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SunPower CEC 2022 Rulemaking Comments

Additional submitted attachment is included below.

SUNPOWER®

California Energy Commission

October 20, 2020

RE: 2022 T24 Energy Code Pre-Rulemaking Session

Dear Members of the California Energy Commission:

I am writing to express SunPower's comments on the California Energy Commission's New Construction Rulemaking Session for 2022. SunPower is a 35-year old leading solar energy technology and services provider headquartered in San Jose. We have more than 13 gigawatts of solar deployed around the world and are a leader in the U.S. residential and commercial solar market. In California, we have more than 78,700 residential customers, including more than 55,000 new homes, granting us the #1 market share for new home solar panel construction since 2006.

First, we urge the Commission to require measures in the 2022 code that incentivize energy production rather than system size. Incentives that favor energy production promote a greater amount of efficiency for photo-voltaic (PV) and storage systems which more effectively decrease the demand on the grid during peak hours. On a more granular level, measuring compliance by production rather than system size would significantly reduce the administrative burden that the solar mandate has added to builders' workflow. As the lead solar provider in the new homes sector, we have a wealth of experience with the implementation of the 2019 code requirements and some of the places where the process could be more streamlined. We would be happy to provide feedback and support so that the 2022 requirements can incorporate changes to address the lessons we (and our builder clients) have learned in the past year and a half.

Second, we support measures that provide incentives for combined PV and storage use, in addition to compliance credits for the battery storage ready requirement to support electric end-uses, PV systems, EVs, and future battery storage installation. As demonstrated during the rulemaking session, there is substantial evidence that combined PV and storage is cost-effective for most building categories and across all scenarios. The efficiencies can be found through the co-benefits of combined systems, and the storage ready requirement would save thousands of dollars in retrofit costs that would inevitably fall upon consumers. The combined behind the meter products provide an optimal economic advantage for peak demand clipping and lower time-dependent variable consumption. Coupled with the fact that soft and hard costs for PV components are expected to decrease drastically between 2023 to 2030 (as a result of technological maturity and state/federal storage incentives which spur greater market adoption), there is an added cost-benefit advantage to incorporating these technologies that would result in better harmony between the utility grid and end-use consumption. With respect to incentives in particular, we encourage an expansion to the 2019 battery storage compliance credits. Such an expansion could include deeper energy efficiency tradeoffs or other code credits that would produce more meaningful adoption.[1]

Third, we support the compliance credit for Electrical Vehicle Supply Equipment (EVSE) installation in nonresidential units. The compliance credit could create significant investments under the assumption that there will be a large need for public and workspace stations as the state strives to meet the 2025 Electric Vehicle (EV) charging goals. The compliance credit would have additional impacts to the PV and storage market and create an increased demand for distributed energy resources.

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[1] There are currently no financial incentives that benefit battery storage for the new home construction market. The Self-Generation Incentive Program (SGIP), administered by the California Public Utility Commission (CPUC), provides incentives for the installation of new qualifying storage technologies, but the current program rules do not allow builders to apply for the program on behalf of their customers. As a result, the program is effectively not available for new construction.

Finally, we oppose any exemptions to the solar requirement for newly constructed alternative dwelling units (ADUs). Providing an exemption to ADUs would counter the intent of enabling Title 24 legislation. When paired with the reduced costs associated with PV systems, the obstacles associated with configuring these units with solar panels would be relatively negligible. ADUs are also expected to have a larger presence in a future market – especially given California's dire need for more housing. Most importantly, solar on ADUs provides electricity bill savings to residents living in the ADU, and these residents are more likely to be on a fixed or low to moderate income.

As the Commission continues its new construction rules for 2022, we reinforce the push to reduce the demand for current fuel-based energy sources with an increased shift toward electrical-based and clean energy solutions. The incentives above will provide greater efficiencies, especially as costs for PV and storage units continue their downward trend. We look forward to continuing to participate in the rulemaking process. We would be happy to work with staff directly to provide data that may be useful in the study of these measures, or that may further contribute toward your in-depth analyses.

You are welcome to contact me directly at jim.purekal@sunpower.com or 850-723-5859 with questions or for further input.

Sincerely,
Jim Purekal
Jim Purekal
Market Development and Policy Fellow
SunPower Corporation