

DOCKETED

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California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Docket 19-BSTD-08
Submitted via electronic comment system

RE: Sierra Club California written comments on Sacramento Municipal Utility District's (SMUD) SolarShares Program

Dear Commissioners:

Sierra Club California submits these comments raising our concerns with the Sacramento Municipal Utility District's (SMUD) Neighborhood SolarShares Program proposal (SolarShares program).

In November 2019, the California Energy Commission (Commission) postponed a vote on the proposal, requesting SMUD to make revisions addressing the concerns raised that the SolarShares program undermines the new solar mandate. While Sierra Club appreciates that SMUD made some positive amendments, the SolarShares program still presents problems that will weaken California's clean energy, environmental, and climate resilience goals. In addition, Sierra Club believes the SolarShares program fails to represent the type of true, local community solar energy that we envision for California.

We urge the California Energy Commission (Commission) to reject this proposal for the following reasons:

1. The SolarShares program continues to undermine California's clean energy and environmental goals

As stated in our opposing comments submitted in November¹, the Commission's clean energy goals are to promote zero net energy homes and buildings and encourage the expansion of solar and storage in California to facilitate the state's transition off of fossil fuels. We appreciate SMUD's efforts in revising the SolarShares program. However, even with the current amendments, the program still undermines California clean energy and environmental policies.

¹ Sierra Club California Comments - Oppose SMUD Application to Administer a Community Shared Solar System, Doc. 19-BSTD-08, *available at* <https://efiling.energy.ca.gov/GetDocument.aspx?tn=230600&DocumentContentId=62192>.

First, SMUD has stated that its SolarShares program “will mean that fewer fossil power plants will have to run, improving air quality and reducing GHG emissions from the electric sector.”² However, SMUD’s integrated resource plan (IRP) does not indicate that they are willing to displace any of their own fossil fuel resources.³ As stated in its IRP, SMUD will rely on offsets it receives from other electrification programs so that the utility can continue to keep its plants running.⁴ Additionally, there is nothing in the SolarShares program ensuring that that utility will be getting off of their local gas plants. So this statement is completely unsubstantiated and misleading.

Also, rooftop solar customers are required to be on time-of-use rates and, thus, have incentives to install energy storage, batteries, and other load-shifting technologies that reduce energy consumption during the evening hours when GHGs are highest. SMUD’s program does not have this time-of-use requirement. Therefore, the SolarShares program will result in GHGs from peaker gas plants that have to fire up to meet demand, as compared with rooftop solar paired with storage.

Second, SMUD, without basis, states that its program will lead to more clean energy generation under the Renewable Portfolio Standard (RPS). However, it is not necessarily the case that if SMUD retires Renewable Energy Credits (RECS) in the Western Renewable Energy Generation Information system (WREGIS) on behalf of program participants,⁵ and makes these RECs unavailable to the RPS market, then it follows that the program will result in more solar.

While rooftop solar does not allow for SMUD to retire RECs generated by customers, rooftop solar still provides clean energy to customers, transmits excess clean energy to the grid, and ultimately helps SMUD avoid RPS costs for energy that they would otherwise have to procure.

Lastly, there are additional environmental benefits when considering the scale of solar systems. Onsite rooftop solar as well as local community solar not only help achieve emissions reductions but can do so while avoiding negative environmental impacts on our state’s natural resources. Utility-scale solar energy, when not properly sited, can have adverse impacts on biodiversity, land-use, soils, and water resources.⁶ Even the Commission has noted some of these challenges including “acquiring large plots of land, long transmission distribution and transportation infrastructure,” and the possibility of having a “negative impact [on] sensitive wildlife habitats.”⁷ SMUD customers should have the option to take advantage of the built environment to support solar growth. Instead, SMUD’s SolarShares program limits the consumer

² Sacramento Municipal Utility District, SMUD’s Revised Application for Neighborhood SolarShares Program, p. 7 (Dec. 2019) [hereinafter SMUD SolarShares Program].

³ Sacramento Municipal Utility District, SMUD: Resource Planning Report, pp. 32, 64, 92, 117, Doc. 18-IRP-01 (Apr. 2019), available at <https://efiling.energy.ca.gov/getdocument.aspx?tn=227887> [hereinafter SMUD IRP].

⁴ See SMUD IRP at p. 117.

⁵ SMUD SolarShares Program, pp 6-7.

⁶ https://www.researchgate.net/publication/257200435_Environmental_impacts_of_utility-scale_solar_energy

⁷ California Energy Commission, “Frequently Asked Questions: 2019 Building Energy Efficiency Standards” (2019), 3-4, available at: https://ww2.energy.ca.gov/title24/2019standards/documents/Title24_2019_Standards_detailed_faq.pdf (“CEC FAQ”).

choice and continues to advance utility-scale solar when there are more environmentally friendly alternatives.

2. The SolarShares program obstructs climate resiliency efforts

One of the benefits of community solar plants and community shared storage is that they will be critical tools for California's resilience actions especially amidst wildfires and shutoffs and the general instability of the state's grid. Distributed solar systems equipped with batteries or multifunctional inverters can maintain access to electricity during emergency situations. One of the greatest attributes of "community solar", when properly defined, is its resilience benefits in the face of power shutoffs and natural disasters.

Rooftop or local community solar systems when paired with storage can increase resilience in the grid system by also reducing peak electricity consumption, provide ancillary services to the grid, and provide critical load support to a particular building or facility, such as hospitals or shelters, during extreme events with grid outages.

SMUD's program works counter to California's resilience goals since the projects in the application are not located close enough to the community they serve. Therefore, it fails to satisfy the resilience benefits of distributed generation. The program will also disincentivize the installation of battery storage systems which can provide backup power during emergencies. This is a dangerous precedent to set during a climate crisis. In order for our communities to be more resilient, they need access to more reliable, affordable power for more people during outages.

3. The SolarShares program is not true community solar

SMUD's proposal still fails to meet the qualities of true community solar because of its size, location, and failure to realize the benefits that true community solar can bring to a community.

First, community solar farms or gardens should not be larger than 1-5MW in size. This size is in line with successful community programs across the country such as Minnesota's and New York's community solar programs⁸. Inappropriately, SMUD caps its projects' size at 20 MW. This is clearly much larger than the traditional community scale solar plant size.

Second, to maximize resilience and the local benefits of community solar, the community solar plant should be located (i) in the community of the homes and buildings it will serve and (ii) as close to the homes and building it will serve as possible. SMUD states that its SolarShare program "will be located in SMUD's service territory." However, SMUD fails to clarify exactly what this means for the location of the solar farms. SMUD's service territory is approximately 900 square miles. This means that the solar farm of the SolarShares program could still be located many miles away from the homes and buildings that it will serve.

⁸ John Farrell, Instit. for Local Self-Reliance, *Why Minnesota's Community Solar Program is the Best* (3 Feb. 2020), <https://ilsr.org/minnesotas-community-solar-program/>; Myles Fish, energysage, *Community Solar in New York* (June 23, 2019), <https://news.energysage.com/new-york-community-solar-overview/>

Lastly, the benefits received from a community solar plant should be comparable to the benefits received from rooftop solar. It should increase climate resilience, reliability and energy efficiency in the same way as rooftop solar. Community solar plants should also offer economic benefits. As such, community solar programs should result in bill savings for customers as well as provide opportunities for job creation and training that is aligned with environmental justice and just transition efforts. SMUD's proposal simply does not deliver any of these benefits of true community solar.

As illustrated above, and in other comments submitted in opposition⁹, SMUD's proposal still falls short of true community solar. Therefore, we urge the Commission to reject the proposal and request that SMUD revise its program to reflect the qualities of true community solar.

This also raises the issue as to whether the requirements set forth in Title 24, Section 10-115 are themselves inaccurately defined. While we commend the Commission's inclusion of a "community solar" option under the solar mandate, this option lacks clarity. Thus, we also request the Commission to revisit its definition of "community solar" in Section 10-115 and to consider the recommendations we have included herein. In doing so, the Commission should engage the community and receive public input in the development of this new definition that properly reflects California's clean energy and climate goals.

4. Conclusion

Sierra Club California supports solar energy. It is a clean, renewable energy source that will help the state achieve its climate and emissions reduction targets. Moreover, community solar, when properly defined, is an essential alternative when rooftop solar is not feasible.

Unfortunately, SMUD's SolarShares program fails to meet the qualities of a true community solar program. In addition, SMUD's program will also undermine the advancements California has made for rooftop solar and will discourage further expansion of solar plus storage in our homes and buildings.

The increasing risks Californians face from climate change requires that we continue to develop clean, resilient energy at a local level. This can be done with rooftop solar and true local community solar paired with storage. SMUD's SolarShares program fails to meet this need. Therefore, we urge the Commission to reject SMUD's SolarShares program and revisit Section 10-115's definition of "community solar".

Sincerely,



Lauren Cullum
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⁹ Center for Biological Diversity Comments on SMUD's Revised Application, Doc. 19-BSTD-08, *available at* <https://efiling.energy.ca.gov/GetDocument.aspx?tn=231853&DocumentContentId=63719>.