

**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

Rulemaking 20-08-020  
(Filed August 27, 2020)

**CLEAN COALITION OPENING COMMENTS ORDER INSTITUTING RULEMAKING  
TO REVISIT NET ENERGY METERING TARIFFS PURSUANT TO DECISION 16-01-  
044, AND TO ADDRESS OTHER ISSUES RELATED TO NET ENERGY METERING**

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**I. INTRODUCTION**

Pursuant to Rule 6.1 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”) the Clean Coalition respectfully submits these opening comments in response to Order Instituting Rulemaking (“OIR”) to Revisit Net Energy Metering (“NEM”) Tariffs Pursuant to Decision 16-01-044, and To Address Other Issues Related to Net Energy Metering. NEM has been an important aspect of the increased renewables penetration throughout the state of California and continues to be integral for achieving the goals listed by the legislature in SB 100 and SB 350. NEM has been effective for consumers and ratepayers and should be modified to further stimulate development of renewable resources as well as energy storage. As has been demonstrated during summer 2020 with a series of rolling blackouts, California will need increasing amounts of flexible generation over the course of next decade. As a result, the next NEM tariff should include provisions that encourage the development of energy resources, including for systems that are aggregated into the larger Community Microgrids being developed in R. 19-09-009. The Clean Coalition would like to point out just a few issues that should be included as subdivisions of the umbrella of topics listed in the OIR:

1. Responses to current and pending statewide facility electrification;
2. Removing oversizing limits and focusing on inverter limits;
3. Promoting both paired and standalone storage;
4. Reducing or eliminating some cost responsibility surcharges;
5. The feasibility of allowing NEM customers to use a WDAT Tariff for surplus energy credits;

6. Feed-In Tariff Programs with credits for residents of low-income and disadvantaged communities;

## **II. DESCRIPTION OF PARTY**

The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of distributed energy resources (“DER”) — such as local renewables, demand response, and energy storage — and we establish market mechanisms that realize the full potential of integrating these solutions for optimized economic, environmental, and resilience benefits. The Clean Coalition also collaborates with utilities, municipalities, property owners, and other stakeholders to create near-term deployment opportunities that prove the unparalleled benefits of local renewables and other DER.

## **III. COMMENTS**

### **1. Responses to current and pending statewide facility electrification;**

Achieving zero net energy through building decarbonization and transportation electrification inherently means increased electrical usage. Governor Newsom has already projected such a future with his recently announced ban on the sale of gasoline-powered vehicles by 2035. Households will most definitely need a way to react accordingly, with methods of self-generation to combat skyrocketing electricity bills. At the end of June, SCE notified residents that it was seeking the largest rate increase by a utility in California history, most of which is going to come from increases for residential customers. Thus, the successor NEM tariff must include some way for customers to respond accordingly; multiple solar installations on a single facility is not realistic, especially for customers in low-income and disadvantaged communities. As a result, NEM must account — in the sizing limit eligibilities — for the possibility that customers will want to oversize their loads in preparation for electrification and electric vehicles. It is viable to achieve through five-year projections or potentially through changing the oversizing rules. This falls under number 1 or 3 of the preliminary scope.

### **2. Removing oversizing limits and focusing on inverter limits;**

With the increased automation and communication standards applied in the Rule 21 proceeding, inverters have increased functionality that should be embraced in the NEM proceeding. For example, it is not necessarily the best practice to restrict the amount of generation (or energy storage) a facility can install, especially with increases the transition to electrification require. Focusing on inverter standards would have a similar effect, since inverters are capable of limiting total generation and measuring output, achieving the same end goal as sizing limits while offering an increased flexibility. In the Clean Coalition's experience, to optimize a facility for resilience, the energy storage should be sized to 3x of the generation, which is not always possible through NEM 2.0. This falls under item numbers 1, 2, or 3.

### **3. Promoting both paired and standalone storage;**

In the process of revisiting NEM, the tariff should be properly optimized for changing energy storage standards. Maximizing the benefit of renewable resources to low-income and disadvantaged communities requires energy storage to effectively determine the best times to credit energy depending on the time of use pricing during the day; essentially charging during the morning/early afternoon and selling the energy during the evening. In addition to stationary energy storage, the proceeding should consider the effect that EV charging vehicles may have as mobile energy storage. This issue can be discussed as part of number 3 on the preliminary scoping list.

### **4. The feasibility of allowing NEM customers to use a WDAT Tariff for surplus energy credits;**

The recently passed FERC Order 2222 increases the viability for the aggregation of all distributed energy resources (DER) to be sold on wholesale markets. There is currently no method of using both the NEM tariff and the WDAT tariff at the same time (for different energy). It is reasonable to have a discussion about the aggregation of surplus credits through a WDAT tariff for the maximum benefit in secondary markets. Since NEM projects are interconnected on the distribution grid, aggregation could be used to effectively meet the needs of the pertinent IOU rather than being sent across the state and congesting transmission lines. This falls under item number 5 on the list (especially in situations where aggregation is already occurring such as NEM aggregation, VNEM and VNEM for multifamily affordable housing).

**5. Feed-In Tariff Programs with credits for residents of low-income and disadvantaged communities;**

The Clean Coalition would like to iterate that a Feed-In Tariff (FIT)<sup>1</sup> is the most effective method of procuring small residential and commercial renewable resources, including solar and storage. A NEM tariff that includes a Feed-In Tariff would lead to a greater procurement of resources in low-income and disadvantaged communities than is presently occurring. This is worth considering as one of many, “issues related to existing NEM tariffs, including but not limited to questions about or modifications to specific provisions of the NEM tariffs.”<sup>2</sup>

**IV. CONCLUSION**

The Clean Coalition appreciates the opportunity to comment and believes that the faster a tariff can be developed the more California residents will benefit.

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<sup>1</sup> <https://clean-coalition.org/feed-in-tariffs/>

<sup>2</sup> OIR at 6