



December 6, 2022

To: Chair Reynolds and Commissioners, California PUC
California Public Utilities Commission
Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

From: Tyller Williamson, Mayor, City of Monterey

Subject: Monterey Supports Responsible Net Energy Metering

The Proposed Decision (PD) "NEM 3.0" issued by the CPUC on November 10, 2022 threatens access to net energy metering and rooftop-scale solar and storage by homeowners and tenants alike, thus interfering with Monterey's and California's clean energy, climate action and equity goals.

BACKGROUND

Residents and businesses in our city who install small solar, wind, biogas, and fuel cell generation facilities to meet 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. This policy has supported the state's highly successful rooftop solar market which is a key strategy in the state reaching its lofty clean energy and environmental goals.

The NEM 3.0 proposed decision by the CPUC would disadvantage those who have invested/plan to invest in and use rooftop solar and storage to provide clean energy. I find the following aspects of the PD to be too extreme:

1. Most residential NEM solar consumers after April 2023 will see an average 75% reduction in the credit they receive for sharing their extra energy with the grid – from an average of \$.30/kilowatt-hours (kWh) to about \$.08/kWh.

2. Churches, schools, or businesses and **municipal accounts** who go solar after April 2023 will see an even bigger reduction in their solar credit.

We encourage the use of solar systems by removing unreasonable barriers, minimizing costs to property owners and the City, and expanding the ability of all property owners to install solar energy systems

We encourage the CPUC to reject this current NEM 3.0 PD and 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.

The City believes that a fair and effective rooftop solar policy must share its benefits with low-income and disadvantaged communities that have previously not benefited from this policy. This latest PD is too extreme, particularly through its proposal to dramatically slash net energy compensation over a period of just six months from its issuance – the steepest such cut proposed at any time, anywhere in the nation.

Thank you for your attention to this matter.

Sincerely,

Tyler Williamson, Mayor
City of Monterey

Cc: Assemblymember Dawn Addis, Senator John Laird and Gov. Newsom