<table>
<thead>
<tr>
<th><strong>Docket Number:</strong></th>
<th>16-NSHP-01</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Title:</strong></td>
<td>Continuation of the New Solar Homes Partnership Program</td>
</tr>
<tr>
<td><strong>TN #:</strong></td>
<td>230255</td>
</tr>
<tr>
<td><strong>Document Title:</strong></td>
<td>New Solar Homes Partnership Program Quarterly Progress Report for July 1-September 30, 2019</td>
</tr>
<tr>
<td><strong>Description:</strong></td>
<td>NSHP 3rd Quarter 2019 Progress Report</td>
</tr>
<tr>
<td><strong>Filer:</strong></td>
<td>Lucio Hernandez</td>
</tr>
<tr>
<td><strong>Organization:</strong></td>
<td>California Energy Commission</td>
</tr>
<tr>
<td><strong>Submitter Role:</strong></td>
<td>Commission Staff</td>
</tr>
<tr>
<td><strong>Submission Date:</strong></td>
<td>10/17/2019 10:50:59 AM</td>
</tr>
<tr>
<td><strong>Docketed Date:</strong></td>
<td>10/17/2019</td>
</tr>
</tbody>
</table>
DI SCLAIM ER

Staff members of the California Energy Commission prepared this report. As such, it does not necessarily represent the views of the Energy Commission, its employees, or the State of California. The Energy Commission, the State of California, its employees, contractors, and subcontractors make no warrant, express or implied, and assume no legal liability for the information in this report; nor does any party represent that the uses of this information will not infringe upon privately owned rights. This report has not been approved or disapproved by the Energy Commission nor has the Commission passed upon the accuracy or adequacy of the information in this report.

California Energy Commission

Kevin Wong
Primary Author

Sherrill Neidich
Supervisors

Armand Angulo
Office Manager
Technology and Incentives Office

Natalie Lee
Deputy Director
RENEWABLE ENERGY DIVISION

Drew Bohan
Executive Director
ABSTRACT

The New Solar Homes Partnership (NSHP) program contributes to California’s continuing efforts to promote and develop clean, renewable electricity generation. This report provides an update on key NSHP program statistics for the third quarter of 2019. This report is produced as required by California Public Utilities Commission Decision 16-06-006, “Decision Funding Authorizations and Related Measures for Continuation of the New Solar Homes Partnership Program,” approved June 9, 2016.

Keywords: New Solar Homes Partnership, NSHP, Commission, California Public Utilities Commission, CPUC, Decision 16-06-006, market-rate, affordable housing

Please use the following citation for this report:

TABLE OF CONTENTS

Abstract ........................................................................................................................................ i
Table of Contents ............................................................................................................................ iii
List of Figures .................................................................................................................................. iii
List of Tables ................................................................................................................................... iii
CHAPTER 1: Introduction and Background .................................................................................. 1
  Funding Deadlines ..................................................................................................................... 2
CHAPTER 2: 2019 Third Quarter Program Statistics .................................................................... 3
  Reservations ............................................................................................................................... 3
  Payment Claims .......................................................................................................................... 3
  Payment Claims Received and Approved .................................................................................. 4
  Overall Progress Toward Meeting Program Goals ................................................................. 4
CHAPTER 3: Funding Reporting ..................................................................................................... 5
CHAPTER 4: Conclusion and Outlook ........................................................................................... 6

LIST OF FIGURES

Page
Figure 1: Progress Toward NSHP Program Goals ...................................................................... 4

LIST OF TABLES

Page
Table 1: Reservations as of September 30, 2019 ...................................................................... 3
Table 2: Payment Claims Approved July 1, 2019 Through September 30, 2019 ......................... 3
Table 3: Payment Claims Received and Approved July 1, 2019 Through September 30, 2019 .. 4
Table 4: NSHP Program Funding Paid and Encumbered as of September 30, 2019............... 5
CHAPTER 1: Introduction and Background

The New Solar Homes Partnership (NSHP) program was created as part of a statewide solar program called the California Solar Initiative. Senate Bill 1 (Murray, Chapter 132, Statutes of 2006) established three goals for the California Solar Initiative (CSI):

1. Install 3,000 megawatts (MW) of solar generating capacity
2. Establish a self-sufficient solar industry
3. Install solar energy on 50 percent of new California homes by 2020

To reach these goals, the California Solar Initiative established the New Solar Homes Partnership.

Launched in January 2007, the NSHP program is the California Energy Commission’s (CEC) component of the CSI and is limited to new home construction in investor-owned utility (IOU) service territories. The program provides financial incentives for homeowners, builders, and developers to include solar energy systems on new, energy-efficient homes. The NSHP program goal under the CSI is to incentivize the installation of 360 MW solar capacity.

Participation in the NSHP program is a two-step process in which applicants reserve funding for a project in advance and receive an incentive payment upon completion of the project. Once the reservation application is approved, applicants have the reservation period to finish building construction, install the solar energy system, interconnect with the utility grid, complete third-party field verifications, and submit a payment claim package to the CEC.

A reservation application may cover a single site or multiple sites depending on the project. The NSHP program has multiple project types defined in the NSHP Guidebook, Eleventh Edition including:

- Large development – Developments of six or more residential units with solar on 50 percent or more of dwelling units (also referred to by Solar as Standard).
- Custom homes – A project consisting of a single residence.
- Affordable housing projects – Projects that include affordable housing residential unit projects and affordable housing common area projects.
- Common area projects – Projects where the solar systems are installed on the nonresidential portions of market-rate residential developments.

---

1 The NSHP does not classify project types based upon single or multi-family construction. Either construction types may be used in Large Development, Affordable Housing, or Other.
• Virtual net metered\textsuperscript{2} projects – Projects that include affordable housing and market-rate housing projects.

• Solar not as standard – Projects where solar will be installed on less than 50 percent of the residential units.

• Small developments – Developments with fewer than six residential units.

**Funding Deadlines**

Senate Bill 83 (Chapter 24, Statutes of 2015) established an encumbrance deadline of June 1, 2018, for the NSHP program and a payment disbursement deadline of December 31, 2021. To fulfill these requirements, the CEC established a reservation submittal deadline of April 1, 2018 and a payment submission deadline of August 31, 2021.

---

\textsuperscript{2} Virtual net energy metering is a tariff arrangement that allows the electricity produced by a single solar energy system to be credited to multiple units, in which each has an electric meter.
CHAPTER 2:  
2019 Third Quarter Program Statistics

Reservations
After the April 1, 2018 NSHP program reservation deadline, the CEC stopped accepting reservation applications. This public reservation submission deadline was set to satisfy the June 1, 2018 encumbrance deadline, established in Senate Bill 83. No additional reservations were granted to accommodate new projects or adjustments to existing encumbrances after June 1, 2018. Table 1 displays the reservation applications active in the third quarter of 2019.

Table 1: Reservations as of September 30, 2019

<table>
<thead>
<tr>
<th>Project Type</th>
<th># of Systems</th>
<th>Encumbrance Value ($)</th>
<th>Capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Development</td>
<td>50,390</td>
<td>$92,156,063</td>
<td>189.82</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>308</td>
<td>$15,504,018</td>
<td>10.11</td>
</tr>
<tr>
<td>Custom Homes</td>
<td>43</td>
<td>$164,149</td>
<td>0.36</td>
</tr>
<tr>
<td>Other</td>
<td>529</td>
<td>$3,188,863</td>
<td>5.08</td>
</tr>
<tr>
<td>Totals</td>
<td>51,270</td>
<td>$111,013,093</td>
<td>205.37</td>
</tr>
</tbody>
</table>

Source: California Energy Commission

Payment Claims
For a site to receive a payment claim approval, the solar energy system must be installed, grid-connected, and third-party verified, and the building must meet or exceed the energy efficiency standards proposed in the applicant's reservation. Table 2 displays the number of payment claims approved in the third quarter of 2019.

Table 2: Payment Claims Approved July 1, 2019 Through September 30, 2019

<table>
<thead>
<tr>
<th>Project Type</th>
<th># of Systems</th>
<th>Encumbrance Value ($)</th>
<th>Capacity (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Development</td>
<td>3,142</td>
<td>$3,423,004</td>
<td>9.63</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>17</td>
<td>$1,472,159</td>
<td>0.95</td>
</tr>
<tr>
<td>Custom Homes</td>
<td>19</td>
<td>$71,022</td>
<td>0.14</td>
</tr>
<tr>
<td>Other</td>
<td>26</td>
<td>$96,257</td>
<td>0.19</td>
</tr>
<tr>
<td>Totals</td>
<td>3,204</td>
<td>$5,062,442</td>
<td>10.91</td>
</tr>
</tbody>
</table>

Source: California Energy Commission

3 Other includes NSHP project types: Common Area, Virtual Net Metered, Solar Not as Standard, and Small Developments.
**Payment Claims Received and Approved**

Table 3 shows the total number of payment claims received and approved during the third quarter of 2019.

**Table 3: Payment Claims Received and Approved July 1, 2019 Through September 30, 2019**

<table>
<thead>
<tr>
<th>Payment Claims</th>
<th>Received</th>
<th>Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,893</td>
<td>3,204</td>
</tr>
</tbody>
</table>

Source: California Energy Commission

**Overall Progress Toward Meeting Program Goals**

The goal of the NSHP program is to install 360 MW of solar energy capacity on new housing by December 31, 2021. As of September 30, 2019, the NSHP program has supported the installation of approximately 179 MW and reserved 205 MW. Combined, the program is on track to install 384 MW of solar PV. Figure 1 represents this data.

Due to applicant selected changes in final building construction, not all projects will meet NSHP program requirements. Projects or sites no longer meeting NSHP program requirements will be disapproved. Sites disapproved, withdrawn, or expired are removed from program metrics and will not count towards the program goal tracker.

**Figure 1: Progress Toward NSHP Program Goals**

Source: California Energy Commission
Established in 2007, the NSHP was allocated $400 million from the Public Goods Charge (PGC) collected from IOU ratepayers including funding in the Renewable Resource Trust Fund (RRTF). To address a shortfall in program funding, the California Public Utilities Commission’s Decision 16-06-006 made available up to $111.78 million in additional funding. This funding was collected from IOU ratepayers.

Prior to utilizing additional IOU sourced funding, the California Public Utilities Commission requires the NSHP to disburse all funding available through the RRTF.4

The accounting of RRTF/PGC and IOU funding for the third quarter of 2019 is represented in Table 4 below.

**Table 4: NSHP Program Funding Paid and Encumbered as of September 30, 2019**

<table>
<thead>
<tr>
<th></th>
<th>Encumbered</th>
<th>Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>RRTF/PGC Monies (Millions)</td>
<td>$57.23</td>
<td>$214.45</td>
</tr>
<tr>
<td>IOU Monies (Millions)</td>
<td>$66.79</td>
<td>$0</td>
</tr>
</tbody>
</table>

Source: California Energy Commission

---

4 Previously reserved but undisbursed PGC funding may become available due to changes in final and proposed project construction. Funding initially reserved for projects are reassessed during the payment claim. Final project incentives are based upon installed and third-party verified construction. Decreases in project incentives from the reserved amounts create additional funding availability.
CHAPTER 4:
Conclusion and Outlook

During the third quarter of 2019, the NSHP program staff approved 3,204 incentive payment claims representing over $5 million in incentive money and over 10 MW of solar capacity. Based upon the reserved and installed MW capacities, the NSHP program is on track to reach or exceed the installed solar electric capacity goal of 360 MW.

The NSHP staff maintains a positive business relationship with applicants. This applicant base consists of affordable housing applicants, custom homeowners, builders, and major program stakeholders. Our relationship provides customer’s support to effectively navigate the NSHP process. This close working relationship additionally promotes the NSHP’s commitment to exceptional customer service.