

## DOCKETED

<b>Docket Number:</b>	11-RPS-01
<b>Project Title:</b>	Renewables Portfolio Standard
<b>TN #:</b>	210511
<b>Document Title:</b>	Letter Requesting Extensions for the RPS Certification
<b>Description:</b>	Letter from SolarCity requesting extension for the Renewable Portfolio Standard (RPS) certifications for nine systems.
<b>Filer:</b>	Judi Carter
<b>Organization:</b>	SolarCity Corporation
<b>Submitter Role:</b>	Applicant
<b>Submission Date:</b>	2/23/2016 1:59:07 PM
<b>Docketed Date:</b>	2/23/2016



January 12, 2016

California Energy Commission  
Office of the Executive Director  
1516 9<sup>th</sup> Street, MS-39  
Sacramento, CA 95814-5512

Dear Mr. Oglesby:

SolarCity Corporation (SolarCity) hereby requests extensions for the Renewable Portfolio Standard (RPS) certifications for the attached list of nine systems. The specific extension dates requested per each facility are noted in Attachment 1. In general, the intention of the requests is to seek RPS certification retroactively to ensure the eligibility of renewable energy credits (RECs) that we have previously traded pursuant to two REC purchase and sale agreements (PSA). The justifications for these requests relate to: a) a Western Renewable Energy Generation Information System (WREGIS) glitch, and b) Voluntary Renewable Energy Program (VREP) and California Solar Initiative (CSI) nuances.

## I. Extension Request: Explanation of Circumstances

### a) WREGIS Glitch:

Central to our request for this extension is an apparent glitch in the WREGIS 90-day reporting process that caused SolarCity RECs to be misrepresented as California (CA) RPS eligible in the tracking system. In reliance upon the WREGIS system indicating that RECs were eligible (see screenshots in Attachment 2), SolarCity transferred RECs pursuant to a PSA. These RECs were subsequently deemed ineligible for the CA RPS by the California Energy Commission (CEC). This reversal of eligibility has jeopardized our trading relationship with the REC purchaser and may cause SolarCity to default its obligations under the PSA. The relief requested would allow the RECs that were originally transferred to be CA RPS eligible, and therefore allow us to honor the terms of our PSA, as we had always intended.

3055 Clearview Way San Mateo, CA 94402 T (650) 638 - 1028 (888) SOL - CITY F (650) 638 - 1029 solarcity.com

AL 05500, AR N-8937, AZ ROC 24377/ROC 245450, CA CSLB 888104, CO EC8041 CT HIC 0632778/EIC 0125305, DC 410514000080/ECC902585, DE 201120386/ T1-6032, FL EC13006226, HI CT-29770, IL 15-0052, MA HIC 168572/  
EL-1136MR, MD HIC 128948/1805, NC 30801-U, NH 0347C/12523M, NJ NJHIC#13VH06160600/34EB01732700, NM EE98-379590, NV NV20121135172/C2-0078648/B2-0079719, OH EL 4770J, OR CB80498/C562, PA HICPA077343, RI  
AC0047M/Reg 3833, TX TECL27006, UT 8726950-8501, VA ELE2705153278, VT EM-05829, WA SOLARC\*99901/SOLARC\*906P7, Albany 439, Greene A-484, Nassau H2409710000, Putnam PC6041, Rockland H-11864-40-00-00, Suffolk  
52057-H, Westchester WC-26088-H3, N Y C #2001384-DCA SCENYC-N Y C Licensed Electrician, #12610, #004485, 155 Water St, 8th Fl, Unit 10, Brooklyn, NY 11201, #203966-DCA. All loans provided by SolarCity Finance Company, LLC  
CA Finance Lenders License #064796 SolarCity Finance Company, LLC is licensed by the Delaware State Bank Commissioner to engage in business in Delaware under license number 079422, MD Consumer Loan License 2241, NV  
Installation Loan License #11023 / IL11024, RI Licensed Lender #20763103LL, TX Registered Creditor 1400050963-202404, VT Lender License #6766

**b) VREP and CSI nuances:**

Pursuant to a different PSA with a separate counterparty, SolarCity transferred RECs from several projects with the understanding that the RECs would be used for voluntary purposes. To qualify as a voluntary REC in CA in accordance with the voluntary market Green-e National Standard, the RECs must be paired with allowances from the state's VREP. To receive VREP allowances, the system generating RECs must qualify as an eligible renewable energy system in CA; the VREP program accepts *only* two forms as evidence of system eligibility: 1) an incentive receipt from the state's CSI program or 2) approval of RPS eligibility from the CEC.

SolarCity had applied to the CSI for each of the projects that RECs were transferred from and expected that they would meet the intent of the VREP. Unfortunately, because the CSI program ran out of funding, these projects have remained on the CSI waitlist and will likely never receive an incentive in this program. The result of this is that SolarCity is at risk of defaulting on a contract and damaging an important trading relationship with a counterparty. Because these systems will not be able to receive VREP allowances unless approved as RPS eligible, the relief requested will allow SolarCity meet the original intent of its PSA, as it had always intended.

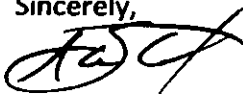
**II. Extension Request: Financial Impact**

If the RPS certification extensions are not granted, the potential immediate financial impact to SolarCity will be approximately \$75,000. Given the limited number of counterparties that participate in REC markets, it is also important to note that this direct financial repercussion does not take into account additional constraints on liquidity that SolarCity may suffer as a result of damaged trading relationships related to this request.

**III. Conclusion**

In sum, SolarCity is requesting RPS extensions for the nine facilities identified in Attachment 1 based upon our reliance on the published WREGIS eligibility and CSI funding. In both cases, SolarCity sought to deliver RECs in adherence to all relevant regulations and acted in good faith, assuming that its REC deliveries would be satisfactory per contracted terms. Unfortunately without CEC RPS certification, the RECs transferred will not meet the respective contract requirements and SolarCity could be at risk of defaulting on its obligations, impairing its reputation in REC markets. Preserving existing relationships is particularly important to SolarCity given the limited REC market liquidity. SolarCity appreciates the Commission's consideration of this request.

Sincerely,



Ana Stewart, Associate Director Structured Finance

## Attachment 1 - Extension Request: List of Systems

Please note that the applicant name and address for all of the systems is:

Applicant name: Ana Stewart

Applicant title: Structured Finance Associate Director

Applicant phone: 325-374-8059

Applicant email: astewart@solarcity.com

Applicant address: 444 De Haro St., San Francisco, CA 94107

Facility Name	Facility Address	CA Cert #	WREGIS ID	WREGIS Approved Date	CEC Date Certified	Commercial Online Date	Requested CEC Certification Date	Reason for Request
Santa Cruz City Schools District JB-9501930-00 - Harbor High School - SCCSD	300 La Fonda Ave, Santa Cruz, CA, 95062	N/A	W4540	3/16/2015	N/A	9/30/2014	1/1/2015	VREP/CSI Nuance
Lancaster School District - LSD - District Office	44711 Cedar Ave, Lancaster, CA, 93534	N/A	W4224	3/16/2015	N/A	10/13/2011	1/1/2015	VREP/CSI Nuance
Placer County Water Agency JB-9562670-00 - PCWA - Ferguson Rd (Auburn)	185 Ferguson Rd, Auburn, CA, 95604	N/A	W4542	3/16/2015	N/A	1/16/2014	1/1/2015	VREP/CSI Nuance
Placer County Water Agency JB-9571226-00 - PCWA - Tinker Road	1181 Tinker Rd, Rocklin, CA, 95765	N/A	W4541	3/16/2015	N/A	2/14/2014	1/1/2015	VREP/CSI Nuance
Woodland Joint USD - Plainfield JB-9561362-00 - Woodland Joint USD-Plainfield Elementary	20450 County Road 97, Woodland, CA, 95695	62546A	W3362	3/18/2013	12/31/2013	1/11/2013	3/18/2013	WREGIS Glitch
City of Lancaster - PAC JB-935033-00 - City of Lancaster - PAC JB-935033-00	750 W Lancaster Blvd, Lancaster, CA, 93534	62553A	W3330	3/15/2013	1/31/2014	6/1/2011	3/15/2013	WREGIS Glitch
Woodland Joint USD Zamora Elementary JB-9561361-00 - Woodland Joint USD Zamora Elementary JB-9561361-00	1716 Cottonwood St, Woodland, CA, 95695	62555A	W3327	3/15/2013	1/31/2014	12/19/2012	3/15/2013	WREGIS Glitch
Woodland Joint USD - Pioneer HS JB-9561359-00 - Woodland Joint USD - Pioneer HS JB-9561359-00	1400 Pioneer Ave, Woodland, CA, 95695	62556A	W3314	3/12/2013	1/31/2014	1/13/2013	3/12/2013	WREGIS Glitch
Sonoma Country Day School JB-954088-00 - Sonoma Country Day School JB-954088-00	4440 Day School Pl, Santa Rosa, CA, 95403	62611A	W3320	3/13/2013	2/7/2014	12/5/2012	3/13/2013	WREGIS Glitch

## Attachment 2 – WREGIS Screenshots



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### Certificates in Retirement Subaccount

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WREGIS GU ID	Generator Plant Unit Name 1	County	State	Fuel Type	Vintage Month	Vintage Year	Certificate Serial Numbers	Quantity	AZ	BC	CA	CO	MT	NV
					<a href="#">↕</a>	<a href="#">↕</a>		<a href="#">↕</a>			CA			
W3327	Woodland Joint USD Zamora Elementary JB-9561361-00 - Woodland Joint USD Zamora Elementary JB-9561361-00	Yolo	CA	Solar	11	2013	3327-CA-105026-1 to 7	7	No	No	Yes	No	No	No
W3362	Woodland Joint USD - Planfield JB-9561362-00 - Woodland Joint USD-Planfield Elementary	Yolo	CA	Solar	10	2013	3362-CA-102323-3 to 10	8	No	No	Yes	No	No	No
W3362	Woodland Joint USD - Planfield JB-9561362-00 - Woodland Joint USD-Planfield Elementary	Yolo	CA	Solar	10	2013	3362-CA-102323-1 to 2	2	No	No	Yes	No	No	No
W3314	Woodland Joint USD - Pioneer HS JB-9561359-00 - Woodland Joint USD - Pioneer HS JB-9561359-00	Yolo	CA	Solar	11	2013	3314-CA-105015-1 to 23	23	No	No	Yes	No	No	No



Subaccounts: All Subaccounts Retirement Type: All Types Go

All Active Retirement Renew Bulletin Board Save Load Delete

Certificates in Retirement Subaccount

WRE GAS GU ID	Generator Plant Unit Name	County	State	Fuel Type	Vintage Month	Vintage Year	Certificate Serial Numbers	Quantity	AZ	BC	CA	CO	MT	NV
192315	Sonoma County Family YMCA JB-954059-09 - Sonoma County Family YMCA JB-954059-09	Sonoma	CA	Solar	10	2013	3315-CA-102237-1 to 24	25	No	No	Yes	No	No	No
192320	Sonoma County Day School JB- 954058-08 - Sonoma County Day School JB-954058-08	Sonoma	CA	Solar	11	2013	3330-CA-105021-1 to 23	23	No	No	Yes	No	No	No



Subaccounts: All Subaccounts Retirement Type: All Types Go

All Active Retirement Renew Bulletin Board Save Load Delete

Certificates in Retirement Subaccount

WRE GAS GU ID	Generator Plant Unit Name	County	State	Fuel Type	Vintage Month	Vintage Year	Certificate Serial Numbers	Quantity	AZ	BC	CA	CO	MT	NV
192330	JB-935034-09 City of Lancaster - PAC JB- 935033-08 - City of Lancaster - PAC JB-935033-09	Los Angeles	CA	Solar	11	2013	3330-CA-105029-1 to 16	16	No	No	Yes	No	No	No

