

Via E-mail: docket@energy.state.ca.us, renewable@energy.state.ca.us

December 23, 2011

California Energy Commission
Dockets Office, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

DOCKET	
06-NSHP-1	
DATE	Dec. 23 2011
RECD.	Dec. 23 2011

Re: Docket No. 06-NSHP-1, Comments of SolarCity and SunRun on the Proposed Revisions to the New Solar Housing Partnership Guidebook

To Whom It May Concern:

SolarCity and SunRun appreciate the opportunity to comment on the proposed revisions to the New Solar Housing Partnership (NSHP) Guidebook (4th Edition). We have submitted additional comments under separate cover through our membership in the Solar Alliance.

SolarCity is a full service provider of photovoltaic solar power systems, with more than 9,000 projects installed or underway in California. Our company provides integrated PV solar system services to its customers from a single source, including engineering, design, financing, installation, leasing, and monitoring services. SolarCity has more than 900 California employees based at 11 commercial warehouse and office facilities around the state.

SunRun offers solar power as a service for over 9,000 homeowners in California. Based in San Francisco with 140 direct employees, SunRun is a partner to 10 leading local solar installation companies across California, allowing homeowners to upgrade their home to solar without the high upfront costs.

Our comments

Overall, we appreciate the California Energy Commission's (CEC) willingness to streamline the NSHP review and application process and for its responsiveness to the concerns of the builder and solar developer industries. However, we remain concerned that certain proposed revisions do not appear to either further this goal or facilitate increased deployment of solar systems towards meeting the ambitious goals of NSHP and the California Solar Initiative (CSI). Since the proposed revisions are not accompanied by a staff report or analysis, we are unclear about the need for or rationale of certain revisions.

Moreover, many proposed revisions were only recently published on December 15, 2011, after the last workshop and thus have not been subject to stakeholder feedback in a public setting. Accordingly, we respectfully request that CEC staff hold such a workshop prior to adoption of the latest revisions and more importantly, establish a formal working group to guide development of future revisions.

Our comments cover three concerns regarding the proposed revisions as indicated below.

1. The 180-day window between the issue date of a solar energy system permit and the issue date of a certificate of occupancy should not be removed.

2. A complete NSHP reservation package should not be required prior to the issuance of a certificate of occupancy for that project.
3. Applicants should not be required to submit both energy efficiency and PV field verifications to the same HERS Provider.

The NSHP Guidebook should provide maximum flexibility for “solar as an option” developments

The first two changes appear to render “solar as an option” developments infeasible. Since the credit crisis of 2009, the California housing market has been at an all-time low. Home builders that will succeed need to be nimble to design homes that fit the ever-changing market. It can take many months for solar developers to negotiate contracts, design the systems, apply for building permits, and install the systems. By the time a builder engages a developer, a home may have already been constructed requiring a builder to retrofit this home with solar if a customer desires. The current 180-day window reasonably accommodates this scenario so we are unclear why it is proposed for removal.

Eliminating this window would make it very difficult, if not impossible, to install solar on a large percentage of our developments. This proposed change appears to benefit companies that already have contracts in place. In this current market, it is challenging to work with a new builder far enough in advance to be able to comply with these proposed changes. New solar developers essentially have to enter the housing market with “solar as option” projects in order to establish the credibility and track record sufficient to compete for “solar as standard” projects.

The option to add solar should be available to a new home owner during the entire build process, as well as after the house is built. If a spec home is purchased by a homeowner, and solar is to be offered as an option, it will be installed after the house has been constructed. Due to lending requirements for leased systems, the solar system must be installed after the issuance of the certificate of occupancy. This is in response to the very real possibility of homes falling out of escrow after installation of a solar system and prior to the issuance of a certificate of occupancy.

The second proposed revision would also be a significant barrier to “solar as option” developments. A customer who has already purchased a new home (and thus already possesses a certificate of occupancy) would be precluded from installing a solar system simply because of the requirement to submit a reservation package prior to issuance of a certificate of occupancy. Eliminating this requirement and maintaining the 180-day window would give these homeowners a chance to install a solar system consistent with the intent of SB 1 while helping to meet its ambitious goals.

Any certified HERS rater should be eligible to verify PV installations

The third revision listed above allows an applicant for NSHP incentives to use different HERS raters for energy efficiency and PV field verifications but these raters must essentially be employed by the same HERS Provider. We are unclear what problem this proposal is attempting to address.

In our experience, the home builder hires the HERS Provider. However, if this HERS Provider does not employ a certified PV rater, or if the Provider’s services are not available to us, we will need to hire our own HERS PV Provider.

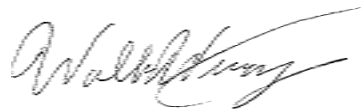
Thank you for the opportunity to comment. We are available to discuss these comments with CEC staff and hope to resolve our concerns prior to adoption of the revised Guidebook on January 12, 2012.

Please do not hesitate to contact Dan Chia with SolarCity at 650-332-0452 or Walker Wright with SunRun at 415-684-9980 if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads "Sanjay Ranchod". The signature is fluid and cursive, with the first name being more prominent.

Sanjay Ranchod
Director of Government Affairs and Senior Counsel
SolarCity

A handwritten signature in black ink that reads "Walker Wright". The signature is fluid and cursive, with the first name being more prominent.

Walker Wright
Director, Government Affairs
SunRun