

October 31, 2013

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 06-NSHP-01
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.state.ca.us

California Energy Commission

DOCKETED

06-NSHP-1

TN 72328

NOV 4 2013

Re: **Staff Draft of the New Solar Homes Partnership Guidebook (7th Edition)** [Docket Number 06-NSHP-01]

Dear Staff,

Thank you for the opportunity to review and provide comment on the proposed program revisions included in the Draft NSHP Guidebook, 7th Edition. As always, we appreciate the opportunity to work closely with CEC staff to continue to improve and expand the New Solar Homes Partnership initiative.

SunPower respectfully submits the following comments in reference to the Draft NSHP Guidebook, 7th Edition.

Reservation Funding Decrease Schedule for Large Developments:

SunPower agrees there should be a project progress review protocol in order to identify where funds may have been over-encumbered and are not being utilized as intended when the reservation approval was granted. NSHP incentive funding should be granted to active participants who have committed to actively installing solar in their project.

Currently, we are experiencing an average rebate claim submittal timeline at over 120 days from solar installation to rebate claim submission. Implementing a project progress review based on volume of claims submitted would not be a fair or accurate indication of how many homes in the community have actually been installed with solar at that stage of the reservation and are still valid NSHP sites working toward acquiring all the required documentation in order to submit the payment claim.

SunPower recommends the program consider the number of homes installed with solar as their basis for determining whether a project is progressing as expected and intended. This type of validation can come in the form of Solar Permit Issued or Permission to Operate Issued, which more accurately indicates which homes have received solar and intend to submit a rebate claim. We strongly recommend the Commission consider these potential claim submittal delays and offer an alternative way to validate the true progress of an NSHP project.

Code Compliant Incentive, Energy Efficiency and 2013 Standards:

SunPower has long been a strong proponent of combining EE with PV, which remains unchanged. That said, SunPower supports the proposal to establish a 2013 Standard Code Compliant incentive option. With the 2013 Standards implementation, the cost to a builder to simply meet the new Title 24 requirements is substantial, and the additional cost to get to 15% is extremely high. To convince a builder to add these costs BEFORE considering the additional cost of solar is a very difficult proposition.

Offering the Code Compliant incentive supports the adoption of solar in new homes by allowing more builders to participate in the NSHP program by recognizing the diverse nature of each builder in the industry, each with their own size, volume, financial constraints and company values.

The Draft version of the guidebook does not provide a Code Compliant incentive level for NSHP Incentive Levels 1 and 2. We have several projects which are currently reserved under Incentive Levels 1 & 2 which don't expire until 2015. We recommend the Code Compliant incentive for Incentive Levels 1 & 2 follow the same trend of the other Code Compliant rebate levels which is \$0.25/watt less than the standard incentive level.

Overall, SunPower agrees with this guidebook change proposal, and is looking forward to continue the growth of new solar home installation with this added pathway of eligibility.

Solar Permit must be issued within 60 days after Certificate of Occupancy in order to be eligible for NSHP incentive

SunPower believes the intention of the NSHP program is to fund solar installations that are completed during the construction and sale of a new home. The 180 window provides an opportunity for builders to provide customers with post-close offerings that are outside of the design, construction and selling process of the new home. We agree that the 180 day window should be reduced significantly. Reducing this window to 60 days is an agreeable solution to this concern.

Equipment may not be purchased or installed more than 3 months before applying for reservation

SunPower recognizes the potential issues with the current guidebook standard that a new reservation application cannot be submitted more than 24 months after installation of the solar, and agrees that a shorter timeline should be considered for implementation. However, we feel there are multiple scenarios, especially with large developments, which may create the need for a reservation application to be submitted more than 3 months after installation of a solar system. A few of these examples include long lead times for Title 24 documentation to be finalized and provided, delays in receiving fully executed contracts or application forms, or the addition of more solar homes in a current reservation which will need a new reservation application. These are just a few examples of scenarios which do not stop the construction of the homes and the installation of the solar. We can provide additional specific scenarios and details up on request.

SunPower requests the commission to consider changing this proposal to application submittal limited to 6 months after installation, rather than 3 months. This adjustment will achieve the desired outcome of avoiding issue with outstanding HERS verifications after the home has been completed for a long period of time, but also allows a reasonable timeframe for situations that occur which may create delays in reservation applications for projects which intend to participate in NSHP.

In addition, SunPower recommends a clarification regarding this subject be provided in the guidebook which applies to existing reservations and the re-application of a project after initial reservation expiry. If an existing reservation expires, a new application should be able to be submitted for the same subdivision regardless of the status of installations, as it's ultimately an extension of the preceding rebate reservation.

Reservation provided as Project Level rather than Site Level

We are in strong support of allowing NSHP funding to be utilized in a flexible manner within the same project, rather than strictly allocated per site wherein variances need special calculation or are returned to the program. The housing market is continuing to rebound, and many builders are seeing a pickup in sales and construction pace which improves the builder's ability to offer and sell more solar and possibly larger system sizes. Concurrently, solar costs and technology are continuing to improve which allows SunPower and the Builder to install more efficient systems and larger sizes than what may have been originally reserved at the beginning of the project. NSHP incentives are a key contributor to the adoption of solar sales in these communities.

Creating this ability for builders to utilize all available funding within a project reservation, rather than having unused portions of per site reservations returned to the program, would provide the CEC greater visibility into the probability of reservation fulfillment. This will greatly benefit the NSHP Funding review processes, and could

provide CEC with further confidence of reservation fulfillment. Additionally, this proposal would greatly simplify our ability to effectively confirm contract pricing with Builders, as well as reduce the extra administrative burden of manually updating rebate amounts per site for the Applicant and the NSHP PA.

SunPower makes the following recommendations for additional parameters to this proposed change:

When a rebate claim utilizes the Partial Payment option, we recommend the entire site & rebate amount get accounted for at the time of the Partial Payment claim as being drawn from the overall Project level reservation. This will simplify the PA accounting and monitoring of project reservation amounts remaining, and will provide assurance for the customer that the full rebate will be paid at the reserved incentive level upon full claim submittal rather than a hybrid incentive amount for both parts of the NSHP rebate for a single site.

If upon the final payment of all sites under the original reservation there is any available Project reservation funding remaining, the applicant has the option to add more solar sites to the reservation to utilize the remaining Project reserved funding. This would only be eligible if the additional site(s) are within the same community, built by the same builder. This will help builders take advantage of the full NSHP incentive which was reserved for solar installs on their project. The builder may experience better than expected solar sales, and adding this option will help promote more solar sales by providing them with the ability to fully exhaust the funding which was reserved for the project.

Further to this request, we believe an applicant and the NSHP PA can benefit greatly from the ability to request additional funding for additional sites to an existing reservation, rather than being required to submit a new reservation application for the additional sites. Approaching the expansion of an original project reservation in this way would greatly streamline the reservation application process. Of course, the request for additional sites in an existing reservation would be subject for CEC review and funded at the incentive level in effect at the time of additional funding request. In some cases, a builder may purchase additional homesites within the same development or add more sites to the project than they originally intended to construct at the start of the project, based on good market conditions and increased home sales. The NSHP project has already been reviewed and approved through the existing reservation application queue, the plans have already been plan checked and approved, and the project already exists in the webtool and the HERS provider. The project participants/partners/installers all remain the same. Requiring a new reservation application to be submitted when more sites want to be added to an existing community creates extra work and confusion for everyone, having to manage multiple reservations. It also creates an indefinite delay in the ability to claim rebates, as the reservation application queue and approval timelines are unpredictable. The applicant will continue installing solar, but will be prohibited from claiming the incentives for potentially months while the new reservation application works its way through the new application queue.

SunPower requests the following clarifications be made in the guidebook in relation to this significant change:

Provide specific details about how an existing reservation will be “converted” to a project level reservation upon new Guidebook adoption. Will the PA determine the remaining available funding, based on unpaid sites at the time of guidebook adoption, and provide a total Project Reservation amount to the applicant for reference moving forward? Will sites which were previously paid at +/- original reservation per site be included in the calculation of what the new Project level reservation will be?

Provide details about the required process by which the applicant is to request additional funding for a community once the project has reached 10% or less of reserved funding.

Partial Payment Claim Option

SunPower supports the proposed change of receiving an up front partial NSHP incentive payment when all PV Verification and Utility Interconnection requirements have been met, and there may be extreme circumstances delaying up the production of the Energy Efficiency documentation.

SunPower requests the following clarifications be made in the guidebook in relation to this significant change:

In order for this new partial payment option to be successful, it is important that the NSHP webtool be updated to accommodate the management of these partial payment claims. Without webtool changes, the partial payment option will be nearly impossible to track efficiently.

The Draft version of the guidebook does not provide a Code Compliant incentive level for NSHP Incentive Levels 1 and 2. We have several projects which are currently reserved under Incentive Levels 1 & 2 which don't expire until 2015. We recommend the Code Compliant incentive for Incentive Levels 1 & 2 follow the same trend of the other Code Compliant rebate levels which is \$0.25/watt less than the standard incentive level.

Establish Regular Stakeholder Focus Groups and Working Sessions:

Over the past few years, the program has seen many changes to the guidebook, incentive levels and administrative procedures. While the guidebook continues to improve in clarity and expands in details, there have been many procedure changes overall which can create confusion among the applicants and Program Administrators (PA).

SunPower would like the ability to participate in more frequent workshops and NSHP staff group discussions on a regular basis, not only when a new guidebook is introduced. Many times, questions and concerns have not been discovered yet when a new guidebook is released. It takes the applicant time working through new projects, and different scenarios which may come up in order to be faced with the need for guidebook clarification and working session support. A regular stakeholder focus group could also be a platform for discussing and addressing general program issues, or questions any of the participants may be encountering that needs a more detailed discussion benefitting from the group environment, as opposed to individual phone conversations or emails with a PA or NSHP CEC staff.

A further benefit to providing this type of forum would be the ability for stakeholders to verbally discuss written comments submitted to the docket and how the comments were reviewed by CEC staff and ultimately addressed and/or implemented. Stakeholders would have a better understanding of how the CEC reviewed and discussed specific topics, and how program change decisions came to be. This type of transparency would help align the broader program participant group in understanding program requirements and philosophies.

Again, we appreciate the support and the open forum the Commission always extends to the public to help promote and facilitate NSHP program success.

If you should have any questions or need further clarification of any items in this letter, please do not hesitate to contact me at 916-692-7691.

Sincerely,



Merideth Griffith
Manager of Project Administration
SunPower Corporation