



GRID Alternatives

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California Energy Commission
Dockets Office, MS-4
Re: Docket No. 09-OII-01
1516 Ninth Street
Sacramento, CA 05814-5512

DOCKET

09-OII-1

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Sent concurrently via email to docket@energy.state.ca.us and sep@energy.state.ca.us

GRID Alternatives respectfully provides these comments on the Commission's Preliminary Guidelines for the American Recovery and Reinvestment Act State Energy Program, Publication # CEC-150-2009-004-D. GRID Alternatives is a nonprofit organization that installs and helps finance solar electric systems for low-income homeowners throughout California. We are also the statewide Program Manager for the Single-family Affordable Solar Homes (SASH) incentive program under the California Solar Initiative, which provides significantly higher solar incentives for qualifying low-income homeowners, while integrating workforce training directly into the process.

GRID Alternatives would like to provide some brief comments on the proposed Municipal Financing District Program (AB 811-type programs) guidelines, and in particular for the use of ARRA SEP funds to support low-income homeowner grants and interest rate buy-downs as described on page 20. We strongly support the Commission's focus on bringing the benefits of these programs to economically disadvantaged areas, who have the least access to the benefits of renewable energy and energy efficiency, yet who most need the economic benefits of these technologies.

Based on our experience working to make PV-solar accessible to low-income households throughout California, mainstream financing programs for energy improvements do not effectively serve low-income homeowners, who typically live month-to-month and have limited cash resources. These families have extremely limited ability to service debt and need any energy improvement to be clearly cash-flow positive from day one, without requiring a significant cash investment up front.

The most practical and cost-effective mechanism to overcoming these barriers within the context of Municipal Financing District Programs is to leverage existing low-income renewable energy and energy efficiency incentive programs to reduce or eliminate the debt required for low-income families to implement energy improvements. If low-income homeowner grants and/or interest rate buydowns are properly designed, GRID Alternatives will be able to leverage SEP funds on the local level over 5 to 1 with SASH incentive dollars to bring solar electric systems to

low-income communities in jurisdictions throughout the state, while also providing workforce development opportunities at no additional cost.

The SASH Program incentive is available to qualifying low-income homeowners located throughout the Pacific Gas and Electric, Southern California Edison, and San Diego Gas and Electric service territories. The SASH Program aims to install 6,500 – 8,000 PV-solar systems between 2009 and 2016. The program also prioritizes energy efficiency by mandating all homes undergo an energy efficiency audit prior to receiving a solar electric system. Homeowners who qualify for the utility companies' Low-Income Energy Efficiency (LIEE) Program must enroll and have LIEE services completed prior to receiving a PV-solar installation. This ensures the solar system is appropriately sized with respect to the reduced energy consumption that results from the energy efficiency measures.

Because of the size of the SASH incentive and GRID Alternatives' lower cost structure, in most cases the necessary financing for SASH clients is very low, from \$1,000 to \$6,000. This dramatically reduces the financing burden for Municipal Financing District programs, but raises a separate issue of triggering minimum loan requirements. SEP-funded grant pools for qualifying low-income homeowners would address both of these issues by providing small grants in lieu of loans. For homeowners who require financing over and above the minimum loan requirements, these funds could be used instead to buy down the homeowner's interest rate to ensure that any debt payments are more than offset by energy savings from day one. In either case these would represent an extremely cost-effective way for these programs to serve low-income communities.

For solar projects that are successfully financed under this program, GRID Alternatives' program model integrates job training and workforce development into the installation process at no additional cost. GRID Alternatives is both a licensed solar contractor and a nonprofit community agency, and our installation model integrates job trainees and other community volunteers directly into the installation process. We work closely with low-income job training programs throughout the state to leverage our installations as opportunities for on-the-job training, where trainees can take the skills they have learned in a classroom environment and apply them in a real-world installation setting, while under the supervision of GRID Alternatives' experienced, professional installation staff.

We look forward to working with the Commission and with jurisdictions throughout California to help implement these exciting programs and to bring the benefits of renewable energy and energy efficiency technologies to economically disadvantaged areas. If you have any questions, please contact me anytime at sgreschner@gridalternatives.org or at (510) 652-4730 x322.

Sincerely,



Stan Greschner

Director, Single-family Affordable Solar Homes (SASH) Program
GRID Alternatives