
November 9, 2021

TO: Honorable Mayor and Council

FROM: Sustainability Commission

RE: Recommendation to Support a Solar Friendly Net Energy Metering 3.0 Policy

Dear Honorable Mayor and Council:

Net Energy Metering (NEM) 3.0 is currently under review by the California Public Utilities Commission and will impact the future of solar in California. The City of Chula Vista's Sustainability Commission recommends that the City Council issue a resolution in support of a strong solar-positive NEM 3.0 policy to reflect the City of Chula Vista's sustainable energy goals stated in its Climate Action Plan and reflected in memberships in the Local Government Sustainable Energy Coalition and San Diego Community Power.

The current policy, NEM 2.0, encourages the installation of local rooftop solar by sufficiently reimbursing customers for energy generated and returned to the grid. NEM 2.0 encouraged significant investment in local solar and, more recently, energy storage. Residents and businesses in Chula Vista have installed 84,468 kW of rooftop solar. Various proposed NEM 3.0 policies would add high upfront fees, reduce the export compensation fees, and ultimately increase the amount of time required for customers to pay off their systems. Consequently, this will lead to a decline in new solar installations and reduction in valuable, local, energy efficiency while increasing fossil fuel consumption. Said results will catalyze climate social injustice and accelerate the climate crisis. What is more, some proposed NEM 3.0 versions change the rate structure for existing solar customers to yield lower investment returns for residents and businesses.

Therefore, the Sustainability Commission believes that the tenets presented in the attached letters from the Local Government Sustainable Energy Coalition and San Diego Community Power provide a strong foundation for continued solar growth for Chula Vista. With significant and expanding amounts of solar, access to clean energy programs can be made available to all customer groups to ameliorate climate social injustice.

A solar-friendly NEM 3.0 policy should be supported by the City of Chula Vista, via resolution or letter of support. NEM 3.0 should protect existing solar customers, encourage local development of energy sources, reduce construction of expensive and inefficient distribution systems, promote battery backup and associated clean technologies, and provide solar access to low-income communities currently excluded from participation. Finally, installation of local rooftop solar promises a positive economic impact for Chula Vista by providing local jobs.

Sincerely,

Tina Mathias, Chair
Sustainability Commission, City of Chula Vista

CC: Maria Kachadoorian, City Manager
Eric Crockett, Assistant City Manager

Att.