

**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 REPLY COMMENTS ON PROPOSED DECISION REVISING  
NET ENERGY METERING TARIFF AND SUBTARIFFS**

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**I. INTRODUCTION**

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utility Commission, the Clean Coalition hereby submits the following reply comments on the Proposed Decision (“PD”) Revising Net Energy Metering Tariff and Subtariff, issued at the Commission on December 13, 2021.

**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**

**A. The Total Resource Cost should be the main cost-effectiveness test used.**

As PCF points out in opening comments, while the Commission has previously determined that cost-effectiveness tests can be used in combination, when it comes to DER programs, the Total Resource Test is the main test that should be used to determine the value of a DER program such as NEM.<sup>1</sup> The Commission should reject the use of the RIM test to find NEM 1.0

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<sup>1</sup> PCT Opening Comments on PD at 6

and NEM 2.0 not cost effective. Furthermore, it was pointed out during evidentiary hearings that cost-effectiveness tests of prior iterations of NEM did not consider the value provided by pushing back the peak period further in the day. Instead, all analysis treats the value of NEM 1.0 and 2.0 as exactly the same, which is not the case. Early adopters of NEM have had significant impacts on the grid that affects the cost-effectiveness of the programs as a whole. Equally as important, no Societal Cost Test (“SCT”) was used when analyzing NEM. The PD suggests that this is because a SCT has not been completed. However, a report on the SCT was just released in the IDER proceeding; the Clean Coalition suggests that the Commission reject this PD and wait until an analysis with the SCT can be completed before approving any final decision.

**B. The purpose of NEM is to be more equitable through low-income adoption, not discouraging everyone else from taking service under the new tariff.**

350 Bay Area is keen to point out that during a climate emergency such as the one we face today, it is important to continue the sustainable growth of renewable technology, with a particular focus on increasing the amount of low-income adoption.<sup>2</sup> The PD focuses on a purported cost-shift as a primary factor rather than incentivizing low-income ratepayers to adopt solar. Mandating a ten-year payback period for solar+storage and no specified payback period for standalone solar only incentivizes a small percentage of the rate base to adopt renewable technologies and actively discourages the adoption of standalone solar, rather than incentivizing the adoption of any renewable technology in disadvantaged communities, with a focus on solar+storage. With a climate crisis and an equity crisis, this PD is unnecessarily picky in a way that will severely limit the potential of DER growth in California.

**C. The PD is not creative enough when it comes to adopting storage.**

The Clean Coalition strongly believes that if the Commission is focused on the adoption of storage, proposals made by CESA and CCSA should be considered. This PD does too little beyond incentivizing solar+storage for individual households.

#### **IV. CONCLUSION**

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<sup>2</sup> 350 Bay Area Opening Comments on PD at 2

The Clean Coalition appreciates the opportunity to submit these reply comments and urges the Commission to reject this PD.

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