



July 29, 2014

Advice No. 50
(Center for Sustainable Energy™)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Proposed Amendments to the California Solar Initiative Program Handbook to Better Align Program Eligibility Requirements with the NEMA Tariffs and Make Other Necessary Updates

The Center for Sustainable Energy™ (CSE), formerly known as the California Center for Sustainable Energy (CCSE), hereby submits this advice filing to propose amendments to the California Solar Initiative (CSI) Program Handbook to better align CSI Program Eligibility Requirements with the NEMA tariffs and to make other necessary updates to the Handbook.

PURPOSE

Consistent with the procedures established by California Public Utilities Commission (CPUC) Decision (D.)06-08-028, CSE hereby submits this advice filing to propose revisions to the CSI Program Handbook. The proposed revisions seek to make necessary modifications to specific subsections in the Program and Definitions Sections of the current CSI Program Handbook to better align CSI Program Eligibility Requirements with the NEMA tariffs. Additional proposed revisions seek to make other necessary updates to the current CSI Program Handbook.

Existing language in the CSI Program Handbook creates confusion and limitations for projects participating concurrently in the CSI Program and the NEMA tariffs. The modifications proposed in this advice filing include: (1) the addition of supplemental language to the existing definition of "Site"; (2) the inclusion of a new definition for "Contiguous Site"; and (3) the expansion of the eligibility language in Section 2.2.4, "Equipment Must Serve On-Site Electrical Load". Collectively, these modifications will allow CSI Program Eligibility Requirements to be in line with, and in support of, the NEMA tariffs.

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In addition, Section 3.4.5, “Limitations on Installed Cost”, currently includes numerical values to reflect average system costs, and these values are now outdated. Due to the fact that these values are dynamic and affected by industry trends, rather than propose to update the specific numerical values, the proposed edits will remove these numerical values entirely.

Furthermore, Section 1.6, “Clean Power Estimator”, discusses a tool that is no longer accessible on the GoSolarCalifornia website, and is therefore an obsolete section. The proposed modifications would eliminate the section, in its entirety, and all associated references thereafter.

Finally, effective July 15, 2014, the California Center for Sustainable Energy changed its name to reflect its growing role in administering programs across the nation to Center for Sustainable Energy™. The proposed modifications would simply modify the CSI Program Handbook to reflect the new name.

BACKGROUND

California Public Resources Code Section 25782 enumerates eligibility criteria for solar energy systems receiving ratepayer-funded incentives. The language of the fifth requirement in the list, i.e., “[t]he solar energy system is located on the same *premises* of the end-use consumer where the consumer’s own electricity demand is located,”¹ remains subject to varying interpretations and should be more clearly defined as it relates to the CSI Program.

D.11-07-031 discussed Energy Division Staff’s recommendation to cap CSI Program incentives at a capacity that is not to exceed the total load at the host site, although the total system size could exceed the rebated capacity size, in order to maintain compliance with the CSI statute on system sizing.² In comments leading up to D.11-07-031, the Solar Alliance and the Vote Solar Initiative (collectively, the Joint Solar parties), “urge[d] the Commission to eliminate NEM sizing restrictions by reinterpreting ‘premises’ in Public Resources Code 25782 to include multiple sites owned by a single entity [and further] ... suggest[ed] the Commission allow entities to aggregate load from multiple sites and receive a solar incentive based on aggregated load.”³ Regrettably, a decision on this issue was ultimately tabled, with the Commission instead asking the Energy Division to consider the issue and provide a revised recommendation to the Assigned Commissioner and Administrative Law Judge.

¹ *Emphasis Added.*

² D.11-07-031, *California Solar Initiative Phase One Modifications*, July 14, 2011, pages 19-20.

³ *Id.* at 21.

Subsequently in September 2012, Senate Bill (SB) 594⁴ was signed by Governor Brown, authorizing eligible customers to install one renewable energy facility sized to serve their entire aggregated multi-metered on-site load (up to one megawatt) instead of installing separate generators at each meter. The law subjected this authorization to the Commission making a determination that NEMA will not result in an increase in the expected revenue obligations of customers who are not eligible customer-generators. Commission Resolution E-4610 made this finding, authorized the IOUs to modify their NEM tariffs to implement the meter aggregation provision of SB 594, and ordered them to file Advice Letters.

The IOUs filed the Advice Letters⁵ on October 21, 2013. These Advice Letters were protested, and following the protest period, the IOUs had discussions with Energy Division Staff in attempt to resolve the issues raised in the Protests. At the request of the Energy Division, the IOUs filed supplemental Advice Letters,⁶ which again were protested. The IOUs worked with the Energy Division to attempt to resolve many of the issues raised in the protests. Energy Division approved PG&E's Advice Letter and Supplemental Advice Letter by disposition letter in February 2014. Resolution E-4665 was approved at the Commission's July 10, 2014 meeting, thereby approving SCE's and SDG&E's Advice Letters and Supplemental Advice Letters with modifications.

The issue of whether CSI incentives can be applied to the aggregated load of multiple benefiting accounts under a NEMA arrangement or only to the load directly interconnected to the generator was briefly discussed in Resolution E-4665. The Commission duly noted the requests of several parties to expeditiously resolve this issue and reiterated "that the issue is out of scope for this advice letter compliance filing" and that the issue has been referred "to the CSI Program Administrators and the Energy Division, which remains the appropriate pathway to resolve the issue."⁷

CSE wholly agrees that changes to the CSI Handbook and program are necessary. The CSI Program Eligibility Requirements should align with SB 594. In effort to expeditiously resolve this issue, CSE approached the other CSI Program Administrators with the opportunity to join in filing this Advice Letter, but regrettably, the other Program Administrators have ultimately decided not to join in this filing. Accordingly, CSE hereby submits this advice filing to propose amendments to the CSI Program Handbook to better align CSI Program Eligibility Requirements with the NEMA tariffs, thereby promoting participation in the CSI Program and the available NEMA tariffs concurrently.

⁴ Stats. 2012, Ch. 610.

⁵ PG&E AL 4305-E, SCE AL 2952-E, and SDG&E AL 2529-E.

⁶ PG&E AL 4305-E-A, SCE AL 2952-E-A, and SDG&E AL 2529-E-A.

⁷ Resolution E-4665, July 10, 2014, page 34.

PROPOSED AMENDMENTS TO THE CSI PROGRAM HANDBOOK

This advice filing seeks to revise sections of the CSI Program Handbook as listed below:

Sections:

1.6	Clean Power Estimator
2.2.4	Equipment Must Serve On-Site Electrical Load
2.2.5	System Size
3.4.5	Limitations on Installed Cost
Appendix A	Definitions, "Contiguous Site"
Appendix A	Definitions, "Site"
Appendix A	Definitions, "System Size"
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Included as an attachment to this advice filing is the CSI Program Handbook with proposed revisions in redline format (Attachment A). Additionally, the proposed revisions are summarized below:

Section 1.6 Clean Power Estimator

Reason: This section references and directs interested parties to a tool that is no longer accessible on the GoSolarCalifornia webpage. The software license for this tool was cancelled by the CSI Program Administrators on October 2, 2013; therefore this section, and any associated references thereafter, should be removed from the CSI Program Handbook.

Affected Section(s): Table of Contents; 1.6; 1.7; 1.8; 1.9; 1.10; Appendix D

Section 2.2.4 Equipment Must Serve On-Site Electrical Load

Reason: The eligibility criteria for solar energy systems receiving ratepayer-funded incentives, as stated in the California Public Resources Code Section 25782, includes eight requirements, the second of which states: "The solar energy system is intended primarily to offset part or all of the consumer's own electricity demands." In the case of NEMA, the "end user" is one in the same for all of the benefitting loads, due to the stipulation that the parcels be under the same ownership. In addition, the fifth

requirement of California Public Resources Code Section 25782 states: “The solar energy system is located on the same premises of the end-use consumer where the consumer’s own electricity demand is located.” Understanding the subjective nature of interpreting the word “premises”, CSE hereby refines the definition, specifically as it applies to CSI, to more clearly explain the term as it relates to projects also participating under the NEMA tariffs.

Accordingly, the language in the first paragraph of Section 2.2.4 should more clearly define the eligible loads that may be included when determining the “total on-site load”. By expanding the description of “annual consumption” to include “the sum of all eligible meters”, we capture the appropriate load scope for projects that are participating in supporting tariffs (i.e., NEMA), and not only single-meter and/or single-parcel projects. Furthermore, the addition of the proposed sixth paragraph to Section 2.2.4 will allow projects participating in the NEMA tariff to receive an incentive for the entire system, so long as the system’s production does not exceed the aggregated loads defined in the NEMA documentation, as filed with the Utility. This will allow for greater consistency between the CSI eligibility protocols and the NEMA tariffs.

Affected Section(s): Section 2.2.4

Section 2.2.5 System Size

Reason: By including “See Definitions: Site” after referring to “Host Customer Site”, we direct applicants to an updated definition to determine eligible system size and compliance with the Site cap. Updating the word “load” from singular to include a plural option further reinforces our updated definition of “Site” and clearly includes multi-metered projects.

Affected Section(s): Section 2.2.5

Section 3.4.5 Limitations on Installed Cost

Reason: This section currently refers to outdated numerical values to reflect average system costs. The current average price range referred to in this section has dropped since these values were initially published. Specific dollar amounts should not be stated in the CSI Program Handbook, as these values are dynamic and affected by industry trends. These values should simply be removed to avoid confusion and any future need to update.

Affected Section(s): Section 3.4.5

Definitions: Contiguous Site

Reason: Resolution E-4665 approved SCE's and SDG&E's revised definition of "contiguous", "as it allows parcels in a contiguous and unbroken chain under common ownership or lease to participate in a NEMA arrangement."⁸ The term "Contiguous Site" is a key term when referring to projects participating in the NEMA tariff. This modification to the CSI Handbook would adopt the approved revised definition(s) for "contiguous" in the NEMA tariffs, allowing for greater transparency. As stated in Resolution E-4665, the "proposed language removes ambiguity, avoids arbitrary disqualification of parcels from NEMA eligibility, and is consistent with the plain meaning of 'adjacent or contiguous'".⁹ The addition of this term to the Definitions provided in Appendix A to the CSI Program Handbook offers immediate clarification of the term and delineates any exceptions to the definition, i.e., those pertaining to roads and public thoroughfares that may divide the eligible parcels.

Affected Section(s): Appendix A

Definitions: Site

Reason: The revised definition of "Site" offers a transparent explanation of the term as it is applied to projects participating in the NEMA tariffs. While the current definition is clear for typical single-meter and single-parcel/multi-metered projects, it does not address multi-metered projects that exist on contiguous or non-contiguous parcels. By including an additional exception, and defining this exception in subsection "A", the definition captures NEMA scenarios in which a project may be participating.

Affected Section(s): Appendix A

Definitions: System Size

Reason: The current definition refers to Section 6.1 for more information about the topic of equipment serving onsite electrical load. However, Section 6.1 is presently titled "Equipment Certifications and Rating Criteria". The appropriate reference would be to Section 2.2.4, "Equipment Must Serve On-Site Electrical Load". Thus, we propose to revise the CSI Program Handbook to make this correction.

Affected Section(s): Appendix A

⁸ *Id.* at 12.

⁹ *Id.*

Center for Sustainable Energy™

Reason: The California Center for Sustainable Energy has changed its name to Center for Sustainable Energy™. This revision addresses all instances of the former name listed in the current CSI Program Handbook to reflect the new company name and appropriate Program Administrator.

Affected Section(s): 1.1; 1.1.1; 1.1.3; 1.1.5; 1.3; 1.4; 1.8; 1.9; 3.4.2; 4.2; 4.3.1; 4.4.1; 10; Appendix A

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, this advice letter is submitted with a Tier 2 designation.

PROTESTS

Anyone wishing to protest this Advice Letter may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than August 18, 2014, which is twenty (20) days after the filing of this Advice Letter. Protests should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, CA 94102
Facsimile: (415) 703-2200
Email: EDTariffUnit@cpuc.ca.gov

Copies of the protest should also be sent to the attention of the Director, Energy Division, Room 4004, at the address shown above.

A copy of the protest should also be sent via e-mail and U.S. mail to CSE at the address shown below on the same date it is mailed or delivered to the Commission:

Sachu Constantine
Director of Policy
Center for Sustainable Energy™
9325 Sky Park Court, Suite 100
San Diego, California 92123
E-mail: sachu.constantine@energycenter.org

There are no restrictions as to who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

EFFECTIVE DATE

CSE requests that this Advice Letter become effective on regular notice, August 28, 2014, which is thirty (30) calendar days after the date of filing.

NOTICE

CSE is providing a copy of this Advice Letter to service list R.12-11-005.

A handwritten signature in black ink, appearing to read "Sachu Constantine". The signature is stylized and cursive.

Sachu Constantine
Director of Policy
Center for Sustainable Energy™

Attachments:

Attachment A – CSI Program Handbook Revisions (Redline Version)

cc: Service List R.12-11-005