



California Black Chamber of Commerce
“Dedicated to Economic Development”



May 3, 2012

The Honorable Steven Bradford
State Capitol, Room 5136
Sacramento, CA 95814

RE: AB 2514 (Bradford) -- Support

Dear Assembly Member Bradford:

The California Black Chamber of Commerce is pleased to support AB 2514 (Bradford), which would require the commission to complete a study by June 30, 2013, to determine the extent to which each class of ratepayers and each region of the state receiving service under the net energy metering tariff is paying the full costs of the services provided to them by electrical corporations, and, the extent to which those customers pay their share of the costs of public purpose programs, as well as the benefits of net energy metering.

In 1996 the Legislature established the net energy metering program to encourage the adoption of customer-owned rooftop solar energy. Since that time, there have been several debates and changes to the rooftop solar program, and every move has been designed to fuel the growth of rooftop systems. Now we have reached a point where the unintended consequences are becoming bigger problems and burdens for people who do not have rooftop solar because they do not own their own home, are unable to afford a rooftop solar system, or do not have the necessary credit score to qualify for a leased system. It has come to our attention that one of the consequences of the current net energy metering structure is that rooftop solar owners are now able to avoid paying for the utility system that is used to keep the lights on every day and night. Those avoided costs are shifted to other ratepayers. We have seen estimates that the cost shift for each of the three investor-owned utilities is in the millions each year. Across all three investor-owned utility service areas, our understanding is that an estimated \$144 million dollars is being shifted to the bills of customers who do not have rooftop solar.

It is imperative that we establish what the true and accurate costs and benefits are, related to this rooftop solar discussion. Having the facts generated by completing a study is essential to finding a compromise that allows for the rooftop solar program to continue growing, and more importantly, to be sustainable long into the future.

Communities of color throughout the state are missing out on this solar explosion, yet the customers in these communities are paying via the cost shift. Solar will certainly play a significant role in the state's energy future, but there must be a solid plan in place to ensure that the growth of the industry is not a benefit for some and a burden for the rest.



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AB 2514 directs the CPUC to conduct a study that will provide the true costs and benefits related to the current net energy metering structure. Such a study is needed so there can be a meaningful discussion about any needed reforms to net energy metering. We believe that an honest and thorough discussion of ratepayer impacts needs to occur before any proposal to increase the size of the current net energy metering program can even be responsibly entertained – whether such a proposal is debated in the Legislature or at the CPUC.

For these reasons, the CA Black Chamber of Commerce **supports** AB 2514.

Sincerely,

Aubry L. Stone
President/CEO

cc: Members, Assembly Appropriations Committee
Ms. Sue Kateley, Office of Asm. Bradford
Mr. Geoff Long, Consultant, Assembly Appropriations Committee
Mr. Mike Peevey, President, CPUC
Ms. Nancy McFadden, Executive Secretary, Office of Governor Brown