



HAMMOND CLIMATE SOLUTIONS FOUNDATION  
Dynamic Action for a Sustainable Planet



February 12, 2024

**The Honorable Alice Busching Reynolds**

President, California Public Utilities Commission

505 Van Ness Avenue

San Francisco, CA 94102

**The Honorable Genevieve Shiroma**

Commissioner, California Public Utilities Commission

505 Van Ness Avenue

San Francisco, CA 94102

**The Honorable Darcie L. Houck**

Commissioner, California Public Utilities Commission

505 Van Ness Avenue

San Francisco, CA 94102

**The Honorable John Reynolds**

Commissioner, California Public Utilities Commission

505 Van Ness Avenue

San Francisco, CA 94102

**The Honorable Karen Douglas**

Commissioner, California Public Utilities Commission

505 Van Ness Avenue

San Francisco, CA 94102

**Re: Stop the solar crisis and stand up for California's climate leadership**

Dear President Reynolds and Commissioners,

California has long been a leader in fighting climate change in large part by deploying renewable energy technologies that shepherd us away from dirty fossil fuels towards a cleaner future.

Our ability to reach our clean energy goals, however, is in jeopardy due to the state of crisis in the rooftop solar market. Rooftop solar and battery storage are essential to meeting our climate change goals— California cannot be a leader with rooftop solar and storage crawling at a snail's pace. We are writing to ask for your attention and leadership on this critical matter.

Please take immediate action to restore California's rooftop solar growth by considering the following actions:

- **First, do no more harm to rooftop solar.** The first order of business should be to put a cap back on the fixed charges authorized by AB 205. High fixed charges discourage energy conservation and efficiency and further harm the economics of going solar.
- **Second, delay implementation of the Virtual NEM and Aggregate NEM decision** slated to go into effect February 14, 2024 and restore the ability of multi-meter properties such as schools, farms, apartment buildings, and strip malls to self-generate and self-consume on-site solar.
- **Battery Rebates:** In the Net Billing decision you called for \$900 million to be allocated for battery rebates for all types of consumers to help cushion the blow brought about by the reduced credits for solar exports. \$280 million of those funds, earmarked for low-income consumers, were allocated in the 2023-2024 budget but unfortunately have not yet been disbursed. We call on you to immediately **disburse the \$280 million appropriated in the 2023-2024 budget for residential storage incentives.** This funding can go to work immediately and expand the benefits of distributed clean energy to low-income Californians. Further, consider making a portion of these funds available immediately for the already-existing SGIP program that serves working- and middle-class families.
- **Immediately re-evaluate the value of distributed solar.** Fully and accurately value *all* the benefits of rooftop solar energy including societal benefits in the [Avoided Cost Calculator](#).
- **Unlock the solar potential of all rooftops in California.** The state should encourage solar on large commercial rooftops that can accommodate larger installations by lifting the system size cap. Putting as much solar as will fit on all 66,000+ [warehouses](#) and 10,000+ [superstores](#) in California could power nearly 6 million homes annually but current rules limit that kind of deployment.

Rooftop solar has been the workhorse of our clean energy transition since the Million Solar Roofs Initiative in 2006. We're already closing in on [2 million](#) solar rooftops since hitting 1 million in 2019. Thanks to forward-looking public policies implemented by your commission, solar energy became the "people's choice" of clean energy, embraced as a no-brainer home improvement project by millions of families throughout the state. It has also been embraced by thousands of public schools, multi-family housing developers, businesses, houses of worship and farms. California now has [more](#) installed solar capacity than any other state, but we still need much more distributed solar electricity generation to meet our 100% clean energy requirement.

The California Energy Commission estimates we need to build 6 gigawatts (GW) of new renewable energy and energy storage every year between 2020 and 2045 to meet our 100% clean energy goals. Recently, the governor and legislators raised the bar, calling for the state to get 90% of the way there by 2035. This action requires us to move even more quickly toward renewable energy. Yet, the state is currently headed in the opposite direction.

Following your R.20-08-020 proceeding related to net energy metering (NEM), California's progress toward clean energy and climate goals is in jeopardy. Slashing successful rooftop solar

incentives caused a crisis within the rooftop solar market. History [shows](#) that drastic cuts to rooftop solar incentives can cause solar installations to plummet, and we're now seeing this play out in California. New data from the investor-owned utilities shows that solar interconnection applications have decreased between 77% and 85% year over year since implementation of the new "Net Billing Tariff" in April 2023. As a direct result, the California Solar and Storage Association [estimates](#) that 17,000 solar jobs were lost in 2023 along with many solar businesses.

Your commission went even further in November 2023, dramatically reducing solar incentives for multi-metered properties and prohibiting self-consumption for the majority of multi-family housing projects, schools, farms, religious institutions, strip malls and other commercial properties. This further jeopardizes rooftop solar's growth once the changes go into effect in February, 2024.

In addition to needing a lot more solar energy, California also needs a lot more energy storage to make the "sun shine at night" and to build a more reliable electric grid. However, the new Net Billing policy is [not driving](#) a mainstream market for solar batteries despite the claims to the contrary. Instead, it is simply leading to less solar and approximately the same amount of energy storage as was adopted by consumers before the changes were put in place. We look to you as regulators to implement effective policies that keep renewable energy growing at the speed and scale necessary to truly fight climate change.

**The undersigned organizations urge you to take immediate action to put California's solar leadership back on track.** Every sunny rooftop without solar panels is a missed opportunity. Every garage without a battery is a missed chance to strengthen reliability and resilience, and to bolster clean energy progress. We cannot afford to leave behind rooftop solar and storage as we experience more climate-induced disasters like extreme heat waves, devastating wildfires and more. Rooftop solar and storage offer a variety of benefits that improve the lives of Californians including cleaner air for frontline communities near fossil gas power plants and fewer greenhouse gas emissions. It also builds a more resilient energy grid that can keep the lights on during disruptions, reduce the need for expensive long-distance transmission lines that raise electric rates and spark wildfires, and cause less disruption of natural spaces for energy infrastructure.

Thank you for considering our request to stand up for rooftop solar in 2024, restore California's climate leadership and get the state back on track to achieve the clean energy goals. We look forward to working with the CPUC and other stakeholders to fix our current solar crisis and rebuild a robust rooftop solar and storage market in the Golden State.

Sincerely,

Laura Deehan  
Environment California

Roger Lin  
Center for Biological Diversity

Gregory Stevens  
California Interfaith Power and Light

Bill Allayaud  
Environmental Working Group

Ellie Cohen  
The Climate Center

Regina Banks  
Lutheran Office of Public Policy-California

Jay Buys  
Visceral

Michael J. Painter  
Californians for Western Wilderness

Ector Olivares  
Catholic Charities of Stockton

Susan Morgan  
Indivisible Marin

Esperanza Vielma  
Environmental Justice Coalition for Water,  
Coalition for Environmental Equity and  
Economics

Derede Arthur  
UC Santa Cruz Climate Coalition

Pauline Seales  
Santa Cruz Climate Action Coalition

Carly Rixham  
American Solar Energy Society

Magi Amma  
The Climate Alliance of Santa Cruz County

Cherry Robinson  
Climate Reality San Diego

Jan Dietrick  
350 Ventura County Climate Hub

Jose Torre-Bueno  
Center for Community Energy

Leah Redwood  
Extinction Rebellion San Francisco Bay  
Area,  
Oil and Gas Action Network

Emily Brandt  
San Joaquin Valley Democratic Club

Ronni Solman  
SoCal350 Climate Action

Linda Seeley  
San Luis Obispo Mothers for Peace

David Diaz  
Active San Gabriel Valley

Cheryl Weiden  
350 Silicon Valley

Tom Wheeler  
Environmental Protection Information  
Center

Jessica Tovar  
Local Clean Energy Alliance

Lynda Marin  
Citizens' Climate Lobby Santa Cruz Chapter

Marian Sedio  
North County Climate Change Alliance

Kenneth Unger  
Indivisible San Pedro

Lisa Swanson  
Climate Reality Project Orange County  
Chapter

Andrea Leon-Grossmann  
Vote Solar

Karina Gonzalez  
Hammond Climate Solutions Foundation

David Weeshoff  
Pasadena Audubon Society

Cheryl Auger  
Ban SUP

Sylvia Holmes  
Transition Pasadena

Karen Nguyen  
Reform & Sustain

Polly Estabrook and Jennifer Levin  
HangOutDoGood (HODG)

Jenn Engstrom  
California Public Interest Research Group  
(CALPIRG)

Katie Huffling  
Alliance of Nurses for Healthy Environments

Ben Schwartz  
Clean Coalition

Willow Katz  
End Solitary Santa Cruz County

Eric Gill  
Extinction Rebellion Los Angeles

Joyce Lane  
SanDiego350

Daniel Chandler  
350 Humboldt

RL Miller  
Climate Hawks Vote

Shoshana Wechsler  
Sunflower Alliance

Alexandra Wisenfeld  
Professor, Los Angeles City College

Chirag Bhakta  
Food & Water Watch

Bart Ziegler  
Samuel Lawrence Foundation

Destiny Rivas  
San Joaquin Urban Native Council

Ambrose Carroll  
Green The Church

Maryam Dallawar  
Sunrise Movement Orange County

Matt Nelson  
Presente.org

Robert Whitehair  
San Mateo Climate Action Team

George Naugles  
Balance2thrive

Glen Brand  
Solar United Neighbors Action

Kathy Schaeffer  
Climate Reality Project, San Fernando  
Valley Chapter

Kitty Adams  
Adopt a Charger

Annie Stuart  
350 Petaluma

Francisco Moreno  
COFEM, Consejo de Federaciones Mexicanas