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07-SB-1	
DATE	
RECD.	OCT 04 2007

Proposed definition of

Solar Energy System Definition (page 5 of proposed guidelines):

Solar energy systems eligible for financial incentives are those solar energy devices that have the primary purpose of providing for the collection and distribution of solar energy for the generation of electricity. Solar energy systems must produce at least one kilowatt (kW), and not more than five megawatts, alternating current (AC) rated peak electricity, accounting for all system losses, and meet or exceed the eligibility criteria established in these guidelines.

Eligible solar technologies must primarily generate electricity. The statutory definition of "solar energy systems" includes other solar technologies such as solar thermal electric technologies. However, at this time, the Energy Commission's guidelines address only

solar photovoltaic (PV) technology. These guidelines will be revised in the future to include other solar technologies when appropriate to do so. Manufacturers of non-PV solar energy systems are directed to work with the Energy Commission staff to define comparably rigorous and appropriate requirements for such systems.

Solar technologies that do not primarily generate electricity, including, but not limited to solar systems whose primary purpose is for water heating, solar space heating and cooling, are not eligible.

Rationale for modifying this proposed definition:

SB1 authorized incentives within the CSI for solar thermal systems:

SB1.Digest: The bill would authorize the PUC to award monetary incentives for solar thermal and solar water heating devices, in a total amount up to \$100,800,000

SB1.Sec. 7-4-b: (b) Notwithstanding subdivision (a), in implementing the California Solar Initiative, the commission may authorize the award of monetary incentives for solar thermal and solar water heating devices, in a total amount up to one hundred million eight hundred thousand dollars (\$100,800,000).

On June 1, 2007 SCE and PG&E jointly filed Advice letters 2130-E and 3060-E, respectively. The California Solar Energy Industries Association (CALSEIA) filed a protest on these advice letters due to concerns about certain criteria within the advice letters. Since then, the CPUC established a working group to address those concerns and this group's work is nearly complete. We anticipate that revised Advice Letters will be filed to make solar thermal system eligible for the CSI program before the end of the year.

The proposed definition of solar energy system creates a conflict with this important activity and be inconsistent with current law that authorizes solar thermal electric systems to be eligible for incentives.

I(we) respectfully request the definition be revised as follows:

Solar energy systems eligible for financial incentives are those solar energy devices that have the primary purpose of providing for the collection and distribution of solar energy for the generation of electricity and/or capable of offsetting electricity usage. Solar energy systems must produce at least one kilowatt (kW), and not more than five megawatts, alternating current (AC) rated peak electricity, accounting for all system losses, and meet or exceed the eligibility criteria established in these guidelines. Solar thermal electric technologies that are approved by the CPUC to participate in the CSI program are eligible for CSI incentives.

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