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## BEFORE THE CALIFORNIA ENERGY COMMISSION

In the matter of,

Adoption of the proposed 2013 BUILDING ENERGY EFFICIENCY STANDARDS Docket No. 12-BSTD-1

RE: Adoption 2013 Building Energy Efficiency Standards

# COMMENTS OF THE SUNRUN PARTNERS ON THE NOTICE OF PROPOSED ACTION ADOPTING THE 2013 BUILDING ENERGY EFFICIENCY STANDARDS

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Adoption of the proposed 2013 BUILDING ENERGY EFFICIENCY STANDARDS Docket No. 12-BSTD-1

RE: 2013 Building Energy Efficiency Standards of the California Energy Code

# COMMENTS OF THE SUNRUN PARTNERS ON THE PROPOSED ADOPTION OF THE 2013 BUILDING ENERGY EFFICIENCY STANDARDS

Pursuant to the February 7, 2012 Noticed of Proposed Action, Sunrun, in collaboration with several of its solar installation partners in California, including Verengo Solar, Mainstream Energy Corp and REC Solar, and Petersen Dean - collectively "The Sunrun Partners" - respectfully submit these comments on the proposed 2013 Building Energy Efficiency Standards.

## I. Introduction

Sunrun is a residential solar power service provider, serving more than 20,000 customers in California and nine other states. SunRun's solar power service products – power purchase agreements (PPAs) and leases – have substantially improved the cost effectiveness for homeowners choosing to invest in PV, who can do so by prepaying for 20 years of guaranteed solar electricity, or paying for the electricity as it is generated.

Since its inception in 2007, Sunrun has driven growth that has caused the Sunrun service

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model to become a mainstream choice for homeowners interested in solar. In 2011, roughly half of all homeowners who adopted solar in the US did so using a third-party financing and service model, such as that provided by Sunrun and its competitors. In Q4 2011 in California, more than 70% of homeowners used a third-party model to start generating their own solar power. Sunrun's model is fundamentally designed to make solar more accessible; a recent study published in Energy Policy shows that the third-party owned solar model is expanding residential solar markets to a broader demographic of middle and lower income households<sup>1</sup>.

Sunrun partners with over 25 leading local solar installers, who together employ more than 3,000 green-collar workers. Sunrun's partners design, sell, install, and maintain residential solar systems. Across our network, Sunrun's partners are building nearly 6MW (approximately 1,000 systems) of residential solar each month under Sunrun's service offering.

While Sunrun pioneered solar power service model in the residential retrofit market, Sunrun sees significant demand and opportunity for the model in the new home development space. In California and Arizona Sunrun has also partnered with home builders such as Elliott Homes and Toll Brothers to develop solar service ready homes, and move the industry towards the ultimate goal of making clean energy generation a standard in new home development.

Sunrun limits their comments here to the subject areas of an expanded definition of "solar ready" and support for a policy framework to permit developers to balance their energy investment in new homes between photovoltaic electricity and energy efficiency using a

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Drury, E., et al., The transformation of southern California's residential photovoltaics market through third-party ownership. Energy Policy (2012), doi:10.1016/j.enpol.2011.12.047

performance based system.

#### II. Discussion

A. The Sunrun Partners support the solar ready language in the proposed 2013 Building Energy Efficiency Standards. The Sunrun Partners urge the CEC to further broaden the definition of "Solar Readiness" so that mounting hardware for solar-related technologies is also included.

The Sunrun Partners strongly support Commission's job creation efforts and Governor Brown's laudable 12,000 MW distributed generation goal. The Sunrun Partners have been active participants in both the policy discussions that have shaped California's clean energy goals and in critical policy implementation efforts, such as Governor's Office of Planning and Research Solar Working Group. Lowering the costs of residential energy infrastructure investment though reduced permitting costs and increased industry scale and efficiency presents a great opportunity to enable California's home owners to become cost-effective clean energy producers.

The 2013 Building Energy Efficiency Standards development process includes many important solar-related code improvements including roughed in conduit paths for roof-based systems and requirement for solar zones on roofs. Unfortunately 2013 cycle's record was developed around a concept of solar readiness that did not fully consider solar mounting hardware. Including solar mounting in the 2013 Building Energy Efficiency Standards is a cost-effective and smart way to support the CEC's policy goals. When solar mounting is installed prior to roof construction, lower costs and higher quality can be achieved relative to a retrofit installation. Mounting as a standard for new home construction supports the highest quality PV system performance because it reduces the likelihood of roof leaks over the life of the system. Sunrun believes that inclusion of mounting hardware in new home construction standards will lead to future solar cost reductions.

# B. The CEC should consider allowing market-based tradeoffs between distributed generation technologies and energy efficiency investments for new construction.

The Sunrun Partners understand that Commission Staff is considering Alternative

Prescriptive Packages to provide a choice to the market between investing in solar PV and
energy efficiency. The Sunrun Partners strongly support allowing the market some flexibility to
determine its energy investments. If the CEC properly weighs the value of the energy
investment it should be indifferent to the investment choice. Allowing choice will reduce friction
between stakeholders and foster a "pull" for these energy improvements rather than a "push".

Sunrun has firsthand experience with the synergy between efficiency and solar through its partnership with a residential energy efficiency provider in Massachusetts. The partnership has demonstrated that photovoltaic electricity is capturing the attention of energy conscious consumers who became even more aware of their energy consumption habits because of their solar electric investment, therefore also investing in energy efficiency. The Sunrun Partners submit that crafting policy to enable market-based tradeoffs will facilitate the development of attractive energy offerings achieving a broader reach and impact.

As the price of solar and other distributed generation technologies fall their cost effectiveness will increase. Policies that appropriately value these energy investments from an energy compliance standpoint will send the appropriate signal to the market optimizing consumer energy investments.

### III. Conclusion

The Sunrun Partners commend the efforts of the California Energy Commission and its staff in the production of the proposed 2013 Building Energy Efficiency Standards. To advance

the state closer to its laudable new energy goals, Sunrun supports additional focus on the opportunity for solar to both integrate into new home development and to compliment and enable consumer energy efficiency investment and awareness.

Respectfully submitted this 11<sup>th</sup> day of April, 2012.

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