



10/21/2020

SMUD Collaborative Meeting 1 on NEM 2 Feedback from AI [REDACTED]

Thank you for the opportunity to talk with you all, it was a good conversation. I welcome going over details on any subject at any time. I think there was a question about knowing a standard installation.

Below I have written down the points I consider most important from the discussion.

1. SMUD has done a great job of keeping rates low but that also means that selling solar in SMUD is a challenge as it is with full NEM 1 in effect so any NEM 2 reductions will make meeting SMUD's rooftop solar goals that much more difficult, and potentially impossible, for installers to sell in SMUD.
2. Because selling Solar in SMUD is already a delicate balance of cost to benefit for the customer, it is very important that there be a gentle "glide path" to any reduction to export rates until a robust battery program is established, and strong critical peak (real time) pricing can be established to incentivize customers. This is so important for resiliency and meeting the wonderful and extremely important 2030 Climate Emergency Resolution.
3. Because of the dramatically increasing demand for electricity, rooftop solar, power that the customer pays for, will become an ever increasingly important contributor to this GHG reduction resolution not less important, especially as the use of battery and hydrogen storage comes into play.
4. SMUD will need all the local power it can muster from rooftop solar, VNEM, utility solar, wind, etc. so the VOS to SMUD and the community goes up over time.
5. An enormous amount of power will be needed just for creating the Hydrogen needed to be stored to power the Cosumnes (and other?) electric plant as well as the emerging Hydrogen demand for vehicles, especially Heavy-Duty trucks. SMUD's whole landscape for the need for power is about to change.
6. The solar industry employs over 4,000 people with a broad range of skills from office, marketing, and installation. Huge investments have been made in Sacramento by way of many PV Warehouses, installation companies and support staff. What SMUD does with NEM 2 could have a dramatic economic effect and on employment in the Sacramento community. This is an important responsibility to consider and makes the "gentle glide path" all that more important.
7. Agreement was understood that behind the meter consumption was just conservation and was not to be touched in any way and that there should not be any discriminatory charges for solar production.
8. A point was made by me that the huge discriminatory fee SMUD tried to do in the spring of 2019 still haunts SMUD because it flared up so many groups that gasped that SMUD could do such a tone-deaf thing. So much trust in SMUD was lost by the solar and environmental community by this

action and SMUD continued to flare up distrust by again, putting up a webpage, this time “Fairness and Equity for all Customers” without public discussion. The solar community and the majority in the environmental community strongly feel that the GHG environmental benefits are not remotely being credited enough the value of solar study and this webpage just fanned the flames of distrust again. It would be much more than wise for SMUD to finally remove it just as it finally did the onerous spring 2019 Website.

9. Customers put a large investment into their systems expecting an ongoing ROI making 20 year grandfathering of all NEM 1 systems important. PG & E uses the 20 year grandfathering.
10. VNEM is a critical component to implement for low income apartment complexes

Solutions:

Note: These are my thoughts and may not represent the full thoughts or concerns of the Solar Community. It is very clear that the solar community feels that the VOS was not properly credited in the E3 report so that discussion is being left with CALSSA

1. SMUD currently pays \$250 for in installer to install a meter socket for the SMUD solar meter, this payment could be eliminated.
2. PGE charges an interconnect fee of \$145, this sort of fee could be charged to solar installers to cover costs.
3. As part of the “glide path” SMUD could incentivize battery storage with a payment of \$3,000 or more and Critical Peak Pricing Implemented over time.
4. Refine the E3 document with full consideration of the VOS to SMUD considering the 2030 Climate Emergency Resolution.

CALSSA has an awesome team that is looking forward to working on the true VOS and making NEM 2 work for a win, win for everyone.

I hope the above helps and sorry for any repeats. I greatly appreciate your consideration of the above points.

Kind regards,



Al 
President