

In the matter of,

*2013 Integrated Energy
Policy Report
(2013 IEPR)*

CALIFORNIA ENERGY COMMISSION
Docket No. 13-IEP-1

Request for Party
Comments on Joint Petition
For Societal Cost-Benefit
Evaluation of California's
Net Energy Metering Program

The California Consumers Alliance appreciates the Energy Commission's expeditious consideration of the Petition for Societal Cost-Benefit Evaluation of California's Net Energy Metering Program (NEM), and the opportunity for the public to offer comments on the matter.

Introduction:

The California Consumers Alliance (CCA) is an organization established for the purpose of providing consumers with access to the technical and analytical skills and tools needed to fully and effectively participate in transmission planning processes. CCA supporters are electricity consumers who reside and work in the service territories of the State's Investor Owned Utilities. CCA advocates for efficient, cost effective, environmentally and socially responsible solutions to the identified needs of the State's electrical grid.

Support for the Petition:

The CCA is grateful for the Petitioners' work. We agree that their request is reasonable, in the public's interest, and pursuant to the Public Resource Codes cited. We concur with the view that the success of mandated programs promoting California's efficiency and clean energy goals is intrinsically linked to the continuation of the NEM program. We also share the belief that a tailored study of the type described in the Petition would serve to augment the cost effectiveness evaluation of the NEM program before the California Public Utilities Commission by providing key component information that is essential in order for decision makers and the public at large to have a complete description of the full range of impacts and benefits associated with the NEM program.

Furthermore, we note that the evaluation requested is in accord with Public Resource Codes describing the biannual assessments that the Commission conducts and that the Commission is uniquely situated to prepare a report on the Societal Cost-Benefit Evaluation of California's Net Energy Metering Program for the purpose of informing government, public agencies, market participants, and all other stakeholders. We ask that the Commission resolve to proceed with the societal cost-benefit study as proposed in the Petition.

Additional Comments:

Energy efficiency, demand response and renewable energy sources are the preeminent means of meeting the energy needs of Californians. These priority resources provide recognized and demonstrable benefits to the bulk energy system while simultaneously providing a multitude benefits to the state as a whole. Implementing these priorities largely involves the participation of consumers. By participating, consumers reduce their demand for electricity from bulk system supplies, stabilize their energy bills, contribute to the state's goal of reducing the environmental impacts of electricity production, promote healthier communities, and support the growth of innovative-sustainable industries that are providing needed employment opportunities.

Locating priority energy resources close to loads is compatible with other uses of property and community values, and rarely incurs public opposition--facilitating simple and fast deployment. By placing priority energy resources at geographically dispersed and diverse points of consumption, the environmental, efficiency, and socioeconomic benefits are distributed to a greater number of individuals and communities. Furthermore, the benefits of distributed priority energy resources are not merely handed over to individuals and communities who implement them, but extend beyond the proximity of these resources by diminishing the net impacts of totalized energy production on the state's natural resources, wildlife habitat, air quality, and water resources. Preferred energy resources accomplish these tasks by:

- Reducing demand and peak loads results in lower emissions.
- Decreasing cooling water requirements, and water expended in the extraction of fossil fuels utilized by conventional generation.
- Eliminating and/or deferring the need for transmission and conventional generation resources.
- Enabling California to achieve its energy policy goals more efficiently by incrementally reducing the infrastructure needed to comply with targets.

Notably, priority resources work together as a complementary demand side management package that maximizes the value of conserving energy while maintaining a level of comfort and convenience that consumers are accustomed to--a known driver in hastening acceptance and adoption by customers. In crafting PUC code 2827 (a), the legislature recognized that a simplified billing arrangement is key to encouraging consumer participation, and addresses a number of important societal issues. In the decade following its implementation, the NEM program is proving to be very effective in meeting the mandate's expectations, including; *encourage substantial private investment in renewable energy resources, stimulate in-state economic growth, reduce demand for electricity during peak consumption periods, help stabilize California's energy supply infrastructure, enhance the continued diversification of California's energy resource mix, and reduce interconnection and administrative costs for electricity suppliers.*

The energy generated from rooftop solar system often coincides with system peak demands, when the price for electricity is traditionally at its highest levels--helping to put downward pressure on wholesale energy costs. The simplified arrangement of sizing of an onsite rooftop solar system to meet annual electricity usage allows for times when customer-generator's surplus electricity serves nearby customers--reducing neighboring loads that would otherwise have to be served by conventional means--helping to lower location specific infrastructure requirements and the cost of delivering energy into constrained areas. By providing a way for consumers and public institutions to decrease their non-discretionary expenditures on energy, the NEM program has broad and accumulating impacts on the economy that deserve accounting for and evaluating.

We find the NEM program to be an iconic precursor of facilitating a more socially and environmentally responsible, cost effective and efficient grid--a model worth enhancing and emulating. Customer-generators are valuable contributors to the sustainable energy effort, and the general well being of our state. As California moves ahead to confront the challenges of modernizing the grid, it is becoming increasingly urgent to examine ways to encourage investment in cost effective resources that are harmonious with our state's goals. CCA firmly believes that resources that sit on the demand side of the energy equation are replete with attributes that make them complimentary additions to the state's fleet of clean energy resources, and, are already cost effective from the broad perspective of seeking to represent the best interests of California and its inhabitants. We look forward to the Commission's evaluation.

Respectfully Submitted, June 25, 2013
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