 years

It would have nearly doubled the cost of going solar.

The proposed decision was unpopular with voters

This proposal would add a new fixed monthly fee on most people who install rooftop solar. It would also reduce the credit that people who have rooftop solar receive from their local utility for any extra electricity that their rooftop solar generates and feeds back to the grid.

Do you support or oppose this proposal?



Oppose Don't know Support

The CPUC faced a *lot* of public backlash



A coalition of 600+ environment, social justice, consumer and housing advocates, cities and school districts spoke out against the proposed decision



Eventually, Gov. Newsom paused the proposal.



**With the first PD in the trash bin, CPUC announced
an *indefinite* delay in the NEM 3 process**

But did the CPUC learn a lesson?



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500+ connections

Chris KB Westling
Hi Lori. There's a lot of misinformation floating around about the CPUC's proposal to reform rooftop solar policy. The current policy (NEM2) is holding back our decarbonization goals and is extremely inequitable - essentially massive subsidies for on-average wealthier Californians to invest in solar (without storage) that does basically nothing to stop climate change. The reform would accelerate decarbonization and won't do it on the backs of low-income customers. Feel free to message me if you would like to discuss.
Like Reply 2d



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CPUC staff comments made after the initial proposed decision was shelved suggest they are taking the same hostile stance against solar.



CPUC's May "reopening ruling" revealed a solar tax is still on the table, but in disguise

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Rulemaking 20-08-020

ADMINISTRATIVE LAW JUDGE'S RULING SETTING ASIDE SUBMISSION OF THE RECORD TO TAKE COMMENT ON A LIMITED BASIS

This ruling sets aside submission of the record in Rulemaking (R.) 20-08-020 to take comment on a limited basis. As further discussed below, respondents to this proceeding shall and parties may file comments responding to the questions contained in this ruling. Opening comments responding to these questions are due no later than June 10, 2022; reply comments are due no later than June 24, 2022.

1. Reopening the Record

On December 13, 2021, the Commission issued a proposed decision in R.20-08-020 entitled *Decision Revising Net Energy Metering Tariff and Subtariffs*. Parties filed opening comments to the proposed decision on January 7, 2022 and reply comments on January 14, 2022. In response to these comments, I am setting aside submission of the proceeding record to further explore three elements of the proposed decision: (A.) the glide path approach, (B.) non-bypassable charges on gross consumption, and (C.) community distributed energy resources. Each of

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Takeaways from the CPUC's May ruling

More of the same, just with a new name

A penalty solar tax is still on the table

A drastic cut in energy credits that will drive the rooftop solar market off a cliff is still on the table

A broken deal for current solar consumers is still on the table

A Solar Tax on the solar energy you make and consume

The CPUC appears to be pursuing new form of a Solar Tax called “non-bypassable charges”, that would be between \$300 and \$600 per year for solar households.

When you make and use solar energy with your own solar panels, you are not buying energy from the grid.

The CPUC is considering estimating the energy solar consumers didn't buy from the utility and levying a tax on it.

Our take: That's like taxing someone for the energy they save from hang-drying their clothing rather than running the electric dryer.

These ideas are deadly for solar

Nevada 2016 net metering decision:

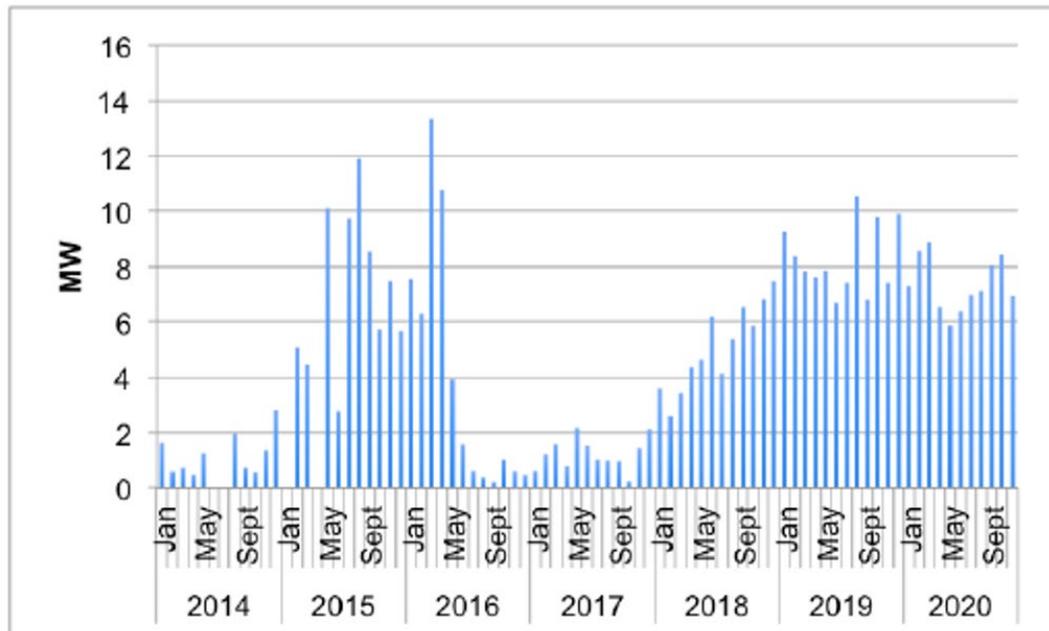
\$480/year solar tax

80% slash in export value

Retroactive changes



Figure 8. Residential Solar Adoption in NV Energy

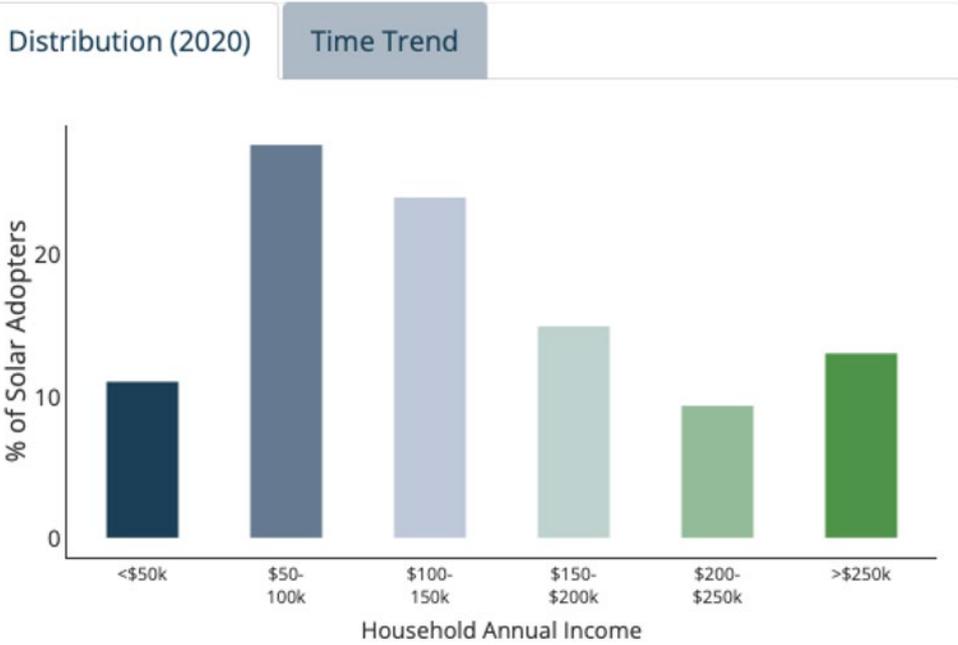


**Taxing solar and making it unaffordable
conflicts with California's clean energy
and equity goals**

Solar consumers are in every part of the state and rooftop solar is now growing fastest in working and middle class neighborhoods

California Solar Adopter Income Distributions

(Annual Income)



Top 15 Rooftop Solar Counties in California

kW ROOFTOP SOLAR PER CAPITA

TOP 15 COUNTIES (AS OF 2021)

- 1.00
- 0.99 MADERA
- 0.74 KERN
- 0.74 FRESNO
- 0.70 TULARE
- 0.69 BUTTE
- 0.65 EL DORADO
- 0.60 MERCED
- 0.49 PLACER
- 0.48 SAN JOAQUIN
- 0.44 SAN DIEGO
- 0.40 SONOMA
- 0.39 CONTRA COSTA
- 0.37 RIVERSIDE
- 0.31 SAN BERNARDINO
- 0.30 MARIN
- 0.25



Rooftop solar supports good jobs and small businesses

Solar employs 68,000 Californians - more than the state's five largest utilities combined - in family-supporting jobs and provides paths for diverse workforces into thriving clean energy careers.

A study by Vibrant Clean Energy found **a sustained investment in local solar and storage could create 100,000 jobs by 2030, and 374,000 jobs by 2050.**

Rooftop solar also supports small businesses in every part of the state.

Solar with battery storage is the best defense against an unreliable energy grid

Another season of blackouts and devastating fires reminds that California needs an energy grid that is safe, reliable and resilient. **Rooftop solar and battery storage are ready to be part of the solution.**

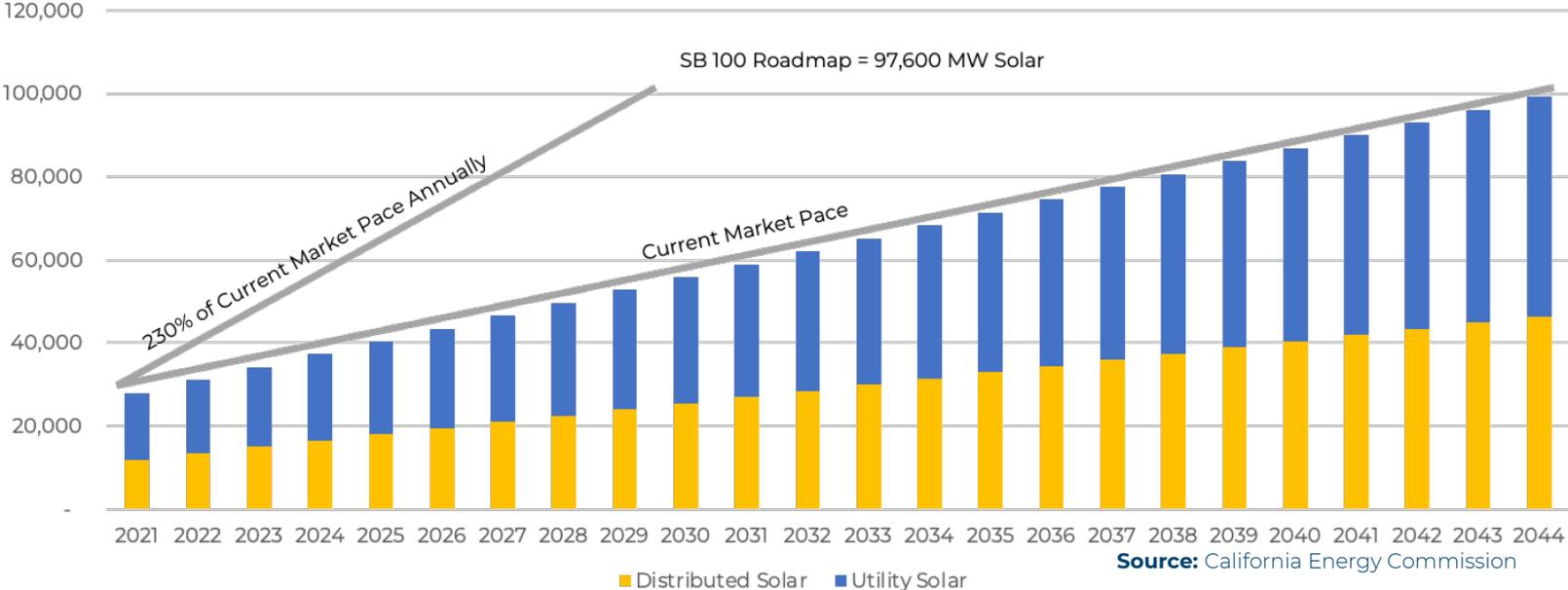
During the heatwave of August 2020, **California's energy regulators called upon the solar and storage industry to work with customers to voluntarily modify charging and discharging of their batteries in line with the grid's greatest needs.**

Already, California consumers have installed more than **900 MW of sun-charged batteries** - the equivalent of more than **three gas fired power plants.**



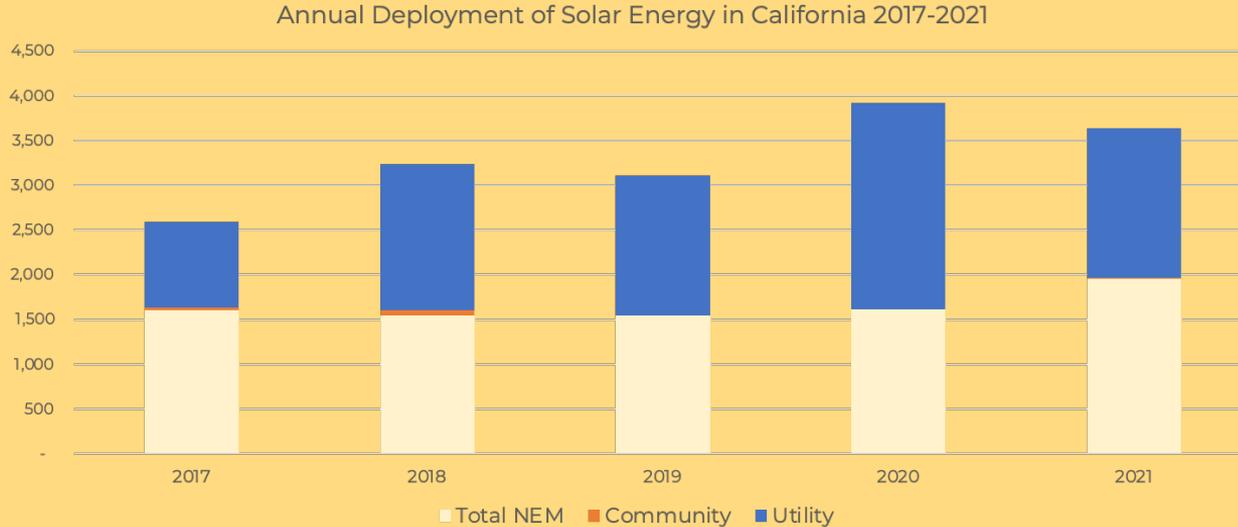
California needs A LOT more rooftop solar to meet our clean energy goals

Cumulative Solar Growth in California Getting to SB 100 Goal by 2045



Assumes CA maintains current annual growth of both markets through 2044. If state wishes to speed things up, it must increase annual deployment of both markets by 230% next year and maintain that market through 2030 decision.

We cannot get to 100% clean energy with utility scale alone



Data: DG Stats
SEIA



Rooftop solar also spares wildlife habitats and open spaces.

A study by Environment California found that building 28.5 GW of rooftop solar, rather than utility-scale solar, would enable California to maintain existing land uses on more than 148,000 acres of land, an area about half the size of the City of Los Angeles.

Rooftop solar saves everyone money

A new grid modeling report from Vibrant Clean Energy compared the cost of meeting the state's SB 100 goals with just large-scale renewables, and with both large-scale and rooftop solar & batteries.

The scenario with lots of rooftop solar and batteries would be **\$120 billion cheaper over the next 30 years, the equivalent of \$295 per year for the average California ratepayer.**

The savings come from reducing the need for large-scale grid infrastructure (which is how the utilities make their profits)

In 2018 alone—thanks to rooftop solar and more energy efficiency—state energy officials canceled or modified dozens of massive power line maintenance projects, saving the state \$2.6 billion.

Real energy equity and progress means keeping solar affordable for all communities

“It is a story as old as this country: a new technology is developed, programs and policies are offered to help consumers to adopt the technology and bring down the costs over time, and just when people in Black and brown communities are beginning to be able to afford the technology and benefit from it – the programs and policies are often taken away.”

- Pastor William D. Smart, Jr



Barbara Lee ✓

@BLeeForCongress

[#ClimateEquity](#) = Making rooftop solar panels and batteries more—not less—affordable for working families and lower-income Californians.

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Keeping solar growing and affordable in California

Our large and diverse coalition of solar advocates is calling on the CPUC to:

1. No **discriminatory solar taxes**, period
2. **Continue the growth of rooftop solar** by ensuring it still pencils out for middle- and working-class consumers.
3. Incentivize solar consumers to adopt **battery storage**.
4. Expand clean energy equity by making **rooftop solar more accessible for working class communities**, including renters.
5. Keep California on track for **100% renewable energy by 2045**.
6. Not impede California's **30x30 conservation goals**.

For More Information

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