

DOCKETED

Docket Number:	16-OIR-02
Project Title:	SB 350 Barriers Report
TN #:	214243
Document Title:	Southern California Edison Comments: CEC Draft Recommendations on DER Barriers
Description:	N/A
Filer:	System
Organization:	Southern California Edison
Submitter Role:	Public
Submission Date:	10/28/2016 4:08:16 PM
Docketed Date:	10/28/2016

Comment Received From: Southern California Edison
Submitted On: 10/28/2016
Docket Number: 16-OIR-02

CEC Draft Recommendations on DER Barriers

Additional submitted attachment is included below.

October 28th, 2016

California Energy Commission
Docket Office, MS-4
Re: Docket No. 16-OIR-02
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.ca.gov

Dear Commissioners:

On October 21st, 2016, the California Energy Commission (Energy Commission), released a draft set of recommendations, "SB 350 Low-Income Barriers Study Recommendations." Southern California Edison (SCE) respectfully provides comments on these draft recommendations.

We appreciate the thoroughness of the new set of recommendations, and the speed with which it was produced. It is clear that the report has taken into account much of the feedback from stakeholders. It is important to SCE to optimize opportunities for all customers to benefit from distributed energy resources.

SCE provides comments in three areas: prioritization of recommendations; barriers to residential on-bill financing; and, steps that we should take before creating a common database for all program delivery agencies. These recommendations are explored in further detail below.

Estimate the magnitude of impact and potential costs to help prioritize recommendations

The draft recommendations are wide-ranging – they address different issues, involve different parties, and will cost different amounts. In order to help compare and prioritize these recommendations, we suggest that the report estimate the cost and impact of the recommendations.

For example, one of the draft recommendations is to increase funding for programs that provide solar power to low-income and disadvantaged communities until those populations are "[served] at the same penetration as the CSI has achieved for the general population."¹ A separate recommendation is for California Alternative Energy and Advanced Transportation Financing Authority "to establish credit enhancements to support energy efficiency and renewable energy improvements to coincide with the California Tax Credit Allocation Committee tax credit events at rehabilitation."² Understanding the cost and expected impact of these programs would help choose the programs to prioritize, which would maximize the effectiveness of the portfolio of options we pursue.

¹ Draft Recommendations, Page 2

² Draft Recommendations, Page 3

There are multiple barriers to residential on-bill financing

One of the report's draft recommendations is for the CPUC to develop an on-bill financing pilot for low-income and disadvantaged communities.³ While SCE agrees that limited access to financing can be a significant barrier to the adoption of DERs, SCE is unable to offer financing to residential customers under its current authorization⁴. Moreover, expanding the on-bill financing program to residential customers faces a separate set of challenges and barriers, including banking and consumer protection laws. The Department of Corporations' Release No. 60-FS specifically provides that SCE's on-bill financing programs may include "only commercial, non-residential customers of the public utility" in order to be exempt from the lending laws under the California Financial Code 22100. SCE is not positioned to be a lender under California law. We therefore recommend that the CEC remove the recommendation for a residential on-bill financing program from its report.

Before creating a common database for all program delivery agencies, we should first understand the leveraging opportunities that already exist

One of the report's draft recommendations is to "develop a common database for use by program delivery agencies and other community partners."⁵ However, it is premature to develop a statewide database without first understanding the current capabilities and requirements of each entity and what leveraging opportunities may already exist. SCE supports the establishment of a Program Coordination Working Group to develop recommendations and project proposals to inform the Commission and begin discussion for a statewide database feasibility study. SCE recommends that the Legislature defer any decision until recommendations are developed and submitted for approval by a working group.

In conclusion, SCE appreciates the Energy Commission's consideration of these comments and looks forward to further participation in this workshop. Please do not hesitate to contact me at (916) 441-3979 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

Catherine Hackney

³ Draft Recommendations, Page 2

⁴ Department of Corporations, Release No. 60-FS, dated July 14, 2006

⁵ Draft Recommendations, Page 3