CPUC Decision Supports Farmers in Efforts to Develop Renewable Energy Production

SAN FRANCISCO—A decision issued today by the California Public Utilities Commission (CPUC) restored hope for farms, businesses, and homeowners who produce clean energy. Under today’s ruling, renewable energy producers can continue feeding the electrical grid through the Net Energy Metering (NEM) program for 20 years before being transitioned over to a new, yet-to-be-designed electrical tariff.

The NEM program is a vital policy tool that has helped California farms and ranches produce more clean energy than their counterparts in any other state. NEM allows producers of renewable energy to be credited for the energy they produce, making the installation of solar, wind, and bioenergy systems economically viable.

“This decision fairly addresses the expectations of farmers and ranchers who made the choice to invest in a clean energy future,” said Adam Kotin, Policy Associate for the California Climate and Agriculture Network (CalCAN), a coalition of sustainable agriculture organizations. “The decision allows growers to continue saving on energy costs while reducing greenhouse gas emissions and air pollution.”

Electricity reform bill AB 327, passed by the Legislature in 2013, includes language from last-minute closed-door meetings ordering the CPUC to eventually ‘transition’ current customers over to a new, undefined electrical tariff for producing energy.

This concerned clean energy farmers who, before AB 327 was signed into law, expected to ‘trade’ energy credits used for credits produced throughout the lifetime of their systems—around 30 years or more. Agricultural clean energy advocates weighed in at the CPUC, including CalCAN, the California Farm Bureau Federation, the Agricultural Energy Consumers’ Association, and the Wine Institute.

“Farmers are central to the future of distributed renewable energy,” said Kotin. “Today’s decision is only the first of many that will decide if we move forward to support distributed generation in California.”

The Public Utilities Commission now has until the end of 2015 to create a successor tariff to NEM, which will help determine the future of distributed renewable energy in California.

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The California Climate and Agriculture Network is a coalition of sustainable agriculture and farmer member groups working on the nexus of climate change and agriculture policy issues.

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