



City of  
**Glendale**  
Water & Power

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October 10, 2007

ADMINISTRATION

California Energy Commission  
Dockets Office  
Re: Docket No. 07-SB-1  
1516 Ninth Street, MS-4  
Sacramento, CA 95814-5512

<b>DOCKET</b>	
07-SB-1	
DATE	OCT 10 2007
RECD.	OCT 15 2007

**SUBJECT: Comments on Senate Bill 1 Eligibility Requirements Staff Report**

Glendale *Water & Power* (GWP) is pleased to submit the attached comments on the proposed Senate Bill 1 (SB1) eligibility requirements.

GWP is a publicly owned utility providing electric and water services for approximately 200,000 City of Glendale, California residents. The City of Glendale encompasses approximately thirty-one square miles and is the third largest city in Los Angeles County. It is located in the greater metropolitan Los Angeles area, approximately seven miles north of the Los Angeles Civic Center complex.

GWP is committed to providing low cost electricity and water in an environmentally sustainable manner. This means reducing our environmental footprint by increasing local investments in energy efficiency and water conservation, development of renewable energy resources, and tracking and reducing green house gas emissions.

GWP thanks the California Energy Commission for the opportunity to participate in the SB1 workshop process.

Sincerely,

Daniel W. Waters  
Interim Director of Glendale Water & Power

DWW/NB:jz  
Attachment



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## **GWP Comments on Senate Bill 1 Eligibility Requirements Staff Report**

### **Background on GWP**

Glendale *Water & Power* (GWP) is pleased to submit the following comments on Senate Bill 1 Eligibility Requirements. GWP is a publicly owned utility providing electric and water services for approximately 200,000 City of Glendale, California residents. The City of Glendale encompasses approximately thirty-one square miles, and is the third largest city in Los Angeles County. It is located in the greater metropolitan Los Angeles area, approximately seven miles north of the Los Angeles Civic Center complex.

GWP is committed to providing low cost electricity and water in an environmentally sustainable manner. This means reducing our environmental footprint by increasing local investments in energy efficiency and water conservation, development of renewable energy resources, and tracking and reducing green house gas emissions. GWP was one of the first municipal utilities in California to join the California Climate Action Registry, and has been an ENERGY STAR® partner since 2003.

GWP has a strong commitment to conserving fossil fuels for future generations. Since 1999, GWP has been embarked on an aggressive plan to develop and implement a wide array of energy savings programs for all customer classes. Many of our programs are the envy of many other municipal utilities with three of them receiving the coveted California Municipal Utility Association Award for innovation in energy efficiency program development. In the most recent December 2006 CMUA energy efficiency report to the CEC, GWP ranked 4<sup>th</sup> in gross energy savings out of 39 municipal utilities. GWP credits its commitment to consistent and easily understandable program incentives and guidelines for the overall success of our energy efficiency programs.

GWP has had an energy efficiency goal of 1.0% of annual sales since 2005. In response to AB 2021, GWP worked with the Rocky Mountain Institute in partnership with other California municipal utilities to conduct an inventory of available energy efficiency resources in Glendale and reported our findings and our 1.0% energy savings goal to the CEC. GWP was also invited by the CEC to present our findings and goals as part of the most recent AB2021 workshop on September 17, 2007 and GWP was happy to accept that invitation, and thanks the CEC for the opportunity.

With respect to solar energy, GWP is similarly committed to renewable energy development options for our customers. GWP has both residential and small business solar incentive programs. Our residential program started in 2002, and our small business program started in 2006. Through June 2007, our program has provided \$640,716 in incentives to install 153 KW of solar capacity, with over 50% of those installations this past fiscal year ending June 2007. The success of last year's program continues. This fiscal year we have completed one 2.7 KW project, and have reservations for another 10 projects totaling 44 KW.

### **Recommendations**

As with our energy efficiency programs, the success of our solar programs is grounded in good customer service, and our commitment to consistent and easily understandable program incentives and guidelines. Programs must be consistent over time because many of these projects can take six months to one year to complete from time of sale to issuance of the final incentive check. Customers and contractors have to know that the rules will not change during the process. Also, the amount of the incentive must be easily calculated and known upfront by both the contractor and the customers. Convolution methodologies for

calculating incentives can lead to mistrust of both the utility and contractor by the consumer. Customers want a simple and transparent process that results in a firm incentive amount. Finally, complicated installation and other guidelines can unnecessarily burden the process and lead some customers to abandon the process altogether. Even with GWP's simple and easy process, an early participant in our Solar Solutions program was complaining to our City Council just recently that they almost gave up in the middle of their project because of the City of Glendale's complicated permitting process. Since her experience, GWP has worked with permitting to streamline things to make it easier for customers. **GWP's fear is that the new CEC guidelines will so complicate the process for residential and small business customers, and I would add program administrators and contractors, that program participation will dramatically decline.**

To put things in perspective, GWP believes customers will have a hard time understanding when the contractor or program administrator explains that their incentive will be

*... be based on hourly modeling of the interactive performance results of the combination of third-party tested performance characteristics (listed in Appendix 1 Table 1) of the specific modules and the inverter over the range of conditions that impact component performance, addressing all installation characteristics that are expected to have significant impacts on the performance of the components. The hourly performance of the system shall be based on the interaction of the components and be determined based on conditions that exist at that hour. The hourly production shall be weighted by factors (TDV) to account for the time-of-use value to the utility of that hour's production, and the results shall be summed to obtain the annual time of use weighted (TDV) energy results for the system (kWhTDV) for incentive purposes. (CEC guidelines, page 12)*

Historically, our residential and small business customers and contractors could count on the fact they could go to the CEC website, look up the panel they were installing, find the wattage, multiply the wattage by \$4.00 and the number of panels and know immediately just how much the GWP incentive would be. Customers found comfort in this procedure, and were more willing to make the substantial investment solar required. It was clean, transparent, and easily understood. The new procedures do not appear so.

**With these thoughts in mind, GWP urges the CEC to allow publicly owned utilities and local governing bodies to design and implement residential and small business programs for existing buildings that meet the requirements of the local community as determined through a local public hearing process as long as such programs meet the following minimum requirements:**

1. Monetary incentives should be a minimum of two dollars and eighty cents (\$2.80) per installed watt, or for the electricity produced by the solar energy system, measured in kilowatt hours, as determined by the governing board of a local publicly owned electric utility, for photovoltaic solar energy systems. The incentive level shall decline each year thereafter at a rate of no less than an average of 7 percent per year.
2. Solar energy systems receiving monetary incentives will be required to use CEC certified and approved contractors and materials. The CEC should post listings of certified and approved contractors and material on the Web for easy access by customers and utilities.
3. Solar energy systems receiving monetary incentives are intended primarily to offset part or all of the consumer's own electricity demand.
4. All components in the solar energy system must be new and unused, and have not previously been placed in service in any other location or for any other application.

5. Solar energy systems must be warranted for no less than 10 years to protect against defects and undue degradation of electrical generation output.
6. Solar energy systems must be located on the same premises of the end-use consumer where the consumer's own electricity demand is located.
7. Solar energy systems must be connected to the electric utility's electrical distribution system within the state.
8. The solar energy system must have CEC approved meters or other devices in place to monitor and measure the system's performance and the quantity of electricity generated by the system.
9. The solar energy system to be installed in conformance with the manufacturer's specifications and in compliance with all applicable electrical and building code standards.

With respect to large commercial and new construction projects, GWP has no specific comments as GWP would expect participants in such programs to be more sophisticated and/or have access to experts to help guide the through application process. GWP will recommend to its local government board that the GWP adopt a new large business and new construction program that is consistent with the CEC guidelines as determined through the SB1 workshop process.

Submitted by:

A handwritten signature in blue ink, appearing to read "Daniel W. Waters", is written over a horizontal line.

Daniel W. Waters  
Interim Director of Glendale *Water & Power*