



Sophie Hahn  
Councilmember  
District 5

CONSENT CALENDAR  
October 26, 2021

To: Honorable Mayor and Members of the City Council

From: Councilmember Sophie Hahn (Author), Mayor Arreguin (Co-Sponsor), Councilmember Bartlett (Co-Sponsor) and Councilmember Harrison (Co-Sponsor)

Subject: Support Net Energy Metering

RECOMMENDATION

Approve a 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).

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.

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 Council should adopt the attached Resolution, which is general in nature but includes key goals and themes that are consistent with what the City 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' plans and the solar and environmental advocates' plans 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.

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.

FINANCIAL IMPLICATIONS

None

ENVIRONMENTAL SUSTAINABILITY

The passage of the IOUs' proposal will frustrate the deployment of rooftop-scale solar and storage in the City of Berkeley, which would interfere with a key strategy in the realization of Berkeley's Climate Action goals. This resolution proposes a path forward that supports our goals.

CONTACT PERSON

Councilmember Sophie Hahn      510-981-7150

Attachment:

1: Resolution

**RESOLUTION NO. ##,###-N.S.**

**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.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City of Berkeley supports protection and expansion of rooftop solar via a strong Net Energy Metering (NEM) tariff and expansion of access to clean energy; and

BE IT FURTHER RESOLVED that, to help Berkeley and California meet their ambitious clean energy goals and to deploy solar energy in all communities and households, in particular those struggling to pay for electricity, the State of California should remove and not create new barriers to adoption of rooftop solar and local energy storage; and

BE IT FURTHER RESOLVED that the City of Berkeley urges the CPUC to:

- (i) Strengthen Net Energy Metering to expand access to all households, with programs to support access for low-and-moderate income households;
- (ii) Expand access to other clean energy technologies that pair with and support solar, including batteries;
- (iii) Ensure that solar installations continue to grow, to help meet State and City climate goals; and
- (iv) Exclude provisions set forth in the Investor Owned Utilities' Proposal such as high monthly fees and the reduction or elimination of credits for sharing electricity with the power grid; and

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