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New coalition of clean energy, senior, faith-based, community and business organizations calls for changes to California's outdated rooftop solar program driving up electricity bills for millions

Coalition says solar rooftop growth is possible without forcing low-income electricity customers to subsidize wealthier homeowners' solar panels

Sacramento -- A diverse group of clean energy, seniors, faith-based, community and business groups today announced a new coalition, [Affordable Clean Energy for All](#), to raise awareness about inequities in California's 25-year old Net Energy Metering program (NEM) that are needlessly increasing electricity rates for millions of residents including those least able to pay.

The coalition supports the continued growth of rooftop solar and the state's commitment to clean energy and is encouraging the California Public Utilities Commission (CPUC) to reform NEM's antiquated rate structure.

The NEM program is so [outdated](#), and the credits so large, that electricity customers with rooftop solar are not paying their fair share for electric grid maintenance costs or state-mandated Public Purpose Programs like energy efficiency and low-income assistance. Some rooftop solar customers pay no electric bill at all, yet they rely on the grid at all times to export power, and at night or on cloudy/rainy days.

These infrastructure and mandated Public Purpose Program costs do not go away. They are instead shifted to customers without solar systems and amount to about \$2.8 billion annually or about \$200/year for individual energy customers. For low-income consumers and seniors on a fixed income, this is especially problematic.

"We can achieve a clean energy future for our grandchildren without burdening seniors on fixed incomes with high electric bills. We need to make changes to the solar rooftop program to ensure everyone continues to pay their fair share toward grid maintenance and mandated Public Purpose Programs," said Hene Kelly, Legislative Director, California Alliance for Retired Americans.

"The current NEM structure results in higher electricity bills for Californians, including Asian Pacific Americans, the fastest growing major racial or ethnic group in the United States," said Susie Y. Wong, President and CEO, Asians in Energy. "As recent immigrants strive to lift themselves up the economic ladder, the current NEM structure has a disproportionately negative effect on building sustainability in our state's most vulnerable communities and social equity in our distribution of energy. This must change."

Unlike energy efficiency programs that benefit all Californians, NEM benefits are highly concentrated among a subset of the population that is almost exclusively homeowners and tend to be, on average, higher-income earners than the rest of California. The fact that comparatively higher-earning homeowners benefit from greater energy subsidies than low-income customers reinforces the need for reform.

Under NEM, customers with rooftop solar receive a credit on their electric bills when their system generates more power than they need, and that power is sent back to the grid.

The original goal of the program was to establish a credit generous enough to help pay off their rooftop systems over a reasonable period. The credit was set in 1995 to mirror what customers pay for that same amount of power on their bills. While the cost of solar technology has fallen more than 70% since the program began 25 years ago, the NEM subsidy paid by customers without solar continues to increase.

According to a [study](#) released by the CPUC this month,

“as compared to the general California population, NEM customers are disproportionately older, located in high-income areas, likely to own their home, and less likely to live in a disadvantaged community. Consequently, the costs of NEM are disproportionately paid by younger, less wealthy, and more disadvantaged ratepayers, many of whom are renters.” (pages 27&28)

The CPUC opened a proceeding to review the NEM program in August 2020. Parties to the proceeding must file their proposals for modifying the current NEM program by March 15. The CPUC is scheduled to make a final ruling on the program later this year.

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