

December 12th, 2022



Protecting Marin Since 1934

Honorable Gavin Newsom
Governor of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Via email: <https://www.gov.ca.gov/contact/>

RE: Oppose CPUC's NEM 3.0 12.15.22 Proposed Decision as currently proposed

Dear Governor Newsom:

Marin Conservation League (MCL) has worked for the past 88 years to preserve and protect natural landscapes, ecosystems, and biodiversity in Marin County. In recent years, the largest threats to those natural assets have been from impacts due to climate change. In response, MCL has committed to promoting policies, programs and actions that support the State's efforts to decarbonize and reach clean energy targets. Adoption of the upcoming Net Energy Metering NEM 3.0 Proposed Decision by the California Public Utilities Commission (CPUC) would be a huge setback to achieving those goals.

The CPUC has proposed to cut California's net energy metering (NEM) credit by 75% on average. This would be the largest and most drastic cut ever attempted in the United States. A study by Environment California found that other states and localities that have made similar cuts saw rooftop solar adoptions fall by half or more, after rooftop solar became unaffordable for everyday people.

The CPUC is scheduled to vote on this Proposed Decision December 15th. The proposed changes would affect everyone who adds rooftop solar, starting in April 2023. This includes not only single and multi-family households, but also places of worship, schools and businesses.

These proposed changes will cut millions of working communities out of rooftop solar. They will also curtail California's clean energy progress towards the AB 1279 mandate of net zero greenhouse gas emissions by 2045 and the 90% Clean Energy target by 2035 contained in SB 1020. The California Air Resources Board (CARB) wrote a comprehensive report summarizing how the state can reach its goal of 100% renewable energy by 2045 and solar, specifically rooftop solar, was vital to that plan. The California Energy Commission has found that all forms of solar (both solar farms and rooftop) must triple by 2035 in order for the state's clean energy plans to succeed. We are already behind pace.

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Marin Conservation League was founded in 1934 to preserve, protect and enhance the natural assets of Marin County.

This NEM revision will have severe consequences not only for the growth of renewable energy, but for the greater goal of decarbonization. Electrification of transportation and the built environment provides little benefit if not powered with clean energy.

Depending on a centralized grid leaves Californians vulnerable to attacks like the recent occurrence in North Carolina where gunfire destroyed substations and 47,000 people lost power. We urge you to consider the need for a resilient California. Without distributed solar backup, libraries, community centers, or other staging grounds will not be able to provide emergency services during power failures, including cooling centers during heat waves.

Virtual power plants made up of rooftop solar and batteries can stabilize the grid when the supply runs low. This ability to act as backup during periods when demand threatens to overwhelm the grid will expand exponentially as more electric vehicle batteries become capable of storing the energy generated by rooftop solar.

While we applaud the billion-dollar set-aside for lower income residents to install rooftop solar and batteries, the payback period using the CPUC's calculations for solar is not equitable. Low-income residents receiving CARE have a payback period of 9 years in PG&E territory, while higher income customers' payback period is 6 years. This seems to contradict the goal to provide opportunity for all Californians to benefit from distributed energy resources.

Over the last year, more than 170,000 Californians, 600 nonprofits, cities, schools and businesses, as well as most of the state's newspapers have asked both the Governor's office and the CPUC to keep rooftop solar growing, not shrinking. These include well-known environmental groups like Center for Biological Diversity, Environment California, the Environmental Working Group and the 350.org networks, consumer groups like CALPIRG and Consumer Watchdog, environmental justice and Native American leaders, leaders in the Black Church and other faiths, immigrant rights organizations, Members of Congress such as Barbara Lee, Mike Thomson, Nanette Barragan, and more.

Before the CPUC enacts these drastic revisions to the NEM program, MCL strongly urges the following as suggested by the Environmental Working Group in their 11/30/22 Reply Comments:

- First, the system benefits of solar plus storage should be properly assessed.
- Second, the state should create a robust community solar program.
- Third, the state must allow for microgrids to thrive, to be properly compensated for their contribution to system reliability, and to consider the resiliency and reliability benefits of virtual power plants.

If the CPUC is intent on moving ahead with the current Proposed Decision, it must stretch out the glide path during which payment rates decline, from the proposed five years to eight years with more gradual reductions. This would allow solar companies and customers time to adjust to more gradual reductions in compensation.

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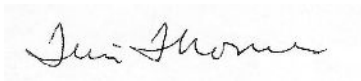
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Marin Conservation League joins the many other organizations who find the CPUC's Proposed Decision to run counter to the goal of a resilient, equitable and clean powered California. We want to continue building upon Marin's rooftop solar supply and realize the promise of storage by either stationary or electric vehicle batteries.

It is crucial not only for climate protection, but for the health and safety of all Californians that the CPUC votes NOT to approve the NEM 3.0 current proposal.

Governor, we urge you to help the state continue incentivizing the expansion of rooftop solar adoption and the security of decentralized backup to California's electric grid.

Thank you,

A handwritten signature in black ink, appearing to read "Terri Thomas", is displayed on a light gray rectangular background.

Terri Thomas
Acting President