

DOCKETED

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Support for SMUD's Neighborhood SolarShares Program

January 27, 2020

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

RE: Support for Approval of SMUD's Neighborhood SolarShares Program

Dear Commissioners,

The New Home Company is writing to express our strong support for Sacramento Municipal Utility District (SMUD)'s Neighborhood SolarShares Program and respectfully request that the Commission approve the program at its February Business Meeting.

California is in the midst of an unprecedented housing crisis that requires swift action. That's why Governor Newsom called for 3.5 million new housing units to be built by 2025. Reaching that ambitious goal will require that all options for housing construction be available, including a community solar option like SMUD's SolarShares.

The Commission's adoption of a solar mandate for new low-rise residential dwellings represents a significant change to our state building code. Recognizing that in a state the size of California, one size does not fit all, the Commission worked with stakeholders to provide several compliance options. The community solar option included in the Building Standards was a thoughtful and critical addition, particularly in light of the shortage of affordable housing units across the State.

The Commission's community solar option allows builders to comply with the renewable energy mandate by using solar energy produced at an off-site facility. It is essential that builders in California have access to this option. It facilitates the efficient and cost-effective construction of housing projects that provide the fastest increase in housing supply, including low-rise multifamily (where there is more than one unit located under the same area of roof), infill projects, and high-density single-family home projects. For those types of homes, it may be impossible to find enough area onsite to install an adequate supply of solar panels. Even where such onsite real estate is available, it often better serves our State's housing needs to use such valuable space for additional dwelling units; importing renewable energy to those units from off-site sources—where land is available and often less expensive—makes for a much more efficient delivery of renewable energy.

We appreciate that SMUD is committed to being a responsible administrator of a community solar program in the Sacramento area. SMUD has engaged with stakeholders and has been

responsive to their requests in preparing their amended application. They have made several improvements to their application, each of which our organization supports:

• All resources used for SolarShares will be located in SMUD's service territory.

• SMUD will only use local solar resources that are 20 MW or less with backup from other local portfolio resources.

• The net participant benefit will be doubled to \$40 a year for an average home (from \$5 per kW per year to \$10 per kW per year).

• SMUD will only use resources that come on-line after January 1, 2020 with backup from other local portfolio resources.

Additionally, we understand that some stakeholders are concerned about customer choice. We are committed to providing prospective homebuyers an option at the point of purchase where they can choose between a community solar option (if available) or a traditional rooftop system. This will ensure that the homebuyer can make an informed decision on the option that best fits their needs and their budget.

The New Home Company strongly supports SMUD's Neighborhood SolarShares Program. It provides an option that will facilitate the construction of more affordable housing units in our State, and it provides a real benefit to customers. We ask that you approve SMUD's application at the Commission's February Business Meeting.

Sincerely,

Justin Walters
Director of Project Management