

**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
(November 8, 2012)

**RESPONSE OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION
AND SUNIBLE, INC. TO PACIFIC GAS AND ELECTRIC COMPANY'S PETITION
TO MODIFY DECISIONS 10-09-046, 07-11-045 AND 08-10-036 TO ADDRESS THE
CALIFORNIA SOLAR INITIATIVE PROGRAM SUNSET**

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Pursuant to Rule 16.4(f) of the Rules of Practice and Procedure of the Public Utilities Commission of the State of California (Commission), the Solar Energy Industries Association (SEIA)¹ and Sunible, Inc.² (SEIA / Sunible) submit this response to Pacific Gas and Electric Company's (PG&E) Petition to Modify Decision 10-09-046, 07-11-045 and 08-10-036 to effectively sunset the general market program element of the California Solar Initiative (CSI) in its service territory. For the reasons set forth below, SEIA / Sunible submit that the Petition is premature, and, therefore, should be denied.

I. INTRODUCTION

Through its Petition, PG&E seeks the following:

- To close its CSI General Market (GM) Residential program once the remaining incentive budget has been reserved;
- Close its CSI GM Non-Residential program once adequate reservations anticipated to meet the megawatt (MW) goal have been issued; and

¹ The comments contained in this filing represent the position of the Solar Energy Industries Association as an organization, but not necessarily the views of any particular member.

² Confirmation of Sunible's party status was provided via a May 7, 2013 e-mail of ALJ MacDonald.

· Transferring incentive dollars that may become available through future Residential program attrition, and incentive dollars in excess of what is expected to be needed to meet the Non-Residential MW goal to the Multifamily Affordable Solar Housing (MASH) program and the Single-Family Affordable Homes (SASH) program.

SEIA /Sunible applaud PG&E's desire to facilitate the MASH and SASH programs in reaching their respective MW goals, but SEIA is concerned that granting PG&E's Petition will (1) disrupt a smooth transition to a "post CSI world"; as well as (2) effect a premature ending of the GM Residential and Non-Residential programs in PG&E's service territory. Accordingly, the Petition should be denied.

II. PG&E SHOULD NOT BE ALLOWED TO SUNSET ITS GENERAL MARKET PROGRAM UNTIL PROTOCOL FOR CESSATION OF THE PROGRAM ARE ESTABLISHED

As acknowledge by PG&E (Petition at p. 4), the CSI was envisioned as a ten year program. The program was anticipated to sunset in approximately 2016-2017. The success of the program has accelerated this time frame. As illustrated through PG&E's Petition, *on a reservation basis*, it has met its residential GM program MW goal, and anticipates doing the same for its non-residential GM program within the next year. PG&E's Petition illustrates the need for the Commission to expedite its latest rulemaking addressing policies, procedures and rules for the CSI program,³ to establish uniform protocol for the cessation of the CSI GM program in each of the investor owned utilities' (IOUs) service territories.⁴ Such protocol is necessary to ensure a smooth transition to a post-CSI environment. Until such protocol is

³ See Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the California Solar Initiative, The Self--Generation Incentive Program and Other Distributed Generation Issues, R. 12-11-006 (November 6, 2012) (OIR).

⁴ While a Prehearing Conference was held in this proceeding on March 2013, a Scoping Memo has not been issued.

established, PG&E should not be allowed to abandon the processes and practices which have been developed under the CSI regime.

For example, prior to providing for the cessation of any program element of the CSI in an IOU's service territory, the Commission must address and resolve the issue of collection and public reporting of CSI data, including transition of data collection responsibilities from the CSI Program to utility interconnection departments once CSI incentives are no longer available, ongoing reporting of the data fields currently collected as part of the CSI application, and continued development of the California Solar Statistics website.⁵ These statistics include essential information covering over 128,000 CSI solar energy projects. The categories of data, which cover project timeline milestones, geographic location of each installation, equipment specifications, energy capacity ratings, project size, and pricing, have been used by participants in the solar market to increase the competitiveness of market offerings, decrease project costs and maintain a high standard of system quality - all to the benefit of California consumers. This information has also been useful in helping policy makers better understand the distributed solar market, including identifying which entities are installing and owning solar systems as well as how much capacity is being installed throughout the state. The Commission must assure that the integrity of the data is not compromised by providing for a seamless transition of data collection and reporting responsibilities. SEIA / Sunible are concerned that if PG&E's Petition is granted and it is allowed to close its General Market CSI programs without protocol in place for the continuity of the data, then a significant resource to the solar market -- one which has inured to the benefit of California consumers -- will be impaired.

⁵ OIR at p. 6; Administrative Law Judge's Ruling Setting Prehearing Conference (March 6, 2013) at 2 (setting preliminary proposal for prioritization of issues in R.12-11-005 and listing CSI data collection and reporting issues as high priority).

III. PG&E's TRANSFER OF FUNDS OUT OF THE CSI GENERAL MARKET PROGRAM IS PREMATURE

PG&E states (Petition at p. 4) that in the first quarter of 2013, it issued confirmed reservations that would exceed its Residential MW goal. Moreover, it anticipates that the current number of projects currently in the queue to be installed and the remaining dollars available to reserve projects will yield a total of 264 MW of installed residential capacity -- thus *potentially* exceeding its residential MW goal by 12 MW. PG&E thus asks that any incentive dollars which become available through attrition (*e.g.*, projects that achieve a confirmed reservation but are not timely installed) not be fed back into the residential general market program, but be transferred to the MASH and SASH programs. PG&E makes a comparable request with respect to the general market, non-residential program. SEIA / Sunible commend PG&E's efforts to aid the low income solar programs, but does not believe that such assistance should be given at the expense of the general market program.

There are clearly established program goals for the General Market element of the CSI in PG&E's service territory -- 252 MW for residential and 512 MW for non-residential.⁶ These goals are for installed MW -- not reserved MW. PG&E's proposal to funnel incentive dollars which become available through attrition of projects in the general market program into something other than a replacement project in that same program, endangers those goals and should not be permitted.

PG&E's justification for potentially cutting short the Commission established MW targets for its general market program is that "continuing to maintain a waitlist could create unnecessary project delays, as solar developers may need to consider waiting for an incentive

⁶ Decision 06-12-033 (PG&E will be responsible for 43.7% of the CSI budget and corresponding MW).

that may or may not materialize” and that “the cost of administering an ongoing waitlist may create future program administrative issues for PG&E.”⁷ With respect to the former rationale, the decision of whether to wait for an incentive that may or may not materialize is one that should be made by the developer, not PG&E. With respect to the latter vague assertions of “administrative issues,” absent clearer definition and a showing that such issues would cause harm to ratepayers and California’s established clean energy goals, the Commission should not jeopardize the MW goals for the General Market CSI program in PG&E’s service territory which were established approximately seven years ago.

That said, SEIA / Sunible agree that once PG&E has reached the MW goal for its service territory on an installed basis, then any funds which become available through attrition should be allowed to be transferred to the SASH and MASH programs at PG&E’s discretion.

III. CONCLUSION

For the above stated reasons, SEIA /Sunible respectfully request that PG&E’s Petition for Modification be denied.

Respectfully submitted this May 10, 2013 San Francisco, California.

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⁷ Petition for Modification at p. 7.