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Subject: Forcing All-Electric Construction Compels another Unconscionable Energy Tax

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Forcing All-Electric Construction Compels another Unconscionable Energy Tax

"[Natural gas] bans have ignited a backlash from some of California's most prominent Black and Latino leaders, who are saying that the prohibitions on the use of the fuel are a form of regressive tax on low- and middle-income residents. Assemblyman Jim Cooper, a Democrat from Elk Grove, has become one of the harshest critics of California's climate policies and the environmental groups that are pushing them."

- Robert Bryce, Forbes, December 15, 2020

Homeowners don't like being targets.

Taxpayers despise government leaders that use consultants to help them cook the books to justify questionable public policy.

And voters, once aroused from their busy lives, vote the charlatans out. Property owners and renters share a common distaste for unreasonably rising utility rates, especially as a result of bad public policy. Common sense must make a comeback.



Incoming Sonoma County Supervisor, Lynda Hopkins, enjoys the benefits of natural gas in her home. Image by Kent Porter, *The Press Democrat*, circa 2019.

What's Up with Forcing Rooftop Solar?

I recently received a copy of 2018 letter to the editor [1], written by an assistant professor of economics and public policy regarding "The Phony Numbers Behind California's Solar Mandate."

Steven Sexton, of Duke University, confirmed what I subsequently discovered about the only consultant the state hired (the unelected California Energy Commission, to be precise). Sexton reported, "a state-hired consultant lowballed the costs and assumed massive subsidies in

estimating benefits." Energy and Environmental Economics, or E3, the lone consultant argued a 100% return on investment for rooftop solar by adding \$40 to a monthly mortgage by saving \$80 in electric bills. This sound byte, among others the CEC made up, is simply incorrect and fraught with misleading information.

First, the analysis by Duke University highlights that the savings is not \$80 per month as the CEC claims, but a more realistic \$12.50 per month.

Second, the state's modeling for the undersized rooftop solar system it has mandated on new residential construction is skewed to be overly-optimistic. Sexton weighed in, "Comprehensive analysis of panel costs by the Lawrence Berkeley National Laboratory estimated the cost of installed panels to be . . . \$4,000 more than regulators claim . . . Berkeley Lab further estimates the costs fell a mere 1%, far short of the 4% average annual decline the regulators predict."

Third, subsidies paid to homeowners under the revised net energy monitoring policy, NEM, will all but disappear in California and many other states. Residential solar generators will no longer be paid as much as eight times what wholesale generators receive. Sexton adds, "Economies of scale allow large-scale solar farms to generate twice the electricity of the solar mandate at the same cost." Plus the homeowner is not saddled with operating a complex energy system as a mini-utility operator with all of the attendant costs including ongoing maintenance, repair, and replacement. Furthermore, "inefficient but subsidized rooftop solar limits the market for utility-scale solar by depressing the wholesale electricity prices big generators receive."

Fourth, John Lowry, a retired executive director of Burbank Housing, and other policy makers have condemned rooftop solar as bad public policy. As Steven Sexton of Duke wrote, "Solar panels are most effective when installed where transmission constraints make supply relatively scarce – not on every roof in California."

California Utility Bills: When Electric Bills Were More Reasonable - 2018

Monthly Average Costs (\$)

Electricity

Natural gas

Internet (60 Mbps)

Cable

Water



On Nov 30, 2020, Assemblywoman Blanca Rubio, a Democrat from the Los Angeles area, sent a letter to the Public Utility Commission which said "the growing 'ban natural gas' chorus from organizations such as the Sierra Club, the Environmental Defense Fund and Union of Concerned Scientists to name a few, has become more aggressive, and there has never been a mention by them about what the cost impacts would be on customers who are struggling with utility costs, and household expenses. More importantly, it appears their belief is cost increases should not be a determining factor with regard to approval of new energy policies because the need to address climate change trumps all concerns that might arise."

In 2018, electric bills made up more than 40% of all utility costs, on average.

Since then, electric rates have jumped another 20% with another 20% planned.

All-electric homes will drive up electric usage, just as rates continue to skyrocket.

Natural gas appliances keep utility costs down and provide superior performance.

R.K. Koslowsky, January 2021

Electricity costs are the largest and fastest growing part of Sonoma County residents' utility bills. Analysis by move.org. Graphic courtesy R.K. Koslowsky.

Ban the Bans

And it's time to *ban* the natural gas bans from taking effect. Even our new county supervisor, Lynda Hopkins, enjoys cooking on her gas cooktop, as do millions of California homeowners.

Allysia Finley wrote [2] this past December in *The Wall Street Journal*, "SoCalGas is fighting these bans, as are homebuilders, realtors and commercial real-estate groups, which noted in a public comment to the Energy Commission that 'in a survey conducted just two years ago, over 70% of the respondents indicated they would NOT want a home with an electric stove."

These changes are being forced down the throats of homeowners, who are very resistant to paying more for less.

Finley points out the hypocrisy of our state government and its regulators, "Californians pay twice as much for electricity as Nevadans and Oregonians do. In return they get rolling blackouts during heat waves and power cutoffs in windstorms to prevent fires caused by old equipment. So where's the Public Utilities Commission's Public Advocates Office? Its statutory mandate is 'to obtain the lowest possible rate for service consistent with reliable and safe service levels.' Instead it's busy trying to banish fossil fuels."

Let common sense return to our public policy initiatives.

About 86 percent of all the homes in California use natural gas. Banning the direct use of the fuel for cooking, home heating, water heaters, and clothes dryers, will force consumers to instead use more electricity which, on an energy-equivalent basis, costs four times as much as natural gas. That's an unconscionable energy tax in California, which has the highest poverty rate of any state in America.

– Robert Bryce, Forbes, December 15, 2020

[1] <u>The Phony Numbers Behind California's Solar Mandate</u>, Steven Sexton, *WSJ*, August 13, 2018.

[2] Now We're Cooking With Gas. But Tomorrow? – The Sierra Club hijacks a state agency in an effort to force Californians to use electric stoves and ovens, Allysia Finley, WSJ, December 16, 2020.

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Author's page