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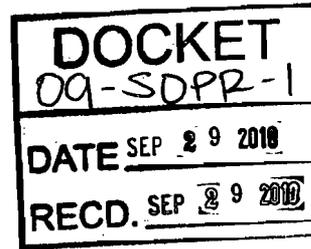
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September 29, 2010

California Energy Commission
Dockets Office, MS-4
1516 Ninth Street
Sacramento, Ca. 95814-5512



RE: Docket No. 09-SOPR-1

The following comments are submitted on behalf of the California Building Industry Association (CBIA) and the California Business Properties Association (CBPA).

For the most part, our comments have been indexed by page number and topic issue as they appear in the CEC Document 300-2010-009-SF entitled "Solar Offset Program Pre-Rulemaking Draft Regulations" dated September 2010.

General Comments:

From the onset, we would like to express our sincere appreciation to the CEC Staff for having addressed our two greatest issues with the initial draft proposal issued in May of 2010.

Increased Energy Efficiency Mandate:

We were deeply concerned that the earlier proposal to require a 15% increase in the energy efficiency requirements for those dwellings participating in the "Solar Offset Program" would have proven very costly and would have threatened the viability of this program. CEC Staff has removed this proposed requirement from the draft regulations.

Solar as an Option: Proposed Reporting Requirements:

In addition, the initial proposal would have required builder reporting of various items, including: "The total installed cost of the PV system to the home buyer per AC watt (both offered and paid price). CEC Staff has revised this portion of the draft regulations and now proposes to require reporting of only the "installed cost" of the PV system. We propose clarifying alternative language below (see comment on **Section 2702(a)(1)**).

Homebuyer Solar Option and Solar Offset Program

(Page 1) Section 2700 (3rd paragraph, last sentence): The last sentence concludes with the statement: "...assuming 20% of the prospective home buyers would have installed solar energy systems." The reference to "prospective home buyers" is somewhat confusing, especially the word "prospective". We would suggest deleting the phrase "prospective home buyers" and inserting the phrase "homes in the project" so that the revised sentence would read "...assuming 20% of the homes in the project would have installed solar energy systems."

(Page 2) Section 2701(j): The first sentence in the definition for “minimal shading” states: “*Minimal Shading means that no existing, **planned, or potential** shading obstructions are closer than a distance of twice the height that the obstruction extends above the nearest point on the PV array.*” It should be clarified that the phrase “planned, or potential” refers only to those items under the direct control of the developer/builder prior to the homes purchase. Without this clarification, the phrase “planned or potential” could be interpreted to cover landscaping and or construction that take place post-purchase and to which the builder has no control.

Therefore, we suggest the following clarification of the existing language:

2701 (j) Minimal Shading means that no existing shading obstructions, or planned or potential shading obstructions (i.e., such items that are shown on builder’s building or landscaping plans but not yet installed or planted) are closer than a distance of twice the height that the obstruction extends above the nearest point on the PV array. Any obstruction that projects above the point on the PV array that is closest to the obstruction shall meet this criterion for the PV array to be considered minimally shaded.

Homebuyer Solar Option:

(Page 4) Section 2702(a)(1): The seller of production homes offering solar as an option will be required to provide certain information to the homebuyer, including the “*total installed cost*” of the solar energy system. We would respectfully request use of the following alternative language:

(1) The total offering price of the solar energy system option.

(Page 4) Section 2702(a)(2)(A): In the first sentence, it should be clarified that “the figures in Table 1 represent a range of expected annual kW and dollar savings from a 1kW solar energy system” **as calculated by the California Energy Commission.**

(Page 4) Section 2702(a)(2)(B): This section does not appear to be regulatory language. Further, the data in Table 1 appear to be curiously high estimates of both kWh savings (which should be “production”, not “savings”), and the Annual Dollar Savings are also potentially high, being calculated based on the upper rate-tiers. As such, industry respectfully requests the analysis showing how these numbers were calculated for each of the five utilities.

In addition, this table requires a disclaimer stating that the numbers are estimates based on {*insert description of method used to estimate*}, and that these are best-case values because they were calculated using optimal solar array efficiency, orientation, and tilt. It is important for the consumer to understand that their generation will be lower with different solar equipment and roof orientation and tilt. Further, this section should be clear that kWh savings and utility bill savings are a function of the net of solar production and overall energy use in the home.

(Page 4) Section 2702(b)(1): For clarity, it would be useful for the CEC to provide one or more examples of “Identifying information for the development”.

(Page 4) Section 2702(b)(2): With regards to specifying the “total number of planned homes”, industry needs to know “over what period of time”? For example, a master planned community may have a 10-15 year build-out plan, and have a great many individual “phases”. We suspect the CEC simply wants the related information on a given phase or consecutive phases.

(Page 5) Section 2702(b)(6): To be consistent with 2702(b)(1), this reporting requirement should be changed to: Average capacity (in AC kW) and average total option cost of solar energy systems installed in the reported year.

(Page 5) Section 2702(c)(1): The CEC is request that “*the reported information shall be endorsed by a principal or corporate officer of the seller’s company.*” While industry understands the need to verify this information, such endorsements should be (somewhat) similar to those required for the CF-1R and CF-6R energy efficiency compliance forms. For example, why not include the “sales agent” or “site superintendent”?

(Page 5) Section 2702(c)(2): This section states that “*The “solar as an option” disclosure shall be made available to prospective home buyers at point of sale and on the seller’s website.*” Industry finds this language to be unclear as to what is required and when or where it is required to be available to prospective buyers. Industry recommends clarification that this statement refers to sales literature/written information and suggests the following language to replace the first sentence of this section: *Descriptive information regarding the “solar as an option” offer shall be made available to prospective home buyers both in the sales office and on the seller’s website.*

Solar Offset Program:

(Page 6) Section 2703(a): Same comment applies here as was given for Section 2700: In the last sentence, the statement is made “...*assuming 20% of the prospective home buyers would have installed solar energy systems.*” The reference to “*prospective home buyers*” is somewhat confusing, especially the word “prospective”. We would suggest deleting “prospective home buyers” and inserting the phrase “homes in the project” so that the revised sentence would read “...*assuming 20% of the homes in the project would have installed solar energy systems.*”

(Page 6) Section 2703(b)(2): Industry strongly supports the CEC’s establishment of July 1, 2010 as the start-up date where after solar energy systems can be connected to the grid and be considered eligible for the Solar Offset Program.

(Page 6) Section 2703(b)(3): The CEC is proposing that “*offset solar energy systems are not eligible to receive an incentive from any California statewide incentive program or similar POU/IOU program under the California Solar Initiative.*” Industry does not agree with this proposal, nor do we understand why the CEC would suggest this. As long as the builder of the solar energy system complies with all of the related rules for obtaining the incentive(s), why should they be barred from receiving such funds solely because they are participating in the solar offset program? The financial feasibility of a solar energy project may well depend on the availability of the incentive funding. If that helps the project move forward, isn’t that a win-win for all?

(Page 6) Section 2703(b)(4): Industry strongly supports using the “utility territory” as the region in which the offset program must be applied.

(Page 6) Section 2703(b)(6): This section seems to be both overly complex and goes beyond Industry recall of the discussions and meetings leading to this document. This section specifies the capacity of the system, not annual generation, and is definitely not related to TDV. Industry submits that the required capacity should be 20% of the number of homes (from 2702(b)(2)) times 2kWac. Simply put; if a developer is planning on a 100-unit project, the calculation would be: **(100 homes x 0.20) x 2.0kWac = 40kWac.**

(Page 7) Section 2703(b)(9): With regards to the initial reporting requirement, there needs to be some manner of short term allowance that takes into account that these regulations will be approved more than 60 days after the start-up date of July 1, 2010. In addition, Industry finds item C, TDV calculation both irrelevant and onerous. The offset size should be reported in kWac being offset.

(Page 7) Section 2703(b)(10): Industry strongly supports having the ability to “bank” the solar energy from an offset system for use in multiple housing projects at a later date.

(Page 7) Section 2703(c): Industry does not see the need for this section at all and recommends deletion of this entire section. As stated in our recommendations for Section 2703(b), the offset should be in terms of capacity (kWac) not energy. The actual energy produced by homes in a community will be highly dependent on the orientation of roofs of the homes on which the solar systems are installed, the tilt of the roofs, and the type of system installed. It makes no sense to Industry that the offsetting system be required to produce energy equal to that which would come from solar systems with optimal orientation and tilt, and PV panels that are among the most efficient available today.

If, for some reason it is deemed necessary to develop a representative system, it should reflect the fact that roofs in communities have different orientations and tilts, and that the systems installed in different communities are not always going to be the most efficient panels available. In fact, these issues are contained in the definition section:

2701(p): “Reference Solar Energy System means a fictitious solar energy system representing the average solar energy system potentially installed under Homebuyer Solar Option ...”

The reference solar system in section 2703(c) does not reflect an “average solar energy system potentially installed under Homebuyer Solar Option. Rather, it reflects an optimal system installed on all of the 20% of homes. Further, it seems totally inappropriate to reference a specific manufacturers’ products (solar cells and inverter) in this document. This has the appearance of recommendation of this product by the Commission.

As recommended for Section 2703(b)(6), the offsetting system should be rated by capacity not energy production, and the minimum capacity should be 20% of the number of homes (from 2702(b)(2) times 2kWac, and thus Section 2703(c) is unnecessary and should be deleted, and the reference to it in Section 2703(b)(6) should also be deleted.

(Page 9) Section 2703(d): Given that this section is in regards to Banking Offset Credits, requiring Items #7, #8, #9, #10, #11 and #12 may be inappropriate since this information will probably not be known at the time the offset solar energy system is installed. These items should be clearly identified as optional inputs at registration of the system being banked, to be filled in as the banked credits are used. In addition, items #13, #14, and #15 are extraneous and should be deleted (see comments above regarding Sections 2703(b)(6), and 2703(c).

(Page 10) Section 2703(e): Industry does not see how this reporting requirement relates to the intent of SB1 and the Solar Offset concept and mechanics. This reporting requirement is an extra burden on the entity banking the solar credits and should be eliminated.