



CALIFORNIANS FOR WESTERN WILDERNESS



San Joaquin Valley



We Will Persist

February 12, 2024

The Honorable Gavin Newsom

Governor, State of California

1021 O Street, Suite 9000

Sacramento, CA 95814

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

Dear Governor Newsom,

Cc: President Reynolds, Commissioner Shiroma, Commissioner Houck, Commissioner Reynolds, Commissioner Douglas, Assemblymember Petrie-Norris, Senator Bradford

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 toward a cleaner future. Leadership on clean energy is something you have championed as governor.

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, make sure the state does no more harm.** 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, the California Public Utilities Commission (CPUC) 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 ensure the CPUC immediately **disburses 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.

- **In the 2024-2025 budget, fulfill the remainder of the \$900 million** in battery incentives and restore solar and storage funding delays proposed in your January budget. We understand there is a significant budget deficit, but these programs are critical to energy reliability, and delays are far more costly in the long run. If some of the \$280 million in funds were allocated to the mainstream market, restore the low income funds to their original amount. Further, investing in solar and storage installations helps grow state tax revenue through solar sales taxes, business income taxes and payroll taxes from solar workers.
- **Direct the CPUC to immediately re-evaluate the value of distributed solar** and to fully and accurately value *all* the benefits of rooftop solar energy including societal benefits in the CPUC's [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 policy, solar energy has become 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, you raised the bar, calling for the state to get 90% of the way there by 2035. We applaud your call to action but it requires us to move even more quickly toward renewable energy. Yet, the state is currently headed in the opposite direction.

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

The CPUC 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 our governor to bring about changes at the speed and scale needed to truly fight climate change.

In that regard it is important to note that storage deployment potential is not limited to the batteries in the garage. It is projected that electric vehicle batteries, which have much greater storage capacity than typical stationary storage, could serve as a key asset for personal resilience and grid management – if the vehicles have bidirectional charging capability. The CEC [estimates](#) that there will be over 7 million plug-in electric vehicles on California roads by 2030. That amounts to over 70 gigawatts of storage capacity in these rolling power plants. Even a small percentage of that capacity, able to be fed to the grid, can help significantly with system demand flexibility.

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 you have set for us. We look forward to working with you and other stakeholders to fix the 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

Yvonne Elkin
Indivisible Resistance San Diego

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

Senait Forthal
OC Goes Solar

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

Ilene Mier
Sunrise Long Beach

Joyce Lane
SanDiego350

Daniel Chandler
350 Humboldt

RL Miller
Climate Hawks Vote

Shoshana Wechsler
Sunflower Alliance

Laura Neish
350 Bay Area Action

Alexandra Wisenfeld
Professor, Los Angeles City College

Genevieve Guenther
End Climate Silence

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