THE CITY OF SAN DIEGO

COUNCILMEMBER RAUL A. CAMPILLO

SEVENTH DISTRICT

November 1, 2023

Governor Gavin Newsom
1303 10th Street, Suite 1173
Sacramento, CA 95814

California Public Utilities Commission
Public Advisor's Office
505 Van Ness Ave.
San Francisco, CA 94102
Docket #: R.20-08-020

RE: Virtual Net Energy Metering

Dear Commissioners,

As the Councilmember serving the City of San Diego's Seventh District, I have championed the expansion of solar technology in a region that remains highly vulnerable to impacts of climate change, and to the volatility of energy costs. Every week my constituents contact my office about the increased cost of living, and their inability to afford housing, utility and transportation costs for their families. The installation and utilization of solar photovoltaic systems serves as an important opportunity for households of all incomes to manage energy costs while simultaneously reducing demand on the grid.

The City of San Diego has taken steps to facilitate this technology, through early implementation of a self-certification permit process under SB379, and through the San Diego Solar Equity Program that I helped establish, which just celebrated its first year of installing 36 systems in low-income communities. In response to the California Public Utilities Commission's (CPUC) proposed ruling on Net Energy Metering 3.0 (R.20-08 020), in November 2021, the San Diego City Council unanimously adopted a resolution urging the CPUC to adopt a net energy metering rulemaking decision that would support the continuing growth of customer-sited solar energy installations and reject monthly fixed charges and avoided cost models that would stifle sustainable growth.

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The subsequent decision, D.22-12-056, reduced the value of future solar customers' electricity sold back to the grid by approximately 75 percent, which weakened a major component in California's leadership on solar. It is therefore with great disappointment that I read the proposed revisited decision on R.20-08-020, that would largely mirror the net billing tariff adopted for single-family homes last year, now including multi-family homes. The proposed decision largely undervalues the electricity generated by multi-family homes and other properties with multiple electric meters. The numbers provided by utility companies in this report attempting to make the argument that buildings utilizing a single solar array with multiple electric meters have a low participation, discounts the large future potential for these systems in multifamily settings, and introduces a hurdle to meeting the State's goal of 100% zero-carbon energy by 2045. The proposed decision would take away the opportunity for multi-family buildings to offset energy generated during the day, while requiring them to export the electricity to the grid at a lower wholesale rate. By both reducing the value of the electricity generated, and then removing the ability to realize savings shared between electric meters and instead require purchasing that electricity at full retail price from the utilities, it doubles the disincentive, and would constitute a major deterrent to the use of distributed energy resources.

Single-family customers impacted by the new NEM 3.0 ruling still retain the ability to benefit from cost-savings in real-time through onsite netting, but that same opportunity will not be afforded to multi-family customers, which is inherently inequitable. Low-income communities, and communities of color are already overrepresented among California's over 16 million renters, many of them residing in multi-family housing, and these communities will be disproportionately impacted by this proposed change. These same communities are also the ones most impacted by climate change, and access to sustainable as well as affordable energy options need to be expanded, not decreased.

While I appreciate the parts of the proposal that would require prevailing wages be paid to construction workers and apprentices, the proposed decision in its current form will deal a major blowback to California's clean energy sector, where more solar jobs were created than in any other state in 2022.[1] At a time when California should be investing in good-paying green jobs, I urge the CPUC to make a decision that does not undermine the market for these workers, and protects good paying jobs for Californians.

On behalf of my constituents in the City of San Diego, I ask that the Commission thoroughly consider the detrimental implications of adopting a tariff that reduces the value of

[1] https://irecusa.org/census-solar-jobs-by-state/

electricity generated at multi-family buildings and the excluded opportunity for these systems to offset increased costs through real-time self-generation. Rather than impose difficulties upon solar customers in California, we must explore increasing equitable access to distributed energy resources by allowing for onsite netting, and incentivize a reduction in demand on the grid.

Sincerely yours,

Raul A. Campillo

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