EDITORIALS

Slashing solar incentives only helps private utilities. California regulators must back down

BY THE SACRAMENTO BEE EDITORIAL BOARD

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Ramon Torres, who lives in the Madera Ranchos area of Madera County, looks up at the solar panels covering the top of his roof on Friday, March 27, 2021. A state proposal would dramatically reduce bill credits paid out by PG&E and other utilities for excess power fed back to the grid. Torres believes this is unfair since those credits helped him finance his solar panels. CRAIG KOHLRUSS *CKOHLRUSS@FRESNOBEE.COM*

California's most powerful utility companies want you to believe that there is a hidden war taking place between ordinary customers and the 1.3 million households in the state with solar panels on their properties.

Under a program called net energy metering, utility companies credit solar customers for the excess energy they export to the grid after they've powered their homes. That provides incredible savings for each solar-powered household, but customers who don't use solar pay an estimated $3.4 billion more each year, essentially forcing them to shoulder the difference through higher monthly bills.

Corporations such as PG&E, Southern California Edison and San Diego Gas and Electric Co. claim that communities of color and lower-income households are harmed the most by this formula for rooftop solar. Utilities say that households with photovoltaics aren't paying their fair share when they use grid-supplied energy at night, creating an unfair cost shift that must be rectified.

OPINION

Everything about this cynical, corporate-driven argument stinks. If the California Public Utilities Commission, the state's utility regulator, sides with the companies, they'll gut net energy metering and fundamentally alter California's booming solar energy economy. Right now, the CPUC is weighing several proposals from public advocacy groups and the state's biggest utilities, some of which would slash solar subsidies and charge fees for grid usage, making it harder for households to pay off their solar installations.

The push for rooftop solar reforms has nothing to do with ideology or classism or systemic inequities. It is about companies trying to manipulate the public into believing that democratized clean energy production is bad for the state. The CPUC should not once again bail out corporations like PG&E, which has routinely scorched olive branches it never deserved. Why would California give it another?

The appeal of rooftop solar and the immediate and long-term savings has never been greater, and the proliferation of the self-sustaining technology has made it accessible to most California households that want it. This year, the average cost to install a 5-kilowatt system was $14,100, according to Energy Sage, an online marketplace funded by the U.S. Department of Energy. That's before the 26% federal tax credit and other state and local incentives are factored in, lowering the cost even further.

In 2019, 42% of California solar adopters had an annual income of $100,000 or less, and 14% earned under $50,000, according to Lawrence Berkeley National Laboratory data. Five years ago, those two demographics accounted for over half of Sacramento County's solar conversions.

California's building regulations require new homes to be equipped with solar panels, which could drive 100,000 new installations a year. But the housing crisis creates razor-thin margins for affordable projects that routinely face funding gaps to leverage investment dollars into tax credits. Increasing solar costs further compromises funding models that were already on shaky ground.

In a sense, net energy metering in California has created a carbon tax on utility companies, which are feeling the squeeze of the clean energy transition in the form of higher costs for systems built on fossil fuels. Through policy and market forces, these antiquated, profit-driven corporations, which are responsible for environmental destruction, mass death and financial hardship, are being forced to reckon with a consumer base driven by self-sufficiency and sustainability.

As clean energy goals are incorporated into enforceable laws in the coming years, private utilities will be required to fund and build industrial-scale solar and wind farms to comply with climate-minded regulations. Disempowering California residents who wish to take control of their energy production would only hinder our ability to meet our climate goals, effectively surrendering agency to corporations that have shown they cannot be trusted. Democratized rooftop solar threatens their ability to generate massive revenues from wind and solar farms, projects they will ultimately be forced to build to stave off extinction.

That they're making social justice and equity claims for their own gain is despicable. What the utilities are unwilling to say out loud is that their rates will increase regardless. PG&E faces billions in wildfire liabilities, which grow every fire season. And the infrastructure repairs mandated by California law are going to eat up their budgets either way.

The same Black and brown families they hold up as pawns in a manufactured class struggle over solar subsidies were always going to be affected. If rooftop solar and net energy metering are preserved, lower-income households will at least have an exit strategy and the benefits of a market that is growing as intended.