



Consent Item 7

TO: East Bay Community Energy Board of Directors
FROM: Melissa Brandt, Senior Dir. of Public Policy and Deputy General Counsel
SUBJECT: Approval of Legislative Position (Action Item)
DATE: June 16, 2021

Recommendation

Take an “oppose” position on Assembly Bill (“AB”) 1139 (Gonzalez).

Background and Discussion

In July 2018 the EBCE Board approved a Legislative Program which outlined three general legislative principles and five more specific public policy positions, as well as guidance for legislative policy coordination. The following recommended bill position aligns with the guidance in EBCE’s Legislative Program.

OPPOSE: AB 1139 (Gonzalez) would require the California Public Utilities Commission (“CPUC”) to develop a replacement tariff for Net Energy Metering (“NEM”) by August 1, 2022 and require the large investor-owned utilities (“IOUs”) to offer the new tariff by December 31, 2023. The bill would eliminate the requirement that the NEM tariff ensure that customer-sited renewable distributed generation continues to grow sustainably. AB 1139 would also require that an existing NEM customer be transferred to the replacement tariff no later than 20 years from the date the customer first received service pursuant to the NEM tariffs.

Under AB 1139, if the CPUC failed to adopt a successor tariff by August 1, 2022, the bill would instead require the CPUC to develop a more prescriptive successor NEM tariff that:

- Cost-effectively achieves the policy goals and objectives of the state and includes specific alternatives designed for growth among residential customers in disadvantaged communities
- Is based on the costs and benefits of the facility for non-NEM customers

- Ensures that the non-NEM customer benefits exceed or are approximately equal to benefits to NEM customers
- Does not impose costs on customers who do not utilize a net energy metering tariff, and
- Credits the NEM customer for exported electricity at the IOU's avoided cost as determined by the CPUC's avoided cost calculator

AB 1139 is at odds with EBCE's legislative principle of Accelerating Decarbonization, as the legislation will decrease NEM revenues for distributed solar and solar-plus-storage customers. Lower revenues will disincentivize the growth of clean customer-sited distributed generation. Additionally, AB 1139 undermines EBCE's legislative principle of Promoting Local Development; by reducing IOU funding for NEM, customer-sited solar and solar-plus-storage distributed energy resources in EBCE's service territory will be harder to finance and new investments in these clean energy sources are likely to decrease.

Fiscal Impact

AB 1139 will result in reduced NEM funding for distributed solar and solar-plus-storage projects throughout the state, including in EBCE's service territory.

Attachments

None