

October 31, 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

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

Pacific Gas and Electric Company (PG&E) respectfully submits these comments on the Staff Draft of the New Solar Homes Partnership (NSHP) Program Guidebook that was released for comment on October 18, 2013, by the California Energy Commission (CEC).

PG&E appreciates this opportunity to provide comments and commends the CEC's efforts to further streamline the NSHP program and increase program participation. PG&E supports the inclusion of most of the proposed changes in the revised seventh edition of the NSHP Guidebook. PG&E would like to emphasize the importance of simplifying the program rules and processes and proposes additional modifications in the area below that could further streamline the program and benefit customers.

Incentive Structure

- *Code-compliant incentive* – PG&E supports the addition of a new “code-compliant” incentive level but recommends a lower incentive of \$0.75 per watt for homes meeting the 2013 Title 24 Building Energy Efficiency Standards and a declining incentive structure similar to other incentive types.
- *Above-code incentive* – Continuing with two-tiered “above-code” incentives in addition to the new “code-compliant” incentive adds unnecessary complexity to the program. To simplify the NSHP energy efficiency requirements and incentive structure, PG&E suggests keeping only one “above-code” Tier 1 incentive level to encourage higher levels of energy efficiency and further align NSHP with the residential new construction energy efficiency program.
- *New incentive structure for market rate and affordable housing* – The proposed Guidebook references 5 to 6 different incentive levels, which would be contrary to the efforts of simplifying the NSHP program and process. Multiple incentive structures will create confusion and opportunities for error and will have an operational impact, delaying the

processing of reservations and claims payment. They will also increase the cost for program administration.

- *New incentives for affordable housing* – Solar energy system ownership should not be a factor for NSHP funding as long as the system benefits low income households as defined by the Health and Safety Code and described in the project regulatory agreement. The NSHP Guidebook has specific language to ensure that by requiring lease or power purchase agreements to demonstrate the benefit to the end-user by reducing the lease payments for the system or the cost of electricity produced by the system. The proposed change would limit the access to solar for low income households and affect the progress towards achieving the MW goals for affordable housing. Additionally, it would require tax status verification and add complexity to the program.

Energy Efficiency

- *Title 24 solar credits* – Similar to “code-compliant” projects, those applying for Tier 1 and Tier 2 incentive levels under the 2013 Title 24 Building Energy Efficiency Standard should comply with the energy efficiency requirements *prior* to claiming the solar credit. It should not be used to exceed code to meet the NSHP eligibility requirements for a PV installation that is also receiving a higher NSHP incentive. An analogous example is the treatment of solar water heating (SWH) systems funded by the CSI Thermal program. SWH system cannot be used for credit under Title 24 for residential new construction programs’ purposes and receive a CSI Thermal incentive at the same time. A mechanism is in place in the compliance software to remove the SWH system from the calculation if the customer prefers to collect the CSI Thermal incentive.
- *Plan check requirements* – PG&E does not recommend removal of the plan check requirement for Tier 1 and Tier 2 projects with compliance documents signed by a Certified Energy Analyst (CEA). Current rules require CEPE/CEA signature, and there are still high rejection rates of the initial calculations for a variety of errors, including significant modeling mistakes. Even with the refined CEA requirements for the new Title 24 Standards, there will be mistakes, and having the QC/QA of additional plan review ensures that the energy efficiency levels will be verified for projects offered a higher NSHP incentive.

General Program Changes

- *Grace period after certificate of occupancy* – PG&E would like to clarify that the 60-day grace period, suggested in the comments submitted on August 16th in response to the public workshop on NSHP, was not intended to replace the current 180-day window but rather give a one-time opportunity for projects already in the pipeline to apply to NSHP as long as the contract is executed before the adoption of the revised Guidebook. PG&E fully supports the elimination of any grace period past certificate of occupancy as the intent of the program is to support builders and developers incorporating solar in conjunction with the construction of a new home.

- *Partial incentive payment option* – PG&E opposes the proposed partial incentive payment as it adds another layer of administration. The Guidebook describes a burdensome administrative process. Moreover, the program tools and systems do not support multiple payments for one home. In fact, they have been designed to prevent multiple payments and double-dipping. The proposed change would require significant system modifications and IT resources, additional administrative help to process multiple payments per project and support customers and cannot be implemented under the current administrative contacts.
- *Elimination of unnecessary forms* – PG&E supports the elimination of unnecessary forms like the equipment purchase agreement and build-out schedule. Furthermore, PG&E recommends the elimination of the NSHP-3 Form. The administrative burden for both customers and PAs could be reduced by removing this form and adding language for the warranty requirements to the NSHP-2 form. This is similar to the process for other successful solar incentive programs. Additionally, PG&E recommends removal of the requirement for final cost documentation as final project costs are already reported in great detail on the NSHP-2 form and in the NSHP web tool. To align the NSHP with other solar programs, NSHP should accept self-reported costs without additional documentation.
- *Simplifications for large developments with multiple solar energy system sites* – PG&E supports the process simplifications for large developments with the removal of “Solar as an Option” and modifications of the “Solar as Standard” process as long as the NSHP web tool can support these changes and fully automate the reservation decrease schedule to minimize impact on operations. Allocating resources to follow up on these applications every 6-months of the reservation period is not feasible under the current administration contacts and limited budget. With similar stipulation, PG&E also welcomes the flexibility offered to projects with multiple solar system sites and tying the funding for an NSHP reservation to the project not the site level.

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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