



MEETING of the Community Advisory Committee of the Clean Power Alliance of Southern California

Thursday, July 22, 2021

1:00 p.m.

SPECIAL NOTICE: Pursuant to Paragraph 11 of Executive Order N-29-20, executed by the Governor of California on March 17, 2020, and as a response to mitigating the spread of COVID-19, the Community Advisory Committee will conduct this meeting remotely.

[Click here to view a Live Stream of the Meeting on YouTube](#)

*There may be a streaming delay of up to 60 seconds. This is a view-only live stream.

To Listen to the Meeting:

<https://zoom.us/j/94743798563>

or

Dial: (669) 900-9128 Meeting ID: 947 4379 8563

PUBLIC COMMENT: Members of the public may submit their comments by one of the following options:

- Email Public Comment: Members of the public are encouraged to submit written comments on any agenda item to clerk@cleanpoweralliance.org up to four hours before the meeting. Written public comments will be announced at the meeting and become part of the meeting record. Public comments received in writing will not be read aloud at the meeting.
- Provide Public Comment During the Meeting: Please notify staff via email at clerk@cleanpoweralliance.org at the beginning of the meeting but no later than immediately before the agenda item is called.
 - You will be asked for your name and phone number (or other identifying information) similar to filling out a speaker card so that you can be called on when it is your turn to speak.
 - You will be called upon during the comment section for the agenda item on which you wish to speak on. When it is your turn to speak, a staff member will unmute your phone or computer audio.
 - You will be able to speak to the Committee for the allotted amount of time. Please be advised that all public comments must otherwise comply with our Public Comment Policy.
 - Once you have spoken, or the allotted time has run out, you will be muted during the meeting.

If unable to connect by Zoom or phone and you wish to make a comment, you may submit written comments during the meeting via email to: clerk@cleanpoweralliance.org.

While downloading the Zoom application may provide a better meeting experience, Zoom does not need to be installed on your computer to participate. After clicking the webinar link above, click “start from your browser.”

Clean Power Alliance Community Advisory Committee
July 22, 2021

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PUBLIC COMMENT POLICY: *The General Public Comment item is reserved for persons wishing to address the Committee on any Clean Power Alliance-related matters not on today's agenda. Public comments on matters on today's Consent Agenda and Regular Agenda shall be heard at the time the matter is called. Comments on items on the Consent Agenda are consolidated into one public comment period. As with all public comment, members of the public who wish to address the Committee are requested to complete a speaker's slip and provide it to Clean Power Alliance staff at the beginning of the meeting but no later than immediately prior to the time an agenda item is called.*

Each speaker is limited to two (2) minutes (in whole minute increments) per agenda item with a cumulative total of five 5 minutes to be allocated between the General Public Comment, the entire Consent Agenda, or individual items in the Regular Agenda. Please refer to Policy No. 8 – Public Comment for additional information.

CALL TO ORDER AND ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. [Approve Minutes from June 17, 2021 Community Advisory Committee Meeting](#)
2. [Update on the CAC 2020/2021 Adopted Work Plan](#)

REGULAR AGENDA

3. [Oral Update from the Executive Director on CPA Operations](#)
4. [Net Energy Metering 3.0 Presentation](#)

COMMITTEE MEMBER COMMENTS

ITEMS FOR FUTURE AGENDAS

ADJOURN – NEXT MEETING ON AUGUST 19, 2021

Public Records: *Public records that relate to any item on the open session agenda for a regular Committee Meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all, or a majority of, the members of the Committee. The public records are available for inspection online at www.cleanpoweralliance.org/agendas.*

MINUTES

MEETING of the Community Advisory Committee of the
Clean Power Alliance of Southern California

Thursday, June 17, 2021

1:00 p.m.

The Community Advisory Committee conducted this meeting in accordance with California Governor Newsom's Executive Order N-29-20 and COVID-19 pandemic protocols.

CALL TO ORDER AND ROLL CALL

Chair Haake called the meeting to order at 1:01 p.m. and Gabriela Monzon, Clerk of the Board, conducted roll call.

East Ventura/West LA County	Angus Simmons (Vice-Chair)	Remote
East Ventura/West LA County	Jennifer Burke	Remote
East Ventura/West LA County	Debbie West	Remote
San Gabriel Valley	Richard Tom	Remote
San Gabriel Valley	Kim Luu	Remote
West/Unincorporated Ventura County	Lucas Zucker	Absent
West/Unincorporated Ventura County	Vern Novstrup	Remote
South Bay	David Lesser	Remote
South Bay	Emmitt Hayes	Remote
Gateway Cities	Jaime Lopez	Absent
Gateway Cities	Genaro Bugarin	Remote
Westside	Cris Gutierrez	Remote
Westside	David Haake (Chair)	Remote
Unincorporated Los Angeles County	Neil Fromer	Absent
Unincorporated Los Angeles County	Kristie Hernandez (Vice Chair)	Remote

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

None.

CONSENT AGENDA

1. Approve Minutes from May 20, 2021 Community Advisory Committee Meeting
2. Update on the CAC 2020/2021 Adopted Work Plan

Motion: Committee Member Gutierrez, Westside
Second: Committee Member Tom, San Gabriela Valley
Vote: The consent agenda was approved by a roll call vote.

REGULAR AGENDA

3. Oral Update from the Executive Director on CPA Operations

Ted Bardacke, Executive Director, provided an update on Flex Alerts, noting that customer response for voluntary conservation was exceptional; CPA's demand response and peak management pricing programs are available to customers; and several of CPA's battery storage projects will be coming online that will charge using plentiful low-cost greenhouse gas-free power during the daytime and discharging during peak hours in the evening. Mr. Bardacke also provided brief updates on staff hiring; the \$1 billion in funding for utility bill write-offs in the State's budget that will provide bill relief to a portion of its customers, and the Governor's Executive Order, allowing for virtual meetings through the end of September.

Committee Member Bugarin asked if CPA can anticipate what areas are likely to experience power shutoffs first and if CPA can be more proactive in managing shutoffs. Mr. Bardacke noted that the likely reason for an unanticipated shutoff in a community is equipment failure, which is difficult to predict. Should California enter a stage three grid emergency, there is a schedule of rotating outages that will be shared with the Committee. Responding to Committee Member Novstrup's question, Mr. Bardacke referred to the California Independent System Operator's net demand trend data which indicates when demand will peak and help to forecast how much a battery can discharge to the grid.

4. Diversity, Equity and Inclusion (DEI) Plan Presentation

Karen Schmidt, Senior Advisor, Strategy, provided a presentation on CPA's DEI plan, noting that several of the organization's procurement activities and customer programs reflect CPA's core values and satisfy state regulatory requirements for DEI reporting, including CPA's first annual report on supplier diversity. CPA intends to work towards goals of diversity and equity, but it may be challenging to increase spend on diverse business enterprises in the energy sector because there are very few diverse providers; reported spend directed to diverse business enterprises is a small fraction of CPA's total spend. The DEI planning process is driven by an internal cross-functional team from across the organization focusing on innovation, leadership, transparency and economic justice in the utility industry; establishing metrics in supplier diversity, internal diversity, and stakeholder engagement. Ms. Schmidt summarized the process, including the stages of data collection, goal setting, review, and implementation planning; and presented a draft of CPA's DEI mission and long-term goals. Some preliminary 2021-2022 goals include staff

training and engagement, an annual equity audit, culturally appropriate marketing, and ongoing resources and leadership supporting these goals on an ongoing basis. Some of the stakeholder engagement objectives are to listen to communities and customers and reflect their perspectives and priorities; internal staff should have direct ownership of driving implementation and accountability of the DEI plan and conducting customer and supplier surveys and focus groups. Staff will develop a community engagement plan and present a final DEI plan for CAC and Board review as well integrate the plan into departmental operating plans, metrics, and strategic planning.

Chair Haake thanked staff for their work and commented that the DEI plan systematically examines CPA and the CAC's engagement with the most diverse and impacted communities, providing a path towards assisting these communities by way of customer programs, but there are areas with needed improvements. Committee Member Gutierrez added that language diversity is also an important consideration in defining how CPA develops its DEI plan and how it can become a leader, especially in disadvantaged communities. In response, Ms. Schmidt clarified that the internal team is certainly open to looking at the many ways the organization can define diversity and equity, and currently, staff can provide translated materials, partner with ethnic media, and continue to pursue comprehensive gender identity and LGBTQ diversity; across the board, CPA is focused on designing and investing in programs that protect the most vulnerable communities. Vice Chair Hernandez opined that the definition of diversity and equity will help to inform the decisions CPA will make; would like to see partnerships with educational institutions and conduct educational outreach that can help engage different ethnic communities; and encourages staff to ensure that the DEI plan does not remain only in writing, but is implemented throughout the organization. Committee Member Tom noted that staff has identified key areas of focus in supplier diversity where the challenge is to find diverse developers and added that CPA is in a position to redefine how the region can collectively work on diversity and equity issues; he also commented that this work is a continuous process and implementation activities should be prioritized. Committee Member Bugarin praised staff's work as authentic and well thought out; noted that "*vulnerable communities*" can have several meanings and should be inclusive to include beach and fire-prone communities; and raised the consideration that as CPA is implementing various programs in partnership with Community Based Organizations, CPA should match their work with an appropriate dollar value. Vice Chair Simmons echoed support for the DEI plan and the continued development of supplier diversity. Committee Member Lesser agreed with previous comments, and the DEI plan aligns with his personal goals to advance clean energy.

5. 2021 Legislative Update

Gina Goodhill, Policy Director, briefly reviewed next steps in CPA's priority legislation, Senate Bill 612. SB 612 takes steps to ensure fair and equitable access to the benefits of legacy resources that CCA customers already pay for but do not receive any benefits from. Should the bill pass, it can directly impact CCA's financial position, saving CPA tens of millions of dollars per year in procurement

costs that would then be passed on to customers. The CPUC recently released a final decision as a response to the bill, which required Investor Owned Utilities (IOUs) to open up access to renewable energy benefits to all customers who pay for them, but it did not allow the same access to resource adequacy. Politically, this decision will make it more difficult for the bill to move forward. Ms. Goodhill requested the Committee's assistance in submitting new Letters of Support from their local communities and will focus outreach on CPA representatives that sit on the Assembly's Utilities & Energy committee.

Chair Haake requested that staff distribute the names and phone numbers of the representatives to the CAC.

COMMITTEE MEMBER COMMENTS

Committee Member Lesser thanked Ms. Schmidt for joining a community meeting in Manhattan Beach, helping to educate and provide truthful information to the community.

ITEMS FOR FUTURE AGENDAS

Vice Chair Hernandez requested that points of contacts be shared with members. Committee Member Novstrup requested more information on how to improve the transparency of rate comparisons with Southern California Edison.

ADJOURN

Chair Haake adjourned the meeting at 2:41 p.m.

Staff Report – Agenda Item 2

To: Clean Power Alliance (CPA) Community Advisory Committee

From: Christian Cruz, Community Outreach Manager

Approved by: Ted Bardacke, Executive Director

Subject: Update on 2020/2021 Adopted Work Plan

Date: July 22, 2021

RECOMMENDATION

Receive and file.

DISCUSSION

This monthly report outlines CAC and CPA staff activities in support of the CAC's adopted work plan.

CAC Working Group

At the May meeting, the CAC called for volunteers to convene a working group comprised of no more than seven members of the CAC. The CAC working group met on July 9th, with the goal to provide input on enhancing outreach to attract more community sponsors and project host sites for the recently launched Power Share Community Solar program.

The working group included six CAC members from both the Los Angeles County and Ventura County sub-regions. Committee Member Cris Gutierrez led the conversation on regional outreach lessons learned and best practices for Power Share. Based on the discussion the working group came up with the following actions:

- Identify trusted allies or groups (i.e., the United Farmworkers, water districts, or girl scouts) that can assist with outreach efforts specifically on Power Share, rather than just general groups or organizations.

- Utilize the Disadvantaged Community (DAC) map to better focus and coordinate outreach efforts with the CAC sub-regions within those areas.
- Identify a pilot school and PTA to work with and develop a larger educational institution strategy.

Committee Member Gutierrez is working with staff to push forward these efforts and will provide updates to the CAC in the coming months.

Inglewood Oil Field Termination Support

On June 17, the Culver City City Council met to discuss the closure and removal of non-conforming oil and gas activities as it pertains to the portion of the Inglewood Oil Field within the city limits. Both CAC Chair David Haake and CPA staff made comments in support of the proposed introduction of an ordinance terminating non-conforming oil use by July 28, 2026. Introduction of the ordinance was approved by the City Council with a 4 –1 vote.

NEXT STEPS

In the coming weeks, staff will review final details for the CAC retreat. During the retreat an update on the CPA Diversity, Equity, and Inclusion (DEI) plan will be provided.

ATTACHMENTS

- 1) [Adopted CAC Workplan \(for reference only\)](#)
- 2) [Power Share DAC Map](#)

Clean Power Alliance of Southern California Community Advisory Committee 2020-21 Workplan

Adopted September 17, 2020

Clean Power Alliance (CPA) believes in a clean energy future that is local, where communities are empowered, and customers are given a choice about the source of their energy. We are Southern California's locally operated electricity provider across Los Angeles and Ventura counties, offering clean renewable energy at competitive rates.

In furtherance of its mission and goals, CPA's Joint Powers Agreement establishes a Community Advisory Committee (CAC) to provide a venue for ongoing community support and engagement in the policy direction of the organization.

The CAC is comprised of a total of 15 members representing customers or key stakeholders residing or working in seven (7) geographical regions comprising CPA's service territory, as follows:

- A. Three (3) members from the East Ventura/West Los Angeles County Region.
- B. Two (2) members from the West/Unincorporated Ventura County.
- C. Two (2) members from the Westside region in Los Angeles County.
- D. Two (2) members from the South Bay region in Los Angeles County.
- E. Two (2) members from the Gateway Cities region in Los Angeles County.
- F. Two (2) members from the San Gabriel Valley region in Los Angeles County.
- G. Two (2) members from the Unincorporated Los Angeles County.

In 2020, the CAC undertook a visioning process to identify priority issues and activities for 2020-2021. This process resulted in development of the 2020-2021 CAC work plan. The work plan is intended to guide CAC member activities over the coming year and serve as a tool for CAC, CPA staff, and CPA Board communication, collaboration, and impact assessment. It will also inform the development of more detailed individual CAC member and region-specific objectives and work plans for this time period. The work plan organizes CAC-related activities into three categories: 1) CPA Commitments to Support the CAC; 2) CAC Member Commitments; and 3) Opportunities for Expanded CAC Engagement; and outlines planned activities and timelines for each.

1. CPA Commitments to Support the CAC

- Present key CPA Board items to the CAC for review and input in advance of Board decision making, including:
 - Long-term clean energy/storage requests for offers (RFOs)
 - Rate setting
 - Legislative and regulatory platforms
 - Annual budget and budget amendments
 - Local program design and evaluation
 - Workforce development
- Support CAC chair, co-chairs, and individual members in development of individual and region-specific objectives and work plans
- Support the convening of CAC working groups as needed to define 2021 objectives and activities for priority topics/initiatives identified in the CAC work plan

- Develop and deliver targeted educational materials and trainings for CAC members including an orientation manual and video tutorials on CPA and energy topics
- Develop CAC master list of community/stakeholder groups and contacts with input from CAC members
- Facilitate communication and alignment between the CAC and the Board of Directors.

2. CAC Member Commitments

- Solicit stakeholder input as needed and provide input and feedback to the CPA Board on key policy and planning topics, including:
 - Long-term clean energy/storage requests for offers (RFOs)
 - Legislative and regulatory platforms
 - Rate setting
 - Annual budget and budget amendments
 - Local program design and evaluation
 - Workforce development
- Work with CAC co-chairs and CPA staff to develop individual member and region-specific objectives and work plans
- Participate in CPA-organized outreach activities in their respective region (e.g., Earth Day events)
- Build relationships with community leaders and organizations in impacted and hard to reach communities
- Follow CPA on social media and engage as needed/appropriate to raise awareness of CPA in community and region
- Respond to community questions/comments and alert CPA staff to community commentary that may warrant staff engagement
- Engage in CAC trainings and review of CAC materials
- Work with staff to identify community stakeholders in all regions and provide contact lists for development of master CAC list
- Convene a working group on community outreach/education to identify objectives and activities for 2021
- Participate in annual CAC retreat to establish 2021-2022 goals and priorities.

3. Opportunities for Expanded CAC Engagement

Beyond the minimum and ongoing commitments listed in the sections above, CAC members identified the following priorities for deeper engagement in 2020-2021:

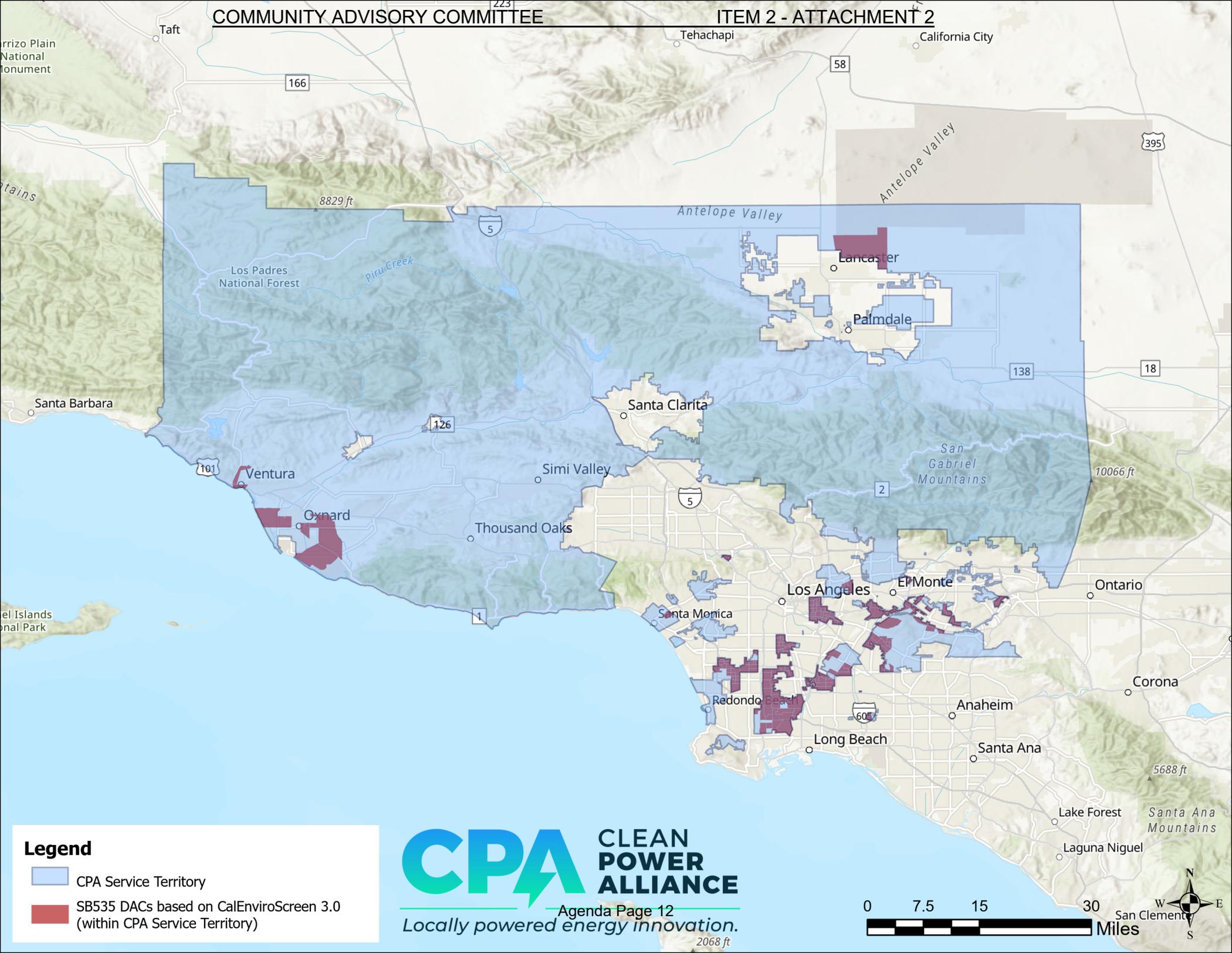
- Education on CPA, energy, and climate issues in partnership with K-12 institutions and youth organizations
- Addressing community resilience needs and opportunities around demand response
- Developing a list of current green energy jobs and promoting them through various platforms.

CAC co-chairs and CPA staff will work with CAC members to convene working group(s) as needed starting in Q4 2020 to develop specific objectives and work plans for each of the priority areas identified above and bring recommendations back to the full CAC for review. Potential activities to be detailed in the workplans may include:

- Pursue deeper and/or more frequent engagement with Board on key topics:
 - Provide regular (quarterly, semi-annual or annual) reports to Board members in their region
 - Help organize meetings with community stakeholders and/or elected officials in their region to solicit input on specific topics or issues

- Research and develop recommendations to the Board on key items of interest (e.g., metrics on workforce development or program impact, legislation, CPUC hearings)
- Pursue deeper and/or broader community engagement
 - Recruit and partner with educational institutions, community organizations, interns or volunteers on specific projects or campaigns (e.g., an “opt up” social media campaign, a series of local program enrollment events)
 - Actively post about CPA on social media and write op-eds or letters to the editors
 - Work with CPA staff to develop and communicate key metrics on CPA programs and impacts

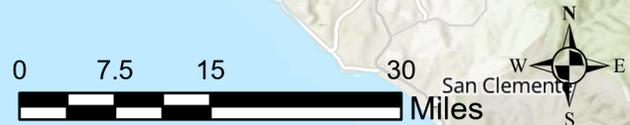
The CAC will review and modify this work plan as needed based on evolving CPA needs, community priorities, and Board recommendations and requests.



Legend

- CPA Service Territory
- SB535 DACs based on CalEnviroScreen 3.0 (within CPA Service Territory)

CPA CLEAN POWER ALLIANCE
 Agenda Page 12
Locally powered energy innovation.
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Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Community Advisory Committee

From: Ted Bardacke, Executive Director

Subject: Oral Update from the Executive Director on CPA Operations

Date: July 22, 2021

The Executive Director will provide an oral report on CPA operations.

Staff Report – Agenda Item 4

To: Clean Power Alliance (CPA) Community Advisory Committee
From: C.C. Song, Director of Regulatory Affairs
Approved by: Ted Bardacke, Executive Director
Subject: Net Energy Metering 3.0
Date: July 22, 2021

The Director of Regulatory Affairs will provide a presentation.

ATTACHMENT

- 1) [NEM 3.0 Presentation](#)



Item 4

Evolution of Net Energy Metering: Key Issues

July 22, 2021

Executive Summary

- Net Energy Metering (NEM) has been an important subsidy to spur the growth of local clean energy adoption. California leads the nation in rooftop solar installation, which has created thousands of clean energy jobs.
- As the cost of rooftop solar continues to decline, the current level of subsidy may not be necessary. As California's electricity grid evolves, subsidies may be better directed towards resources such as storage that are needed in the evening to replace fossil fuel resources.
- While the NEM proceeding at the CPUC does not directly impact CPA's own ratemaking, the results could impact our competitive position and spur a redesign of CPA's NEM tariff.
- CPA staff have put together a set of principles for NEM re-design for **discussion and feedback**, which will inform CPA's own rate design deliberations after the CPUC decision has been issued.

NEM Background

History of NEM in California

- Established in 1995 as a subsidy to facilitate the installation of small, customer-sited renewable generation
- Subsidy is in rate design; customers receive credit based on **retail rates** for excess energy generated and fed back to the grid
- NEM has played an important role in encouraging the growth of rooftop solar, which has led to decline in technology cost
- California leads the nation in rooftop solar generation at 8,500 MW, creating thousands of local clean energy jobs
- Rising electricity costs and mandate for solar on all new low-rise housing will continue to drive installations

NEM 2.0

- NEM 2.0 was adopted in 2016 by the CPUC and made modifications to the original NEM tariff to align with policy objectives
 - **Rates:** New NEM customers were required to be on TOU rates, still at the retail level
 - **Fees and charges:** New NEM customers must pay an interconnection fee, a minimum bill, and other applicable non-bypassable charges (such as Public Purpose Program Charge and DWR bond)
- CPUC designated 2019 as the year to re-examine NEM tariff structure
 - Proceeding opened in 2020; costs, technology, grid needs have evolved significantly since 2016

Legislative and Regulatory Updates

Reasons for Revisiting NEM

- As the cost of installing rooftop solar has gone down, the subsidy may not need to be as generous as it used to be in order to encourage continued adoption
- A new rate design should appropriately value the benefits of distributed generation, and ensure that the cost of serving distributed generation customers is not disproportionately borne by low-income customers
- The CPUC adopted the below principles for NEM re-design:
 - Ensure equity among customers
 - Enhance consumer protection measures
 - Coordinate with other California energy policies, including SB 100, Integrated Resources Planning, building energy efficiency standards, etc.

AB 1139

- Authored by Assemblywoman Lorena Gonzalez (D-San Diego); sponsored by the Coalition of Utility Employees
- Original bill would have lowered the compensation NEM customers receive from the **retail rate to the wholesale rate**, reduced how long a customer can remain on the retail rate, and removed sustainable solar growth as a state policy goal
- Amended bill removed discussion of compensation rate, maintained legacy treatment for 20 years
- Original bill opposed by over 50 groups, in some cases due to the process (circumventing a CPUC proceeding) rather than the policy
- Moved to inactive file after it failed to get off the Assembly floor

CPUC NEM 3.0 Issues

Key issues under consideration at the CPUC include:

- **Legacy treatment** for existing NEM customers, and timeline for transition to new NEM tariff
- **Export compensation:** compensation for NEM customers when they export excess energy to the grid
- **Non-bypassable Charges:** include existing non-bypassable charges such as Public Purpose Program Fund, DWR Charge; fixed charge for distribution/transmission services
- **Incentives for low-income and disadvantaged customers**

CPA Objectives and NEM Proposals

CPA's Principles for NEM Re-Design

Staff has drafted the following NEM principles based on adopted CPA policy platforms:

- **Support Grid Reliability:** NEM is clean, local capacity that can be an important tool to reduce fossil fuel dependency and contribute to grid reliability
- **Invest in Energy Storage:** NEM incentives can further California's decarbonization goals by targeting investments in storage to meet the evolving needs of California's electricity grid
- **Expand Access for Low-Income Customers:** NEM incentives are underutilized by low-income households and communities, and a redesign of the tariff should increase adoption in underserved communities

Legacy Treatment for Existing NEM Customers

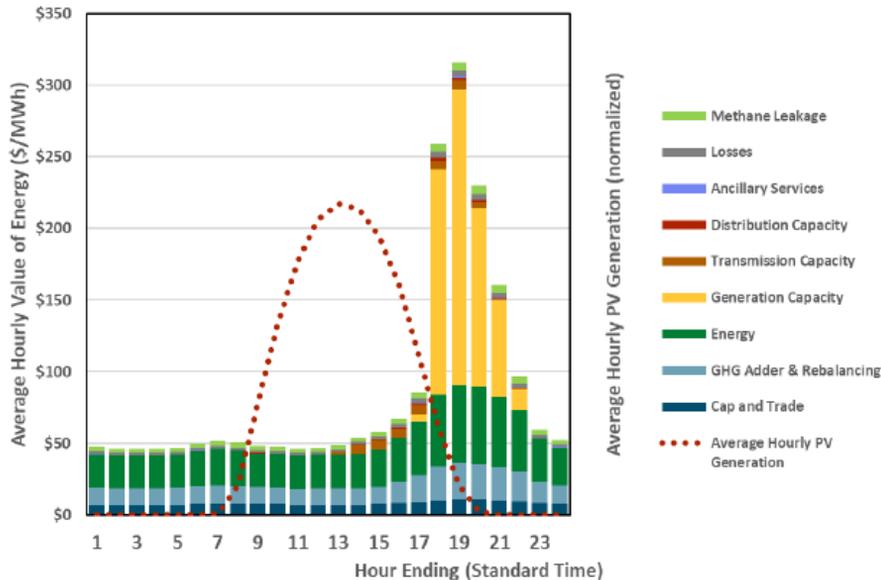
- **Context:** CPA currently serves approximately 24,800 NEM 1.0 customers, and 23,200 NEM 2.0 customers
- **Proposal:** NEM 1.0 and 2.0 customers should maintain the existing legacy treatment of 20 years (NEM 1.0 already received this treatment when NEM 2.0 was adopted). Energy storage rebates could be provided to NEM 1.0 and 2.0 customers as an incentive to default to NEM 3.0 compensation schedule
- **Alignment with CPA principles:**

Support Grid Reliability	Invest in Energy Storage	Expand Access for Low-Income Customers
Encourage storage adoption	Incentivize storage by providing rebates	N/A

Compensation Rate for New NEM Customers

- **Context:** California's greatest energy need is between 4-9 pm, and this need is largely met by natural gas resources. The value of distributed resources increases significantly if they can be used during these hours

Figure 4. 2020 Hourly Average Avoided Costs and Solar Generation, Annual Averages



Source: E3 NEM Whitepaper

Compensation Rate for New NEM Customers

- **Proposal:** Export compensation should be based on “avoided cost” to send price signals to customers to incentivize shift energy consumption during towards daytime hours and/or to encourage energy storage adoption that can shift energy export to the evening. The avoided cost-based rate value is between retail rate and wholesale rate
- **Alignment with CPA principles:**

Support Grid Reliability	Invest in Energy Storage	Expand Access for Low-Income Customers
Encourage energy export behavior that aligns with grid needs	Incentivize storage by providing higher value export rate during critical peak hours	Additional revenues can be utilized to subsidize low-income NEM customers

Non-Bypassable Charges and Fixed Charge

- **Proposal:** Non-bypassable charges, including the Public Purpose Program Charge (PPPC), should continue to be assessed based on usage. A fixed charge may be introduced to fund the cost of serving customers based on the size of the installation.
- **Alignment with CPA principles:**

Support Grid Reliability	Invest in Energy Storage	Expand Access for Low-Income Customers
Compensate the utilities for cost of service of maintaining the distribution and transmission grid	Potentially frees up more funds to fund storage rebates	Directly contribute to PPPC, and generate additional revenues to fund incentives for low-income customers

Incentives for Low-Income Customers

- **Context:** Although there has been a slight increase in NEM adoption in lower income zip codes, expanding rooftop solar access for low-income customers would likely require further subsidization
- **Proposal:** Compensate low-income customers at retail rate, and broaden the definition of low-income to include customers with income below 80% of the area median income
- **Alignment with CPA principles:**

Support Grid Reliability	Invest in Energy Storage	Expand Access for Low-Income Customers
N/A	A more generous compensation for low-income customers could incentivize storage adoption	Maintain a more generous compensation rate for low-income customers

Summary: CPA's NEM Objectives and Goal Alignment

	Support Grid Reliability	Invest in Energy Storage	Expand Access for Low-Income Customers
Legacy Treatment: Existing NEM customers should maintain their rates for 20 years from interconnection date. Existing NEM customers would be eligible for storage rebates, and in turn default to the new NEM tariff.	X	X	
Export Compensation: For new NEM customers, the compensation schedule should be set based on the value of customer-sited generation's contribution to the grid, at the time of export.	X	X	X
Non-bypassable and Fixed Charges: Customers should continue to pay other non-bypassable charges; a cost-of-service based distribution/transmission charge may be assessed.	X	X	X
Low-Income Incentives: Maintain a more generous compensation schedule for customers from underserved communities for the first 10 years to incentivize distributed energy resource adoption.		X	X

Next steps

- Today: Committee feedback on principles and/or requests for information the Committee would like to see in future discussions of NEM
- CPUC Proceeding
 - Settlement discussions finalized by August 27
 - Decision will likely be issued in Q4 2021
- CPA will revisit NEM with the Committee once the CPUC decision has been issued to evaluate rate-setting from both a policy and competitive perspective