

**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)

**COMMENTS OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION
ON PROPOSED DECISION GRANTING IN PART A PETITION FOR
MODIFICATION REGARDING THE ADMINISTRATION BUDGET FOR THE
CALIFORNIA SOLAR INITIATIVE**

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Pursuant to Rule 14 of the Rule of Practice and Procedure of the California Public Utilities Commission (Commission), the Solar Energy Industries Association (SEIA)¹ comments on the Proposed Decision Granting, in part, a Petition for Modification Regarding the Administrative Budget for the California Solar Initiative, which was issued in the above captioned proceeding on September 3, 2013 (Proposed Decision or PD).

I. INTRODUCTION

Through its Petition for Modification, the California Center for Sustainable Energy (CCSE) sought, among other things, modification to the relevant Commission decisions so as to:

Allow the residential customer sector in *CCSE's program territory* access to greater than one-third of CSI GM program megawatts (MW) by removing the specific allocation of two-thirds of CSI MW for the non-residential customer sector.²

The Proposed Decision grants this requested modification in part by providing that “[t]he remaining California Solar Initiative megawatt allocation shall be evenly split between

¹ The comments contained in this filing represent the position of SEIA as an organization, but not necessarily the views of any particular member with respect to any issue.

² Petition of the California Center for Sustainable Energy (CCSE) for Modification of Decisions D.10-09-046, D.08-10-036, D.11-07-031 and D.06-08- 028 to Address California Solar Initiative General Market Program Administration Budget Issues within CCSE’s Program Territory, R. 10-05-004 (August 3, 2012) (CCSE Petition), p. 3 (emphasis added).

residential and non-residential customer classes in the California Center for Sustainable Energy’s territory.”³ The PD, however, takes its determination a step farther and concludes that “Pacific Gas and Electric Company and Southern California Edison Company may raise the megawatt allocation in the California Solar Initiative for residential customers to 50% from the existing 1/3 allocation but are not required to do so.”⁴

SEIA submits that the PD, by failing to address and resolve issues raised on the record as to why the current MW allocation in CCSE’s service territory should be maintained, erred in modifying the current MW allocation. The PD compounds this error by allowing PG&E and SCE to modify their current allocations absent required notice to parties that it was considering such change. The PD should be modified so as to deny CCSE’s request to modify the CSI megawatt allocations in its service territory. At minimum, it should be modified to eliminate the authorization granted to PG&E and SCE to modify such allocations in their respective service territories.

II. THE PROPOSED DECISION ERRS IN AUTHORIZING A CHANGE IN THE CSI MEGAWATT ALLOCATION

A. The PD Does not Justify a Change in the Current MW Allocation in CCSE’s Service Territory

The totality of the PD’s rationale for modifying the current CSI MW allocation between commercial and residential reads as follows:

CCSE correctly concluded that the budget allocations originally established by the Commission were designed to be adaptable with time, as we so stated. Now that the Commission has additional experience with the CSI Program, we find this to be a prudent response.⁵

³ Proposed Decision, p. 21, Ordering Paragraph 3.

⁴ *Id.*

⁵ *Id.*, p. 17.

The PD does not elaborate on what additional experience or new circumstances have led it to grant CCSE's petition. Nor does it address any of the rationales presented by other parties as to why the allocations should not be changed. Indeed, certain of these rationales were the same ones which prompted the Commission to establish the current MW allocations. Thus, as argued by SCE, CCSE's proposal "does not address the issues of cross-subsidies and potential inequities, which the Commission addressed in D.06-08-028."⁶ Similarly, as argued by SEIA, CCSE's proposal fails to acknowledge the state-wide solar market transformation goals for the CSI program -- goals which were set for both residential and non-residential market segments in all three geographical program areas.⁷

SEIA acknowledges that in setting the original MW allocations, the Commission determined that it may be necessary to revisit them once experience in the program was gained. But in undertaking such process, the Commission should not abandon its rationales for setting the original allocations or, at minimum, should provide clear explanation for why it is doing so. Indeed, while it is clearly evident from CCSE's pleading that the commercial solar market in the San Diego area is lagging, such speaks against, not for, altering the current MW allocations. Removing incentive funds will provide a further drag on advancing solar in the commercial segment. The CSI is a ten year program, with three years remaining. Solar developers and marketers should be afforded those three years to further enhance the interest in solar in the non-residential market segment in the San Diego area without being stripped of a crucial marketing

⁶ Response of Southern California Edison Company (U 338-E) to the Petition of the California Center for Sustainable Energy (CCSE) for Modification of Decision (D.) 10-09-046, D.08-10-036, D.11-07-031 and D.06-08-028 to Address California Solar Initiative General Market Program Administration Budget Issued within CCSE's Program Territory, R. 10-05-004 (September 4, 2012), pp. 2-3.

⁷ Response of the Solar Energy Industries Association to Petition of the California Center for Sustainable Energy for Modification of Decisions (D) 10-09-046, D. 08-10-036, D. 11-07-031 and D. 06-08-028, R. 10-05-004 (September 4, 2012), pp. 2-3.

tool - CSI incentives. The current MW allocations in CCSE service territory should be maintained.

B. The PD Errs in Allowing SCE and PG&E to Alter the MW Allocations in their Respective Service Territories

CCSE's Petition for Modification sought a change in the CSI MW allocation between residential and commercial customer segments in its service territory. The facts it presented in its petition related solely to the administration of the CSI program in its service territory and the impact of the current MW allocation on CCSE's program budget and the attainment of its overall MW targets.⁸ There were no facts presented regarding the impact of the current MW allocation in either PG&E's or SCE's service territory. As CCSE's Petition was framed to change the allocation solely in its own service territory, parties were not provided adequate notice that changes to the CSI MW allocations in PG&E's and SCE's were under consideration.

Section 1708 of the Public Utilities Code provides that:

The commission may at any time, *upon notice to the parties*, and with opportunity to be heard as provided in the case of complaints, rescind, alter, or amend any order or decision made by it.

A petition to change the CSI MW allocation in the CCSE territory did not provide parties any notice that the Commission was considering modifications to the MW allocations in SCE and PG&E's service territory as well. Absent such notice, the Commission is statutorily precluded from making such alterations.

⁸ CCSE Petition at pp. 17-18.

IV. CONCLUSION

For the above stated reasons, SEIA respectfully requests that the PD be modified to remove the authorization for CCSE, as well as SCE and PG&E, to alter the CSI MW allocations in their respective service territories.

Respectfully submitted this September 23, 2013 San Francisco, California.

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