

DOCKETED

Docket Number:	16-BSTD-07
Project Title:	Local Ordinance Applications - 2016 Standards
TN #:	216063
Document Title:	Building Industry Association of Southern California, Inc. Comments: Application for Locally Adopted Solar PV Energy Standards by the City of Santa Monica
Description:	N/A
Filer:	System
Organization:	Building Industry Association of Southern California, Inc.
Submitter Role:	Public
Submission Date:	2/16/2017 12:04:43 PM
Docketed Date:	2/16/2017

Comment Received From: Building Industry Association of Southern California, Inc.

Submitted On: 2/16/2017

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Application for Locally Adopted Solar PV Energy Standards by the City of Santa Monica

Additional submitted attachment is included below.



Los Angeles/Ventura Chapter

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February 16, 2017

Ingrid Neumann
Docket Unit, California Energy Commission
Docket No. 16-BSTD-07
1516 9th Street, MS-4
Sacramento, CA 95814

Re: Notice of Public Comment Period – Application for Locally Adopted Solar PV Energy Standards by the City of Santa Monica

Dear Ingrid Neumann,

The Los Angeles-Ventura Chapter of the Building Industry Association of Southern California, Inc. (BIA-LAV) is the voice of building and development in Los Angeles and Ventura counties. We represent the thousands of men and women and their member companies who design, plan, build, and remodel homes, condominiums, and apartments throughout our region.

It has come to our attention that the City of Santa Monica has submitted an application for approval of their locally adopted Energy Efficiency Standards to the California Energy Commission. As required by the California Energy Commission, Santa Monica has provided a study that was composed by EcoMotion titled, “Cost-effectiveness of Rooftop Photovoltaic Systems for Consideration in the California’s Building Energy Efficiency Standards.”

We, the BIA-LAV finds this study to lack in both detail and data to support their conclusion. BIA-LAV requests that the City of Santa Monica address our following concerns:

Lack of Data and Detail to Support Conclusion

Throughout the entirety of this six-page study there is a lack of detail to justify how the cost-effectiveness numbers were determined. The study lists various assumptions but gives no explanation of how those assumptions affect payback numbers.

ITC Credit Availability till 2021 and Beyond

The EcoMotions study identifies the ITC credit as a major key factor which



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allows for cost-effectiveness throughout different PV system sizes. This is problematic, considering that the EcoMotions study assumes an ITC credit will remain in effect until 2023. It is highly likely that the ITC credit will not survive the current administrations' tax reform this year, let alone 2023. Given that EcoMotions report identifies that ITC credit as the biggest impact of cost-effectiveness and that it is highly likely that the ITC credit goes away this year, it stands to reason that the conclusion of cost effectiveness is based upon faulty assumptions and therefore not accurate or valid.

NEM Assumptions

EcoMotions's study shows no visibility on what the NEM 2.0 assumption does to the cost-effectiveness analysis. Requiring an Energy Design Rating (EDR) of 0 will result in an oversized PV system. Per net metering rules (NEM 1.0 and 2.0) utilities are not required to service PV systems that exceed site electric production. Requiring a EDR of 0 will require PV generation to make up for the natural gas use of dwelling units by enlarging the PV system. SCE has a standing policy which prohibits grid connections to any dwelling unit with PV system that exceeds 100% of site electricity. Thus, SCE will not allow mixed fuels homes with an EDR of 0 to connect to the grid.

EcoMotion's Conclusion on Cost Effectiveness

This study concludes that it is cost-effective for PV solar systems that produce over 2,000 kWh annually, while the CEC 2013 study concludes that PV solar systems are only cost effective for systems that produce over 5,000 kWh annually. Once again, this study makes assumptions without showing any statistical proof. This ongoing lack of data only goes to show that this study provides insufficient findings to conclude that the requirement of adding additional PV solar systems on residential housing to be cost-effective.

Sincerely,

Tim Piasky
Chief Executive Officer
BIA-LAV