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California Energy Commission
Docket 19-BSTD-03
1516 9th Street
Sacramento, CA 95814

Subject: Docket 19-BSTD-03 – Supplemental Comments of the Coalition for Community Solar Access re: Section 10-115 of the Draft 2022 Building Energy Efficiency Standards and Community Solar Tariff Development in the Net Metering Proceeding at the California Public Utilities Commission (R.20-08-020)

The Coalition for Community Solar Access (CCSA) appreciated the opportunity to comment on the California Energy Commission’s (Commission’s, or CEC’s) draft 2022 Building Energy Efficiency Standards (BEES) in our March 9th, 2021 joint filing with the Solar Energy Industries Association. CCSA is filing supplemental comments in light of relevant developments at the California Public Utilities Commission (CPUC) that have taken place since that March 9th filing and to provide additional clarifying comments on the Commission’s proposed language and requirements in Section 10-115(a)(6) of the draft 2022 BEES, regarding the location of community shared solar and/or battery storage systems.

Relevant Developments at the CPUC re: Community Solar Tariffs

On March 15th parties filed proposals with the CPUC for successors to the current Net Energy Metering tariff in R.20-08-020 (hereafter the “net metering revisit” proceeding). The scoping memo in the proceeding asks parties how their proposal will support Title 24 implementation.¹ CCSA’s proposal in the net metering revisit proceeding is focused on creating a value-based community solar program which can, among other things, be used for compliance with Title 24 solar requirements.

CCSA’s proposal is particularly relevant to this proceeding since the ability for builders to use community solar for compliance with the building code is entirely dependent on a utility’s relevant regulatory body having approved a tariff. To date only the Sacramento Utility Municipal District has had a program authorized for use. The investor-owned utilities (IOUs), which serve the majority of the state’s electric load, have the Enhanced Community Renewables (ECR) portion of the Green Tariff Shared Renewables program (GTSR), which allows for community solar developments. To date this program has not been a viable option for the building code in large part because of the highly uncertain economics associated

¹ CPUC. November 19, 2020. Joint Assigned Commissioner’s Scoping Memo and Administrative Law Judge Ruling Directing Comments on Proposed Guiding Principles. Found here: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M351/K623/351623038.PDF>

with the bill credit. CCSA is working to improve the ECR program's rate structure, but even if ECR becomes a viable option there is only approximately 200MW currently available and the GTSR program capacity is capped by statute.² In addition, the GTSR programs are only available to bundled customers of the IOUs, a number which is rapidly dwindling with the development and expansion of community choice aggregation (CCA) programs across the state. An alternative which is more scalable and available to IOU and CCA customers alike is needed.

CCSA's filing in the net metering revisit proceeding at the CPUC³ acknowledges the limitations of past and current utility tariff programs to incentivize customer-sited renewable energy and proposes an alternative tariff to meet Title 24 and California's Zero Net Energy (ZNE) goals, among other objectives. As noted in CCSA's filing, "Current programs have significant limitations on, among other things, eligibility, siting, and bill crediting rates and mechanisms. Others require customers to pay a premium to participate. Each of these limitations undermines the ability to use existing programs to meet the requirements of the CEC's community solar program option".⁴ CCSA's proposed tariff, described as a "net value billing tariff," provides an objective and flexible framework for valuing community solar. It also provides a reasonable level of rate certainty which underpins project financing and the ability to ensure customer savings.

The net value billing tariff is based on CCSA's experience developing New York's Value of Distributed Energy Resources (NY VDER)⁵ and the net billing concept described in the E3 Whitepaper⁶ commissioned by the CPUC. The NY VDER model has been credited with the rapid development of Community Distributed Generation resources through a transparent value-based compensation program. NY VDER aims to compensate resources based on their time and location-differentiated contributions to the grid while providing universal access to solar savings for customers and buildings; for this reason, it achieves the Commission's goal of grid harmonization. The California version of this program which CCSA has proposed in the net metering revisit proceeding, utilizes an established value-based method of accounting through the CPUC-approved Avoided Cost Calculator and compensates customers with bill credits. Like existing virtual net metering tariffs, participants continue to pay transmission and distribution grid charges and thereby nullifies cost shifting concerns.

² PG&E recently asserted in an Emergency Petition for Modification filed on April 30, 2021, that its remaining portion (~200 MW) of GTSR capacity is currently nearly entirely enrolled by larger customers. See PG&E's filing here: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M381/K520/381520677.PDF>. This would effectively leave about 200 MW of available capacity in SCE territory that, if the program rate structure was fixed, could be leveraged for ECR and potentially used to support Title 24 compliance. See SCE's most recent Quarterly GTSR Progress Report, filed April 28, 2021, and found here:

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M380/K579/380579168.PDF>

³ CCSA's Net Value Bill Crediting Tariff proposal is available here:

<https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=371679489>

⁴ <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M371/K679/371679489.PDF>

⁵ New York State Energy Research and Development Authority (NYSERDA). available at:

<https://www.nyserdera.ny.gov/All%20Programs/Programs/NY%20Sun/Contractors/Value%20of%20Distributed%20Energy%20Resources>.

⁶ Alternative Ratemaking Mechanisms for Distributed Energy Resources in California – Successor Tariff Options Compliant with AB 327 (January 28, 2021), available as Attachment 1 to Email Ruling Introducing White Paper, Noticing Workshop on White Paper, and Providing Instructions for Successor Proposals, filed January 28, 2021 in Rulemaking no. 20-08-020.

CCSA's proposal for a new utility tariff builds on existing CPUC and Commission decisions in support of lowering barriers to customer participation in clean energy programs. Further, the time-based value of energy credit will encourage the adoption of energy storage by incentivizing generation during peak evening hours. Increased renewable generation during peak hours will reduce the necessary supply of GHG-emitting peaking generators.

Section 10-115(a)(6): Location

CCSA fully supports the Commission's proposed parameters regarding the location of a community shared solar electric generation system and/or community shared battery storage system. Specifically, that these systems must be "located on a distribution system of the load serving entity providing service to the participating buildings." Consistent with CCSA's Community Solar Policy Matrix⁷, CCSA always recommends that community solar projects be located on the distribution system. This ensures these systems can provide grid and community benefits commensurate with the energy exported to the grid from an onsite solar project. CCSA made a similar point in response to the Sacramento Municipal Utilities District proposal to be a Section 10-115 administrator for its Neighborhood SolarShares Program (SolarShares).⁸

CCSA disagrees with some stakeholder input (filed in response to the draft 2022 BEES) that recommended projects must be located on the same distribution system as the subscribing building. While "distribution system" could have varying definitions, any suggestion that a project and its subscribing customers should be on the same feeder or substation, for example, would largely undermine the very benefits of allowing for remote projects at all. Indeed, such restrictions would prevent scalable opportunities for solar/storage developers and home builders to successfully navigate partnerships which already face logistical challenges such as aligning project construction and financing timelines. Importantly, flexibility in siting a community shared project allows for not only achieving economies of scale through larger project sizing, but also enables greater opportunities for reducing project costs through leveraging less expensive property and potentially more strategic grid locations which supports more cost-effective interconnection. These factors become increasingly important for home construction occurring in more urban and suburban areas where available land is limited (and often expensive); and this is particularly relevant as the state seeks to develop more dense, transit-oriented housing to address the housing shortage while meeting climate goals.

The proposed requirements in the Commission's draft 2022 BEES which state that community shared systems to be no greater than 20 MW and located anywhere on the relevant utility's distribution system are elements that CCSA would deem both common and best practice for community solar programs across the country. It balances the ability to leverage economies of scale and system optimization while also providing real distribution system level benefits to the grid.

⁷ CCSA Community Solar Policy Matrix. Found here: <http://www.communitysolaraccess.org/wp-content/uploads/2019/04/2019CommunitySolarPolicyMatrix-2.pdf>

⁸ CCSA. February 7, 2020. Found here: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=231983&DocumentContentId=63846>

CCSA appreciates the opportunity to comment on the draft regulations and look forward to continued collaboration with the Commission and stakeholders on the development of the 2022 BEES.

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