

Congress of the United States
Washington, DC 20515

September 16, 2022

The Honorable Alice Busching Reynolds
President, California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear President Reynolds:

We write to share our concerns about the potential imposition of any discriminatory fees or drastic and immediate export rate reductions on rooftop solar and storage customers in the net energy metering (NEM) 3.0 proceeding, as such provisions would undermine the goals and intent of the Inflation Reduction Act (IRA). We fought hard to secure robust clean energy incentives in the IRA in order to accelerate the deployment of renewable energy in California and across the United States. Multiple independent analyses have found that these incentives will reduce emissions by approximately 40% by 2030 – but those analyses assume the continuation of supportive state policies.

The IRA contains a range of initiatives designed to complement state clean energy programs and benefit individual energy consumers, including provisions that target benefits to environmental justice and low-income communities. The extensions of the 30% Section 48 Investment Tax Credit (ITC) and 30% Section 25D tax credit are intended to make solar and storage more affordable for consumers and more cost-competitive with conventional fossil fuel generation. Individual adoption of solar and storage must accelerate for the IRA to achieve its climate goals.

It is concerning to see entities arguing that the IRA’s passage warrants weakening state-level solar and storage policies, as is happening now in the NEM 3.0 proceeding (R.20-08-020). These proposals would effectively make rooftop solar and storage more expensive for our constituents and would slow its deployment – the exact opposite of our impetus to expand and extend solar and storage incentives in the IRA. As you are aware, independent analysis estimated that the CPUC’s December 2021 Proposed Decision would have cut California’s residential solar market in half by 2024.¹

A March 2021 report from the California Air Resources Board, California Energy Commission, and CPUC found that residential solar capacity will need to more than triple by 2045 in order for California to achieve 100% clean electricity by 2045.²

¹ Wood Mackenzie, “*New NEM 3.0 provisions ‘will cut California solar market in half by 2024’*” (January 25, 2022). Available online at: <https://www.woodmac.com/press-releases/nem-3.0-pd-will-cut-california-solar-market-in-half-by-2024/>.

² Docket Number 19-SB-100, “*2021 SB 100 Joint Agency Report Summary Achieving 100% Clean Electricity in California*” (March 15, 2021). Available online at: <https://www.energy.ca.gov/publications/2021/2021-sb-100-joint-agency-report-achieving-100-percent-clean-electricity>.

We respectfully urge the CPUC not to use the IRA's provisions aimed at increasing deployment of rooftop solar and storage as perverse justification to impose discriminatory fees on these assets. Instead, we hope that you will consider supporting reasonable reforms that build on the IRA and ensure the solar and storage industries are poised to play an expanded role in meeting our climate and energy resilience goals.

Sincerely,



Mike Levin
Member of Congress



Mike Thompson
Member of Congress



Katie Porter
Member of Congress



Jimmy Panetta
Member of Congress



Karen Bass
Member of Congress



Jared Huffman
Member of Congress




Ted W. Lieu
Member of Congress



Ro Khanna
Member of Congress



Mark DeSaulnier
Member of Congress



Nanette Diaz Barragán
Member of Congress



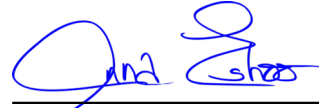
Doris Matsui
Member of Congress



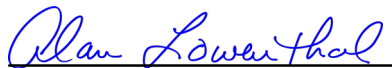
Brad Sherman
Member of Congress



Zoe Lofgren
Member of Congress



Anna G. Eshoo
Member of Congress



Alan S. Lowenthal
Member of Congress
Chair, Subcommittee on
Energy and Mineral
Resources



Barbara Lee
Member of Congress

cc: The Honorable Gavin Newsom
Commissioner Clifford Rechtschaffen
Commissioner Genevieve Shiroma
Commissioner Darcie L. Houck
Commissioner John Reynolds