



**Pacific Gas and
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October 6, 2008

ELECTRONIC DELIVERY

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

DOCKET <i>07-SB-1</i>
DATE <u>OCT 06 2008</u>
RECD. <u>OCT 06 2008</u>

Re: Comments on Proposed Changes to SB 1 Guidelines

PG&E is pleased to provide comments to the workshop held on September 29, 2008. Please feel free to call me at the number above if you have any questions.

Sincerely,

Attachment

**PG&E's Comments in Response to the CEC Renewable Committee
Workshop on Proposed Changes to Guidelines for California's Solar Electric
Incentive Programs Pursuant to Senate Bill 1
Held September 29, 2008**

PG&E would like to thank the California Energy Commission for providing us an opportunity to comment on the Draft SB1 Guidelines for the California Solar Initiative.

PG&E has received to date almost 70% of the CSI applications in the program's first 21 months and we want to continue to move forward with a nationally recognized program that stresses the State of California's energy loading order and a program that is not wasteful of our customers' contributions nor does it subsidize customers who are not part of the IOU's service territories.

PG&E would also like to thank the CEC for having an open process and for the time and efforts spent on these and other programs. California is a leader on energy efficiency as well as solar distributed generation. PG&E is proud to play a role in this important effort.

Extending implementation of the SB1 guidelines to July 1, 2009

We appreciate the CEC for their understanding in extending the implementation from January 1, 2009 to July 1, 2009. Given the uncertainties in the market at this time and the time frame for any necessary training, we believe that this will allow the Program Administrators (PA's) time to implement change within the CSI program and provide outreach and training to the Industry so they are aware of these changes before implementation.

Developing a new EPBB Calculator

PG&E has not seen a compelling reason why the EPBI calculator is fundamentally better than the EPBB. In addition, PG&E believes that the direct and hidden costs with the development of a new calculator will be material. Given the uncertainty of what changing solar estimation calculators will gain for solar installations or for our customers' contributions to the CSI program, PG&E would recommend to the CEC not change calculators or waive participants of the CSI program from having to use the EPBI calculator.

To date, the development of the CSI EPBB calculator has been more than \$130,000 in external consultant costs as well as person-hours of PA and CPUC staff. Other transactional costs with the calculator have been training, time with installers on the phone and the hidden costs of spending time with a calculator that was not sent in properly. Over time we have seen an improvement of using the EPBB calculator; however with a new calculator and new method we will be taking a step back in our efficiencies (i.e., causing delays in the program, adding to unnecessary labor costs for the PA's, etc.). From the installer perspective a change in the calculator will have even a greater impact and we concur with comments made during the workshop on this matter.

Shading Methodology

The CEC should reconsider the 2:1 minimal shading criteria and work with the CSI PA's on refining the shading methodology. In late 2007, the CSI PA's created a shading subcommittee to discuss the most appropriate methodology to measure shading. The shading subcommittee agreed on a shading methodology that the CSI PA's feel would appropriately generate de-rate factors that are proportionate to the available shading percentages. We encourage the CEC to work with the PA's and refine this methodology before these guidelines are approved to ensure that we are appropriately incentivizing high quality systems.

New Audit Section (pg. 5)

We would like to ensure that there is no duplication of work between the CEC and CPUC in regards to the CSI program audit. The CPUC is evaluating the program through M&E and if the CEC can use some of the information obtained from M&E, then it would save time and money. We believe that to develop a sustainable solar industry, it is imperative to work with the industry and have the solutions be cost effective for all parties.

Field Inspection Sample Size 1 in 7 (pg. 20)

PG&E would like to see a Clarification why the CEC chose 1 in 7 as the sample criteria, and whether the 1 in 7 accounts for all applications in the program or just EPBB and PBI less than 50 kW. PG&E is not sure if on-going inspections for PBI systems are necessary given that production data is available already from the systems. One of the largest costs PG&E has is site inspections and we would like to make sure we are meeting the goals of the inspection process while keeping our costs in line.

Energy Audit Disclosure (pg. 27)

PG&E would like to understand whether or not the signature can be electronic, or if an electronic check box indicating that the owner has understood the report (similar to when one downloads software) is acceptable.

New Construction Commercial Site Plans (pg. 49)

PG&E believes that New Construction Commercial applications should be exempt from providing sites plans like existing commercial applications. It may be burdensome for new construction commercial applications to obtain future planned trees and planned neighboring structures when their future neighbors may not have an approved plan for their build. Also, unlike new construction residential where homes are built simultaneously, commercial buildings may not have the same build schedules. This may delay an application if a customer must wait until they receive documentation from their future neighbors. We fully understand the intent of this requirement; however we caution that this requirement may be a barrier to entry for new construction commercial customers wanting to install solar.