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**Additional Comments on CERIP and Rooftop Community Solar**

*Additional submitted attachment is included below.*

February 22, 2023

Clean Energy Reliability Investment Plan  
Dimension Renewable Energy and Solar Landscape Comments to CEC

Dear CEC Commissioners and Staff,

Thank you for the opportunity to submit these comments to supplement our written comments submitted on February 2 encouraging CEC to allocate funding from the Clean Energy Reliability Investment Plan as incentives for rooftop-located community solar plus storage projects in 2024 and 2025.

Dimension Renewable Energy (“Dimension”) and Solar Landscape are community solar developers with expertise in locating projects on large roofs. Solar Landscape is a developer, owner, and operator of community solar and behind-the-meter solar in a number of states across the country; we focus on siting our community solar projects on large commercial and industrial rooftops, such as warehouses. Dimension Renewable Energy (“Dimension”) is a leading community solar developer with projects under development in 13 states. Dimension sites community solar projects on large commercial rooftops, and we also develop ground mounted community solar projects. Our companies are both members of the trade association the Coalition for Community Solar Access (CCSA).

As we noted in our February 2 comments, we expect that the new Avoided Cost Calculator (ACC)-based tariff proposed by CCSA will generate enough revenue to support development of ground mounted community solar plus storage projects. However, rooftop-located community solar plus storage projects, particularly those located in urban areas, are more expensive, due to the cost of leasing large roofs, the inability to use tracking systems to increase energy production, and higher engineering, procurement and construction (“EPC”) costs. Our separate economic analyses indicate that many rooftop community solar plus storage projects that receive a 30% federal investment tax credit will be uneconomic unless incentives are available on top of the ACC-based tariff.

Developers may apply for the limited supply of federal investment tax credit adders associated with building a project in a low-income census tract, or providing an economic benefit to low-income subscribers. In theory these incentives should improve project economics, but recently published Treasury guidelines make it clear that applications for investment tax credit adders will be very competitive. Many projects will apply for, but not receive, higher investment tax credits via the Department of Energy-administered competitive allocation process.

Furthermore, the Treasury guidelines clarified that projects may not be placed in service prior to receiving an allocation of investment tax credit adders. This means that economically challenged projects reliant on the investment tax credit adders will be delayed until the adders are secured. This will create delay and slow the deployment of projects that could otherwise be in service for the Summer of 2024 and 2025. CEC's CERIP is an ideal mechanism to accelerate rooftop community solar plus storage at scale and meet the Clean Energy Reliability Investment Plan's goal of rapid deployment of reliability resources.

Two of the most important goals of the CERIP, as noted in Section 12 of SB 846, are to "accelerate the deployment of clean energy resources" and "take into account...California's...needs for near- and mid-term reliability." We reiterate that rooftop community solar plus storage projects have strong potential to be operating and serving the net peak in 2024, assuming CPUC issues the regulations for the new program in 2023. (Rooftop-located projects can receive a Rule 21 Fast Track interconnection agreement in 8 weeks or less, and can get local building permits in only a few weeks, while ground mounted projects will usually have longer interconnection and permitting times.) We are not aware of any other supply-side resource that can unlock hundreds of megawatts of new clean reliable capacity to serve California's net peak in 2024.

In our February 2 comments, we proposed a simple incentive structured to encourage rooftop community solar plus storage development that would incentivize rapid deployment of reliability resources where they are most needed. The table below illustrates the order of magnitude for a cents/kW incentive for a project with matching solar and storage. The Commission can structure an incentive to buy down the storage portion of rooftop community solar plus storage projects rather than the solar portion if it prefers.

The lower incentive for larger rooftops would adequately support rapid community solar plus storage deployments on warehouses and other large commercial and industrial roofs, while the higher incentive for smaller roofs would support the smaller community solar plus storage projects sponsored by non-profits and other community-based organizations. Incentives for rooftop community solar plus storage will enable the use of rooftops that otherwise may not be utilized for clean reliable energy capacity.

Funding Option	Illustrative Incentive Range
Rooftops (1-5MW)	\$0.40-0.60/W DC
Rooftops (250-1000kW)	\$0.60-0.80/W DC

We recommend that CEC be the disburser of this rooftop community solar plus storage incentive and avoid complicating CPUC’s community solar rules development or administration process. By allocating incentives to ensure rooftop community solar plus storage projects can be built quickly and at scale, the CEC will deploy CERIP funding cost-effectively to support urban-located community solar plus storage.

Rooftop community solar generates numerous ratepayer and societal benefits including:

- Avoided transmission and distribution investments, operation and management costs
- Reduced Resource Adequacy requirements in urban areas via net load reduction
- Public health benefits in disadvantaged/polluted communities that come from reducing pollution from gas-fired power plants
- New jobs created in urban areas
- Opportunities for greater grid resiliency within our cities, e.g. possibilities for electric vehicle and device charging during blackouts

Thank you for your consideration of this important issue and for your leadership on clean energy. We look forward to working with you to bring the benefits of equitable community solar plus storage to California’s many urban areas.

Sincerely,

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