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# California Legislature



**MARTY BLOCK**  
SENATOR, THIRTY-NINTH DISTRICT

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JEWISH CAUCUS

September 25, 2015

Michael Picker, President  
CA Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

RE: San Diego Rooftop Solar Investments and NEM 2.0

Dear President Picker,

I am writing on behalf of the numerous solar companies who employ thousands of people in my district in San Diego who wrote to you and the Governor recently asking for assistance in maintaining the current net energy metering (NEM) tariff for consumers until three months after the CPUC adopts its new NEM 2.0 decision later this year. I strongly support these companies in their request and urge you and your fellow commissioners to ensure it is fulfilled.

The attached letter, from the largest solar companies in my region, states that San Diego Gas and Electric (SDG&E) is very close to hitting its NEM program limit, or "cap." This would have a devastating effect on solar installations and employment in our region because it will likely reach the point where interconnection of solar systems under the current NEM tariff will stop within weeks of the December 31, 2015 NEM 2.0 deadline.

SDG&E would hit the cap in March 2016 if the current rate of installation were maintained. However, SDG&E is expected to reach its NEM cap much sooner because customers are motivated to submit applications before the current NEM tariff expires, creating a large surge in applications that has already begun.

This circumstance, combined with the possibility that a final vote on NEM 2.0 could slip past December if commissioners wish to hold the decision or consider modifications, creates the very real likelihood that SDG&E could reach its NEM cap before the Commission adopts a NEM 2.0 successor tariff.

It is my understanding that these companies have raised this issue in the recent past with the Governor's staff and with others in the Capitol where it was positively received.



Page Two – Michael Picker, PUC President

The CPUC is well within its authority to issue a decision ordering SDG&E to continue the existing NEM tariff until after the NEM 2.0 decision has been adopted, and does not require further legislative authorization to do so.

In requiring the Commission to ensure that “customer-sited distributed generation continues to grow sustainably,” the Legislature made clear its intent to the Commission to take actions necessary to avoid significant disruptions such as the tariff uncertainty impending in San Diego.

Public Utilities Code Section 2827.1 provides the Commission with explicit authority to order a utility to offer a new NEM tariff (which may simply be a continuation of NEM) when the utility reaches its 5% NEM cap. The Commission has broad authority to address this situation under Section 700, and no statute specifically prohibits Commission action.

For all of the foregoing reasons, I would strongly request that the commission act with deliberate speed to ensure that clean energy, jobs, and economic growth in the San Diego region continue unabated as the commission ultimately moves forward with its successor NEM 2.0 tariff.

Thank you in advance for your assistance.

Sincerely,

A handwritten signature in black ink that reads "Marty Block". The signature is written in a cursive style with a long horizontal line extending to the right.

MARTY BLOCK  
State Senator, 39<sup>th</sup> District

cc. Commissioners  
1 Attachment