

<b>DOCKET</b>
<b>06-NSHP-1</b>
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## **Comments Regarding the Adoption of Revisions to the New Solar Homes Partnership Guidebook**

Docket Number 06-NSHP-1

The Solar Alliance is a national trade association of solar photovoltaic (PV) manufacturers, integrators, and financiers dedicated to accelerating the deployment of solar electric power in the United States through state-based policies. The Solar Alliance appreciates the opportunity to provide the following comments on the revisions to the New Solar Homes Partnership (NSHP) Guidebook (Guidebook), and intends for these comments to help provide improvements to the NSHP program.

Having reviewed the next revision to the guidebook, we are pleased with a number of the changes that have been implemented, as they will improve the program for all participants. These final Solar Alliance comments focus on a few remaining key issues and our rationale for requesting further modification to the proposed Guidebook. The Solar Alliance respectfully requests a stakeholder workshop to discuss final Guidebook changes prior to adoption by the California Energy Commission to foster a higher level of understanding and agreement on the major changes, as well as the rationale for them. Additionally, the Solar Alliance recommends future workshops to solicit input on how to streamline the program for better ease of participation. More detailed comments about specific changes are listed below.

The Guidebook recommends increases in system size for approved reservations will be funded at the incentive level in effect at the time the change request, with supporting documentation, is submitted to the NSHP Program Administrator and deemed complete. While we appreciate and support the proposal to reserve “Solar as an Option” projects assuming a 3 Kilowatt (kW) AC system size (an

increase of 1 kW), the final system size for these projects is frequently not confirmed for a specific lot until months after the reservation has been approved. If the NSHP incentive level drops before the system size has been determined and the system is sized larger (in order to meet load) than that which was reserved, either the builder or the solar provider would have to “eat” the difference in system cost. . It would not be possible to request the buyer to pay the difference since the home would have already been sold (at a previously agreed to price). In the end, we ask that this change to the Guidebook not be adopted. Greater certainty and a more predictable outcome in this circumstance would encourage more builders and solar providers to participate in NSHP and reflect the conditions of today’s housing market. Below, we offer an alternative approach for your consideration.

The absence of locked-in rebate amounts in standard or option communities creates too much uncertainty and financial risk for builders and solar providers. To achieve the results the NSHP likely desires, the Solar Alliance would support the implementation of a system size variance cap. Allowing for a system size to increase up to 120% of the reserved system size would increase builder and installer confidence in solar communities where there are multiple system sizes offered to the homeowner. As long as the final installation and NSHP claim for a particular home is within 120% of the reservation, NSHP will honor the reserved incentive level and rebate claim amount. System size increases which exceed 120% of the reservation would be funded at the incentive level at the time of the request.

The Guidebook calls for the incentive for all non-affordable housing projects will be limited to 50% of the total system cost. It is presumed that the basis for this proposal lies in the budget shortfall NSHP is currently facing. However, the Solar Alliance would appreciate additional insight so as to understand the actual problem it is attempting to address. While there is concern regarding this limitation’s impact, the negative ramifications of this cap on the new solar housing market should also be considered.

The Guidebook states that a 30 day notice will not be provided prior to a decline in the incentive level. The Solar Alliance appreciates the difficulties of managing the program budget, and supports the Commission in this revision. Additionally, we support and applaud the posting of additional information and believe that it will provide greater transparency in NSHP overall. However the Solar Alliance requests that quarterly NSHP budget figures be posted as well.

The Guidebook states that the Commission may suspend the NSHP and/or establish a wait list once program funding is exhausted. The Solar Alliance requests that the CEC should give NSHP stakeholders fair warning and notice in advance of NSHP suspension.

In conclusion, the Solar Alliance appreciates the opportunity to provide these comments in response to the Guidebook revisions. In general, the Solar Alliance encourages future workshops for Guidebook revisions to help explain the need for proposed changes – and an opportunity for stakeholder feedback.