July 1, 2015

Honorable Kevin L. Faulconer, Mayor, City of San Diego City Administration Building 202 C Street, M 11A San Diego, California 92101

## RE: NEM 2.0 (R.14-07-002 "NEM Successor Tariff")

Dear Mayor Faulconer:

I am writing as Chairman of the City of San Diego Sustainable Energy Advisory Board (SEAB) to convey the board's position on the current Public Utilities Commission proceeding on SDG&E Net Energy Metering (NEM) policies (R.14-07-002 "NEM Successor Tariff").

SEAB has been reviewing the implications to the City Climate Action Plan (CAP) and the disruptive influence on the energy efficiency and renewable energy business sectors in San Diego that NEM uncertainty creates.

- 1. It is infeasible to attain "100% renewable electricity by 2035 citywide" target repeated throughout the CAP in an environment unfavorable to distributed generation.
- 2. The economic health of the growing renewable energy sector in San Diego, prominently including roof top solar, depends on an uninterrupted policy environment in which adoption of renewable energy investments are not jeopardized by the threat by the current cap on net energy metering agreements with SDG&E.

On June 11, 2015 the SEAB members present voted unanimously to provide the following recommendation:

SEAB recommends that the City become a party to the proceeding (R.14-07-002 "NEM Successor Tariff") and provide future comments in support of a NEM tariff that will ensure that City residents and businesses are able to continue to participate in both the environmental and financial benefits provided by small scale distributed clean renewable energy generation.

If you or any members of your staff have questions on this, please do not hesitate to contact me at <u>jbumgarner@me.com</u> or (619) 209-1964.

Sincerely,

John R. Bungamen

John Bumgarner, Chairman

Cc: Council President Sherri Lightner and City Councilmembers