

**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.

R. 12-11-005

NOTICE OF EX PARTE COMMUNICATION

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Association

Dated: March 5, 2014

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Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure, the California Building Industry Association ("CBIA") hereby gives notice of the following *ex parte* communication.

By correspondence dated March 4, 2014 and delivered on March 5, 2014 to Resident Michael Peevey and Commissioners Florio, Sandoval, Peterman and Picker, CBIA expressed its support for the proposed 20-year transition period (grandfathering rules) for net energy metering customers as set forth in the Proposed Decision of President Peevey issued on February 20, 2014. A copy of the referenced letter is included as Attachment A hereto.

To obtain a copy of this notice, please contact Sandie DiLuzio at (415) 392-7900.

Respectfully submitted March 5, 2014 at San Francisco, California.

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By /s/ James D. Squeri

James D. Squeri

Attorneys for California Building Industry
Association

ATTACHMENT A



California Building Industry Association

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March 4, 2014

Michael Peevey, President
Michael Florio, Commissioner
Catherine Sandoval, Commissioner
Carla Peterman, Commissioner
Michael Picker, Commissioner
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, Ca. 94102-3298

RE: **Rulemaking 12-11-005**
Proposed Decision of Commissioner Peevey

Dear Commissioners:

The California Building Industry Association (CBIA) is a statewide trade association representing over 4,000 member-companies involved in residential and light-commercial construction. CBIA-member companies are responsible for over ninety percent of the new homes built in California each year.

I am writing in regards the establishment of the transition period (grandfathering rules) for net energy metering customers pursuant to AB 327 (Chap. 611, Statutes of 2013) and would like to express CBIA's support for the proposed transition period of 20 years as suggested in Commissioner Peevey's proposed decision.

The declining costs of solar PV in recent years as well as the availability of net energy metering have been key components in the considerable strides made toward cost-effective solar installation. However, the cost assumptions that have made the installation of solar PV on new housing attractive to home builders and prospective homebuyers has been due in large part to the assumption that net energy metering would be available to the homeowner for the life of the system.

As the housing sector continues to rebound amidst improving economic conditions, and more and more homes are built with solar as a standard feature, it is imperative for the Commission to ensure that customers taking service under the current net energy metering program cap will be protected for a period commensurate with the expected life of their system. A transition period which fails to satisfy customer expectations is unfair to homeowners that have made state-encouraged investments in renewable generation and will dampen builder interest in incorporating renewable generation into new construction moving forward.

Given typical solar module warranty periods of 25 years, as well as state-approved solar savings calculators which assume the availability of net energy metering for 25 years, CBIA urges the Commission to establish a transition period of a minimum of 20 years for all customers in order to protect existing homeowners and ensure continued progress toward California's zero net energy building goals. The builder needs to be able to assure the prospective homebuyer that the savings will be there over the life of the system.

Sincerely,

Robert E. Raymer, PE
Senior Engineer/Technical Director