

**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 CALIFORNIA SOLAR ENERGY INDUSTRIES ASSOCIATION  
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 California Solar Energy Industries Association (CALSEIA) submits 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, CALSEIA submits that the Petition should be denied.

**I. INTRODUCTION**

In its Petition, PG&E seeks to close its CSI General Market (GM) Residential program once the remaining incentive budget has been reserved, and to close its CSI GM Non-Residential program once adequate reservations anticipated to meet the megawatt (MW) goal have been issued. It further seeks to transfer 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.

CALSEIA believes that the Petition correctly recommends applying excess or unused funds to other sub-programs which will continue to require funding after the GM program ends, however it is premature to make this determination while the issue of post-CSI data collection remains outstanding and significant MWs remain before installation goals are reached. In addition, funding for the electric portion of the CSI-Thermal Program, which has also been used to backstop incentives which are being depleted due to overproduction of systems installed under the Performance Based Incentive structure, is in need of restoration. For these reasons, the Petition should be denied.

## **II. THE PROCESSES AND PROCEDURES FOR SUNSETTING PG&E'S GENERAL MARKET PROGRAM SHOULD BE ESTABLISHED PRIOR TO CESSATION**

Given that the conclusion of the non-residential portion of the GM is fast approaching, the Commission should expedite its latest rulemaking addressing policies, procedures and rules for the CSI program,<sup>1</sup> to establish processes and procedures for the closedown of the GM programs for all of the Program Administrators. Until protocols for this purpose are established, PG&E should not be allowed to prematurely close its Program. Doing so will have an adverse effect on solar industry participants, and will unravel the highly useful CSI data collection regime now in place.

As an example, as of May 6, 2013 PG&E began wait listing projects eligible for the CSI GM non-residential program while the trigger tracker shows substantial remaining MW unreserved.<sup>2</sup> A protocol addressing this element of the Program closeout may have dictated a

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<sup>1</sup> 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).

<sup>2</sup> "Automated response from DGINCENTIVES@pge.com on May 8, 2013: Important Notice: The CSI Residential program is no longer accepting new applications. The CSI Residential Waitlist closed as of 5:00 p.m. on Thursday, May 2, 2014. Additionally, the CSI Non-Residential program

different procedure than that being taken by PG&E, and would certainly have better managed expectations of customers and solar industry participants as the remaining MW are reserved.

This recent decision to begin wait listing well in advance of reaching reserved MW goals, let alone installed MW goals (the actual measure), seems at odds with language in the Petition; “continuing to maintain a waitlist could create unnecessary project delays, as solar developers may need to consider waiting for an incentive that may or may not materialize” and that “the cost of administering an ongoing waitlist may create future program administrative issues for PG&E.”<sup>3</sup> PG&E’s recent actions seem guaranteed to create an even longer waitlist.

### **III. PG&E’s PETITION WOULD RENDER MOOT ANOTHER PG&E PETITION FOR MODIFICATION CURRENTLY UNDER CONSIDERATION BY THE COMMISSION**

On April 8, 2013 PG&E submitted a separate Petition to Modify Decision 10-01-022, Decision Establishing the California Solar Initiative Thermal Program to Provide Solar Water Heating Incentives. In it, PG&E asks that given the depletion of funds in its CSI GM residential program it be allowed to use funds from the GM non-residential account for incentives for electric and propane-displacing solar water heating systems eligible under the CSI-Thermal Program. CALSEIA applauds this request, given that over half of the residential solar water heating systems installed to date displace electricity or propane, and hopes the Commission determines to grant that Petition. However, the April 10 Petition, filed only two days later, would render the April 8 Petition moot by prematurely ending the non-residential program.

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has limited funding available to continue the program. Therefore, PG&E has implemented a waitlist process for all new Non-Residential projects as of Monday, May 6, 2013. PG&E cannot guarantee that waitlisted projects will receive a CSI incentive.”

<sup>3</sup> Petition for Modification at p. 7.

