March 11, 2025

Dear Severin –

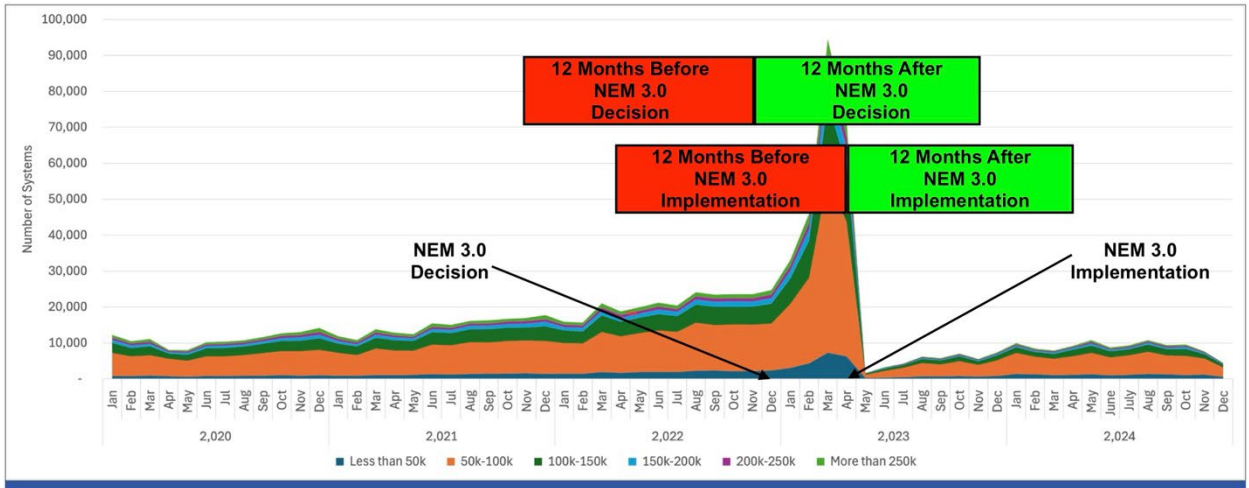
Thank you for the time we spent yesterday on the phone to discuss your recent "Guess What Didn't Kill Rooftop Solar" article. Although we have different perspectives about rooftop solar and utility solar, we both agree that customer energy costs are too high, and we need ways to reduce these expenses. We agree that solar panels are the least expensive way to generate electricity. And we violently agree that we need better federal policy on energy and global warming.

I reached out to you because I was hoping you would correct your conclusions that: "…the California rooftop solar industry is quite healthy…" "…the industry was not dying…" and "…market demand actually didn't miss a beat."

The reality is that solar installation applications **after the implementation** of NEM 3.0 are down to 2019 levels – resulting in the loss of 17,000 solar installation jobs and leaving many homeowners literally powerless to escape from skyrocketing electricity costs.

After analyzing the data and your article, I believe your conclusion that "…the California rooftop solar industry is quite healthy" is because you selected the wrong date range of rooftop solar applications in your **before** and **after** comparisons. You focused on the months before and after the NEM 3.0 **decision**, not the months before and after the NEM 3.0 **implementation**.

As one can see from the graph below, after the NEM 3.0 **decision** in December of 2022 there was a spike in solar installation applications as homeowners rushed to get their systems installed under NEM 2.0. After the NEM 3.0 **implementation** in April of 2023, sales collapsed. For clarity in the graph, the top red/green bars show the date range related to the NEM 3.0 **decision**. The bottom red/green bars show the date range related to the NEM 3.0 **implementation**.

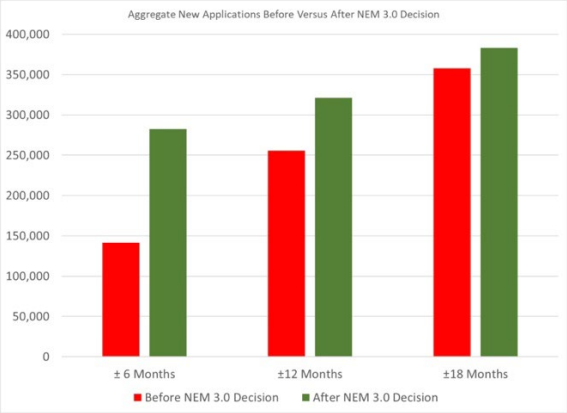


California's rooftop solar market was severely reduced at all income levels, but especially in communities with less than $100,000 in average household income. Despite a year and a half since the changes took effect, the market remains at its lowest point in ten years with no clear signs of recovery.

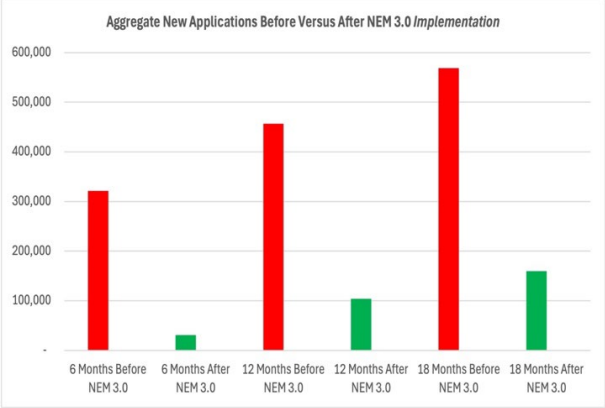
Source: Rooftop Solar Reduces Costs for All Ratepayers

The chart in your "Guess What Didn't Kill Rooftop Solar" article, shown below on the left, correctly counts the number of solar applications in the date range before and after the NEM 3.0 **decision**. It seems to tell a story of a happily growing solar industry.

In fact, all that "growth" was due to the temporary pull-in of demand before the implementation of NEM 3.0. In the months after the **implementation** of NEM 3.0 the rooftop solar industry was in virtual cardiac arrest.



Solar Applications Before/After NEM 3.0 Decision



Solar Applications Before/After NEM 3.0 Implementation

I dug into the original rooftop solar application data from California DG Stats so I could independently analyze the trends in the rooftop solar market **after the implementation** of NEM 3.0 in April of 2023. The chart above on the right shows that California's rooftop solar industry is in a continued state of decline. The spike in demand from December 2022 to April 2023 was temporary, and the solar industry is down to sales levels last seen since 2019. There is no recovery in sight even 18 months after the NEM 3.0 decision.

Although the distinction between "decision" and "implementation" may be subtle, the selection of this date range and your resulting conclusion that "…the California rooftop solar industry is quite healthy…" suggests a bias towards utility solar.

Regarding bias, I appreciate our candid discussion about these issues in public statements, reports and government testimony. You pointed out that no funders of the Energy Institute at Haas provide more than 2% of your budget. However, of the 42 funders of the Haas Energy Institute, at least 20 are either utilities, utility consultants, utility power producers or state agencies -- all of whom promote policies that are in favor of utility solar and opposed to rooftop solar. There is, at the very least, the appearance of bias.

Full disclosure: I admit there is also bias among some rooftop solar industry participants. Most of the rooftop solar industry's funders are directly involved in or sympathetic to customer-generated power.

But it is fact -- not bias -- to conclude that rooftop solar and storage is the least expensive and fastest way to meet California's growing clean energy needs. Data on delivered electricity costs and construction timelines support this conclusion. And it is fact – not bias -- to conclude that Investor-Owned Utilities charge exorbitant rates for electricity. Data on delivered electricity costs compared with nearby municipal utilities with similar footprints support this conclusion.

What is most concerning is that the California government itself is using analyses and advice from biased sources to develop policies that eliminate electricity generation competition from rooftop solar and increase electric rates.

Fundamental mistakes like this are being used to scapegoat the rooftop solar industry as the cause of sky-high electric rates, as well as make incorrect decisions about the best ways for California to meet our growing needs for electricity. Policymakers can't do their job if they don't have accurate and objective advice from experts.

Understandably, we take it seriously when inaccurate statements are made that affect our livelihoods. For many of us solar has been our life's work. That is the reason, more than anything, that I am following up on our discussion with this letter.

Sammy Roth at the LA Times nailed it in one of his recent columns: "It's time for Newsom, lawmakers and everyone else [including you and me] sparring over solar to sit down [maybe with a beer?] and make sure that 10 years from now, California is still the nation's rooftop solar leader — without burdening all electric ratepayers."

Respectfully,

Barry Cinnamon, CEO
Cinnamon Energy Systems