

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Michael Picker, President, California Public Utilities Commission
Ontario Smith, Senior Government Relations Representative, Pacific Gas and Electric Company
Barry Anderson, Vice President of Emergency Preparedness and Operations, Pacific Gas and Electric Company
Harlan Kelly, Jr., General Manager, Public Utilities Commission
Deborah Raphael, Director, Department of the Environment
Jason Fried, Executive Officer, Local Agency Formation Commission

FROM: Erica Major, Assistant Committee Clerk
Public Safety and Neighborhood Services Committee

DATE: December 8, 2015

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following proposed legislation, introduced by Supervisor Avalos on December 1, 2015:

File No. 151230

Resolution urging the California Public Utilities Commission to reject the Pacific Gas and Electric Company's proposed increased fees to net energy metering program, and support alternatives that will minimize fees and ensure that customers receive a fair price for excess electricity they export to utilities.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: erica.major@sfgov.org.

c: Mike Florio, California Public Utilities Commission
Catherine Sandoval, California Public Utilities Commission
Carla Peterman, California Public Utilities Commission
Liane Randolph, California Public Utilities Commission
Juliet Ellis, Public Utilities Commission
Donna Hood, Public Utilities Commission
Guillermo Rodriguez, Department of the Environment

Monica Fish, Department of the Environment
Mei Ling Hui, Department of the Environment

1 [Urging the California Public Utilities Commission to Reject the Pacific Gas and Electric
2 Company's Proposed Increases to Net Energy Metering Fees]

3 **Resolution urging the California Public Utilities Commission to reject the Pacific Gas**
4 **and Electric Company's proposed increased fees to net energy metering program and**
5 **support alternatives that will minimize fees and ensure that customers receive a fair**
6 **price for excess electricity they export to utilities.**

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8 WHEREAS, Lawrence Berkeley National Laboratory's August 2015 report, "Tracking
9 the Sun VII," estimates that the total installed price of residential photovoltaic solar facilities
10 decreased by more than 50% between 2009 and 2014; and

11 WHEREAS, As of September 2014, the San Francisco Public Utilities Commission
12 reported that the City's GoSolarSF incentive program has led to 10.5 megawatts of solar
13 systems being installed in the City; and

14 WHEREAS, The Department of the Environment reports that there are now over 5000
15 solar installations in San Francisco; and

16 WHEREAS, The Department of the Environment estimates that the City could generate
17 up to 7% of our total electricity needs by maximizing rooftop solar facilities in the City; and

18 WHEREAS, California's net energy metering ("NEM") program provides for electricity
19 customers who install renewable power generation facilities to sell excess electricity they
20 generate back to their electricity provider; and

21 WHEREAS, By allowing property owners to sell excess solar power, NEM creates an
22 incentive for maximizing the size of rooftop solar facilities; and

23 WHEREAS, Virtual net metering allows multiple tenants at a property to share the
24 electricity produced by a single solar energy system; and

25

1 WHEREAS, The September 2012 report from the Mayor’s Renewable Energy Task
2 Force recommended that the “City should participate in relevant regulatory proceedings and
3 encourage the California Public Utilities Commission to update net energy metering rules and
4 participation limits to better reflect actual technical constraints to distributed generation
5 integration and current costs and benefits of increased on-site distributed generation;” and

6 WHEREAS, California Public Utilities Code, Section 2827, requires all electricity utilities
7 to offer customer a NEM tariff; and

8 WHEREAS, 2013’s Assembly Bill 327 requires the California Public Utilities
9 Commission (“CPUC”) to develop a successor to the existing NEM program by December 31,
10 2015 that will go into effect on July 1, 2017; and

11 WHEREAS, Governor Jerry Brown’s signing statement on AB327 stated that he
12 expects the CPUC “to ensure that customers who took service under net metering prior to
13 reaching the statutory net metering cap on or before July 1, 2017, are protected under [the
14 new rules] for the expected life of their systems;” and

15 WHEREAS, The California Public Utilities Commission is currently developing a
16 successor to the NEM tariff through Rulemaking 14-07-002; and

17 WHEREAS, Solar power advocates have raised a number of concerns about PG&E’s
18 proposal for the NEM successor tariff; and

19 WHEREAS, Vote Solar, a non-profit organization promoting solar power, analyzed
20 PG&E’s proposal and described a number of issues that would disincentivize new solar
21 installations, including:

- 22 - adding a new monthly demand charge for residential solar customers of \$3/kW,
23 which PG&E estimates would be about \$14.50/month for an average customer;
- 24 - requiring solar customers to pay new interconnection costs of \$100 or more;

- 1 - paying solar customer an average of \$0.09/kilowatt hour, which is significantly lower
- 2 than retail price; and
- 3 - limiting virtual net metering; now, therefore, be it

4 RESOLVED, That the Board of Supervisors urges the CPUC to reject PG&E's proposal
5 for the NEM successor tariff; and, be it

6 FURTHER RESOLVED, That the Board of Supervisors urges the CPUC to adopt rules
7 for the NEM successor tariff that minimize fees to solar customers, ensure that customer
8 receive a fair price for excess electricity they export to utilities, and preserve virtual net
9 metering.

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