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Global Green USA Comments on 2009 Proposed NSHP Guidebook Changes
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Global Green has consistently participated in Affordable Housing portion of NSHP guidebook development, via its membership in the NSHP affordable housing advisory committee and based on our technical assistance work with over a dozen affordable housing developers who have implemented solar PV installations on their projects, including the two Energy Commission sponsored Zero Energy Affordable Housing projects in the San Diego area.

Overall, Global Green supports Energy Commission efforts, as described in the workshop announcement, to streamline the NSHP reservation, documentation, and payment system. However, a number of the items up for discussion, if not structured properly, could have negative consequences for the affordable housing community and affect this community's historically high participation in this and other Energy Commission solar rebate programs. Similarly, if these items are structured properly, affordable housing participation in the program could increase, particularly now that the Energy Commission has made the California Utility Allowance Calculator available to affordable housing projects.

Specifically, items up for consideration include:

- *Limit incentives to the first 10 kW of a system, and drop system size justification. This revision would cap NSHP incentives for solar systems greater than 10 kW.*
Global Green Comment: A maximum system size of 10kW would put serious and unwarranted limitations on the common area (house meter) photovoltaic systems that form the majority of affordable housing solar installations throughout the state. While we support dropping the system size justification documentation, systems installed on affordable housing – or perhaps even any kind of multifamily housing -- should be exempt from this kW size limitation. With the prospect of Virtual Net Metering on the horizon (see below) solar PV systems on affordable housing will tend to get bigger and an limit on system size would be counterproductive and work against meeting MW installation goals.
- *Eliminate the six-month checkpoint process and form requirement (NSHP-1.6 reservation) due to lack of use of such process/form AND Allow a 60 day time period after tax credit approval by the California Tax Credit Allocation Committee for affordable housing projects to submit finalized efficiency documentation.*
Global Green Comment: The existence of NSHP-1.6, even if it has not been used, has offered a comfort level to a number of affordable housing developers, who do not engage in a substantial amount of engineering and

design until receiving a tax credit commitment letter from the California Tax Credit Allocation Committee (TCAC). The confidence lent by NSHP-1.6 is in the knowledge that reservations can be received (and therefore be considered a financing commitment) prior to TCAC application and then technical adjustments and refinements can be made after TCAC award. Essentially replacing NSHP-1.6 with a 60-day post-TCAC award grace period will be a positive step if and only if the following adjustments to the proposal are made:

1. The grace period is expanded to include adjustments to PV system size documentation as well as energy efficiency documentation. This would allow minor adjustments to PV system size as project go through the building permit stage to account for changes imposed by local authorities, particularly fire departments.
 2. The grace period is extended from the proposed 60 days to 150 days. TCAC projects are required to receive a building permit within 150 days of receiving a commitment letter. This is the time frame when real engineering and design work, including the incorporation of photovoltaics, takes place and a number of design specifics of a project can change during that time. Very few, if any, projects fail to meet the 150-day deadline and it only makes sense to align NSHP deadlines with those imposed by TCAC.
- *Remove the 45 year requirement that affordable housing must retain its affordable status. This change would allow applications and participation from areas where a 45 year affordability requirement does not exist. **Global Green Comment:** We support this modification with one caveat. Developers of these types of housing, typically for-sale properties rather than rentals, should have to limit their initial buyers to those whose incomes meet the requirements currently outlined in the NSHP Guidebook. Developers should not be allowed to receive the affordable housing rebate level simply because the price of their market-rate homes may make them affordable to those who fall into the specified low and moderate income categories.*
 - *Evaluate the use of virtual net metering for NSHP affordable housing projects consistent with the California Public Utilities Commission's forthcoming decision on virtual net metering for the California Solar Initiative program. **Global Green Comment:** We expect that the establishment of the Virtual Net Metering Tariff by the California Public Utilities Commission will lead to greater penetration of photovoltaics in affordable housing (because of reduced installation costs) and larger systems (because developers will no longer be forced into deciding between a common area system and a system that essentially covers most of the unit demand). Assuming that there is no limit imposed on system size – which we strenuously object to based on comments noted above – we urge the Energy Commission to make every effort to allow*

NSHP projects to take advantage of the VNM tariff. In fact, given that VNM is a tariff, not a regulation, it is unclear whether the Energy Commission has the power to expressly prohibit eligible NSHP projects from choosing that tariff. Global Green, which has consulted with the PUC and IOUs on VNM for several years, would welcome the opportunity to work with Energy Commission staff on any issue of concern regarding VNM for eligible NSHP projects.

- *Staff will work toward developing and clarifying common area energy efficiency requirements in multifamily buildings.* **Comments from Global Green: It is unclear to us what is missing or needs to be clarified about the common area energy efficiency requirements. While more clarity is usually helpful, we do not believe this should be seen as a backdoor opportunity to increase energy efficiency requirements beyond the 15% better than Title-24 that currently exists. Again, Global Green would welcome the opportunity to work with Energy Commission staff on this matter.**