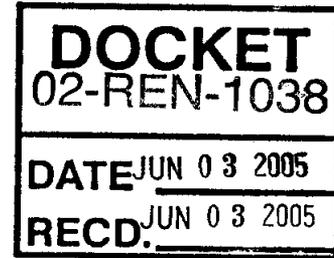




Amber Dean  
Attorney  
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June 3, 2005

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



Re: Implementation of Renewables Investment Plan  
Legislation / CEC Docket No. 02-REN-1038

Dear Docket Clerk:

SCE would like to submit the enclosed comments on the California Energy Commission Renewables Committee's June 1, 2005 Workshop on proposed changes to the Emerging Renewables Program Guidebook. Please do not hesitate to contact me at (626) 302-6961 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Amber Dean".  
Amber Dean

Enclosure(s)

**SOUTHERN CALIFORNIA EDISON COMPANY'S COMMENTS ON THE  
CALIFORNIA ENERGY COMMISSION RENEWABLES COMMITTEE'S  
JUNE 1, 2005 WORKSHOP**

**I. Introduction**

On June 1, 2005, the CEC's Renewables Committee (Committee) held a workshop to seek public comments on proposed changes to the Emerging Renewables Program (ERP) Guidebook (Guidebook). Pursuant to the workshop notice, Southern California Edison (SCE) provides the following written comments for the Committee's consideration. In summary, SCE agrees with the vast majority of the proposed changes to the Guidebook. However, SCE is concerned that one change – namely, eliminating the requirement that an applicant provide a letter from the utility authorizing interconnection – may compromise safety, veracity, and customer interests. SCE will expand on its concerns in the comments below. Additionally, SCE will provide brief comments on an issue of customer confidentiality raised at the June 1, 2005 workshop.

**II. Utility Authorization Letter**

One draft change to the Guidebook deletes the explicit requirement that, as a condition to receiving the rebate payment, each applicant provide a letter from the utility authorizing interconnection of the generation system to “demonstrate that the system is interconnected to the utility distribution grid and that the utility has approved this interconnection for the system's operation at the site of the installation.”<sup>1</sup> This proposed change cannot be considered a simple clarification of the text; it is, rather, a substantive change that threatens the continued interconnection of eligible customer generation systems to the utility electric system in a safe, efficient manner. No compelling reason or compensating benefits to generation system users or other utility customers have been suggested to justify this change. In view of the undesirable effects this change could create, SCE must urge the Committee to reject it.

Under the current Guidebook, an applicant must submit a utility letter of authorization to interconnect in order to collect the rebate payment. This requirement is a powerful incentive to utility customers and equipment vendors to design and install systems in compliance with applicable interconnection standards, tariffs, and California law.<sup>2</sup> A key step in ensuring such compliance is the review and approval that SCE performs on applications to interconnect the systems. SCE understands that utility customers are eager to realize the benefits of their generating systems, including the ability to take service under the applicable tariff schedules for net energy metering. SCE also

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<sup>1</sup> See Guidebook Sections V.B, p.21; Appendix 1 (Payment Claim Form); Appendix 1 (Pilot Performance Based Incentive Preliminary Reservation Confirmation Form). The Guidebook appears to allow the CEC to request this information at its discretion rather than make such an authorization a prerequisite to rebate payment. See Guidebook Section V.A.6, p. 20.

<sup>2</sup> Interconnection of generating systems to SCE's electric system is subject to requirements set forth in its Tariff Rule 21, Tariff Schedule NEM, and Public Utilities Code Section 2827.

understands that equipment vendors and installers have a powerful financial incentive to complete each job, collect their payment, and move on to the next installation as quickly as possible. While most generating systems are installed properly, SCE has experienced unfortunate instances in which contractors install photovoltaic systems without securing required permits or inspections by local jurisdictions, or without even notifying SCE so that it can review and approve the interconnection. Such situations compromise the safety of both utility employees and other customers. If, as proposed, the CEC makes the submittal of a utility letter of authorization optional “upon request of the Energy Commission,” it will remove a strong motivator for contractors to install systems in compliance with all applicable standards, tariffs, and laws.

In addition to the primary issue of safety, eliminating the utility authorization letter requirement will dismantle a consumer safeguard that benefits utility customers. The vast majority of ERP-eligible systems in SCE’s service territory are photovoltaic systems that qualify for service under SCE’s net energy metering tariff. In the normal course of business, after it completes its review and approval of the interconnection of the system, SCE makes any necessary meter change-out to accommodate administration of its net energy metering tariff, and switches the customer over to the new tariff. There have been instances in which customers who have paid to have photovoltaic systems installed have contacted SCE to ask why their utility bill did not reflect the expected reduction in charges due to the output of their photovoltaic systems under the net energy metering tariff. Subsequent investigation has revealed that SCE never received an application to interconnect the systems, and thus did not install the appropriate metering and update the customers’ rate schedule. If the CEC makes it easier to install generation systems without the knowledge of the utility, these unfortunate situations will become more common.

Finally, the current requirement of a utility letter of authorization provides a safeguard to discourage fraud or mistake in administration of the ERP. As the Guidebook states in its overview, “[t]he incentive is paid once the system is installed and operational.”<sup>3</sup> Without the utility authorization letter, the CEC may pay rebates for systems that are never interconnected or operating. The utility letter of authorization, as currently required, provides a valuable tool for program administrators to verify that this fundamental requirement has been met.

### **III. Customer Confidentiality**

As discussed at the workshop, the ERP’s pilot performance-based incentive (PBI) program will require that certain customer data be sent to the CEC to measure and validate incentive payments. Because customer confidentiality is an ever-present concern, SCE reminds the Committee and all parties involved that proper procedural safeguards must be established to protect customer information, and clear documentation by participating customers authorizing the release of their confidential information must be obtained before SCE may release this information. SCE urges the Committee to

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<sup>3</sup> Guidebook, Section I.B., p. 2.

establish such safeguards to ensure that customers are knowledgeable of their rights and informed authorizations are obtained.

#### **IV. Conclusion**

SCE appreciates the opportunity to comment on the Emerging Renewables Program Guidebook and discussions at the June 1, 2005 workshop. SCE thanks the Committee for its consideration.