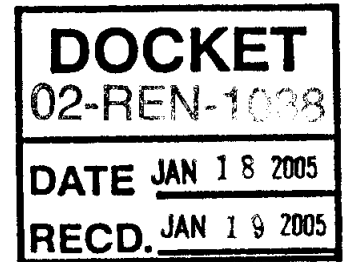




California Energy Commission  
Re: Docket No. 02-REN-1038  
Docket Unit, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5504



January 18, 2005

John L. Geesman  
Commissioner and Presiding Member  
Renewables Committee

Dear Mr. Geesman,

We are pleased to receive the January 2005 Emerging Renewables Program Final Draft Guidebook (Guidebook). In it, the Commission proposes new guidelines to administer photovoltaic (PV) customer rebates for new residential construction projects. We wish to comment on this portion of the Guidebook.

PowerLight is committed to successfully integrating PV systems within the new home construction market in California. In this spirit, we propose an amendment to "Appendix 5 – Atypical Incentive Applications". In Appendix 5, *A. New Construction (Building Permit)* (page 1), the new requirement states that "For sites that currently do not have electrical service, a copy of the building permit for the new home or *major site improvement* must be included *with the reservation application (not remodeling projects)*."

Requiring a copy of the building permit with the PV reservation requirement will make it extremely difficult for any PV company to successfully participate in California's new home construction market. This is because applying for a building permit is the last step of the new home design process, which typically requires twelve to eighteen months to complete. However, in order to include the design and cost of PV systems as an integral part of residential construction specifications, the PV system must be sold to the developer at the beginning of the design process.

If the PV company cannot apply for the rebate until after the developer applies for and receives the building permit - typically about a month before the homes are built - they run a high risk that the rebate will be \$0.20 to \$0.40/watt lower than when they began negotiations with the builder. They additionally run the risk that the rebate could be non-existent by the time the developer receives a building permit. Not knowing the realistic cost of the PV system when selling to the developer will make integrating PV into California's new home construction market extremely difficult to achieve. We do not believe this is the intent of the Commission.

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PowerLight proposes that instead of requiring a copy of the building permit with the rebate reservation application, the Commission require a copy of the builder's utility interconnection application with the reservation application. The utility interconnection application would serve the purpose of demonstrating that the builder is contracting with an eligible electrical corporation contributing funds to support the program.

The Commission already requires a letter from a certified electrical engineer to demonstrate the proposed PV system will not generate more than is consumed on site. The Commission also requires a copy of a signed contract between the builder and the PV company showing intent to install a PV system that does not exceed the maximum eligible load. These two existing requirements, combined with a copy of the utility interconnection agreement, meet all of the Commission's current eligibility requirements.

PowerLight agrees that the customer should submit a copy of the inspected and approved building permit before receiving the PV rebate *payment*. However, we strongly urge the Commission to allow customers to *reserve* the PV rebate without requiring a copy of the permit for reasons stated above.

Respectfully,



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Document Management Form (Revised 4/29/04)

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