I'm writing to you today, as a solar owner and solar industry worker, to ask you to vote NO on AB 1139, proposed by Lorena Gonzalez. This bill will undoubtedly destroy the solar industry in California, effectively killing my family's solar business. My father started Sungenia Solar Solutions in 2014 and I have been learning the ropes for the last 3 years in preparation to take it over when he retires. We have grown as a business organically over the last several years and I've come to love the industry, our business, and our team. If this bill passes, we will lose the company; and our employees, including myself, will be out of a job.

Much like the Nevada debacle in 2015, AB 1139 will turn California backward and virtually eliminate rooftop solar. Below, I've outlined the many issues with this bill and it's impending consequences.

Passing this bill does not ensure the initial cost of going solar is recoverable, but rather negates the advantages of having gone solar at all, and will give no financial incentive for consumers to go solar moving forward. AB 1139 proposes shifting costs to solar owners by introducing more aggressive monthly "grid access" charges, adding anywhere from $50-100 to a solar consumer's bill as well as dropping the reimbursable solar energy sent to the grid by over 80% to .03 cents.

Note: The Levelized Cost of Electricity (known as LCOE) is the actual cost of electricity per kWh over the lifetime of a given power source. In the case of solar it is the total cost of the solar system over it's 25-year lifetime, that is, its up front installation cost and lifetime maintenance costs, divided by the total amount of electricity produced by said solar system over that 25-year period. The LCOE for rooftop solar ranges from $0.06-0.10 per kWh. Also note that smaller solar systems of the type generally purchased by medium and low-income families are at the high end of this LCOE because they cannot take advantage of scale. This is two to three times the cost that AB 1139 would have the utilities reimburse homeowners for excess electricity sent to the grid.

This bill effectively allows the utilities to tell homeowners,"Hey, you send us high-cost, high-tech, green energy during the day that helps us meet our green energy quotas and we'll reimburse you at the cost of the cheap, dirty energy we buy from grid-tied coal and gas plants and send to your home at night." That's an appalling public position for California to take and shows that green solutions are NOT a priority for California. This would be laughable if it wasn't so disgustingly true.

Not only will AB 1139 affect solar going forward, it forces the utilities to break contracts with all NEM 1.0 and NEM 2.0 customers, who were guaranteed retail reimbursement rates for 20 years, making their solar investment economically feasible. With only a 5- or 10-year forgiveness time, Ms. Gonzalez assumes these customers will have had plenty of time to recoup the cost of the installation. This notion is as false as it is irrelevant. Especially for early adopters (when solar was most expensive) and low income families, payback times easily exceeded 10 years. Although every system is unique, many homes required roof repairs, electrical upgrades, and more to support their solar installation, meaning the price tag for their investment will take far longer to recoup than what AB 1139 proposes. All solar consumers design and install solar on their homes as an investment to their future, to save money by avoiding high utility bills and ever-increasing rates. Unlike what Ms. Gonzalez alleges, solar customers ARE NOT making a profit from their solar systems, and if they are only given an opportunity to break-even after years of trying to recoup the upfront cost of solar they might as well have not done anything at all. All of this means that consumers hoping to go solar won't see a return on their investment for decades, well past the life of their solar system. There will no longer be a financial incentive to go solar.

In addition, AB 1139 does not take into account the countless number of consumers that have solar leases and PPA's, which are a majority of medium to lower income households. Mrs. Gonzalez has completely overlooked this entire demographic, although she does address and demonize the larger solar companies for benefiting from these lease deals during the initial hearing on April 21st. Should this bill pass, these consumers will not only have to pay their monthly solar lease (most of which are 20-25 year long contracts) but will also be forced to pay a now-increased utility bill similar to their pre-solar bills. These particular consumers will be impacted the most and happen to be the very target of this bill made in the name of "equity".

This bill is largely backed by the electrical and utility unions because of the prevailing wage requirements. Although there's little guidance on the implementation of this, it seems to be an attempt at an industry-wide minimum wage. No other industry requires this - why solar? And why now? This will hurt the smaller mom and pop businesses like mine because they won't be able to compete with the larger companies that already staff union workers and operate on a large-scale. This will undoubtedly drive out small-medium businesses and create a monopoly in the California solar industry.

We've met with thousands of customers and potential customers, and despite what Democrat legislators think about the public's motivations for turning to renewable energy sources like solar, going green is not one of them. We have not had, and I mean this quite literally, not had a single conversation with anyone that was interested in solar solely out of a commitment to the environment. To the contrary, the ability to avoid the exorbitantly high and ever increasing cost of utility power was their overwhelming, and in most cases ONLY, reason for investing in solar. AB 1139 will destroy this remaining incentive and kill the household rooftop solar industry. There should be absolutely zero doubt about this.

If equity is the play here, and the argument against the current system is that low-income families are not getting the benefit of the burgeoning solar industry and instead are bearing the cost of solar customers, this view is false on its face. Worse yet, is that this bill will ensure that low-income families will NEVER be able to benefit from the solar revolution and will forever be excluded as solar customers.

Why is this argument false? First of all, there are subsidized rates for low-income families that can ensure that they NEVER bear the burden of subsidizing solar owners. Ms. Gonzalez very wrongly pointed out that the 15% of solar customers in Rancho Santa Fe are being subsidized by her non-solar low-income constituents in Chula Vista, only 1% of whom are solar customers. This is flatly false. If there is any subsidization going on it is the 85% of non-solar rate payers in Rancho Santa Fe and other medium- and high-income families across the county who are subsidizing solar customers through their ridiculously high electric bills.

There is no argument with the idea that solar customers do rely on the existence of the grid and should bear some responsibility for paying their share of the maintenance of such. But solar households who are carrying the burden of moving society into a green future through their investment in high-cost, high-tech, green power should not be punished but instead should be able to realize a real and lasting return on their investment. The notion that breaking even should be good enough for them is a non-starter. Any economics student will tell you that no investment will be made if the outcome is to break-even. Solar will die if AB 1139 is passed.

This is the wrong way to fix the equity issue. If you want low-income families to be able to participate in the solar revolution then incentivize them to do so. Reintroduce solar rebates for low-income families as you are with equity resilience programs for storage systems. Solar systems have to be prioritized over storage systems. Also, incentivize landlords to provide cheaper solar energy to their tenants by pushing the federal government to allow their tax credit to apply to rental properties. There are new strategies available which allow landlords to benefit from putting solar on their rental properties by being able to recoup their expenses and make long-term returns by selling electricity to their tenants at a reduced rate. A win-win for landlords and tenants alike. These types of arrangements should be encouraged. And of course, you can always protect low-income families from higher costs of electricity with subsidized low-income rate structures - a crucial part of which was removed from the initial bill proposal.