



**TOWN OF FAIRFAX**  
**STAFF REPORT – SPECIAL MEETING**  
**November 4, 2015**

**TO:** Mayor and Town Council

**FROM:** Michele Gardner, Town Clerk

**SUBJECT:** Authorize the Mayor to send a letter to California Public Utilities Commission (CPUC) and to Governor Brown in support of Net Energy Metering Successor Tariff

---

**RECOMMENDATION**

Authorize the Mayor to send the attached letter.

**DISCUSSION**

Mayor Coler asked that this item be added as a special meeting tonight for consideration by the Council. The draft letter together with two fact sheets are attached.

**ATTACHMENT**

Draft letter and background information

DRAFT

November 4, 2015

Michael Picker, President  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

**RE: Support for Net Energy Metering Successor Tariff**

Dear President Picker,

On behalf of the Fairfax Town Council, I urge your continued support for and expansion of net energy metering, in spite of utility proposals that if adopted could kill new rooftop solar in the state. Net metering is an important state policy facilitating the growth of rooftop solar in California. More rooftop solar creates local jobs, reduces the burden of energy costs on our economy, and builds a cleaner energy future for all Californians. The solar industry employed over 54,000 Californians in 2014, a 16 percent increase from the year before. Over the next 30 years, California schools and government entities that have already installed net metered rooftop solar will save more than \$2.5 billion in electricity costs.

California's rooftop solar market would not be where it is today without net metering, a simple, easily understood and fair policy that provides a one to one credit on a customer bill for locally generated power and exempts small local projects from fees designed for larger generating facilities.

But now, this highly successful program is threatened by proposals from the three investor owned utilities that if adopted could essentially kill the rooftop solar business in California. Their proposals would unjustifiably add monthly fees for rooftop solar owners, cut the bill credit roughly in half, increase interconnection fees and add demand charges all of which could unfairly make rooftop solar no longer viable or understandable for most people. It is essential to preserve and expand net metering in order to build on our momentum and bring all the benefits of more solar power to even more of our communities. We urge the Commission to maintain net metering without excessive new fees, and to expand its use for example to allow virtual net metering for cities, schools and others to apply credits from solar generation projects to multiple locations. It should also provide expanded opportunities for renters and disadvantaged communities to benefit from net metering.

Page 2 of 2  
November 4, 2015

With your continued leadership, California can keep building on our impressive solar growth, harnessing the power of the sun and Californians' ingenuity to power us to a clean energy future.

Thank you for your consideration.

Sincerely,

Barbara Coler, Mayor

cc: The Honorable Jerry Brown, Governor, State of California  
CPUC Commissioner Carla Peterman  
CPUC Commissioner Michael Florio  
CPUC Commissioner Catherine Sandoval  
CPUC Commissioner Liane Randolph

## Net Metering Successor Tariff - Factsheet

The CPUC is actively working to finalize new rules updating the state's Net Energy Metering program by the end of 2015. Net metering is the primary policy driver that has helped more than 250,000 California homeowners, businesses, schools and local governments install solar on their roofs. Net metering allows solar customers to receive fair compensation (a one for one kilowatt hour credit on their utility bill) for any clean energy they generate and send back into the local grid. The program has helped dramatically grow the solar industry in the state which is good for the economy, public health, and our climate.

Unfortunately, the three investor owned utilities (IOUs) including PG&E, SDG&E and SCE have now submitted proposals to the CPUC that if adopted would essentially kill new rooftop solar in California. Their proposals would unjustifiably add monthly fees for rooftop solar owners, cut the bill credit roughly in half, increase interconnection fees and add demand charges all of which could unfairly make rooftop solar no longer viable or understandable for most people. (To read more detailed information on their proposals, please go to VoteSolar's Website on this issue at: <http://votesolar.org/2015/08/13/ca-utilities-want-to-replace-net-metering-with-what/> )

We believe that the new NEM successor tariff should accomplish the following objectives:

1. **Keep it simple (Don't fix what isn't broken)** - The current NEM program is simple, well understood and fair. It is transparent and has provided long term market certainty that has been foundational to its success. It has been a highly popular and successful policy utilized in 44 states in the US. Let's build on this successful foundation.
2. **Right of self-generation** - California citizens and businesses have the right to generate their own electricity by installing a solar system and only being charged for the net electricity they need to draw from the grid.
3. **Support continued growth** - AB 327 requires that the successor tariff ensure "that customer-sited renewable distributed generation continues to grow sustainably."
4. **No new penalties** - The successor tariff should not penalize customers or subject them to additional costs for making energy-saving investments and that would discourage new solar installations.
5. **Support virtual net metering** - CPUC should make it easier for farmers, schools, cities, counties and others to utilize "virtual net metering," which allows a customer to use generation from one solar array to offset power demand from multiple meters at multiple locations.
6. **Support people living in disadvantaged communities and in multi-unit developments** – The expanded program should support new solar projects for and participation by people who live in multi-unit developments, renters, and people living in disadvantaged communities including people of color.
7. **Support coming Zero Net Energy (ZNE) requirements** – the new tariff should support the easy implementation of the energy generation portion of expected ZNE building requirements for all new residential buildings in 2020 with commercial buildings to follow.
8. **Larger Projects** - It should support projects that are larger than the current 1MW project size limit where appropriate.

**The IOU proposals would violate nearly all of these principles!**

## Helpful Facts

1. The cost of solar panels has declined by more than 60% since 2010, making solar projects affordable for people across the economic spectrum. A 2011 study documented that over 60% of residential PV systems are now installed by middle income homeowners (\$40,000-84,999/yr.).
2. A whopping 86% of California voters think net metering should be more widely available.
3. PV systems installed under the NEM policy cover their costs and do not disadvantage other ratepayers. A 2013 E3 study conducted for the CPUC showed that as a group, net metered customers of the three investor-owned utilities covered 103% of what it cost the utilities to serve them.
4. When he first came into office in 2010, Governor Jerry Brown set a goal of at least 12,000 MW of distributed generation (DG) by 2020. When the current NEM program cap is reached by 2017, California will have installed about 5,000 MW of renewable DG. Other programs will add some to that but we still need much more to reach this early goal. Now, with the Governor wanting to increase renewable energy to reach at least 50% by 2030, even more DG is needed.
5. Nearly all behind the meter solar systems today are being installed without any California State rebates. The State's California Solar Initiative (CSI) program has been a roaring success in stimulating the new solar industry so that as long as net metering is maintained, installations no longer need rebates to be financially viable.
6. Distributed Generation (which has so far mostly been PV solar) has the technical and economic potential to provide more than 10% of the state's electricity by 2030. Locally installed solar can be installed quickly, creates quality local jobs, causes minimal environmental damage, reduces local pollution and the negative health impacts it causes, improves grid reliability, reduces the need for expensive transmission lines and reduces GHG emissions.
7. Californians want to have the ability to install their own solar and energy storage systems. According to the 2014 "U.S. Homeowners on Clean Energy: A National Survey" by CleanEdge & Solar City. (<http://cleanedge.com/reports/homeowner-clean-energy-survey>),
  - *"While homeowners generally view their utilities favorably, a majority of homeowners (69%) say they want more choices when it comes to their energy and electricity supply.*
  - *Reflecting this desire for choice, three out of four respondents believe that utilities should not be able to block individual residential customers from installing distributed solar power, energy storage, and other onsite systems. Such sentiments were strongest among respondents that identified themselves as Republicans, Conservatives, the middle-aged (55-69), and elderly (70+), at 80%, 83%, 89%, and 94%, respectively.*
  - *62% of American homeowners say that they want solar power for their homes.*
  - *Four in ten Americans say they have recently experienced power outages with their current utility and that motivates them to get backup power; 50% of homeowners are interested in backup power for their homes".*

**Please sign the attached letter** to ensure that the new NEM rules will drive California towards fully realizing its potential to reduce harmful pollution, increase quality local solar jobs and mitigate climate change. Please let the CPUC and the Governor know that you oppose the IOUs proposals that would radically change the current NEM program and essentially kill new rooftop solar in California.