

# **Bond Case Briefs**

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## **PUBLIC UTILITIES - CALIFORNIA**

### **Center for Biological Diversity, Inc. v. Public Utilities Commission**

**Court of Appeal, First District, Division 3, California - December 20, 2023 - Cal.Rptr.3d - 2023 WL 8796605**

Environmental organization and others petitioned for writ review of Public Utilities Commission's adoption of successor to net energy metering (NEM) tariff, which significantly reduced prices utilities paid for customer-generated power, contending it failed to comply with statute setting forth objectives for successor tariff.

The Court of Appeal held that:

- Commission was not required to consider costs and benefits of renewable energy generally when valuing energy generated and exported by consumers;
- Commission's decision to base price of customer-generated energy on utilities' marginal cost of energy was reasonably related to statutory goal of equity between customers;
- Petitioners failed to establish benefits of increased resiliency conferred by customer-generated energy accrued to utilities or electrical system rather than to those customers;
- Utilities' costs under regulatory category "transmission revenue requirements" did not undermine Commission's estimate of avoided transmission costs;
- Reduction in financial benefit to customers with renewable energy systems did not violate statutory directive to ensure "customer-sited renewable distributed generation continues to grow sustainably";
- Successor tariff satisfied statutory requirement of including "specific alternatives designed for growth" of customer-generated energy among disadvantaged residential communities; and
- Sufficient evidence supported finding that applying successor tariff to nonresidential customers would serve statutory requirement of balancing costs and benefits to all customers and electrical system.