



Rent Stabilization Board

Date: September 23, 2021

To: Honorable Members of the Rent Stabilization Board

From: Vice Chair Soli Alpert (Author), Chair Leah Simon-Weisberg (Co-Author),
Commissioner Andy Kelley

Subject: Support Net Energy Metering

RECOMMENDATION

Send the enclosed Resolution in support of Net Energy Metering and transmit copies to Governor Gavin Newsom, State Senator Nancy Skinner, Assemblymember Buffy Wicks, and members of the California Public Utilities Commission Board (CPUC). The investor-owned utilities' proposal before the CPUC threatens access to net energy metering and rooftop-scale solar and storage by homeowners and tenants alike, thus interfering with Berkeley's and California's climate action and equity goals.

BACKGROUND

Customers who install small solar, wind, biogas, and fuel cell generation facilities to serve all or a portion of onsite electricity needs are eligible for the state's Net Energy Metering (NEM) program. NEM allows customers who generate their own energy to serve their energy needs directly onsite and to receive a financial credit on their electric bills for any surplus energy fed back to their utility.

The current NEM program was adopted by the California Public Utilities Commission (CPUC) in Decision (D.)16-01-044 on January 28, 2016. The program provides customer-generators rate credits for energy exported to the grid and requires them to pay charges that align NEM customer costs more closely with non-NEM customer costs. NEM is designed to support the installation of customer-sited renewable energy generation.

Recently, the CPUC launched a formal proceeding to update the current NEM structure. The new rulemaking is referred to as NEM 3.0 because this is the third iteration of the NEM program. Over 17 proposals have been submitted to the CPUC for consideration, including joint proposal from the state's big three investor-owned utilities (IOUs), Pacific Gas & Electric, Southern California Edison and San Diego Gas & Electric. Opponents of the big three IOUs' joint proposal claim that it would hinder the state's highly successful rooftop solar market which is a key strategy in the state reaching its lofty clean energy and environmental goals.

Notably, the big three IOUs' joint proposal will directly interfere with the ability of tenants and property owners alike to benefit from a clean and increasingly affordable source of energy. This will make solar unaffordable for most people, right when just under half of all new solar is going

into working and middle class neighborhoods, serving both homeowners and renters.¹ Over 150,000 solar roofs serve customers in the CARE discount program.² This year, an additional 30,000 rental units serving more than 100,000 people at multifamily affordable housing projects are under development due to net metering, and another 200,000 families in affordable multi-family homes are projected to get solar by 2030.³

NEM 3.0 is currently progressing through the necessary steps at the CPUC as part of the rulemaking proceeding. While it would be premature at this time to advocate for one particular proposal of the over 17 submitted, the Berkeley Rent Stabilization Board should adopt the attached Resolution, which is general in nature but includes key goals and themes that are consistent with what the City of Berkeley has supported in the past.

These include:

- Protecting and expanding rooftop solar via a strong succeeding NEM tariff and expanding clean energy access by making it easier, not harder, for people to adopt rooftop solar and energy storage in order to meet California's ambitious clean energy targets and deploy solar in all communities and households, particularly those struggling to pay for electricity; and
- Expressing its support for the items as stated above, including urging the CPUC to:
 - (i) strengthen NEM to expand access to all households, particularly of low-and-moderate income;
 - (ii) expand access to other clean energy technologies that pair with solar, such as batteries;
 - (iii) ensure that the solar installations continue to grow in order to meet State and City climate goals; and
 - (iv) exclude provisions set forth in the IOU Proposal such as high monthly fixed fees and reducing or eliminating credits for sharing electricity with the power grid.

While the big three IOUs' plan and the solar and environmental advocates plan are largely in opposition, a consensus is emerging that a fair and effective rooftop solar policy must share its benefits with low-income and disadvantaged communities that have previously been left out.

FINANCIAL IMPLICATIONS

Limited staff time associated with sending a letter to designated recipients.

ENVIRONMENTAL SUSTAINABILITY

No direct identifiable environmental sustainability savings are associated with this item.

However, the passage of the IOUs' proposal is likely to squelch the deployment of rooftop-scale

1 Neighborhood level adoption data: The Berkeley Lab: [Solar Demographics Tool](#) and [Income Trends among U.S. Residential Rooftop Solar Adopters](#)

2 CARE data

3 California DG Stats. <https://www.californiadgstats.ca.gov>.

solar and storage in the City of Berkeley, which would interfere with a key strategy in the realization of Berkeley's Climate Action goals.

CONTACT PERSON

Vice Chair Soli Alpert

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Attachment:
1: Resolution

RESOLUTION 21-25

IN SUPPORT OF NET ENERGY METERING

WHEREAS, Net Energy Metering (NEM) is designed to support the installation of customer-sited renewable energy generation; and

WHEREAS, NEM allows customers to receive bill credits for power generated by their solar system and shared with the power grid and ultimately save money on their utility bills; and

WHEREAS, NEM is what has allowed solar to become increasingly accessible to low- and moderate- income households; and

WHEREAS, the California Public Utilities Commission (CPUC) has launched a formal proceeding to update the current NEM structure to be introduced in 2022 as NEM 3.0 and a number of parties have submitted their proposal for what they believe NEM 3.0 should look like; and

WHEREAS, the California Investor Owned Utilities (IOUs), Pacific Gas and Electric, San Diego Gas & Electric and Southern California Edison, have submitted a joint proposal (the “IOU Proposal”) that calls for drastic changes to NEM that would make customer-sited renewable energy more expensive, increase the amount of time it takes for customers to pay off their systems, and ground to a halt the installation of distributed solar in California; and

WHEREAS, The IOU Proposal would make it impossible for customer-sited renewables to continue to grow sustainably as mandated by law as a result of high monthly fixed fees for all solar installations, and slashing credits customers receive for sharing their excess electricity with the power grid; and

WHEREAS, proposals submitted to CPUC by Protect Our Communities Foundation, California Solar & Storage Association, Vote Solar, GRID Alternatives, Solar Energy Industries Association, and others not only would encourage new solar adoption but also include additional subsidies for low income customers; and

WHEREAS, California cannot meet its clean energy targets in time with utility scale solar alone and needs to triple the amount of rooftop solar, as reported by the California Energy Commission 2021 SB 100 Joint Agency Report Summary; and

WHEREAS, protecting rooftop solar and expanding access to rooftop solar in communities of concern will help California as well as our own city to move toward 100 percent clean energy, lessen the impacts of the climate crisis, and reduce climate injustices from dirty energy; and

WHEREAS, we are in a climate crisis and need to make the transition to clean energy more accessible.

RESOLUTION 21-25

IN SUPPORT OF NET ENERGY METERING

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NOW THEREFORE, BE IT RESOLVED by the City of Berkeley Rent Stabilization Board that it supports protecting and expanding rooftop solar via a strong succeeding NEM tariff and expanding clean energy access by making it easier, not harder, for people to adopt rooftop solar and energy storage in order to meet California's ambitious clean energy targets and deploy solar in all communities and households, particularly those struggling to pay for electricity;

BE IT FURTHER RESOLVED that the Berkeley Rent Stabilization Board urges the CPUC to:

- (i) strengthen NEM to expand access to all households, particularly of low-and-moderate income;
- (ii) expand access to other clean energy technologies that pair with solar, such as batteries;
- (iii) ensure that the solar installations continue to grow in order to meet State and City climate goals; and
- (iv) exclude provisions set forth in the IOU Proposal such as high monthly fixed fees, and reducing or eliminating credits for sharing electricity with the power grid.

BE IT FURTHER RESOLVED that that copies of this Resolution shall be sent to Governor Gavin Newsom, State Senator Nancy Skinner, Assemblymember Buffy Wicks, and members of the California Public Utilities Commission Board.

Dated: September 23, 2021

Adopted by the Rent Stabilization Board of the City of Berkeley by the following vote:

YES:

NO:

ABSTAIN:

ABSENT:

Leah Simon-Weisberg, Chair
Rent Stabilization Board

Attest: _____
Matt Brown, Acting Executive Director