

CALIFORNIA ENERGY COMMISSION

DOCKET
07-SB-1
DATE _____
RECD. OCT 25 2007

In the Matter of:

Senate Bill 1 Eligibility)	Energy Commission
Criteria and Conditions for Incentives)	Docket No. 07-SB-1
_____)		

LATE-FILED COMMENTS OF SOLID ENERGY, INC.

S.O.L.I.D. USA, Inc. (dba SOLID Energy, Inc.) (SOLID) respectfully requests leave to submit out of time these limited comments on the Draft Guidelines for California’s Solar Electric Incentive Programs Pursuant to Senate Bill (“SB”) 1. The following comments do not address the substance of the Draft Guidelines relating to standards for photovoltaic (“PV”) technologies under the California Solar Initiative (“CSI”), but rather are submitted solely to correct an erroneous statement on page 5 regarding the eligibility of non-PV solar thermal technologies under the CSI. Insofar as the following comments are extremely limited in scope, SOLID requests that the Commission accept this filing and make the correction discussed below. SOLID was under the impression that the Draft Guidelines only addressed issues related to technical qualifications and therefore only very recently became aware of the error discussed below.

SOLID is involved in the manufacturing, sale and installation of advanced solar thermal technologies. SOLID is affiliated with S.O.L.I.D. GmbH, a company founded in 1992 in Austria, which has sold and installed more than 15 MWth of commercial solar thermal systems in 20 countries since 1992. SOLID has current plans with its partner Energie Graz, a public utility in Austria, to install over 21 MWth of solar thermal in the City of Graz. SOLID is currently expanding its business into the United States, and has installed .5 MWth here. SOLID has been closely following the current efforts at the California Public Utilities Commission (“CPUC”) to implement a program authorized under the CSI to provide incentives to non-PV solar thermal technologies, and has an active interest in ensuring the successful development of that program. SOLID intervened in the CPUC process, has submitted numerous comments in conjunction with ASPv and CEERT, and has recently met with CPUC Staff regarding the proposed handbook for non-PV technologies.

On page 5 the Draft Guidelines include the following text in the section titled “Solar Energy System Definition”:

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.

Most of the statements above are accurate, or would be accurate if clearly linked to the CSI program for PV incentives. However, the final statement is not accurate and must be removed or revised. Solar technologies that do not “primarily generate electricity” *are* eligible under the plain language of SB 1, the statute that authorized the California Solar Initiative. It appears that this misstatement is due to the mistaken assumption that SB 1 uses the same definition (“solar energy systems”) for both the PV and non-PV provisions of SB 1. That assumption is incorrect.

The definition in Public Resources Code section 25781(e) of “solar energy systems” (as footnoted on page 5 of the Draft Guidelines) clearly refers to generating technologies:

“Solar energy system” means a solar energy device that has the primary purpose of providing for the collection and distribution of solar energy for the generation of electricity, that produces at least one kW, and not more than five MW, alternating current rated peak electricity, and that meets or exceeds the eligibility criteria established pursuant to [Public Resources Code] Section 25782.

However, the entirely separate section of SB 1 authorizing funding for non-PV solar thermal technologies *does not* use the above definition, and *is not* restricted to “generating” technologies. Public Utilities Code section 2851(b) says:

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).

Significantly, this language does not use the defined term “solar energy system.” Instead it uses a different term, “solar thermal and solar water heating devices.” Also, the above language is prefaced with the words “Notwithstanding subdivision (a),” clearly signaling that the CSI program for PV incentives described in (a), which awards “monetary incentives for up to the first megawatt of alternating current generated by solar energy systems...” is separate and different from the solar thermal program described in (b) which is not similarly defined.

If the definition of “solar energy system” were assumed to be grafted onto the language of Section 2851(b) as the language on page 5 suggests, the legislative language would no longer make any sense, since virtually all “solar thermal” and all “solar water heating devices” currently available in the market do not generate electricity, but rather produce thermal energy using heat.¹ We further note that in the draft non-PV CSI handbook filings (currently pending at the CPUC) the CSI Program Administrators have proposed to define eligible solar thermal resources authorized under SB 1 as including non-generating technologies. Specifically, non-PV technologies are to include CSP, solar cooling and heating, etc., solar thermal technologies that both generate and displace electricity. Protesting parties have suggested small changes to the PAs’ definition of eligible technologies, but no one has suggested that the CSI non-PV program will be limited to “generating” technologies.²

For the above reasons, SOLID requests that the section on page 5 of the Draft Guidelines titled “Solar Energy System Definition” be corrected 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. 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~~

¹ We note that Assembly Bill 1470, the Solar Water Heating and Efficiency Act of 2007, which was signed by the Governor last week, clarifies that “Except for the Solar Water Heating Pilot Program in San Diego, solar water heating technologies shall not be eligible for California Solar Initiative (CSI) funds, pursuant to Section 2851, unless they also displace electricity, in which case only the electricity displacing portion of the technology may be eligible under the CSI program, as determined by the commission.” (new PU Code § 2867.2) This clarification mirrors the CPUC’s clarification in Decision 06-12-033 that CSI funds are only for technologies that primarily displace electricity (which could include solar heating, cooling and water heating), but does not make any reference to an obligation that such technologies “generate” electricity.

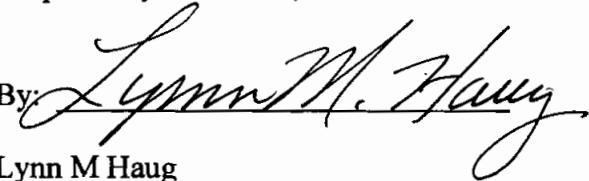
² See Southern California Edison Company Advice 2130-E and Pacific Gas and Electric Company Advice 3060-E (jointly filed June 1, 2007).

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~~ may be eligible for funding to the extent permitted under the non-PV program administered by the CPUC.³

Respectfully submitted,

By:



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³ Public Utilities Code, Section 2851(b).