BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Develop a Successor to Existing Net Energy Metering Tariffs Pursuant to Public Utilities Code Rulemaking 14-07-002 Section 2827.1, and to Address Other Issues Related to Net Energy Metering.

COMMENTS OF THE LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION ON PROPOSED DECISION FOR SUCCESSOR TO NET ENERGY METERING TARIFF

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FOR Local Government Sustainable Energy Coalition

January 7, 2016

In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission" or "CPUC") the Local Government Sustainable Energy Coalition ("LGSEC")¹ submits these Comments on the Proposed Decision on the Successor to the Net Energy Metering ("NEM") Tariff. The Proposed Decision correctly relies on the current NEM tariff as the basis for the successor tariff, and rejects proposals for onerous grid charges that would adversely impact the economics of renewable distributed generation technologies for customers, including local governments. The stability that this provides to the market cannot be overstated.

The Proposed Decision correctly adopts the standard used in D.14-03-041 – 20 years – as the eligibility period for the NEM successor tariff. This is important for local governments, who make investments over long time horizons and rely on projects to realize their expected paybacks. We appreciate the recognition in the Proposed Decision of the importance of "a uniform and reliable expectation of stability under the NEM structure." (Proposed Decision, p. 97)

The LGSEC acknowledges the attention paid in the Proposed Decision to ensuring that customers who reside in "disadvantaged communities" have access to renewable distributed generation. As indicated in our September 1, 2015, comments on the NEM Public Tool, the definition used by the California EPA, and recommended in the Proposed Decision, serves only a portion of the disadvantaged communities in California. In the further deliberations anticipated in Phase 2, the Commission should establish a methodology for monitoring the

¹ Across California, cities, counties, associations and councils of government, special districts, and non-profit organizations that support government entities are members of the LGSEC. Each of these organizations may have different views on elements of these comments, which were approved by the LGSEC's Board.

deployment of renewable distributed generation in <u>all</u> disadvantaged communities in California, not just those identified in CalEnviroScreen. The Commission should identify a trigger for determining that a different way of identifying these communities is warranted, in order to increase access to these technologies.

The Proposed Decision correctly maintains Virtual Net Metering and Net Energy Metering Aggregation. These options allow local governments to manage our energy systems in a manner that maximizes the use of distributed generation.

The Proposed Decision is well-reasoned and establishes a successor tariff that works for local governments. As stewards of financial and environmental resources who are working in partnership with the State to achieve ambitious climate change goals, the Proposed Decision helps us continue our work. The Commission should adopt the Proposed Decision.

January 7, 2016

Respectfully submitted,

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