NEM Solar Editorial for KVMR

You’ve probably heard that there are big changes afoot for people with solar panels on their homes in California or thinking about going solar here. The California Public Utilities Commission- or CPUC for short- is considering drastically altering the amount that future solar customers will be paid, for what their systems produce. Those that have solar already will be able to keep their present rate for 15 years from when their system was installed. Then they will be switched to the new rates that will on average have a $60 monthly fee and only give about 1/4 of the rate of return on the power they produce.

New solar customers will be put on the new system - Called NEM3- which is the 3rd generation of Net Energy Metering in the state. There will be a 4 year period in which the costs ramp up, and the amount paid for power decreases.

The solar industry in California fears that this new poor rate of return will certainly discourage new customers from putting solar on their homes. This coming in a time when our society is transitioning to electric vehicles and the need to shift away from fossil fuel generated electricity,

to combat climate change.

The Utilities believe that they need to charge more for solar customers ‘access to the grid’

in order to do the necessary upgrades to the Power- grids infrastructure, and harden it from disasters like the fire that destroyed the town of paradise in 2018. The utilities argument is that non-solar customers, including low income ratepayers, are shouldering the burden of these repairs and upgrades.

The big problem is that solar produces most power in the middle of the day, when the sun is shining down high in the sky. So now the state has enough power at lunchtime, but by dinnertime when the sun has set, there is a need for more power to be generated. Batteries installed on residential solar systems have the potential to take care of this load shift, however these batteries are still very expensive and the environmental impacts of producing all these batteries are being debated. Local Solar advocate and Energy analyst Martin Webb says-

< Play Martin’s exerpt>

The CPUC has put a temporary hold on the proceedings till March or beyond. Public outcry over the drastic reduction in benefits from going solar influenced Governor Gavin Newsom to say “their needs to be some changes”. Also it turns out that the CPUC has had 2 of it’s 5 commissioners step down from the commission in December of 2021- including the President.

The new commissioners that Gov. Newsom appointed are hesitant to sign on to this plan that was developed by their predecessors. Whether it will be back to the drawing board or just some minor tweaks is the question that will be answered in future CPUC proceedings.

Currently the solar industry in California employs about 70,000 workers. The future of these jobs, with corresponding supply chain and sales jobs is at stake. While there may be more jobs in related fields, like battery installations, the workforce that has been trained to install solar systems is anxiously awaiting what will come next for them……

If you’d like to learn more about the going’s on at the CPUC, you can see their meeting agenda’s at [cpuc.ca.gov/](http://cpuc.ca.gov/)

Local climate activists are following the debate closely. You can see updates at NCclimateactionnow.org