

**DOCKETED**

<b>Docket Number:</b>	19-BSTD-07
<b>Project Title:</b>	Photovoltaic System Requirement Determination for City of Needles
<b>TN #:</b>	229768-2
<b>Document Title:</b>	Cover letter
<b>Description:</b>	Re: City of Needles' Request for a Residential Photovoltaic Determination
<b>Filer:</b>	Cheng Moua
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Public Agency
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# City of Needles

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Vice Mayor Edward T. Paget, M.D  
Councilmember Shawn Gudmundson  
Councilmember Tona Belt  
Councilmember Clayton Hazlewood  
Councilmember Tim Terral  
Councilmember Zachery Longacre  
City Manager Rick Daniels

July 2, 2019

Maziar Shirakh, P.E.  
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California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814-5512  
[Maziar.Shirakh@energy.ca.gov](mailto:Maziar.Shirakh@energy.ca.gov)

Re: City of Needles' Request for a Residential Photovoltaic Determination

Dear Mr. Shirakh,

On behalf of the City of Needles ("City" or "Needles"), I am writing to seek a determination from the California Energy Commission ("Commission") under Section 10-109(k) of the 2019 Energy Code. Section 10-109(k) allows the Commission to determine that the photovoltaic ("PV") requirements of Section 150.1(c)14 should not apply, if the Commission finds that "the implementation of public agency rules regarding utility system costs and revenue requirements, compensation for customer-owned generation, or interconnection fees, causes the Commission's cost effectiveness conclusions to not hold for particular buildings."

The City of Needles is a small community of roughly 5,000 residents nestled on the eastern edge of California, touching Arizona and a short distance from Nevada. Needles provides electric service to its residents through Needles Public Utility Authority ("NPUA"). The median household income is \$31,372, making Needles a severely disadvantaged community. Currently, very few new houses (approximately 2-3) are built in Needles each year; residents' economic condition likely contributes to this lack of new development. Adding the residential PV requirement in this community may worsen Needles already precarious position.

Importantly, the residential PV requirement is not cost-effective for Needles' citizens. While Needles electric rates fluctuate based on the season and customer consumption, they are some of the lowest in the state. For example, this summer an NPUA customer will receive hydropower for the first 742 kWhs at a rate of \$0.0621/kWh. When they exceed this amount, the price increases to an "over hydro" rate of 0.0917/kWh. For the typical residential electric customer, we believe that the Section 150.1(c)14 mandate is not cost-effective within Needles' service area and a determination under Section 10-109(k) is appropriate.

NPUA reviewed and approved this application for a determination from the Commission. Needles then held a public meeting and received public comment on the submission of this request for a determination regarding the cost-effectiveness of the PV requirement, and the city council approved this action. The City of Needles respectfully requests that the California Energy Commission make a determination under Section 10-109(k) of the 2019 Energy Code that the photovoltaic requirements of Section 150.1(c)14 do not apply within Needles' service area.

Sincerely,



Rick Daniels  
City of Needles, City Manager  
[rdaniels@cityofneedles.com](mailto:rdaniels@cityofneedles.com)

Cc (email only):      Rebecca Westmore  
                                 Bill Pennington  
                                 Christopher Meyer  
                                 Danny Tam