



February 7, 2020

TO: California Energy Commission

RE: Sacramento Municipal Utility District (SMUD) Application to Administer a Community Shared Solar System (# 19-BSTD-08) - **RESPONSE TO RESUBMITTED SMUD SOLAR SHARES PROPOSAL**

Dear Commissioners:

Solar Rights Alliance remains opposed to the Sacramento Municipal Utility District's (SMUD) proposal to meet the state's new Solar Homes requirement through SMUD's SolarShares program. You continue to receive hundreds of comments in opposition from SMUD customers, concerned members of the public from across the state, environmental organizations and solar companies. There is a good reason for that and we urge you to heed the overall public sentiment on this matter.

Our continued opposition to Solar Shares is for the following reasons:

1) The bottom line is that SMUD's resubmitted proposal will still prevent solar and battery storage from being included in newly built homes in the Sacramento area for twenty years.

The primary problem with SolarShares has never been the location or additonality of SMUD's solar farms. It is a positive development that SMUD has committed to locating its solar farms closer to Sacramento and making them additional to what's currently online. However, that decision doesn't address SolarShares' main problem.

The bottom line is that SolarShares, even with SMUD's modifications, will prevent solar and storage from being installed in thousands of new homes for twenty years. This outcome will undermine the intent of the Solar Homes Mandate.

2) SMUD's offer to provide a point of sale option for consumers misses the point of the Solar Homes Mandate, and of building standards in general.

The Solar Homes Mandate was sold to the public as a common sense policy that would save homeowners thousands of dollars in electricity costs, harden the grid and advance the state's aggressive clean energy goals - all at a fraction of the upfront cost because solar is cheaper when included in the new home. In adopting the Solar Homes Mandate, the state was effectively treating rooftop solar in a similar fashion as insulation and double paned windows. Providing a point of sale option misses the point of what a building standard is all about.

Moreover, SMUD's offer will only apply to custom-built homes, resulting in thousands of other new homes going without solar as a result of this policy.

3) To meet its ambitious clean energy goals, California needs an enormous increase in both utility-scale and distributed clean energy. State and SMUD policy should focus on expanding both, rather than cutting off rooftop solar. By preventing rooftop solar and storage from being installed on new homes for twenty years, Solar Shares does the opposite.

We assume the Commission understands the important and difficult task California has created for itself in committing to have 100% of its electricity come from clean sources by 2045. Meeting this target will require a

massive increase in all forms of clean energy, both utility-scale and distributed. It cannot be met by one source or another.

In this context, it makes sense to encourage solar and storage to be installed on every home that is suited for it. Even with such an orientation, electrification and the fact not all homes are suited for solar ensures there will still be a great need for utility-scale solar.

It makes no sense to let SMUD or any other utility effectively discourage solar and battery storage from being installed in new homes that are otherwise suited for it. However, that is precisely how SolarShares is designed, even with its modifications.

4) SolarShares is not community solar.

We believe there should be a community solar option for new homes that are not suited for solar. We were encouraged when the Commission expressed an intention to flesh out the definition of community solar after your November meeting on this issue.

A true community solar program has a few components.

SMUD's revised Solar Shares proposal addresses to some extent three of those components, which are ensuring that solar panels and batteries are located in or near the community and sized accordingly, additional to what's already been built, and dedicated to the specific homes and businesses that sign up.

However, SMUD's revision fails on three other crucial criteria, which are as follows:

- True community solar provides similar energy savings from the community solar as from rooftop solar. SolarShares still doesn't come close to the savings of true rooftop solar.
- True community solar should not be used to prevent solar for homes suited for rooftop solar. SolarShares remains structured to ensure most new homes will not have solar and batteries.
- True community solar ensures that the utility doesn't monopolize community solar developments. Solar Shares by definition lets SMUD monopolize community solar options for the region.

5) SolarShares does not come close to providing the economic benefit of either rooftop solar or true community solar.

Even by doubling the homeowner credit, *SolarShares* will provide an average subscriber only \$40/year in economic benefits, with no option for battery storage. This doesn't come close to matching the annual savings from rooftop solar - whether the solar user owns the system or is in a PPA arrangement.

In their revised proposal, SMUD persists in making the patently false assertion that SolarShares offers superior reliability of service and cost. SMUD's willingness to make these unsubstantiated claims indicates ignorance of the experience of over a million solar users in the state, and sidesteps the actual issue, which is that *SolarShares* locks new homeowners into a program with inferior economic benefits compared to rooftop solar.

We also take issue with SMUD's argument that SolarShares is needed to serve low-income customers and renters. If SMUD was serious about providing economic benefit to those ratepayers, SMUD could offer a true community solar program as outlined in our fourth point above. They haven't.

SMUD's interest in truly helping renters access the benefits of solar is further suspect considering that SMUD continues to refuse to allow "Virtual Net Metering", which is the simplest and easiest way to let the benefits of rooftop solar accrue to renters in multi-family homes.

Overall, both the substance and approach to SMUD's defense of SolarShares reveals a disappointing lack of empathy for consumers, and a perspective that is entirely out of step with the public's understanding of the state's intentions.

To reiterate: Utility-scale renewable energy should be an important part of the state's transition to clean energy. SMUD and other utilities have an important job building enough utility-scale clean energy to meet the state's clean energy targets. But to hit the state's clean energy goals by 2045, the state also needs significant growth in distributed solar and storage. Indeed, more rooftop solar and storage helps SMUD by reducing the amount of central capacity they must build, which saves everyone money. It makes no sense to restrict the growth of rooftop solar.

To reiterate the stakes of your decision: Your Solar Homes plan captured the imagination of the nation, and world, by making the clean energy homes of the future a reality now. SMUD's proposal would undermine your accomplishment in one fell swoop, and leave new homeowners, new renters and our community worse off as a result.

Thank you for considering our position,

Dave Rosenfeld
Executive Director
dave@solarrights.org
916-778-0096