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January 7, 2022

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

RE: CPUC Proposal to Revise Net Energy Metering Tariff and Sub-tariffs
Notice of OPPOSITION

Dear Governor Newsom:

The City of Arcata writes to express opposition to the California Public Utilities Commission's (CPUC) proposed revision of net energy metering tariffs and sub-tariffs. On December 8, the CPUC released a proposed decision that drastically alters the current net energy-metering program. This revision would impose a monthly solar penalty fee on solar customers and would reduce net metering credits for residential customers, leaving solar out of reach for many customers. If the CPUC were to accept this proposed decision, which will make rooftop solar and customer-owned batteries more expensive, this would be counterproductive toward the state's clean energy future and hinder the success of our necessary solar industry.

Arcata supports efforts to rebate individual homeowners and businesses for returning excess power back into the grid as a result of owner-generated energy, as well as, legislation that provides incentives to individual homeowners and businesses for the installation of solar panels. Arcata has prioritized an All Electric Initiative to decarbonize new and existing construction to phase out fossil fuels. For building decarbonization to be cost-effective for homeowners, a key component is the installation of solar panels to offset the increased electricity used for space and water heating. Net energy metering (NEM) makes solar affordable for working and middle-class consumers and significantly contributes to the state's clean energy future and economy. California's solar industry employs more than 60,000 residents and sixty full-time jobs are created for every megawatt of local solar energy installed. This is higher than the number of workers at the state's five largest utilities combined.

Altering NEM in such a way that rolls-back the benefits for residential customers would put tens of thousands of clean energy jobs and businesses at risk for California. Almost half of all new solar customers in the state today are in middle class and working communities. While low-income households are exempt from the solar penalty fee, the 80% cut in solar credit to

customers would result in a significant increase in monthly payments. Over 150,000 solar roofs serve customers in the CARE discount program. This year an additional 30,000 rental units at multifamily affordable housing projects, serving more than 100,000 residents, are under development due to current NEM policies. Another 200,000 families in affordable multifamily homes were projected to receive solar by 2030. An increase in monthly payments would create a major obstacle for projects such as these and the residents living in them.

NEM is the backbone of accessibility and affordability of solar for California residents. Without a net metering program that makes solar energy affordable to more communities, our local solar industry will lose a huge portion of their customer base. Solar is a key component of reducing our greenhouse gas emissions. The California Energy Commission estimates California will need three times as much solar – both large-scale and rooftop – to meet its goals and help fight climate change. Supporting legislation that encourages locally based models for energy provisions and delivery is a part of Arcata's platform and this revision would impede this necessary industry's success and the momentum to a clean energy future.

The City of Arcata is committed to the success of our solar industry and being a leader in California's clean energy future. We support policies that help to shift California's energy portfolio towards more renewable and self-generation sources.

For these reasons, the City of Arcata opposes the CPUC's proposed decision for the revision of the current net energy metering tariffs. Thank you for your consideration.

Respectfully,



Emily Goldstein, Vice-Mayor
City of Arcata

cc:

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