

**DOCKETED**

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*Comment Received From: Edward Smeloff*  
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**Comments on SMUD's Revised Community Shared Electric Generation System Application**

*Additional submitted attachment is included below.*



January 29, 2020

California Energy Commission  
1516 9<sup>th</sup> Street  
Sacramento, CA 95814

Docket number: 19-BSTD-08

Subject: SACRAMENTO MUNICIPAL UTILITY DISTRICT'S (SMUD) REVISED APPLICATION TO ADMINISTER A  
COMMUNITY SHARED SOLAR SYSTEM PROGRAM

Dear Commissioners:

Vote Solar submits these comments in response to the Sacramento Municipal Utility District's (SMUD) January 17, 2020 revised request to have the Commission approve its proposed SolarShares program as meeting the requirements of the 2019 Building Energy Efficiency Standards ("Title 24 Standards") including the requirement that new homes use solar energy to achieve a net zero energy impact. The SMUD submittal is seeking approval to offer homebuilders in its service area a Community Shared Solar Electric Generation System compliance option that would offset the on-site solar requirements of the building standards.

We have previously commented that the SMUD SolarShares proposal marks the first application the Commission has received for a community solar compliance option and will likely set a precedent as to the types of community solar compliance options that the Commission will find acceptable under the Title 24 Standards for other parts of the state. We, therefore, urge you to carefully consider the consequences of adopting SMUD's revised request as it currently stands.

We believe that it is particularly important that the Commission embrace the concept that the Title 24 regulations create a flexible platform that enables stakeholders to exercise choice to adopt solar systems paired with energy storage systems in new home developments. Large amounts of energy storage will need to be



integrated across the electric grid as we advance to the state's goal of 100% clean energy. Leveraging the Building Standards is an important tool for encouraging the development of more storage systems.

Vote Solar also encourages the Commission to pay attention to the impact of this compliance option on the development and use of solar and energy storage technologies in disadvantaged communities. In Sacramento, inner city disadvantaged communities have been burdened with the operation of SMUD's natural gas power for over 20 years. The development of targeted community solar plants in impacted disadvantaged communities like those in Sacramento can begin to reverse the disproportionate burdens these communities have been exposed to in a fossil-fuel dominated electric system.

The revised SMUD proposal includes several improvements over the initial submittal. SMUD has committed to source solar energy used in the Neighborhood SolarShares program from resources located in its service area. Likewise, they have agreed to limit the maximum size of community solar projects to 20 megawatts and after an initial start-up period to source solar power from new community solar projects. We commend SMUD for making these changes to their proposal.

SMUD has also agreed to work with homebuilders to offer prospective homebuyers a choice between a rooftop system and participation in the SolarShares program. SMUD has also said in its submittal that it is not opposed to homeowners adding a rooftop solar system with or without a paired battery at a later date but believes that the Title 24 Regulations limits this option. We encourage the Commission to review its regulations and interpret them in a way that preserves customer choice of installing a rooftop solar at a later date.

During the interval between the initial SMUD submission of the SolarShares proposal and the January 17, 2020 revised submittal, SMUD has reached out to Vote Solar and others to seek our feedback. We appreciate this outreach by SMUD. SMUD has summarized stakeholder feedback on pages 13 through 15 of their revised proposal.

One important issue that needs to be resolved is the 20 year "lock-up" of participants in the SolarShares program. SMUD states in its revised proposal that this lock-up, which limits the benefits of adding a rooftop solar system or a paired solar and storage system at a later date, is required by the current Title 24 Building



Standards. However, SMUD has also indicated that it would revisit the program if the Commission modifies the durability requirement. It is not our role to determine whether SMUD’s interpretation of the building regulations is correct. However, if they are correct in their interpretation then we request that the Commission address this issue so as to promote continuing customer choice.

In our consultation with SMUD we articulated two other concerns that SMUD has acknowledged in its submittal but has not addressed in a concrete manner. The first is the lack of any targeted effort to use the Neighborhood SolarShares program to benefit disadvantaged communities in SMUD’s service area. We have urged SMUD to reach out to representative organizations in these areas and to commit to developing additional community solar projects that economically benefit the residents of these disadvantaged communities.

SMUD has indicated that it may consider disadvantaged communities when siting and developing new resources. Vote Solar believes that SMUD should go further than simple consideration and directly engage stakeholders from these communities in the decision making process about potential solar projects. We urge the Commission to insist that SMUD provide greater specificity in its proposal about outreach to disadvantaged communities and make a substantial, verifiable commitment to developing additional community solar projects in disadvantaged communities.

The other issue we have raised is that SMUD currently would limit compliance options for multifamily buildings to just the Neighborhood SolarShares program by using its monopoly control of the distribution system to exclude third-party developed compliance options. Several parties have pointed out to SMUD that California’s investor-owned utilities offer a Virtual Net Energy Metering (VNEM) program that could be used for compliance for both multifamily buildings as well as for single family homes. SMUD has never adopted a VNEM program. However, SMUD has said that it is open to consideration of VNEM at some point in the future.

While we understand that the Commission may not have the express authority to require SMUD to establish a VNEM program we encourage the Commission to articulate that it would like to see that there are multiple options for off-site compliance with the Building Standards.



Vote Solar continues to be eager to work with the Commission and SMUD to resolve the issues we have identified in these comments. We encourage the Commission to suggest that SMUD engage in another round of dialogue with all stakeholders to make the SMUD Neighborhood SolarShares program a model for other regions of the state. We believe that a broadly shared vision of community solar and storage development can be beneficial for consumers, homebuilders, local neighborhoods, the solar and storage industries as well as for the broader economy.

Thank you for your consideration of our comments.

Sincerely,

Ed Smeloff  
Senior Director  
Energy Systems Integration  
Vote Solar  
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About the Vote Solar: Vote Solar is a 501(c)3 non-profit organization that works on energy policy throughout the United States. Our mission is to make solar a mainstream energy resource that enables people to reduce their impact on the global climate and local environment. Since 2002, Vote Solar has been working to lower solar costs and expand solar access. Vote Solar works to remove regulatory barriers and implement key policies needed to bring solar to scale.