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NCPA Comments on CEC Solar for All RFI

Additional submitted attachment is included below.



March 14, 2025

California Energy Commission Docket No. 25-SOLAR-01 Re: CEC Solar For All Program 715 P Street Sacramento, CA 95814

Re: Northern California Power Agency's Comments on Request for Information for CEC Solar for All Program

Northern California Power Agency (NCPA), a joint powers agency formed by a consortium of locally owned electric utilities, shares California's vision for clean, reliable, safe, and affordable energy for all Californians. This letter aims to provide feedback on the CEC's development of the Solar for All program through the Request for Information posted on February 18, 2025. NCPA looks forward to working with the CEC on the development of this important grant program to foster equitable access to the benefits of clean energy in California's low-income and disadvantaged communities.

NCPA Members include publicly owned electric utilities (POU), a rural electric cooperative, and other publicly owned entities for which the not-for-profit agency provides such services as the generation, purchase, aggregation, scheduling, and management of electrical energy. NCPA Members are the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Shasta Lake, and Ukiah, the Plumas-Sierra Rural Electric Cooperative, the Port of Oakland, the San Francisco Bay Area Rapid Transit District, and the Truckee Donner Public Utility District.

NCPA and its Members are actively pursuing opportunities to develop multifamily solar, community solar, and solar and battery storage projects. NCPA territories include low-income and disadvantaged communities that would benefit from greater access to and broader adoption of cost-effective solar and storage resources.

I. PROGRAM STRUCTURE

A. Examples of Existing or Planned Solar Projects/Programs

NCPA members are evaluating several different solar projects/programs that could qualify for Solar for All funding. Even among NCPA members, different project types of programs may be needed to account for differences in utility territory and customer needs. The primary projects and programs under consideration by NCPA Members include the following:

Project types:

- o Rooftop solar for residential households, either single-family or multifamily
- Community solar
- Possible additions of battery storage
- Program approaches:
 - Property-specific projects
 - Rebate programs
 - Community solar programs

The range of programs is necessitated by the varied needs of the communities in which they will be located. No single solar project type or program offering will work in all instances and for all customers and communities. For that reason, the CEC's grant solicitation for Solar for All should not restrict project eligibility to any specific solar project type or structure, as the projects best suited to a community will depend on several factors.

Additionally, NCPA recommends that the Solar for All program allow for funding to be used on project administration, software and billing updates, and other expenses directly related to the project.

B. <u>Program Funding Allocation Structures</u>

NCPA represents both small and medium-sized POUs. To provide POUs of all sizes an opportunity to apply for Solar for All funding, NCPA recommends that funding be segmented by utility size, and that the CEC establish maximum award amounts that allow for multiple POUs to access funding within each segment.

Based on the short funding timelines, the CEC should help streamline the grant solicitation process so that solar projects that are ready to go can receive funding relatively quickly. In addition, the CEC should ensure that project reporting requirements are as streamlined as possible so that POUs with fewer staff resources will not be disadvantaged and can still access the funding and meet all the grant requirements.

For either a first-come first-served or competitive grant design, applicants should be provided several months of lead time to prepare the necessary application materials prior to the grant application period. If the CEC uses a first-come first-served approach, the CEC should establish an application baseline for project readiness to ensure that applications are for viable projects. Otherwise, funds may be offered to projects that are not ready to move forward, and projects that are ready may be adversely impacted.

C. <u>Prioritization for Award Disbursement</u>

Due to the limited funds available, the program should prioritize proportional funding distribution and MW/\$. Focusing on these goals will help expand residential solar resources throughout the state and maximize the available funding.

Requiring projects to "promote resiliency" would needlessly limit the availability of the funds for the communities that need them. Resiliency requires additional infrastructure and funding that would further limit the number of POUs that can access the grant funds. In addition, resiliency is a more challenging criterion for community solar projects, and the CEC should not add criteria that unduly burden communities without access to rooftop solar.

D. Solar for All Program and California Energy Code Requirements

The Solar for All program should be limited to solar projects for existing residential and avoid any overlap with existing California Energy Code requirements. NCPA supports using the Solar for All funding on new and incremental solar deployment.

E. Match Funding

The Solar for All Program should not require match funding, but instead leave it as an option. Smaller POUs, in particular, may not have match funding available and will need to scale the project size to the Solar for All funding available. This approach could ensure a wider reach for the Solar for All program and help to deploy projects without undue financial or administrative burden.

F. Applicant Types

The CEC's Solar for All program should be structured to help ensure that projects are designed within POU territories in partnership with POUs. POUs are uniquely qualified to identify projects that best fit the needs of their community and the needs of the local utility. Therefore, Applicants for the Solar for All grant program should be limited to either POUs or third-party program administrators/project developers who apply jointly with one or more POUs. For example, NCPA could potentially coordinate a joint application in partnership with its Members, and the grant solicitation should be flexible enough to allow for such an approach.

Some POUs may have the in-house resources needed to apply for and administer a solar project/program. In contrast, other POUs may need to rely on third-parties to help ease the administrative burden for the funding application process, project administration, and/or deployment. No matter what the grant team looks like, coordination with a POU should be ensured to help guarantee the project's viability. It is important that projects and programs be compatible and complementary to existing programs and the needs of the electric utility in which they are located.

G. Income Verification

Income verification should not require extensive new data collection or reporting requirements. The CEC should seek to streamline the income verification process whenever needed, either by relying on census-tract-level data or utilizing existing POU low-income programs, so that additional income verification is not required. Solar for All should not limit income verification

to census-tract data, as projects may be deployed in areas where a deed-restricted property or individual low-income customer does not reside within an eligible tract.

II. BENEFITS

A. 20% Average Household Electricity Bill Savings

The CEC should structure the requirements for demonstrating the 20% average household electricity bill savings in a way that reduces administrative burden, accounts for fluctuations and changes in home electricity use, and primarily relies on historical data over future usage.

Calculations of the 20% discount should be based on average annual billings after existing low-income discounts to reflect the true impact of the bill savings. The CEC should, whenever possible, rely on historical usage for an average low-income customer and, through that data, calculate expected bill savings for a project. Historical usage is important for establishing a baseline; electricity usage may increase after a solar project is complete due to a number of factors, such as the electrification of home appliances or homeowner needs.

B. Customer vs. Location -Based Benefits

The Solar for All program should not require a specific process to ensure community solar bill discounts are linked to a customer, as not all programs require a customer link. The benefits of a solar project may be tied to a low-income individual or a deed-restricted property based on the project design.

III. SITING, PERMITTING, AND INTERCONNECTION

A. <u>Streamlined Permitting Process</u>

New and additional permitting is neither necessary nor beneficial. California has already made many improvements in solar permitting streamlining; placing any additional requirements on a permitting process could delay projects or potentially keep POUs from applying for funding.

B. Energy Storage

The CEC's Solar for All program should allow but not require energy storage with solar development; dependent on the project design and location, energy storage may make the 20% bill reduction infeasible.

IV. QUALITY JOBS

POUs, as public agencies, are already required to follow prevailing wage requirements. The CEC should refrain from adding additional burdensome reporting requirements, or complicated benefit program plans, that make it more difficult for smaller utilities to access grant funding.

V. CONCLUSION

We appreciate the CEC's consideration of these comments, and we look forward to continuing our collaboration with the CEC and other stakeholders on the Solar for All Program.

Respectfully submitted,

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