

DOCKETED

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Overestimate of PV Forecast

Additional submitted attachment is included below.

November 13, 2017

Chair Weisenmiller and Energy Commission Staff
California Energy Commission
Dockets Office
Re: Docket No. 17-IEPR-01
1516 Ninth Street
Sacramento, CA 95814-55 12

RE: Draft 2017 Integrated Energy Policy Report (IEPR)

Dear Chair Weisenmiller and Energy Commission Staff:

CALSEIA respectfully shares our comments in response to the draft 2017 Integrated Energy Policy Report (IEPR) that was released on October 16, 2017. Our comments primarily concern the expected statewide behind the meter (BTM) solar photovoltaic (PV) capacity as part of the Energy Demand Forecast.

I. Statewide Solar PV Installed Capacity

There are several reasons why each of the CEC 2017 preliminary cases likely all overestimate future BTM solar PV adoption in California. First, it is not clear that these forecasts take into account the move to mandatory time-of-use (TOU) rates for new solar PV customers and other changes implemented in the California Public Utilities Commission (CPUC's) net energy metering (NEM) successor tariff adopted by the California Public Utilities Commission (CPUC) or the new TOU periods, which have still not yet been determined for all of the state's largest three investor-owned electric utilities (IOUs). Because these new TOU rates will likely have off-peak periods during the primary solar-generation hours (such as 10 a.m. – 4 p.m.), savings for many new solar PV customers will be reduced compared with savings under the old tiered rates and TOU rates with afternoon peak periods.

Second, simply calculating monthly bill savings does not account for the added complexity and uncertainty a customer faces when moving from tiered rates to TOU rates, particularly when the periods are not as favorable to solar generation production. Because customer bill savings under a TOU rate depend in part on a customer's daily usage patterns, customers may be unwilling to take on the risk that they might not save money. Even if modeling shows expected savings for the average customer, that proposition may not be compelling for a particular customer who might not wish to manage the risk that they would be worse off under TOU.

Finally, the CEC 2017 Preliminary Forecast does not appear to take into account the impacts of the scheduled step-down phase-out of the federal solar Investment Tax Credits (ITC) or the impact of likely proposed new import tariffs on certain imported solar cells resulting from the pending solar trade case.

In fact, as a result of the move to mandatory TOU and other changes resulting from the CPUC's NEM 2.0 decision, combined with market maturation in the rooftop solar space, California's BTM solar market no

longer appears to be growing. According to data collected by the state agencies, rooftop solar PV installed in the first 8 months of 2017 is 100 MW less than what was installed in the first 8 months of 2016, a decline of roughly 13.5 percent. Staff should take these factors into account when updating the projections for solar PV installed capacity going forward.

We appreciate the opportunity to comment on the 2017 draft IEPR.

Sincerely,

/s/ Brad Heavner

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