Rate Fairness Board thoughts on SFPUC Staff's proposed Solar Billing Plan

- We understand and agree that the current "retail in – retail out" methodology has probably contributed to "over-building" of residential solar, creating a surplus of electricity that causes shut-in of low-cost, utility-scale during peak production hours.

- A reduction in payments for residential solar power is an appropriate economic signal for new installations.

- Maintaining the current methodology for the first 20 years of legacy projects is fair, as these customers relied on that system in their original calculations to support the decision to install residential solar.

- Staff's relatively small reduction in payments for residential solar may not solve the problem of over-production during peak hours. The solution – "right-sized" residential solar – will likely depend on the development of appropriately sized and low-cost battery storage, which is outside of the scope of SFPUC ratemaking.

- We recognize that this proposal will affect only a small segment of customers, and the potential savings to SFPUC's power purchase costs are relatively small.

- We would like to see Staff's calculations on how to allocate these savings:
    - Rate impact if all savings are credited back to all customers.
    - What other kinds electrification projects could be incentivized by utilizing these savings? How much capacity? What could be the rate impact of these projects on all customers?

- If this proposal is adopted, RFB encourages Staff to closely monitor the pace of new residential installations and their capacities, to determine any impact of the new rate structure.