

DOCKETED

Docket Number:	19-BSTD-08
Project Title:	Community Shared System Applications
TN #:	230083
Document Title:	Coalition for Community Solar Access Comments - SMUD Application to Administer a Community Shared Solar System
Description:	N/A
Filer:	System
Organization:	Coalition for Community Solar Access
Submitter Role:	Public
Submission Date:	10/9/2019 1:37:21 PM
Docketed Date:	10/9/2019

*Comment Received From: Coalition for Community Solar Access
Submitted On: 10/9/2019
Docket Number: 19-BSTD-08*

CCSA Comments - SMUD Application to Administer a Community Shared Solar System

Additional submitted attachment is included below.



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October 9, 2019

California Energy Commission
Docket 19-BSTD-08
1516 9th Street
Sacramento, CA 95814

Dear Commissioners,

The Coalition for Community Solar Access (CCSA) provides these written comments to encourage the California Energy Commission (Commission or CEC) to reject the application by Sacramento Municipal Utility District (SMUD) to be a Section 10-115 administrator for its proposed Neighborhood SolarShares Program.

CCSA is a business-led trade organization, comprised of over 50 member companies, that works to expand access to clean, local, affordable energy nationwide through community solar. CCSA's mission is to empower energy consumers, including renters, homeowners, businesses and households of all socio-economic levels, by increasing their access to reliable clean energy.

CCSA strongly supports the CEC's vision in the new building code, in which every new home in California is solar-powered. In addition to on-site solar, Section 10-115 creates an opportunity for participation in a community shared solar system to partially or totally meet the solar requirement. This section provides a compliance pathway for community shared solar programs that offer energy savings benefits to the building, the occupant, and the grid that are equivalent to an onsite solar (and/or storage) system.

SMUD's SolarShares program does not meet the requirement in Title 24 to provide a benefit equivalent to on-site solar. By counting existing solar resources, it would not drive new economic development activity in SMUD's community. By offering a modest benefit for participation in some months of the year, it would produce only meager utility bill savings benefits for participants that are unlikely to be equivalent to the benefits of on-site solar. By tapping resources that were largely procured for alternative reasons years ago, it does not offer additionality, delivering no incremental benefits to the building. By tapping transmission-connected utility-scale systems, SolarShares fails to offer ratepayers the grid benefits of distributed generation.

Consistent with nearly all major markets across the country, the National Renewable Energy Laboratory (NREL) defined community shared solar as allocating the "electricity of a jointly owned or leased system to offset individual consumers' electricity bills, allowing multiple energy

consumers to share the benefits of a single solar array.”¹ It allows a community of individuals, businesses, and others to participate in solar development and receive direct benefits, similar to the opportunity available to those able to have their own on-site solar installation. Further, NREL notes that shared solar is part of the “distributed PV [photovoltaic] market”², which is also consistent with national experience and results from, in part, an interest by policy makers to ensure projects can be closer to load centers, have a greater geographic distribution of projects, and an enhanced opportunity for developer competition.³ In contrast, utility green pricing programs typically allow customers to pay a premium on their electricity bill in return for being able to stake claim to renewable energy certificates (RECs) produced by an aggregate of utility-scale renewable resources.⁴ While SMUD’s program may offer some energy savings to participants, it is otherwise much closer to a green tariff option than to community shared solar.

The Commission’s own Frequently Asked Questions documentation clearly anticipates that projects under the community shared solar option will be new, distribution-scale projects (emphasis added):

Importantly, the 2019 Standards allow **community-scale PV** as an alternative renewable resource to onsite PV systems, when approved by the Energy Commission. Community-scale PV systems **can range from a few kW to a few MW**. The equipment costs for these systems are even lower than rooftop, in the \$2-per-watt range. Plans for community solar may face unique barriers such as limitations of the compensation model. Some community solar options may also require land acquisition, and **distribution infrastructure development**.⁵

If SMUD’s application is approved, CCSA is concerned that other utilities may move to adopt the same model, reshuffling their resource portfolios to allocate existing utility-scale solar resources for Title 24 compliance. The result would be a compliance option that, while arguably easy to implement, offers no economic or environmental benefit, thwarting the intention of the PV options the Commission included in Title 24.

CCSA applauds the Commission’s inclusion of the “Community Shared Solar” compliance option, which was clearly a deliberate attempt to allow alternative development options that closely align with onsite solar. SMUD’s proposal, which reallocates existing renewable energy resources and provides only a marginal economic benefit, falls short of that intention and should be rejected.

¹ National Renewable Energy Laboratory (NREL). (2015) *Shared Solar: Current Landscape, Market Potential, and the Impact of Federal Securities Regulation*. <https://www.nrel.gov/docs/fy15osti/63892.pdf>

² Ibid.

³ NREL. (2018) *Focusing the Sun: State Considerations for Designing Community Solar Policy*. <https://www.nrel.gov/docs/fy18osti/70663.pdf>

⁴ NREL distinctly calls out that “green power” purchasing plans wherein electricity is bundled with renewable energy certificates” are “not considered shared solar.” See NREL (2015). *Shared Solar: Current Landscape, Market Potential, and the Impact of Federal Securities Regulation*.

⁵ “Frequently Asked Questions: 2019 Building Energy Efficiency Standards,” https://www2.energy.ca.gov/title24/2019standards/documents/Title24_2019_Standards_detailed_faq.pdf

Respectfully submitted,

/s/

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