

DOCKET

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August 5, 2009

California Energy Commission

Dockets Office, MS-4

Re: Docket No. 09-OII-01

1516 Ninth Street

Sacramento, CA 95814-5512

RE: Docket Number 09-OII-01 (ARRA SEP Guidelines)

Vote Solar is a non-profit advocacy organization working to bring solar energy into the mainstream. As such, we work with state and municipalities across the country to develop successful and sustainable solar energy markets. Over the past year we have focused significant resources on supporting the development of municipal property tax financing programs (i.e. AB 811 type programs) nation-wide.

We believe that AB 811-type programs have the potential to radically increase residential investment in energy efficiency and renewable energy by removing the most significant barrier to adoption: high up-front out-of-pocket expenses. AB 811-type programs also provide easier access to low-interest rate financing than what is currently available to individuals. We believe that AB 811-type programs should be designed to accentuate these attributes—ease of use, wide applicability—in order to scale quickly and have maximum impact.

Accordingly, we strongly support the use of State Energy Program funds to advance the development and implementation of Municipal Financing District Programs across the state. However, we urge the California Energy Commission (CEC) to remove the “Eligible Improvements” requirements on page 21 that requires cities to design Municipal Financing District programs that first fund building efficiency upgrades consistent with the (1) second and third tiers of the California Comprehensive Residential Building Retrofit Program for residential customers, (2) the Municipal and Commercial Building Targeted Measure Retrofit Program, and (3) the state’s loading order, before using funds to finance installation of onsite renewable energy systems.

We caution that these restrictions could deter property owner interest in utilizing these programs. It is important to lower—not raise—barriers to participation. Overly prescriptive programs will reduce participation, and in turn reduce net impact.

For the residential sector, we believe that home audits are a valuable tool for educating homeowners and spurring efficiency gains. However, requiring homeowners to first implement all identified energy efficiency improvements as outlined in Tier III of the California Comprehensive Residential Building Retrofit Program in advance of installing solar is excessively stringent and could lead to a drop in applicants to the programs.

Moreover, the purpose of a financing program is to address the hurdle of out-of-pocket expenses. As many low-hanging energy efficiency opportunities may not be financeable, in certain situations requiring energy efficiency targets to be met may have the perverse effect of requiring potential participants to incur significant out-of-pocket expenses before they are eligible for AB 811-type programs.

Similarly, in the commercial sector we support efforts to encourage energy efficiency in municipal and commercial buildings. However, we caution against requiring that all permanent improvements eligible under the Municipal and Commercial Building Targeted Measure Retrofit Program be undertaken before applicants can consider solar installations. We believe this is akin to requiring that people that want to buy a hybrid vehicle can only carpool, or restricting carpoolers to hitching rides in hybrid cars.

The benefits of Municipal Financing District Program financing are numerous, and we applaud your decision to help municipalities undertake this innovative clean energy financing solution. Again, we recommend against adding restrictions that would make these programs more difficult to utilize. We believe that programs should be designed to enhance customer choice and provide flexibility, and unnecessary restrictions will limit participation and, in turn, reduce net impact.

Thank you for your consideration. If you have any questions, I may be reached at 415/817-5064, or annie@votesolar.org.

Yours truly,

Annie Carmichael
Federal Policy Director
The Vote Solar Initiative