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Decision 84 11 086 NOV 21 1984**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)
 own motion into the feasibility of)
 establishing various methods of)
 providing low-interest, long-term)
 financing of solar energy system)
 for utility customers.)

OII 42
 (Filed April 23, 1979)

ORDER MODIFYING DECISION 83-09-076

On September 30, 1983, the Commission issued Decision (D.) 83-09-076, authorizing the utilities participating^{1/} in the demonstration solar financing program to extend the multi-family portion to September 15, 1984. D.83-09-076 set forth procedures to terminate the multi-family part of the OII 42 program in a timely fashion, as follows:

1. All contracts must be signed and/or application submitted to the utilities by September 15, 1984, as evidenced by the date stamp or postmark. (Underlined words added for clarification.)
2. All installations and inspections by local jurisdictions must be completed by December 15, 1984. Utility inspections must be requested by that date.
3. Initial utility inspections and contractors' corrections must be completed by January 13, 1985.

^{1/} In Decision 92251, dated September 16, 1980, the Commission authorized four utilities to participate in the demonstration solar financing program, namely: Pacific Gas and Electric Company (PG&E), San Diego Gas and Electric Company (SDG&E), Southern California Gas Company (Edison), and Southern California Gas Company (SoCal). However, Edison was not authorized to participate in the multi-family phase of the program.

4. Only those installations meeting all of the above deadlines would receive rebates.

On November 8, 1984, California Solar Energy Industries Association (CAL SEIA) filed a petition for modification of D.83-09-076 to extend time for municipal and utility inspections of multi-family installations in PG&E territory. CAL SEIA requests an order authorizing PG&E to accept and process requests for inspections, to authorize rebates, and to collect its costs in rates through appropriate rate proceedings through March 15, 1985.

CAL SEIA believes that an extension of the deadline established in D.83-09-076 is required because of two factors: (1) the failure of AB 2428 to be enacted into law; and (2) the increase in the minimum sizing requirements for multi-family dwellings ordered by the Commission in D.83-10-014.

In January, 1984, AB 2428 was introduced in the Legislature. In its final form it would have extended the multi-family portion of the OII 42 program for two years and added 100,000 rebates to the original quotas. However, the governor vetoed the legislation. In addition, CAL SEIA sought to reduce the minimum sizing requirements for multi-family dwellings ordered in D.83-10-014. However, that effort was not successful.

CAL SEIA believes that the multi-family sales market became depressed from a combination of the sizing issue and the influence of the effort to extend the program through legislation. As the closing days of the program neared, apartment owners chose to authorize contracts to avoid losing rebates. Contracting firms, which had previously been idled, became overbooked as their year-long sales efforts bore fruit. A number of overbooked contractors have contacted CAL SEIA and ask it to approach the Commission requesting a modification of D.83-09-076 for contracts which cannot be completed within the deadlines established by that

decision. The extension of time would apply only to those contracts that were properly signed and submitted to PG&E by September 15, 1984. According to CAL SEIA's information the multi-family programs of SDG&E and SoCal are not affected by this problem. Therefore, the order proposed by CAL SEIA would affect only PG&E's multi-family program. CAL SEIA asserts that due to the large number of contracts signed on or before September 15, 1984, and due to other factors beyond the control of the contractors, such as inclement weather, lengthy municipal permit processes, and availability of materials, many contractors will not be able to complete the installation and inspection process within the time limits applicable under D.83-09-076.

CAL SEIA seeks to modify Ordering Paragraph a. of D.83-09-076, which states:

- "a. Participating utilities are authorized to continue accepting applications for rebates under the multi-family portion of the OII 42 program so long as the established quotas are not filled. However, no utility shall accept any application delivered or postmarked after September 15, 1984. No utility shall issue rebates to an applicant who has not demonstrated that its solar system has passed local jurisdiction inspection on or before December 15, 1984."

CAL SEIA requests that the Commission substitute in place of the last sentence of the quoted Ordering Paragraph the following language:

"Only those contracts which were submitted and accepted by PG&E within the contract deadline of September 15, 1984 are granted an extension of time for installation completion and municipal inspections in PG&E territory to March 15, 1985. Initial utility inspections must be completed by April 1, 1985 and corrections completed by April 15, 1985. Those installations meeting the above requirements would be eligible for rebates."

Discussion

In D.83-09-076 we established the following procedure to terminate the multi-family portion of the OII 42 program:

1. All contracts must be signed and/or applications submitted to the utilities by September 15, 1984, as evidenced by the date stamp or postmark. (Underlined words added for clarification.)
2. All installations and inspections by local jurisdictions must be completed by December 15, 1984. Utility inspections must be requested by that date.
3. Initial utility inspections and contractors' corrections must be completed by January 13, 1985.
4. Only those installations meeting all of the above deadline would receive rebates.

Since under the proposed modification, applicants for rebates in SDG&E and SoCal territories would continue to be governed by the requirements of D.83-09-076 and since only applicants for rebates in PG&E's territory would be eligible for the extensions of time sought by CAL SEIA, we must be careful that the modifications adopted retain the original deadlines in D.83-09-076 and grant the extensions only to applicants in PG&E's territory. Therefore, we will retain the language of the four numbered paragraphs above, adding only qualifying language to paragraphs 2 and 3 as follows:

2. All installations and inspections by local jurisdictions must be completed by December 15, 1984. Utility inspections must be requested by that date. However in PG&E's territory all installations and inspections by local jurisdictions must be completed by March 15, 1985. Utility inspections must be requested by that date.
3. Initial utility inspections and contractors' corrections must be completed by January 13, 1985. However, in PG&E's territory initial utility inspections and contractors' corrections must be completed by April 15, 1985.

Findings of Fact

1. A large number of contracts for multi-family solar installations were signed on or immediately before September 15, 1984..

2. Many solar contractors in PG&E's territory are overbooked and unable to complete installations or inspections by December 15, 1984 due to unavailability of materials, inclement weather, delays in inspection by local jurisdictions, and other factors beyond their control.

3. Unless an extension of time is granted by modification of D.83-09-076, many applicants for rebates will be denied those rebates and PG&E's quotas in the multi-family portion of the OII 42 program will not be fulfilled.

Conclusions of Law

1. The procedures to terminate the multi-family portion of the OII 42 program adopted in D.83-09-076 should be modified as set forth in the discussion.

2. Ordering Paragraph a. of D.83-09-076 should be modified as set forth below.

3. The petition of CAL SEIA should be granted.

4. Although this order did not appear in the public agenda, it should be signed today since it involves an unforeseen emergency condition. Unless we extend the deadline established in D.83-09-076, many applicants for rebates will be denied those rebates and PG&E's multi-family quotas will not be fulfilled.

5. This order should be effective today so that the applicants, contractors, utility employees, and local jurisdictions can act with all possible speed to complete the installation and inspection process.

O R D E R

IT IS ORDERED that D.83-09-076 is modified as set forth in the following paragraphs:

1. Paragraphs 2 and 3 of the procedure to terminate the multi-family portion of the OII 42 program are modified to read:

2. All installations and inspections by local jurisdictions must be completed by December 15, 1984. Utility inspections must be requested by that date. However in PG&E's territory all installations and inspections by local jurisdictions must be completed by March 15, 1985. Utility inspections must be requested by that date.
3. Initial utility inspections and contractors' corrections must be completed by January 13, 1985. However in PG&E's territory initial utility inspections and contractors' corrections must be completed by April 15, 1985.

2. Ordering Paragraph a. of D.83-09-076 is modified to add the following language:

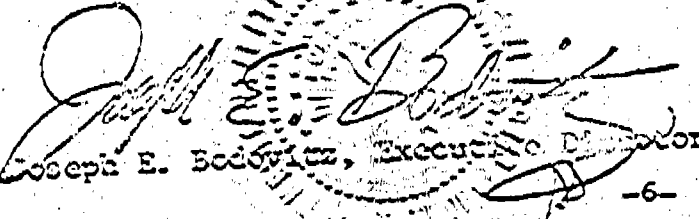
However, in PG&E's territory applicants whose contracts were submitted on or before September 15, 1984 and accepted by PG&E shall have until March 15, 1985, to complete installations and inspections by local jurisdictions; and they shall have until April 15, 1985 to complete initial utility inspections and contractors' corrections.

This order is effective today.

Dated NOV 21 1984, at San Francisco, California.

PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bobovitch, Executive Director

Commissioner Victor Calvo,
being necessarily absent, did
not participate