

Concurrence of President Michael Picker on Item 24, D.16-01-044, Decision Approving Net Energy Metering Successor Tariff

In AB 327, the California Legislature gave this Commission the very difficult task of identifying a pathway for rooftop solar that balanced the importance of continuing to support a young, but growing industry that is critical to achieving California's energy and climate goals, while considering the cost on all ratepayers.

It's been very hard to achieve the right balance. This has been a very contentious, very complicated process. We are making a much larger and historic transition in our electric power industry, from technologies that provide baseload generation, 24/7, and large industrial customers who needed and paid for three shifts of manufacturing. At the same time that much of our infrastructure is aging and needs replacement, we are seeking electricity from clean, carbon free technologies for consumers who use much more electricity on hot summer afternoons.

This Decision concludes that while many of the costs of net energy metering are well understood, we have yet to fully quantify or realize the benefits.

Given this uncertainty, this Decision puts this Commission on a pathway to significantly reducing the cost-shift while also pushing rooftop solar to provide significantly more benefit to the grid. It is finding this fine balance that been the greatest challenge, and I firmly believe that this Decision accomplishes that goal. But we still have a lot of work to do before we have an enduring rooftop strategy.

Over the course of the next years, I expect this Commission to make considerable progress in its ability to quantify and realize the benefits of rooftop solar systems. One area where considerable work remains to be done is in the development of a set of programs to promote the adoption of rooftop solar within disadvantaged communities. It is my sincere hope that we will be able to move expeditiously in the coming months to adopt and begin implementing these programs in 2016. Another area of considerable opportunity is in the on-going work happening in the Distribution Resource Plan and Integrated Distributed Energy Resource proceedings. In particular, I would like to see more explicit consideration of tariffs that are applicable to rooftop solar aimed at leveraging smart inverters and co-located energy storage. In our work on smart inverters, I believe we are making considerable progress but work remains to be done to fully realize all the capabilities they offer. With that in mind, I plan to convene a workshop to discuss how this Commission can accelerate the deployment of smart inverters. Finally, this Decision requires Energy Division to evaluate alternative tariff structures to Net Energy Metering. One observation I have made in the debate over Net Energy Metering versus value of solar, is the fact that the discussions are entirely theoretical, as no alternatives to Net Energy Metering are currently available, so it's impossible to test the arguments put forward that these alternatives are

either totally infeasible, as suggests the solar industry, or a better option for customers, as was argued by TURN. With that in, I ask the Energy Division convene a workshop to consider how the Utilities might offer optional, opt-in alternatives to Net Energy Metering.

Again, I concede the fact that this Decision does not get everything right. But given all the constraints, lack of time, lack of information and uncertain technology, I believe this Decision presents the clearest path forward for California's rooftop solar industry. I ask that you join me in supporting this Decision.

Dated February 4, 2016 at San Francisco, CA

/s/ MICHAEL PICKER

Michael Picker
President