

BEFORE THE CALIFORNIA ENERGY COMMISSION

Senate Bill 1 Eligibility
Criteria and Conditions for Incentives

Docket No. 07-SB-1

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07-SB-1	
DATE	OCT 0 8 2007
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**Comments of the
Center for Energy Efficiency and Renewable Technologies on
Guidelines for California's Solar Electric Incentive Programs Pursuant to
Senate Bill 1**

October 8, 2007

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Introduction

The Center for Energy Efficiency and Renewable Technologies (CEERT) appreciates the opportunity to offer brief comments to the California Energy Commission (CEC) on its *California Guidelines for California's Solar Electric Incentive Programs Pursuant to Senate Bill 1* ("Guidelines"), in Docket No. 07-SB-1.

Background

Senate Bill (SB) 1¹ modified the CSI program established by the CPUC² and restricted the funding mechanism for the program to only electric, not gas, distribution rates. The CPUC, in Decision (D.) 06-12-033, interpreted SB 1 to read that it would be inappropriate to subsidize solar thermal technology that displaces gas with electric ratepayer dollars. This decision also concluded that the \$100.8 million for solar thermal technologies in the CSI be used to fund solar thermal *electric* technologies.

On June 1, 2007 SCE and PG&E jointly filed Advice letters 2130-E and 3060-E, respectively, regarding *Proposed Modifications to the CSI Handbook for Non-PV Solar Thermal Applications*. CEERT, along with the California Solar Energy Industries Association (CALSEIA), filed a protest on these advice letters. Both protests highlighted concerns with certain criteria for eligible technologies. CEERT's protest was filed on June 20th. In that protest, we made a number of specific recommendations. Most relevant to this filing is the recommendation that the CPUC clearly identify the currently available, tested, viable non-PV technologies that are likely to meet the CSI's eligibility requirements. CEERT further commented that technologies that appeared suitable under the CPUC's definition included a) solar water heating technology that is not eligible for the pilot program administered by CCSE³, 2) solar space and process heating technology, and 3) solar space cooling technology.

Since the filing of the advice letters and protests, the CPUC established a working group to address concerns with program criteria. This group's work is nearly complete. Though CEERT has not participated directly in these Working Group meetings, we

¹ SB 1 (Murray) – Chapter 132, Statutes of 2006.

² The CSI was originally established by the CPUC by Decision (D.) 06-01-024 in Rulemaking (R.) 04-03-017.

³ CCSE is the acronym for the California Center for Sustainable Energy, formerly the San Diego Regional Energy Office (SDREO).

understand that revised Advice Letters will be filed to make solar thermal electric systems eligible for the CSI program before the end of this year.

Recommendation for Guidebook Modification

CEERT's comments to the CEC are in specific regard to the *Solar Energy System Definition* for CSI incentive eligibility, on Page 5 of the Guidelines. Specifically, we request that this definition be modified to specifically include solar thermal electric technologies, consistent with legislative intent and in recognition of the ongoing work at the CPUC:

Solar energy systems eligible for financial incentives are those solar energy devices that have the primary purpose of providing for the collection and distribution of solar energy for the generation of electricity ***and solar thermal electric technologies***. ***Solar energy systems Solar photovoltaic (PV) technology*** must produce at least one kilowatt (kW), and not more than five megawatts, alternating current (AC) rated peak electricity, accounting for all system losses, and meet or exceed the eligibility criteria established in these guidelines. ***Solar thermal electric technologies that are approved by the CPUC to participate in the CSI program are eligible for CSI incentives.***

Eligible solar technologies must primarily generate electricity. ~~*The statutory definition of "solar energy systems" includes other solar technologies such as solar thermal electric technologies. However, at this time, the Energy Commission's guidelines address only solar photovoltaic (PV) technology.*~~ These guidelines will be revised in the future to include other solar technologies when appropriate to do so. Manufacturers of non-PV solar energy systems are directed to work with the Energy Commission staff to define comparably rigorous and appropriate requirements for such systems.

~~*Solar technologies that do not primarily generate electricity, including, but not limited to solar systems whose primary purpose is for water heating, solar space heating and cooling, are not eligible.*~~

Thank you for considering this recommendation.

Sincerely,

//RACHEL MCMAHON//

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