



October 6, 2008

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 07-SB-1
1516 Ninth Street
Sacramento, CA 95814-5512

DOCKET	
07-SB-1	
DATE	<u>OCT 06 2008</u>
RECD.	<u>OCT 06 2008</u>

Comments of the California Center for Sustainable Energy on Proposed Changes to Guidelines for California's Solar Electric Incentive Programs Pursuant to Senate Bill 1

On September 29, 2008, the California Energy Commission's (CEC's) Renewables Committee conducted a workshop to receive comments on proposed changes to *Guidelines for California's Solar Electric Incentive Programs Pursuant to Senate Bill 1* (Guidelines). As the Guidelines establish eligibility criteria, conditions for incentives, and equipment rating standards for all rate-payer-funded solar energy system programs in California, including the California Solar Initiative (CSI), the California Center for Sustainable Energy (CCSE), a Program Administrator of the CSI, has a definite interest in the development and implementation of the final Guidelines. We appreciate the diligence and hard work of CEC Staff, as well as the cooperation demonstrated by all interested parties, in the development of the revisions. CCSE is pleased to provide post-workshop comments pertaining to the following issues:

- Revisions to Shading, Field Verification, and Quality Control Criteria
- Addition of Audit Requirement
- California Solar Initiative Meeting Goals of SB 1
- Process for Future Modifications to Guidelines

Revisions to Shading, Field Verification, and Quality Control Criteria

The revised version of the Guidelines includes substantive revisions made to the sections discussing Shading, Field Verification, and Quality Control requirements. These substantive revisions will not only benefit the adoption of solar, but also will ensure that that high quality solar energy systems with optimal system performance will be installed thus promoting the highest energy production per ratepayer dollar, one of the three specific expectations set by SB 1 for use of ratepayer-funded incentives.¹

Addition of Audit Requirement

A substantive change made to the Guidelines is the addition of an audit requirement for systems installed under the program. The CEC will be required “to conduct annual random audits of solar energy systems to evaluate their operational performance.”² The Guidelines indicate that “[t]o carry out this requirement, the [CEC] will work closely with the program administrators.”³ CCSE will collaborate actively with CEC staff to conduct these audits. We note that these audits should be effectively coordinated with the measurement and evaluation (M&E) of the CSI program, conducted by the California Public Utilities Commission (CPUC), to ensure that data collected during audits will be useable for the M&E contractor and/or CPUC staff. This will ensure maximum protection of ratepayer funds.

California Solar Initiative Meeting Goals of SB 1

CCSE notes that the CSI program currently appears to be meeting the SB 1 goal of rewarding systems optimized for summer production. That is, existing incentives in the marketplace are resulting in high-performing systems. More than 60% of all systems are nearly perfect, i.e., unshaded and either flat or with SE-W azimuth and reasonable tilt. Further, 85% of all systems are within 10% of optimum; 95% are within 15% of optimum; and 98% of all systems are within 20% of optimum. Moreover, without the

¹ *Guidelines for California’s Solar Electric Incentive Programs Pursuant to Senate Bill 1*, Second Edition, September 2008, page v.

² *Id.* at 5, citing to Public Resources Code Section 25783(d).

³ *Id.*

current programmatic limit of design factors to a maximum of 1.0, the above percentages would in fact be higher. In Southern California particularly, allowing design factors to scale fully would place more systems close to the nominal optimum, making it even clearer that SB 1's intent is already being met in practice.

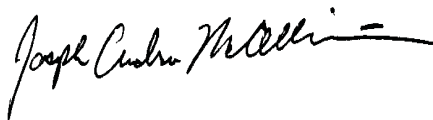
Process for Future Modifications to SB 1 Guidelines

The CSI program is a ten-year program, running through 2016.⁴ The Guidelines will need to remain usable and current throughout the existence of the CSI. Thus, we respectfully request that the Guidelines include identification of the process that will be utilized to further revise the document in response to changes in all rate-payer-funded solar energy system programs in California, including the CSI. Providing a clearly outlined process within the Guidelines will enable interested parties to address perceived need for SB 1-related program changes, and to seek revisions to the document through the proper channel(s).

Conclusion

CCSE appreciates the opportunity to contribute these post-workshop Comments on Proposed Changes to *Guidelines for California's Solar Electric Incentive Programs* Pursuant to Senate Bill 1.

Sincerely,



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⁴ California Public Utilities Commission Rulemaking 06-03-004, Decision 06-08-028, *Opinion Adopting Performance-Based Incentives, an Administrative Structure, and Other Phase One Program Elements for the California Solar Initiative*, August 24, 2006, page 8.