



Press Release

For Immediate Release:
September 5, 2013

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One Million Broken Promises: Legislation Would Harm Solar Energy Users **Billions of Dollars Jeopardized**

SACRAMENTO, CA – Residents and businesses who have installed solar energy systems on their rooftops and at their facilities stand to lose most of their future energy savings under a provision quietly added to pending legislation. The amendment would jeopardize billions of dollars of public and private investment by schools, public agencies, cities, businesses and homeowners.

The last minute amendment is being forced into pending legislation and would dramatically change the way Net Energy Metering (NEM) projects are compensated for the electricity they produce. Under the NEM program, customers are currently paid the full retail price for each kilowatt of electricity they generate and provide back to the utility. Under the proposed amendment, the rate of compensation could be dramatically reduced for existing customers who have already entered into long-term investments and other contracts.

“It is unconscionable,” said Michael Boccadoro, Executive Director of the Agricultural Energy Consumers Association. “Residents, farms and businesses who did the right thing and invested in solar now face the prospect of losing most of the savings they expect to receive in the future. California’s One Million Solar Homes program is about to become one million broken promises.”

The provision was recently inserted in AB 327 (Perea), an important and otherwise well-intentioned measure designed to address out-of-control residential electrical rates, particularly for users in the San Joaquin Valley and other warm regions of the state that have above average electricity usage. Under the amendment, customers who have installed solar systems and other renewable energy projects under the NEM program before July 1, 2017, would be subject to significant changes after 2017 on how they are compensated for energy they produce and provide back to the utility.

“It’s classic bait and switch,” said Roger Isom, President/CEO of the Western Agricultural Processors Association (WAPA). “This is what gives California’s government the reputation of being unfriendly to business. Government encourages businesses to help the state achieve its environmental sustainability goals by making major investments in green energy technology and then pulls the rug out from under them. How can businesses be expected to make major investments if the rules are constantly subject to change? Early adopters are being punished instead of rewarded.”

The controversial amendment will also make it impossible for solar installations on homes and businesses in the interim.

“What homeowner or business is going to plunk down tens of thousands, let alone millions, of dollars on a solar system if they can’t count on the long-term benefits? It makes no sense,” said Boccadoro. “Anyone with rooftop solar or planning to install it should be outraged.”

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