

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Revisit Net  
Energy Metering Tariffs Pursuant to Decision  
D.16-01-044, and to Address Other Issues  
Related to Net Energy Metering.

R.20-08-020

**REPLY COMMENTS OF THE  
CALIFORNIA WIND ENERGY ASSOCIATION  
ON PROPOSED DECISION REVISING NET ENERGY METERING TARIFFS**

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***On behalf of the California Wind  
Energy Association***

January 14, 2022

**REPLY COMMENTS OF THE  
CALIFORNIA WIND ENERGY ASSOCIATION  
ON PROPOSED DECISION REVISING NET ENERGY METERING TARIFFS**

**I. INTRODUCTION AND SUMMARY**

Pursuant to the California Public Utilities Commission’s (“Commission”) Rule of Practice and Procedure 14.3 and the December 17, 2021, Ruling of Assistant Chief Administrative Law Judge (“ALJ”) Tsen extending the comment deadline and page limits, the California Wind Energy Association (“CalWEA”) respectfully submits these replies to parties’ January 7, 2022, opening comments on the December 13, 2021, Proposed Decision of ALJ Hymes Revising the Net Energy Metering Tariff and Subtariffs (“Proposed Decision” or “PD”).

In summary, the Commission should dismiss Sierra Club’s assertions that lowering net energy metering (“NEM”) subsidies will result in harm to California’s working lands or impede the ability to reduce reliance on gas-fired generation in local capacity areas. There is no record evidence to support these assertions. Moreover, CalWEA’s testimony demonstrated that, in fact, high levels of rooftop solar require more utility-scale resources than would half as much rooftop solar and, therefore, reducing NEM subsidies is more likely to reduce land requirements.

**II. ARGUMENTS**

**A. The Proposed Decision Is More Likely to Relieve Pressure on California’s Natural Lands Than to Add Pressure**

In criticizing the Proposed Decision, Sierra Club claims that “Significant additional distributed solar is needed in addition to utility-scale generation to meet California’s SB 100 requirements due to the land use constraints of utility-scale resources.”<sup>1</sup> The record evidence offered to support that statement -- and implicitly defining “significant” as 28 additional gigawatts of rooftop solar -- is a single sentence in Sierra Club’s testimony, which merely

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<sup>1</sup> Sierra Club Opening Comments at p. 8.

references a page in the March 2021 Joint Agency SB 100 Report Summary that contains the report's inclusion of 28.2 gigawatts of customer-side solar in the 2045 resource portfolio that the report indicates will be needed to meet SB 100 goals.<sup>2</sup> Clearly in response to CalWEA's testimony that documented that this high level of customer-side solar was assumed as an input to the SB 100 model, rather than produced as a cost-effective or necessary output of the model,<sup>3</sup> Sierra Club adds in its footnote that

the inclusion of customer-sited solar deployment as a fixed input in the SB 100 Report's analysis rather than an output of the model *does not indicate that such deployment is unnecessary to meet the state's objectives.*<sup>4</sup>

Nor does that *assumption* indicate that such deployment is *necessary*. Thus, Sierra Club offers no record evidence supporting its claim that high levels of distributed solar are needed to achieve California's goals.

Moreover, Sierra Club continues to ignore (and thus fails to contest) CalWEA's testimony demonstrating that, indeed, high levels of rooftop solar deployment *are not* necessary to meet the state's goals. As CalWEA explained in its opening comments,<sup>5</sup> CalWEA's testimony demonstrated, using the Commission's own IRP model, that reducing the high *assumed* level of customer-side solar additions by half would not only bring present-value savings of at least \$1.2 billion per year but would require about *the same level of utility-scale renewable resources*. This is due to the substitution of wind and geothermal for solar resources that produce during the evening net peak and have higher capacity factors.<sup>6</sup> Overall, the total renewable and storage capacity needed to achieve the state's SB 100 goals would decline by 16 percent, which would have far-reaching environmental benefits.<sup>7</sup> That reduction in overall resources includes a 2.4-GW reduction in the amount of utility-scale solar.<sup>8</sup>

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<sup>2</sup> *Id.* at footnote 34, citing Exh. SCL-01, Direct Test. of M. Vespa at 28:30–29:1.

<sup>3</sup> Exh. CWA-01 at p. 6.

<sup>4</sup> Note 1 *supra*. Emphasis added.

<sup>5</sup> CalWEA Opening Comments at pp. 6-7.

<sup>6</sup> Note 3 *supra* at pp. 8-9.

<sup>7</sup> CalWEA Opening Brief at p. 5.

<sup>8</sup> *Id.* at p. 5 and footnote 21.

Thus, Sierra Club’s assertion that distributed solar is needed to reduce the footprint of utility-scale solar, and the “threat” that solar development poses to California’s open spaces, working lands, and sensitive habitats<sup>9</sup> is not only not supported by evidence<sup>10</sup> but is contradicted by the evidence supplied by CalWEA. In fact, based on the evidence in this case, the substantial NEM reforms that the PD would establish are more likely to *reduce* pressure on California’s natural lands than to increase it.

Instead of relying on Sierra Club’s inaccurate claims, the Commission should adopt CalWEA’s recommendation to use its Integrated Resource Planning process to determine how much rooftop solar is optimally required to cost-effectively achieve California’s SB 100 targets within the land-use constraints already considered in the Commission’s current IRP model.

**B. High Levels of Rooftop Solar Will Not Displace the Need for Local Gas-fired Power Plants**

Sierra Club argues that absent high levels of rooftop solar deployment, “California will lose a key tool in reducing its dependency on gas-fired generation in local capacity areas.”<sup>11</sup> This argument could only be even theoretically true if continued generous subsidies to rooftop solar were strategically aimed at placing rooftop solar in locally constrained transmission areas currently dependent on gas-fired peaker plants. But even Sierra Club’s own proposal does not contemplate that; subsidies would be uniform across utility service territories.

As CalWEA explained in our reply brief, Sierra Club provided no evidence that high overall levels of rooftop solar will enable reduced dependency of gas plants in local capacity areas. As we noted, in coming to such a conclusion, the Commission, in coordination with the CAISO, would need to consider numerous issues, including whether sufficient storage can be sited in the local capacity area with full capacity deliverability status, whether distributed solar could charge the storage generation capacity sufficiently to enable gas-plant retirements while maintaining reliability, and whether transmission upgrades to relieve the local capacity constraint are required.<sup>12</sup> None of those issues have been considered in this proceeding. Indeed, the

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<sup>9</sup> Note 1 *supra* at pp. 8-9.

<sup>10</sup> The “evidence” supplied by Sierra Club is merely the acreage required for a utility-scale power plant. *See* Sierra Club Opening Brief at 25, footnote 88, and Exh. SCL-O1 at footnote 74.

<sup>11</sup> Sierra Club Opening Comments at p. 9.

<sup>12</sup> CalWEA Reply Brief at p. 6.

Commission has recently tentatively concluded in its IRP proceeding that “more analysis is needed before we order procurement of specific resources in specific locations” in hopes of “reducing reliance on Aliso Canyon, reducing dispatch of natural gas generation, and contributing to an “orderly” retirement of the fossil-fueled generation fleet as it ages.”<sup>13</sup> Nothing in the Proposed Decision, however, precludes the Commission from later adopting a targeted strategy to reduce local-area dependencies on natural gas, which could include storage, transmission upgrades, and/or added incentives for rooftop solar in certain areas.

The only outcome we can be certain of by continuing overly generous subsidies for rooftop solar customers, as Sierra Club advocates, would be to condemn residents of disadvantaged communities to higher electric rates.

Respectfully submitted,

/s/ Nancy Rader

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***On behalf of the California Wind Energy Association***

January 14, 2022

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<sup>13</sup> R.20-05-003, CPUC Proposed Decision on Preferred System Plan at p. 162 (December 22, 2021).

## VERIFICATION

I, Nancy Rader, am the Executive Director of the California Wind Energy Association. I am authorized to make this Verification on its behalf. I declare under penalty of perjury that the statements in the foregoing copy of “Reply Comments of the California Wind Energy Association on Proposed Decision Revising Net Metering Tariffs” are true of my own knowledge, except as to the matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 14, 2022, at Berkeley, California.

/s/ Nancy Rader  
Nancy Rader  
Executive Director  
California Wind Energy Association