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)

REPLY COMMENTS OF EVERYDAY ENERGY REGARDING AB 217 IMPLEMENTATION STAFF PROPOSAL AND ENERGY DIVISION QUESTIONS

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Date: August 1, 2014

TABLE OF CONTENTS

| Title | | Page Number |
|----------------|---|-------------|
| n personnel | Introduction | 1 |
| II. | Retain Existing MASH and SASH Policies | 2 |
| III. | MASH Program MW Capacity and Incentive Split | 2 |
| IV. | Shifting Budgets to Incentives | 4 |
| \mathbb{V} . | Statewide MASH PA | 4 |
| VI. | Lower Incentive Levels | 5 |
| VII. | MASH Waitlist | 5 |
| VIII. | Mobile Home and RV Parks and Public Utilities | |
| | Code Section 2852 | 7 |
| IX. | Qualified Projects Ensure Tenant Benefit | 8 |
| X. | Issues Surrounding SASH | 8 |
| XI. | Energy Savings Assistance Program | 9 |
| XII. | Job Training | 9 |
| XIII. | Virtual Net Metering | 9 |
| XIV. | Conclusion | 10 |

Exhibit A EVIDENCE OF WAITLISTED MASH PROJECT THAT RECEIVED PTO PRIOR TO MASH RESERVATION APPROVAL

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Everyday Energy hereby submits reply comments to the July 2, 2014 administrative law judge ruling incorporating the California Public Utilities Commission (Commission) staff proposal on the Multifamily Affordable Solar Housing (MASH) and Single Family Affordable Solar Homes (SASH) programs.

I. Introduction

The overwhelming sentiment of the commenters on Staff's Proposal regarding the implementation of AB 217 is that the MASH and SASH programs have been successful because the current design of the program is relatively simple to understand and easy to administer with meaningful rebates. The Commission has heard from program administrators, Investor Owned utilities, think tanks, a solar rebate application processing company, a solar company focused on trying to use MASH for the benefit of mobile home and rv parks, a solar company that is exclusively focused on multi family affordable housing, and a coalition of intended beneficiaries of the MASH program. This is the first time in any of the MASH Proceedings where the intended beneficiaries, the MASH Coalition, of the MASH program have been formal parties the comment cycle. Everyday Energy and the MASH Coalition are unique in that they have both played a major role in the utilization and success of the existing MASH program from a market perspective. In other words, they have the most experience of the commenters in actually using MASH funds to deploy solar on legitimate affordable housing properties. This experience helps to distinguish between well-intentioned theories and the reality of making a solar project feasible in the multi family affordable housing context. However, the comments from PG&E, SCE, GRID Alternatives,

and the MASH Coalition have caused Everyday Energy to reflect on its opening comments and change or modify its position on the issues of job training, energy efficiency, and program administration.

II. Retain Existing MASH and SASH Policies

Existing MASH and SASH policies have been developed over time and have become simple and reliable. The key to the success of the MASH program is that it has become something that affordable housing developers, solar investors, and solar contractors have been able to rely on. Everyday Energy supports the position of all commenters in urging the Commission to preserve the core of the existing and successful MASH and SASH programs. Everyday Energy also supports the overwhelming theme advocated by all commenters that AB 217 be implemented in a streamlined manner with as little disruption to the current program as possible. It is important to remember that affordable housing sponsors are charged with providing low income affordable housing. If we make the MASH program too complicated the sponsors will make the judgment that affordable housing without solar is more important than no affordable housing at all. Please do not force the affordable housing industry into this difficult position.

III. MASH Program MW Capacity and Incentive Split: Everyday Energy agrees with the MASH Coalition that "Proper analysis of this issue requires considering the capacity goals (Reco. 2) and funding goals (Reco. 3) together, because the proper measurement is program efficiency, which the Legislature has clarified is the proper perspective of analysis. Key dimensions of program efficiency are shown in the original program results, per the staff proposal:

- "MASH was fully utilized. The 5% not spent represents completion slack as PA's work through the final projects, with a long waiting list backing up any currently reserved funds that may fall through. SASH, by contrast, was not. The 75% utilization rate with some "pockets" to work through shows a successful program still in progress, but did not engender the same overwhelming demand as on the multifamily side.
- "MASH incentives produced good leverage: approximately \$1 of private capital for every \$1 of
 ratepayer-funded incentives. SASH produced virtually no leverage at all, with only about 5 cents
 on the dollar coming from private sources at all.

-

¹ See MASH Coalition Comments at pages 3 to 4.

• "MASH produced about three times as many kW as SASH."²

It is critically important that the Commission evaluate capacity goals of AB 217 and funding together. Everyday Energy supports the MASH Coalition's position on Staff Recommendation 2 and 3.

Moreover, Everyday Energy and the MASH coalition are the only parties to have provided any meaningful suggestions with respect to rebate levels that work to encourage the deployment of solar PV in the affordable housing market. This is no coincidence. The reason is because both MASH coalition and Everyday Energy have actual real world experience with the MASH program and the requirements to make solar simple enough to be embraced by affordable housing sponsors as well as TPO investors. We urge the Commission to listen to the market participants who are actually deploying solar PV. It is important that rebate levels remain high enough to attract investment while at the same time program rules remain simple so that affordable housing sponsors are not deterred from participating in the MASH program. Everyone agrees that the MASH program has been a success. The key reasons are simplicity and rebates that outweigh the hassle factor of dealing with solar PV. Remember, affordable housing sponsors first order of business is to supply affordable housing.

Tilting the MW goal of AB 217 heavily toward MASH as suggested by the MASH Coalition and generally supported by all commenters (37.5/12.5 MW split) helps to maximize overall rate payer benefit. As stated in our opening comments the Staff proposal does not address the overall ratepayer benefit as described by AB 217. The deployment of solar PV with scale in low income neighborhoods will provide an overall ratepayer benefit as described in our comments and the comments of the MASH Coalition.³ Finally, by considering the MW goals properly with funding decisions, the Commission has the opportunity to meet the policy goals of AB 217 by making MASH projects economically feasible. Accordingly, Everyday Energy strongly supports the MASH Coalition's suggestion of MASH rebate levels should be \$1.80 for common area load and \$2.00 for tenant serving load.

 $^{^{\}rm 2}$ See MASH Coalition Comments at page 8

³ Mash Coalition Opening Comments at Page 10 "The need to direct the new round of low-income CSI funding as efficiently as practical – that is, weighted heavily toward MASH but with a significant SASH component to provide program access by low-income residents of single-family homes – is underscored by the Legislature's adoption of the first new priority added by 2852(d), to "maximize the overall benefits to ratepayers from the programs." The key overall benefits are the number of low-income households served (thus strengthening the economies and communities in which ratepayers live) and the amount of clean PV installed (thus improving/protecting the environment in which ratepayers live). These benefits are clearly maximized by tilting the new funding as far toward MASH as fairness will allow.

It is important to note that both PG&E and SCE support more funding toward MASH. While the funding levels are not sufficient as suggested, they support the overall notion that MASH and SASH funding should be titled to the MASH Program.

IV. Shifting Budgets to Incentives. Everyday Energy supports all commenters in that there is general consensus that the administrative budgets for MASH have not been fully utilized and we support shifting MASH budgets toward incentives.

V. Statewide MASH PA.

In our Opening Comments Everyday Energy stated that it supports a statewide MASH program administrator only if there was no RFP Process and the Commission was able to appoint CSE. After reviewing the comments of CSE, Greenlining Institute, the MASH Coalition, Shorebreak Energy, Renewable Energy Partners, PG&E, and SCE it seems like it may be difficult for the Commission to appoint a statewide administrator without a long and drawn out RFP Process. If this is the case, then Everyday Energy supports the status quo of all MASH administrators remaining in place. Greenlining Institutes comments were the most troubling to us. Although well intentioned, they demonstrate how an RFP Process could run far afield and take up valuable time and resources. Everyday Energy strongly disagrees with Greenlining Institutes support of a statewide administrator through an RFP process as completely untenable.

The main reason Everyday Energy would be supportive of a statewide administrator is because both SCE and PG&E have paid inappropriate MASH rebates to properties that clearly do not qualify under Public Utilities Code Section 2852. To their credit, they filed the advice letters to update the CSI Handbook to properly reflect the PUC Code Section 2852 and provided examples of valid documentation. While this is welcomed, it is merely a statement of the existing law that has been in place since 2009. In other words, the MASH PAs have a pre-existing legal duty to follow the law when administering the MASH fund. (See also Section 8 below for more on PUC 2852.)

In fairness, Everyday Energy recognizes the hard work each MASH PA has put into the MASH Program to make it the resounding success that it is. The distinct possibility that approximately \$3.5

Million⁴ has been paid to unqualified projects through MASH rebates should not discount all of the good work the MASH PAs have done. If the choice is a statewide MASH PA with an RFP Process or remaining status quo, Everyday Energy supports remaining status quo.

VI. Lower Incentive Levels.

As discussed above, the lower incentive levels coupled with new administrative burden will frustrate the swift implementation of AB 217 rather than meet its goals of maximizing overall ratepayer benefit. Everyday Energy and the MASH Coalition are the only actual market participants in legitimate affordable housing on the list of commenters. The reason Everyday Energy has installed the most solar PV through the MASH Program than any other solar company is because we figured out how to make it work financially. The reason the members of the MASH Coalition have installed so much solar PV on their projects is because the deals made financial sense and were relatively simple to execute. These two central tenets to the MASH Programs success should not be ignored. If incentive levels are reduced in accordance with staff's proposal, it will deem most MASH projects infeasible. If adopted, Staff's proposal will severely handicap a successful program. The legislature passed and Governor Brown signed AB217 to renew what is widely viewed as a successful program. The only new requirements are to ensure overall ratepayer benefit, implement some sort of energy efficiency component, and incorporate some type of job training. Reducing incentives to infeasible levels and implementing burdensome new requirements will do nothing to further the goals of the MASH program.

VII. MASH Waitlist

Every commenter on the issue of the waitlist agrees that the current MASH waitlist must remain intact. It is important that the current waitlist remain intact and that each reservation be provided time to update their current MASH application to demonstrate that it has met the project milestones associated with AB 217. However, from experience it appears that most of the AB 217 requirements will be required during the incentive claim process. Accordingly, it should be relatively easy to process legitimate MASH projects currently on the waitlist. The MASH PAs should merely validate that the projects qualify under PUC Code 2852 and that the electricity service and proposed solar system size fits the load profiles. Additionally, the existing energy audit should remain in place. After that the proof of

⁴ See Motion for Party Status of Renewable Energy Partners who has processed the MASH Applications for the mobile home park owner clients of Shorebreak Energy. They claim to have processed \$3.5 Million of MASH rebates. It appears on information and belief that the applications have been processed on behalf of Shorebreak Energy and mobile home park owners.

project milestones should be kept in place as is. Finally, the requirements for energy efficiency notifications and job training should be validated as a part of the rest of the incentive claim process already in place. There really is no need to extend waitlist compliance apart from what is already in place.

As provided in our opening comments and echoed by the MASH Coalition and CSE, it is critically important that the MASH waitlist remain intact and operate the way it has since its inception. Specifically, a MASH rebate should be able to continue to be claimed for a period of 12 months after the receipt of a permission to operate has been received. There are at least five projects currently on the MASH waitlist where construction has begun. Depending on when the Commission makes AB 217 rebates available, there is a possibility that those projects will receive a permission to operate prior to the rulemaking proceeding being settled.

It has been argued that if a solar project is installed prior to the receipt of a MASH rebate that it did not need the rebate. This is a false narrative and demonstrates a lack of understanding of how affordable housing works. Affordable housing projects are financed through a myriad of both short term and long term financial instruments. There are many instances where it makes logistical, but not financial sense to move forward with a solar installation because it fits better within an overall rehabilitation schedule. In these cases, affordable housing sponsors need to demonstrate to lenders that there is a substantial likelihood that money will become available. In the current cases, all of these projects provided documentation of AB 217 after it was signed into law and also leaned on their prior experiences with the MASH program to demonstrate there was a high likelihood that the project would receive a MASH rebate of some sort. In a recent example, Everyday Energy installed a project in two phases that seemed likely to receive a MASH rebate but had not yet been granted a rebate from the waitlist. As demonstrated in Exhibit A, the Villa Mirage project was designed, permitted, and constructed prior to receiving confirmation that it had been moved from the MASH waitlist. The reason this happened is because the MASH Program Administrator provided Everyday Energy with a reference to the CSI Handbook that stated that a MASH (CSI) rebate could be claimed up to 12 months after receipt of a PTO.⁵ This documentation was shown to the lender and the project was given a notice to proceed. The original permission to operate on SCE MASH 221 was received on September 3, 2013. The rebate reservation was approved on October 22, 2013, and the MASH incentive claim form was

⁵ Exhibit A

submitted on January 7, 2014. This is how the program has worked and it is the expectation of the program participants who were also active in the AB 217 process at the state legislature when they were allowed to place their projects on the MASH waitlist. This is a reasonable expectation because the MASH waitlist was opened and allowed to build until April 10, 2014, in anticipation of the implementation of AB 217, which was passed by the legislature in August 2013 and signed into law on October 7, 2013. AB217 provides new funds to existing programs that have existing rules that should only be changed if AB217 mandates it. The treatment of the MASH waitlist should remain status quo.

VIII. Mobile Home and RV Parks and Public Utilities Code Section 2852

As provided in our opening comments, Public Utilities Code Section 2852 clearly outlines the rules that qualify a project for the MASH program. Mobile Home and RV Parks clearly do not qualify for the MASH Program. SCE, PG&E, the MASH Coalition, CalSEIA, and CSE all agree that Public Utilities Code Section 2852 currently provides the proper guidance with respect to MASH Program eligibility. Clearly Everyday Energy agrees. There are two issues that need clarification. First, CalSEIA says the advice letter 48 et.al. filed by CCSE, addressed concerns over clarity of the application Public Utilities Code Section 2852. The Advice letter merely put the exact language from Public Utilities Code Section 2852 in the CSI Handbook. The mandates of PUC Code Section 2852 are clear. When CSE placed its discussion around 2852 in response to staff's second question, it implied that Section 2852 is new or additional factor. It is not. PUC Code Section 2852 has been the law since 2009 and has not changed. Next, PG&E suggests that some documentation come from a housing agency that validates that the subject property is properly deed restricted. This idea would cause undue delay and complication to legitimate MASH projects because legitimate MASH eligible projects have a deed restriction in place that complies with the mandates of Section 2852 and is typically regulated by the California Tax credit Authority, HUD, or USDA.

IX. Qualified Projects Ensure Tenant Benefit

As stated in our opening comments, when properly deed restricted properties receive a MASH incentive tenants benefit. In fact, because these properly deed restricted and regulated properties are subject to affordability restrictions that are routinely audited, there is no way tenants can be taken advantage of without the property owner being subject to fines and discipline. This is why it is critically

important that only legitimate affordable housing that is structured within the rules of Public Utilities Code 2852 be allowed to participate in the MASH program. Rather than attempting to create new tenant benefits that are difficult to enforce and questionable with respect to their impact, the Commission should ensure that only legitimately regulated affordable housing receive MASH rebates. Everyday Energy agrees with Cal SEIA⁶ and the MASH Coalition⁷ on these points.

X. Issues Surrounding SASH

By all accounts GRID Alternatives is doing a great job. Everyday Energy supports the use of Third Party Ownership structures suggested by staff and supported by GRID, as this will leverage additional resources and allow SASH to more efficiently deliver solar PV, closer to the way MASH has done. In reviewing GRID's comments regarding the implementation of TPO program there are a couple of issues the Commission should clarify. On page 9 and section 9 of GRID's comments it lays out its proposed requirements for a low income TPO program. GRID proposes that to "ensure SASH customers receive at least 50% of the savings, as compared to standard utility rates, from solar generating equipment." First, SASH should be looking to most efficiently use scarce AB217 funds and maximize ratepayer benefits, which means delivering small price discounts and all the other solar benefits to many low-income homeowners, rather than providing deeper discounts to a few homeowners but installing significantly less PV overall. The Commission should take this into account when allocating funds between MASH and SASH. However, GRID's proposed discounts are really not so deep. Most if not all of GRID's clients qualify for CARE assistance for their electricity rates, which means they pay on average about \$0.11 per kWh. The average residential rate for no CARE in California is approximately \$0.18 or \$0.19 per kWh if the household is not a heavy user of electricity. Using these baselines, a GRID customer would receive solar service at about \$0.09 per kWh. If this is the case, the TPO would provide a \$0.02 savings or about 10% or 17% of savings from a CARE rate. In its overview of the TPO program GRID describes how the cost of the system would be taken care of upfront and that there would be no liability for the GRID client when the lease ends. The issue with this description is that it sounds like a capital lease, which the IRS views as a "disguised sale" and it may not allow these types of TPO arrangements to qualify for the 30% Investment Tax Credit. The Commission must seek clarification on these issues. If the discount to customers is slight and the structure of the

⁶ See CalSEIA Comments at p. 5

⁷ See MASH Coalition Comments at pp. 5-7.

TPO program does not qualify for the ITC, then this structure would not appear to maximize the overall benefit to ratepayers.

XI. Energy Savings Assistance Program

Everyday Energy strongly supports PG&E's suggestions around the implementation of AB 217 energy efficiency requirements.

XII. Job Training

Everyday Energy agrees with the concerns of SCE, PG&E, and CalSEIA that the job training mandate could be a barrier to implementation to AB 217 if not implemented carefully. Everyday Energy currently complies with the SASH standard of hiring a job trainee. The SASH Program works. However, we question why the job training should be limited to field personnel. There are many jobs in the solar industry that do not include mounting solar PV on to a roof. We urge the Commission to broaden the scope of work that a volunteer or job trainee could do to satisfy the mandates of job training under AB 217. CSE's suggestion for more robust job training and increased hiring quotas is well intentioned but infeasible given the reduced incentive structures. CSE's plan would act as a major barrier to swift AB 217 program utilization.

XIII. Virtual Net Metering

We agree with the MASH Coalition that the availability of Virtual Net Metering under the respective MASH tariffs of each of the three IOUs has been critical to the success of the multifamily low income solar program and must be considered for AB217 to succeed. We suggest that the three IOUs be required to make virtual net metering available to any MASH eligible property whether or not it has secured a MASH rebate at least until the 2021 sunset date of AB 217.

XIV. Conclusion

If the Commission adopts the comments of Everyday Energy, it will comply with the mandates of AB 217, preserve the goals of the CSI low income Programs, and continue to be the national leader in the deployment of solar in the affordable housing market.

Respectfully submitted this 1st day of August 2014, Carlsbad California

By: /s/ Scott A. Sarem

Scott A. Sarem, J.D. Co-Founder/CEO Everyday Energy

EXHIBIT A

EVIDENCE OF WAITLISTED MASH PROJECT THAT RECEIVED PTO PRIOR TO MASH RESERVATION APPROVAL

SCE MASH 221

From: Wilma.Dojillo@sce.com [mailto:Wilma.Dojillo@sce.com]

Sent: Tuesday, April 9, 2013 3:34 PM

To: scott@everydayenergy.us

Cc: andrew@everydayenergy.us; dale@hampstead.com; Aileen.Lagbao@sce.com

Subject: Confirmation of Receipt - SCE Application# MASH13-00221 for site addresses 34160, 34120,

34174 and 34180 Rebecca Way, Rancho Mirage

April 9, 2013

Everyday Energy Attn: Scott Sarem 5865 Avenida Encinas, Suite 142A Carlsbad, CA 92008

RE: Confirmation of Receipt - SCE Application# MASH13-00221 for site addresses 34160, 34120, 34174 and 34180 Rebecca Way, Rancho Mirage, CA

Dear Mr. Sarem:

Please treat this email as confirmation of receipt for a Multi-Family Affordable Solar Housing (MASH) rebate application at site addresses 34160, 34120, 34174 and 34180 Rebecca Way, Rancho Mirage. It has been assigned Application Number MASH13-00221.

At this time, the requested funds for this project exceeds Southern California Edison's available MASH incentive budget. As a result, this application has been placed in our SCE MASH Track 1 waitlist. Additionally, please note that there are several projects ahead of this application as shown below.

| Application Number | Incentive Amount | Current Incentive Application Status |
|--------------------|---------------------|--------------------------------------|
| SCE-MASH-00216 | \$271,328.00 | Waitlist |
| SCE-MASH-00217 | \$217,532.00 | Waitlist |
| SCE-MASH-00218 | \$197,296.00 | Waitlist |
| SCE-MASH-00219 | \$100,561.00 | Waitlist |
| SCE-MASH-00220 | \$162,761.00 | Waitlist |
| SCE-MASH-00221 | \$372,302.00 | Waitlist |
| Total | \$1,321,780.00 | |

Lastly, an application fee check payment was not included in the application package which is not required at this time. If this is in error, please let us know.

Should you have any questions, please feel free to contact us.

Thank you Wilma U. Dojillo Southern California Edison California Solar Initiative and Self-Generation Incentive Programs PAX 20579 Outside (626) 302-0579 From: Aileen Lagbao/SCE/EIX

To: "Andrew Carr" < andrew@everydayenergy.us>,

Date: 07/18/2013 04:13 PM Subject: MASH Wait list Follow Up - 6/3/2013

·

Hi Andrew,

It was pleasure talking to you about the MASH program. Per ourdiscussion, below is the excerpt from the CSI- Handbook that we discussed.

Once the Permission to Operate (final interconnection authorization letter) has been issued, customers can submit a rebate application within 12 months from the PTO date provided that there are still funds available.

2.1.5 General CSI Eligibility Guidelines

The following Customer segments and associated Project sizes are generally used to determine incentive types, application processes and Program eligibility:

GM CSI:

- · Residential: All Project sizes; Retrofit projects only, no new construction
- Small Non-residential: Projects <10kW; Retrofit and new construction projects
 - o Commercial (including agricultural and industrial)
 - o Government, Non-profit and Public Entities
- Non-residential: Projects ≥ 10 kW; Retrofit and new construction projects
 - o Commercial (including agricultural and industrial)
 - Government, Non-profit and Public Entities

California Solar Initiative Program Handbook

20

The following are not eligible for incentives under the CSI Program:

- Customers who have entered into utility contracts for distributed generation (DG) services (e.g., DG installed as a distribution upgrade or replacement deferral) and who are receiving payment for those services. This does not include third-party ownership arrangements, i.e., power purchase agreements, which are allowed.
- Customers who have entered into agreements that entail the export and sale of electricity from the Host Customer Site. This does not include net energy metering agreements, which are allowed.
- Customers who have received a final interconnection authorization letter more than 12 months prior to submitting a CSI Reservation Request Package.
- Publicly-owned or investor-owned gas, electricity distribution utilities or any electrical corporation (ref. Public Utility Code 218) that generates or purchases electricity or natural gas for wholesale or retail sales.
- Residential new construction systems are not eligible for the CSI Program and should apply to the California Energy Commission's New Solar Homes Partnership Program.

Thanks,

Aileen M. Lagbao

Program Manager, CSI-Thermal and Multifamily Affordable Solar Housing

Southern California Edison

Phone: (626) 302-0572 | Internal PAX 20572

Email: aileen.lagbao@sce.com

From: Neil.Reed@sce.com on behalf of Customer.Generation@sce.com

 To:
 andrew@everydavenergv.us

 Subject:
 PTO Notification - EVERYDAY ENERGY

 Date:
 Tuesday, September 03, 2013 9:01:36 AM

Permission to Operate (PTO) has been granted for the project listed below, and a PTO letter has been mailed to the customer. The tag enclosed with the PTO letter must be attached to the meter before the system may be turned on.

| NMID | PTO Issued | Service Account Number | District Number | Installed Service Number | Meter Number | Site Number | Rate Schedule | Service Account Name | Service Account Address | Service Account City | Service Account Zip Code | Estimated Monthly kWh | System Size (CEC- AC kw) | Access | Installer Company Name | | Technology Type |
|------------|---------------|------------------------------|--------------------|--------------------------------|-----------------|----------------|------------------|---|-------------------------------|----------------------------|-----------------------------------|-----------------------------|-----------------------------------|--------|------------------------------|------|--------------------|
| 0500368903 | 8/30/2013 | SA40807813 | 79 | ISVC7948517 | 342M- 016636 | ST10397856 | GS-1 | HAMPSD VILLA MIRAGE PRTN LP | 34080 REBECCA WAY NG | RANCHO MIRAG | 92270 | 892.8 | 6.2 | NO | EVERYDAY ENERGY | VNEM | Solar |
| 0500368904 | 8/30/2013 | SA40807923 | 79 | ISVC7948518 | 342M- 019783 | ST10397857 | GS-1 | HAMPSD VILLA MIRAGE PRTN LP | 34100 REBECCA WAY NG | RANCHO MIRAG | 92270 | 892.8 | 6.2 | NO | EVERYDAY ENERGY | VNEM | Solar |
| 0500368905 | 8/30/2013 | SA40807934 | 79 | ISVC7948519 | 342M- 019782 | ST10397858 | GS-1 | HAMPSD VILLA MIRAGE PRTN LP | 34120 REBECCA WAY NG | RANCHO MIRAG | 92270 | 1771.2 | 12.3 | NO | EVERYDAY ENERGY | VNEM | Solar |
| 0500368906 | 8/30/2013 | SA40807946 | 79 | ISVC7948520 | 342M- 019785 | ST10397859 | GS-1 | HAMPSD VILLA MIRAGE PRTN LP | 34140 REBECCA WAY NG | RANCHO MIRAG | 92270 | 1958.4 | 13.6 | NO | EVERYDAY ENERGY | VNEM | Solar |
| 0500368908 | 8/30/2013 | SA40810074 | 79 | ISVC7948702 | 342M- 019784 | ST10398087 | GS-1 | HAMPSD VILLA MIRAGE PRTN LP | 34165 REBECCA WAY NG | RANCHO MIRAG | 92270 | 1771.2 | 12.3 | NO | EVERYDAY ENERGY | VNEM | Solar |
| 0500368909 | 8/30/2013 | SA40807912 | 79 | ISVC7948684 | 342M- 014367 | ST10398057 | GS-1 | HAMPSD VILLA MIRAGE PRTN LP | 34170 REBECCA WAY NG | RANCHO MIRAG | 92270 | 1382.4 | 9.6 | NO | EVERYDAY ENERGY | VNEM | Solar |
| 0500369081 | 8/30/2013 | SA40798188 | 79 | ISVC7948516 | 342M- 021674 | ST10397855 | GS-1 | HAMPSD VILLA MIRAGE PRTN LP | 34025 REBECCA WAY NG | RANCHO MIRAG | 92270 | 1771.2 | 12.3 | NO | EVERYDAY ENERGY | VNEM | Solar |

If, at any time, SCE determines that this generating facility is not in compliance with the terms of the Net Energy Metering (NEM) Interconnection Agreement signed by the customer as part of the application to interconnect, the Permission to Operate may be revoked.

SCE may inspect the electrical service panels to ensure it meet SCE's electrical service requirements for the generation system you have installed. Electric service panels not meeting SCE's requirements will be required to be corrected in order to allow the generating systems to operate in parallel with SCE's electrical system. For further details regarding service panel requirements, please review SCE's tariff Rule 16 at http://www.sce.com/NR/sc3/tm2/pdf/Rule16.pdf.

If you have any questions, please reply to customer.generation@sce.com.

Best Regards,

Southern California Edison

Attention: Net Energy Metering Program Administrator

P.O. Box 800

Rosemead, CA 91770 Customer.generation@sce.com Phone: (800) 600-6290 Fax: (626) 571-4272 From: Wilma.Dojillo@sce.com [mailto:Wilma.Dojillo@sce.com]

Sent: Thursday, December 12, 2013 9:32 AM

To: Scott Sarem

Cc: chris@hampstead.com; Andrew Carr; Aileen.Lagbao@sce.com

Subject: Revised SCE MASH13-00221 - "Villa Mirage Apartments" 34160 Rebecca Way - Reservation

Request (RR) Confirmed Reservation Notice

Letter Re-Issue Date: December 12, 2013

Original Reservation Date:

October 22, 2013

Attn: Scott Sarem Everyday Energy 5865 Avenida Encinas, Suite 142A Carlsbad, CA 92008

RE: Multifamily Affordable Solar Housing, Reservation Request No. SCE MASH13-00221 – "Villa Mirage Apartments" 34160 Rebecca Way – Reservation Request (RR) Confirmed Reservation Notice (Please reference this number with all correspondence)

Dear Mr. Sarem:

We are pleased to inform you that your Multifamily Affordable Solar Housing (MASH) application has been conditionally approved.

The following summarizes what you will be installing for the MASH Program:

| Applicant Process: | 3-Step |
|-----------------------|----------------------------------|
| Installation Type: | PV |
| System Size: | 148.778 |
| Design Factor: | 0.98909 |
| Payment Type: | EPBB |
| Incentive Rate: | \$1.90/2.80 watt |
| Incentive Allocation: | 22% Common Load, 78% Tenant Load |
| Reserved Incentive: | \$372,302.00 ** |
| PPM Due Date: | December 23, 2013 |

^{**}Note: Since SCE's MASH Track 1 is fully subscribed at the time of this application's reservation, the incentive amount is capped at the original requested amount of \$372,302.

The amount of your incentive may vary if the "as-built system" does not match the information

you have submitted.

Additionally, since SCE's MASH Track 1 is fully subscribed, according to California Solar Initiative (CSI) Handbook Section 4.5.1.1.2, the reserved incentive amount noted above would be the maximum amount that we will be able to pay during the incentive claim step. Any potential increase in the incentive dollars during the Proof of Project Milestone or Incentive Claim step would be capped at the above reserved amount.

Please remember that the Proof of Project Milestone (PPM) submittal must be received on or before the PPM due date or the reservation will be canceled.

Also, please keep in mind that the customer is responsible for costs associated with the metering requirements described in the CSI Handbook.

In accordance with Assembly Bill 1714, signed by the Governor on June 7, 2007, CSI participants are not required to be on a Time-of-Use (TOU) rate at this time. If you are not otherwise required to take service on a TOU rate, you may choose either to be placed on a TOU rate or remain on your present rate.

Since this is a MASH Virtual Net Metering (VNM) project, it is encouraged that you work closely with Southern California Edison (SCE) prior to the photovoltaic (PV) system installation to ensure compliance with SCE's MASH VNM tariff.

If you have any questions, please call us at (866) 584-7436, or send an email to CSIGroup@sce.com. Additionally, the most current CSI Program Handbook and forms are available on SCE's Web site at www.sce.com/mash.

Sincerely,

Wilma Dojillo for Aileen Lagbao Program Manager Southern California Edison Multifamily Affordable Solar Housing Program

Cc: Chris Foster Villa Mirage Apartments 1350 Columbia St.,#802 San Diego, CA 92101