

August 16, 2013

**VIA E-MAIL DOCKET@ENERGY.
CA.GOV**California Energy Commission
Dockets Office, MS-4
Re: Docket No. 06-NSHP-1
1516 Ninth Street
Sacramento, CA 95814-5512

California Energy Commission

**DOCKETED
06-NSHP-1**

TN 71841

AUG 16 2013

Re: New Solar Homes Partnership Guidebook: Comments of Pacific Gas and Electric Company on Proposed Revisions to the New Solar Homes Partnership Guidebook

Pacific Gas and Electric Company (PG&E) respectfully submits these comments in response to the proposed changes to the New Solar Homes Partnership (NSHP) Program Guidebook as outlined during the California Energy Commission (CEC) Staff Workshop on August 6, 2013.

PG&E appreciates this opportunity to provide comments on the proposed changes and recognizes the need to further streamline and simplify the NSHP program to delight our customers and increase program participation.

The CEC has proposed a number of meaningful changes that will simplify the NSHP program and process, and PG&E supports inclusion of a number of those changes in the revised edition of the Guidebook, although a number of proposed modifications merit further scrutiny before moving forward because of cost and implementation concerns. PG&E recommends additional modifications that could further streamline the program and benefit customers. In particular, eliminating certain signature requirements would help align the NSHP with the requirements of other solar programs and eliminate unnecessary paperwork.

General Program Changes

- *Removal of the 180-day window* - PG&E fully supports elimination of the 180-day window to pull a solar permit after a certificate of occupancy, as the intent of the program is to support builders/developers of new homes and reduce the upfront costs of incorporating solar during construction. To address concerns for projects past certificate of occupancy that are already in the pipeline with executed contracts, a 60-day grace period should be provided for the NSHP application to be submitted and considered for reservation.
- *Extend the Virtual Net Metering (VNM) standard reservation period* - VNM projects are more complex and a longer reservation period of 36 months is warranted. Customers need adequate program tools to apply and complete the process seamlessly in the NSHP web tool, which currently requires a work-around process for VNM projects. PG&E also recommends

elimination of the manual VNM incentive calculation, which should be incorporated into the CECPV calculator. This streamlining will benefit customers by providing an upfront estimate of the expected NSHP incentive amount and eliminating an unnecessary step for all parties.

- *Lease Fact Sheet/Addendum* - More clarity and information may be desired in lease agreements; however, PG&E hopes that the Guidebook can provide direction on required language and provisions for leases without introducing additional forms. Adding more forms creates customer confusion, increases administrative costs, and increases lease review time. Opportunities to streamline and utilize existing agreements should be favored over the introduction of more paperwork.
- *Allow 10% true-up of the NSHP incentive* - PG&E supports the elimination of final cost documentation for lease agreements in those instances when the final incentive amount is within 10% of the originally reserved incentive. This will reduce the time to issue the incentives and avoid additional paperwork that adds little value to the program.
- *Enhance the Incentive decline process* - PG&E supports improving the incentive decline procedure in the NSHP web tool. Reducing the incentive level based on application submittal date would make the process more visible and predictable for customers. It would also eliminate the need to maintain the “processing list”, which is manually updated and adds unnecessary administrative burden to the Program Administrators (PAs).
- *Maintain Affordable housing system owner language* - PG&E recommends retaining current Guidebook language for affordable housing incentives. Where a solar PV system benefits the end-user (in this case households that qualify as extremely low, very low, lower, or moderate income), PG&E recommends keeping the current definition and allowing the affordable housing incentive. Requiring additional verification of tax status is unduly burdensome and contrary to efforts to simplify the process in this Guidebook revision.

Reservation Phase

- *Allow 10-business day correction period* - PG&E fully supports this change as the current rejection process does not work for customers and PAs. PG&E receives many applications that are incomplete and the immediate rejection of those applications has forced applicants to re-apply, sometimes five to six times before all of the deficiencies are addressed. This adds significant burden for customers who may not be fully knowledgeable on the program requirements and also has an adverse impact on PAs’ review time and administrative costs. While PG&E discourages partial or incomplete application packages, some flexibility to remedy issues and minor omissions would be beneficial for all parties involved.

- *Elimination of forms will streamline the program* - PG&E supports the elimination of unnecessary forms that increase the administrative burden for both customers and PAs. PG&E agrees that the equipment purchase agreement and the build-out schedule requirement can be eliminated. PG&E recommends additional streamlining opportunities including:
 - *Eliminate the NSHP-3 Form* - Currently, the NSHP-3 form is submitted with each payment. This is burdensome, given it would require a developer to submit 100 + copies of the same form for each different address in the housing development. The administrative burden for both customers and PAs could be reduced by adding limited additional information to the NSHP-2 form using the warranty information, with a checkbox and space for applicant's initials. This is similar to the process for other solar incentive programs.
 - *Allow for Paperless Submittal of NSHP-2 Forms*: Other solar incentive programs are completely paperless. PG&E recommends the CEC do the same for the NSHP process by eliminating the wet signature requirement on the NSHP-2 form and allowing the submittal of all paperwork through the NSHP web tool. Requiring a wet signature causes unnecessary delays in the processing of payments.
 - *Reduce the number of signature requirement on interim forms* – The builder/homeowner's agent is allowed to sign both original and revised CF-1R-PV forms on their behalf, and there is no apparent value of having solar installers, who typically prepare the CF-1R-PV, sign a form that changes frequently. PG&E recommends the requirement for solar installers to sign the form be eliminated. Builders/homeowners acknowledge the final incentive by signing the NSHP-2 claim form which should suffice to meet program administrative requirements.
 - *Remove requirement for final cost documentation* - The final cost documentation requirement could be eliminated, given project costs are reported on the NSHP-2 payment claim form and in the NSHP web tool in great detail. To align the NSHP with other successful solar programs, NSHP should accept self-reported costs without additional documentation.
- *Don't remove the 50% limitation for Solar as an Option* – Simplifying the process for developments is important, but it is not clear how this proposal eases the administrative process for "Solar as an Option" projects. Participating solar installers have indicated that the solar PV installation rates rarely exceed 50% in a given development. Removing this

limitation, however, could lead to reservations for 100% of the homes in a development and result in an over-reservation of NSHP funds, exhausting the available funding at a faster rate.

- *Flexibility of reservation funding* creates challenges – Allowing builders/developers more flexibility in the reservation process to quickly respond to market conditions is important. However, current program tools do not support such flexibility. With limited IT support, the NSHP web tool may not be modified in a timely manner and require a work-around, which will increase processing time and cost for all parties. Implementing a new process would require greater coordination and potentially more paperwork to support the reservation changes, which would increase the administrative burden for the PAs, who have limited and fixed administrative budgets. Further consideration of this proposal is needed before moving forward.

Payment Phase

- *Calculation of increased funding requests* –PG&E supports calculating any increased funding requests when the customer is ready to submit the payment claim package.
- *Allow 90-day correction for consistency in language* -- Inconsistent Guidebook language is a challenge; however 90 days is the maximum allowed correction period, and customers are encouraged to address deficiencies in the incentive claim package as soon as possible to ensure timely incentive payment.
- *Partial incentive payment option* – If there are delays in the PV or energy efficiency verification in the field, PG&E recommends addressing the field verification issue directly rather than introducing additional complexity to the program by requiring a partial incentive payment. Partial incentive payments would require significant additional coordination and processing and tracking of payments, increasing transactional costs for all parties. The existing program tools and payment systems do not support multiple payments per home. As a result, additional system modifications would be costly and such costs are not addressed in the current administrative contracts. Therefore, PG&E does not support the proposed change in the payment process.
- *2013 Building Code updates to Tiers* – No comment at this time.
- *Local Ordinances exceeding Building Energy Standards* – No comment at this time.
- *New incentive structures*– Adding two new incentive types to the existing Tier 1 and Tier 2 incentive structure will increase the program complexities. However, PG&E is open to

modifying the current structure provided it is simple to administer and the required energy efficiency levels are not overly burdensome for builders/developers.

- *CEA requirement for 2013 Standards* – No comment at this time.
- *Energy Efficiency Compliance Documents Author* – Provided the documentation author has the appropriate training and certification to run Title 24 compliance software, they should be allowed to produce and submit energy efficiency compliance forms for program purposes.
- *Removal of Go Solar retailer/installer registration* – PG&E supports elimination of the duplicative retailer/seller registration as there is no apparent value in maintaining the list outside of the NSHP process and web tool.

In conclusion, PG&E looks forward to collaborating with the Energy Commission, Program Administrators, and industry partners to improve the program and achieve the NSHP program goals.

Sincerely,

/s/

Valerie J. Winn

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