



# CITY COUNCIL STAFF REPORT



**November 9, 2021**

## **ITEM TITLE**

Sustainability Commission: Consideration of Sending a Public Comment to the California Public Utilities Commission Regarding CPUC Net Energy Metering 3.0

**Report Number:** 21-0222

**Location:** No specific geographic location

**Department:** Economic Development

**Environmental Notice:** The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

## **Recommended Action**

Consider the request of the Sustainability Commission to send a public comment (via resolution or letter) to the California Public Utilities Commission (CPUC) Regarding CPUC Net Energy Metering (NEM) 3.0

## **SUMMARY**

Net Energy Metering (NEM) 2.0 details the California Public Utilities Commission (CPUC) tariff rules for solar energy. NEM 2.0 is being updated via NEM 3.0, with a decision date of December 10, 2021. Proposed changes may reduce the viability of and increase the cost of Solar Energy to the public. The Sustainability Commission recommends that the City provide to the CPUC either a resolution or letter supporting policies that keep the use of solar energy viable and affordable to the public.

## **ENVIRONMENTAL REVIEW**

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

## **BOARD/COMMISSION/COMMITTEE RECOMMENDATION**

The Chula Vista Sustainability Commission supports sending to the CPUC a public comment via resolution as attached to this Staff report.

## DISCUSSION

Net Energy Metering (NEM) 2.0 is a California Public Utilities Commission (CPUC) regulation that addresses tariffs for solar energy. It impacts the cost and viability of solar energy for the public. NEM 2.0 is being changed via NEM 3.0. (See <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/net-energy-metering>.) It has been asserted that proposals submitted by utilities (IOU proposal) would reduce the viability of solar energy and increase the cost of solar energy to the public. (See for e.g., <https://www.utilitydive.com/news/as-californias-solar-net-metering-battle-goes-to-regulators-a-focus-on-re/606816/> and <https://www.hammondclimatesolutions.com/resources/toolkit-net-energy-metering-nem-3-0>.)

The Chula Vista Sustainability Commission asks that the City Council of Chula Vista adopt/support either a resolution or letter to be sent to the CPUC as a public comment so that the CPUC, in its rule making capacity regarding NEM 3.0, adopt rules that continue to make solar energy viable and affordable for the public including strengthening NEM to expand access to all households, particularly of low-and-moderate income; expand access to other clean energy technologies that pair with solar, such as batteries; ensure that the solar installations continue to grow in order to meet State and City climate goals; and exclude provisions set forth in the IOU Proposal such as high monthly fixed fees and reducing or eliminating credits for sharing electricity with the power grid. (See for e.g., Attachments 1-5.) The Sustainability Commission has attached to this staff report a draft resolution and draft letter in support of said request for Council's consideration and adoption. The CPUC is expected to rule on NEM 3.0 on December 10, 2021.

## DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site specific and consequently, the 500-foot rule found in California Code of Regulations section 18704.2(a)(1), is not applicable to this decision. Staff is not independently aware, and has not been informed by any Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

## CURRENT-YEAR FISCAL IMPACT

There is no fiscal impact from this action.

## ONGOING FISCAL IMPACT

There is no fiscal impact from this action.

## ATTACHMENTS

1. Sustainability Commission memo to Mayor and Council
2. Draft letter
3. Local Government Sustainable Energy Coalition (LGSEC) Public Comment to CPUC re NEM 3.0
4. San Diego Community Power comments

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