

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding
Policies, Procedures and Rules for the
California Solar Initiative, the
Self-Generation Incentive Program and
Other Distributed Generation Issues.

Rulemaking 12-11-005
(Filed November 8, 2012)

**PREHEARING CONFERENCE STATEMENT
OF SOLARCITY CORPORATION**

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March 11, 2013

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Pursuant to the Administrative Law Judge’s Ruling Setting Prehearing Conference (Ruling) filed on March 6, 2013, SolarCity Corporation (SolarCity) respectfully submits this prehearing conference statement regarding the Energy Division’s prioritization proposal.

SolarCity generally supports the Energy Division’s prioritization proposal, but appreciates the opportunity to suggest adjustments to the priority level for several issues, an addition of a Self-Generation Incentive Program (SGIP) issue, and to request that the Commission consolidate the issues involving “data collection” into one issue. SolarCity proposes the following changes and additions to issue prioritization, as found in the ruling:

Summary of Recommended Changes

Issue	Current Priority Level	Proposed Priority Level
SASH participation for third-party owned systems	MEDIUM	HIGH
Post-CSI data management	HIGH, for each of the data management issues that are called out separately	HIGH, but consolidate all data issues into a single data management issue
<u>Incentives for solar pool heating systems within CSI-Thermal program</u>	HIGH	MEDIUM
<u>Issues related to interconnection and metering of SGIP-incentivized energy storage</u>	Not included in ED prioritization list	HIGH

- SASH participation for third-party owned systems should be adjusted from a medium priority to a high priority. As raised in Phase II comments by Grid Alternatives and the Interstate Renewable Energy Council, Inc., the use of third-party ownership in the SASH program holds promise, but also raises policy issues that need to be fully addressed before the Commission changes its existing policy limiting low-income solar incentives to qualifying low-income homeowners who own their solar energy systems. *D.07-11-045 at 41*. The existing policy was set when third-party ownership of net-metered systems was a new concept, and now that model is used for more than three quarters of new CSI participants. We believe that the model has the potential to facilitate SASH installations, and deserves heightened attention as the Commission considers program modifications to the CSI. Setting this issue as a high priority will allow for sufficient time and attention to develop a record and for parties to explore solutions to implementation and address any consumer protection concerns.
- Post-CSI data collection categories should be consolidated into one issue, with that one issue being high priority, as all of the separate issues are proposed to be. SolarCity suggests that the following issues could be included as subset issues within “Post CSI data management”: (1) Post CSI data collection, (2) Maintaining consumer protection post-CSI; (3) Program Application Database and Confidentiality; and (4) Public reporting via California Solar Statistics. These issues are generally interrelated and, to the extent they would be addressed piecemeal according to the proposed priority list, consolidation could improve efficiency for parties and the Commission. As well, if four of the seven high priority issues are data issues, as proposed in the Ruling, it gives the appearance that the Commission sees data issues as more than half of the challenge in post-CSI program management going forward. While SolarCity acknowledges the importance of data, the program itself is more important than the data tracking the program, and the majority of the issues to address should be programmatic.
- Incentives for solar pool heating systems within CSI-Thermal program should be adjusted from a high priority to a medium priority. SolarCity supports

consideration of incentives for solar pool heating systems, but does not support giving this prioritization over other issues that create an opportunity to reach new or currently underserved market segments.

- Issues related to interconnection and metering of SGIP-incentivized energy storage should be included in the list of high priority issues. Despite receiving a number of SGIP reservations for energy storage projects (paired with solar PV), many of our customers, especially residential, are encountering considerable barriers to deploying these projects. SolarCity suggests that the Commission should make a high priority of aligning utility tariffs and interconnection rules, especially for technologies that are ineligible for net energy metering, with the goals of SGIP in order to remove or minimize these barriers to adoption.

Respectfully submitted at San Francisco, California on March 11, 2013,

By /s/ Jason B. Keyes

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