

SUNPOWER

June 11, 2007

California Energy Commission Dockets Office
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

Re: Docket No. 06-NSHP-1

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06-NSHP-1	
DATE	JUN 11 2007
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Dear Commissioners Geesman and Pfannenstiel,

Thank you for your invitation to submit comments on the California Energy Commission's proposed changes to the NSHP Guidebook (Docket No. 06-NSHP-1). We have reviewed the document and would like to make the following comments and suggestions.

1. On page 21 of the revised (redline) NSHP Guidebook under the header "Reservation Process for Projects Where Solar Will Be Standard Feature", it appears that the CEC is requiring that 100% of the homes need to meet the CA Flexible Installation Criteria in order to receive the \$2.60/watt rebate amount as well as the longer 36-month reservation period. However, on page 15 under the header "Incentive Amounts and Decline Schedule", the CA Flexible Installation Criteria does not appear to be a requirement for the \$2.60/watt rebate level and 36-month reservation period. We would seek clarity on the CEC's intention, and make the following comments if indeed the CEC is contemplating making the CA Flexible Installation Criteria a requirement for the longer reservation period and the higher rebate level:

The communities that builders are contemplating for solar in California today have not necessarily been designed with solar in mind, as most were initially contemplated many years ago. Even though a builder may now be quite interested in adding solar as a standard feature, in most cases it is not economically feasible for that builder to alter the design and/or orientation of the homes that cannot meet the California Flexible Installation criteria. As a result, if it is required that 100% of the homes in a community meet the CA Flexible Installation Criteria in order to obtain a 36-month reservation at \$2.60/watt, only a few communities starting construction today will conform.

When communities do not conform and the CA Flexible Installation Criteria reservation system is not available, builders are faced with several problems:

- o Absent the availability of the CA Flexible Installation Criteria, solar suppliers and builders must design each and every system in a community before the builder can make an economic decision. This requires a large amount of effort on the part of the solar supplier and the builder prior to the sale, which increases the "hassle" factor related to solar. A broader installation criteria would allow more generalized pricing structures, require less up-front work and less of an administrative hassle prior to the decision to "go solar".

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- Solar suppliers will not be able to provide one rebate amount for all homes in a community, and therefore will be forced to supply builders with a different net price for each house (due to the different rebate amounts for those homes outside the CA Flexible Installation Criteria). This leads to a hampered sales process and a greater amount of administration for both solar suppliers and builders as the community is built.
- Builders will not be able to take advantage of the 36-month reservation period, although many communities require up to three years to complete construction. If builders perceive risk that they may not receive the rebate as promised, they may decide against solar.

Essentially, even though a builder may have chosen to offer solar as a standard feature, that intent may not be rewarded if the community's design, which may not be economic to change, precludes 100% of the homes from conforming to the CA Flexible Design Criteria. Much hard work done to convince the builder to install solar may be lost.

We feel it is important for the CEC to encourage builders to take solar into account when designing their communities in order to optimize the ultimate value of the installed systems to all stakeholders. However, we do not believe that builders are ready to conform to such strict requirements given their long project design lead times. At this stage in the development of the market, we feel more leeway and ease of use must be built into the program.

Toward that end, we would like to recommend that the CEC amend the CA Flexible Installation Criteria as follows:

- a) Extend the range of acceptable azimuths from 150° - 270° to 90° - 270°, at least for a period of time. This will allow builders to begin considering home orientation in their community designs while easing the sales and implementation process at this critical stage of the market's development.
 - b) Eliminate the tilt requirement or extend it to include roof pitches of 0:12 to 12:12. We have found that in many cases, systems on roof pitches that outside of the 4:12 - 7:12 range perform better (as per the CECPV calculator) in terms of kilowatt hour production than the exact same systems with roof pitches in acceptable azimuth range.
2. With regards to the paragraph on page 25 the revised (redline) NSHP Guidebook pertaining to the 6-month checkpoint and the ability of the CEC to reduce reservations as it deems appropriate, we feel it will be better if the CEC notifies the builder of this intention and provides the builder with an opportunity to present a case that its timeline is reasonable. From our perspective, this would be the fairest course of action and one that would not communicate to builders that the CEC can unilaterally cancel reservations based upon its own assessment of the reasonableness of a builder's timeline.

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3. While we believe it is positive for builders to recognize that they will need to engage and pay HERS raters to provide field verification services, we would request that builders not be required to identify these parties on the NSHP-1 form so far in advance of the time services are to be rendered.

Once again, thank you for the opportunity to comment upon the proposed changes to the NSHP Guidebook. We have a history of working with the CEC on program design and appreciate the collaborative nature of the Commission's outreach to industry.

Best regards,

A handwritten signature in blue ink, appearing to read "William T. Kelly". The signature is stylized with a large, sweeping "W" and "K".

William T. Kelly
General Manager, New Homes Division
SunPower Corporation