

DOCKETED

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Comments of the California Solar Energy Industries Association on the Revised Staff Draft Report for the SB 350 Barriers Study, Part A

Additional submitted attachment is included below.

December 8, 2016
California Energy Commission
Dockets Office, MS-4
Re: Docket No. 16-OIR-02
1516 Ninth Street
Sacramento, CA 95814-5512

Submitted electronically to: Docket #: 16-OIR-02 – SB 350 Barriers Report

RE: Comments of the California Solar Energy Industries Association on the Revised Staff Draft Report for the SB 350 Barriers Study, Part A

Dear Commissioners:

The California Solar Energy Industries Association (CALSEIA) appreciates the opportunity to comment on the Revised Staff Draft Report for the “Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-Income Customers and Small Business Contracting Opportunities in Disadvantaged Communities,” or the Barriers Study, prepared by the staff of the California Energy Commission (CEC). CALSEIA appreciates that input from our earlier comments were incorporated into the Barriers Study and its recommendations, and continues to broadly support the recommendations presented in the Barriers Study.

Rooftop solar technologies, both photovoltaic (PV) and thermal, are key to meeting the state’s clean energy and greenhouse gas reduction goals, and the industry is making significant progress towards increasing access to these technologies to low-income individuals and disadvantaged communities. As noted in our previous comments, the portion of solar installations in California communities in low to middle income zip codes has been steadily growing.¹ The Barriers Study cites a general statement in Sanders and Milford (2014)’s Baltimore, Maryland-focused report that leases and PPAs are “generally unavailable to low-income customers with inadequate credit history...”² A more recent and California-specific study by Kevala Analytics found that 65% of

¹ Written comments of the California Solar Energy Industries Association on the Staff Draft Recommendations for the SB 350 Study, p. 2, October 28, 2016. Available at http://docketpublic.energy.ca.gov/PublicDocuments/16-OIR-02/TN214238_20161028T155803_Kelly_Knutsen_Comments_Comments_of_the_California_Solar_Energy.pdf.

² Revised Staff Draft Report for the “Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-Income Customers and Small Business Contracting Opportunities in Disadvantaged Communities,” p. 37. Available at: http://docketpublic.energy.ca.gov/PublicDocuments/16-OIR-02/TN214605_20161201T144029_SB_350_LowIncome_Barriers_Study_Revise_Draft.pdf.

California installations deployed from 2008-2015 were to homeowners living in zip codes where the median homeowner household income is less than \$70,000 per year. Additionally, in 2015, 59% of residential solar installations in California were in zip codes with median household incomes of \$40,000 to \$70,000 per year.³ Of course, more progress needs to be made, but we encourage the report to better reflect the industry's progress to date in California.

CALSEIA strongly supports the recommendation that the legislature should expand opportunities for low-income and disadvantaged communities, and appreciates that the recommendation now explicitly references both solar PV and solar thermal technologies (Recommendation #6). As noted in our earlier comments, the CSI-Thermal program has been successful in helping low-income residents reduce their natural gas use and reducing the barriers to clean energy highlighted in this report.⁴ In addition, CALSEIA appreciates the acknowledgement of the Multifamily Affordable Housing Solar Roofs Program (MAHSR) as an important program, which if implemented successfully, would significantly increase solar PV penetration in these communities and directly benefit the residents living in these communities.

CALSEIA also strongly supports the recommendation for public owned utilities (POUs) to develop or expand programs that provide solar for low-income customer and disadvantaged communities (Recommendation #6b). Programs like the Single-Family Affordable Housing Program (SASH) and Multifamily Affordable Housing Program (MASH) have been hugely successful in Investor Owned Utility territories. The POUs should look to those programs as models for increasing low-income solar deployment in their territories. It is critical to note that the foundation of these programs is a healthy and robust net metering (NEM) tariff, including virtual NEM. Indeed, as noted in the "Rate Setting and Regulatory Challenges" section of the report, "[n]et energy metering (NEM) and virtual net metering have been instrumental in the success of SASH and MASH (Jospé et al, 2014)."⁵

However, the same section of the Barriers Study failed to mention a major challenge unfolding in California that would undermine the success of a SASH or MASH program in POU territories. Unfortunately, many POUs (e.g., Turlock Irrigation District, Modesto Irrigation District, Anza Electric, and Imperial Irrigation District) have reached their 5 percent statutory requirement on NEM, and have replaced NEM with tariffs that undervalue the benefits of clean, local

³ "Whitepaper: Income Distribution of Rooftop Solar Customers," Kevala Analytics, November 24, 2015, available at <https://www.kevalanalytics.com/whitepaper-income-distribution-of-rooftop-solar-customers-2/>.

⁴ Written comments of the California Solar Energy Industries Association on the Staff Draft Recommendations for the SB 350 Study, p. 2, October 28, 2016. Available at http://docketpublic.energy.ca.gov/PublicDocuments/16-OIR-02/TN214238_20161028T155803_Kelly_Knutsen_Comments_Comments_of_the_California_Solar_Energy.pdf.

⁵ Revised Staff Draft Report for the "Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-Income Customers and Small Business Contracting Opportunities in Disadvantaged Communities," p. 55. Available at: http://docketpublic.energy.ca.gov/PublicDocuments/16-OIR-02/TN214605_20161201T144029_SB_350_LowIncome_Barriers_Study_Revised_Draft.pdf.

generation, making them uneconomical to prospective solar customers. Other POU's like the Sacramento Municipal Utility District and Merced Irrigation District are expected to reach their 5 percent NEM level within the coming year. Without a viable NEM tariff, the SASH and MASH programs—including the job-training, energy savings, and other benefits to disadvantaged communities—would be ineffective. As noted in our earlier comments, if NEM compensation for exported generation is undervalued, it would create additional barriers for solar for low-income customers.⁶ Recommendation #6b should be expanded to include the recommendation for POU's to continue NEM or establish a successor NEM program, including virtual NEM, consistent with AB 327 (Perea).⁷ With a strong NEM or NEM successor program in place, programs like MASH and SASH will have the foundation to thrive in POU territories.

CALSEIA appreciates the inclusion in the report of our suggestions for workforce development to help promote local economic development and help give individuals transferrable skills from the installation of solar and other clean energy projects. CALSEIA also supports the new recommendation for a green workforce fund, and hopes this fund would support a job board, staffing agency or similar structure. These ideas could be further discussed in a workshop on the green workforce fund. CALSEIA also echoes our previous comments to use caution when considering local hiring requirements, including the use of Community Workforce Agreements, as specified in Recommendation #3c. While the recommendation did not define “clean energy contracting,” such requirements need to be balanced by the additional transactions costs and impact on the ability to scale programs and reach the target consumer in a sustainable way. CALSEIA has previously supported reasonable local hire requirements when developing solar programs targeted at low-income individuals and disadvantaged communities, such as those included in the MASH program and for consideration in the MAHSR program.⁸ Additional requirements specific to solar and clean energy projects that are not applicable to other building trades would not be appropriate.⁹

CALSEIA appreciates the focus on existing efforts for addressing consumer protection, and appreciates inclusion of CALSEIA's existing efforts on championing consumer protection in the final report. However, the reference appears to be one sentence out of place. A friendly recommended edit would be to insert the text of the footnote as a new sentence in the main report after the sentence on the CPUC's note, as well as noting that the CPUC will be issuing a solar

⁶ Revised Staff Draft Report, p. 55-56.

⁷ AB 327 (Perea, 2013), Electricity: natural gas: rates: net energy metering: California Renewables Portfolio Standard Program, available at https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201320140AB327

⁸ “Proposal of the California Solar Energy Industries Association for Implementation of AB 693,” August 3, 2016, filed at CPUC Rulemaking 14-07-002, available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M167/K502/167502219.PDF>

⁹ CALSEIA written comments, October 28, 2016. Available at

<http://docketpublic.energy.ca.gov/PublicDocuments/16-OIR->

02/TN214238_20161028T155803_Kelly_Knutsen_Comments_Comments_of_the_California_Solar_Energy.pdf.

information packet for consumers per CPUC Decision 16-01-044.¹⁰

Thank you and your colleagues for the opportunity to submit these comments.

Respectfully,

A handwritten signature in cursive script that reads "Kelly Knutsen".

Kelly Knutsen
Policy Advisor

¹⁰ Revised Staff Draft Report, p.50.