

BOARD of SUPERVISORS



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MEMORANDUM

TO: Dennis Herrera, General Manager, Public Utilities Commission

FROM: Alisa Somera, Clerk, Government Audit and Oversight Committee Board
of Supervisors

DATE: May 13, 2022

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Chan on May 3, 2022:

**File No. 220518 Urging the California Public Utilities Commission to
Prioritize Environmental Justice Communities in its Net
Energy Metering Programs**

Resolution urging the California Public Utilities Commission to prioritize clean energy investments in environmental justice communities in its Net Energy Metering programs, and to ensure equitable access to benefits to redress historic disinvestment and barriers.

You are being provided this informational referral since the legislation may affect your department.

If you have any 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 alisa.somera@sfgov.org.

c: Masood Ordikhani, Public Utilities Commission
John Scarpulla, Public Utilities Commission
Jeremy Spitz, Public Utilities Commission

1 [Urging the California Public Utilities Commission to Prioritize Environmental Justice
2 Communities in its Net Energy Metering Programs]

3 **Resolution urging the California Public Utilities Commission to prioritize clean energy**
4 **investments in environmental justice communities in its Net Energy Metering**
5 **programs, and to ensure equitable access to benefits to redress historic disinvestment**
6 **and barriers.**

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8 WHEREAS, California has been a leader in renewable energy policy, including rooftop
9 solar, where the state's Net Energy Metering (NEM) framework provides a financial credit for
10 customers who generate their own electricity and provide a surplus back to their utility to
11 incentivize the installation of rooftop solar; and

12 WHEREAS, Net energy metering disproportionately benefits wealthier, white, single-
13 family homeowners, as solar adopters are more likely to live in higher-value homes, have
14 higher credit scores, live in majority-white block groups; and

15 WHEREAS, Environmental justice communities are low-income Black, Indigenous,
16 people of color who have historically experienced systemic and structural barriers to clean air,
17 water, safe and habitable housing, and are increasingly facing compounding economic
18 pressures and changes in energy policies including major utility debt, rising utility rates, and
19 economic security; and

20 WHEREAS, Environmental justice communities have experienced structural barriers in
21 accessing and benefiting from NEM, including that they are predominantly renters who don't
22 own their roofs or owners of older housing, and largely because California's clean energy
23 policies are inequitable and disproportionately benefit wealthier households that consume more
24 energy; and

25

1 WHEREAS, In August 2020, the California Public Utilities Commission (CPUC) began
2 a new proceeding to reform the NEM program to address issues with distributed storage and
3 inequities in the program; and

4 WHEREAS, In December 2021, the CPUC issued a proposal to drastically alter NEM
5 to review the cost of rates among all customers, including creation of a \$600 million equity
6 fund to install solar on low-income households, and incentives for customers to install solar
7 plus storage energy systems; and

8 WHEREAS, In January 2022, the CPUC decided to indefinitely delay its proposed
9 decision after stakeholders, including solar advocates and environmental justice communities,
10 warned the changes could make rooftop solar unaffordable for millions of Californians; and

11 WHEREAS, Disadvantaged communities (DAC) comprise 25% of California's
12 population, but only 11-12% of residential NEM systems are installed in disadvantaged
13 communities; and

14 WHEREAS, Many low-income, environmental justice communities are often restricted
15 economically and financially, and lack access to clean energy technology under current state
16 programs; and

17 WHEREAS, Equity-focused programs like Solar on Multifamily Affordable Housing
18 (SOMAH), the Single-Family Affordable Solar Homes Program (SASH), and the Multifamily
19 Affordable Solar Housing System (MASH) may accelerate solar system installations in DACs,
20 areas with low rates of home ownership, and less affluent, more diverse areas; now,
21 therefore, be it

22 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
23 urges the CPUC, especially when it re-introduces its proposed NEM decision, to prioritize
24 clean energy investments in environmental justice communities and ensure equitable access
25 to benefits to redress historic disinvestment and barriers; and, be it

1 FURTHER RESOLVED, That Board of Supervisors urges CPUC to increase
2 affordability and economic protections for environmental justice communities, DACs, and low-
3 income customers by expanding definitions to inclusively reach these communities and
4 holding Investor Owned Utilities accountable to address energy affordability, without placing
5 discriminatory, exclusionary, expensive, time-consuming, and unnecessary administrative
6 burdens on ratepayers; and, be it

7 FURTHER RESOLVED, That Board of Supervisors urges the CPUC to invest in
8 distributed renewable energy, including community solar programs, to provide low-income,
9 renters, residents living in older housing, and communities of color with improvements in air
10 quality, public health, and economic empowerment to create pathways toward community
11 resilience so that they can participate in the clean energy transition; and, be it

12 FURTHER RESOLVED, the Board of Supervisors hereby directs the Clerk of the Board
13 to transmit a copy of this Resolution to the office of Governor Newsom and the CPUC.

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