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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.