

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)

**THE OFFICE OF RATEPAYER ADVOCATES' REPLY COMMENTS
ON THE PROPOSED DECISION TO TRANSFER RESPONSIBILITY
FOR COLLECTING SOLAR STATISTICS FROM THE CALIFORNIA
SOLAR INITIATIVE TO THE NET ENERGY METERING
INTERCONNECTION PROCESS**

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TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	DISCUSSION.....	1
	A. COLLECTION OF COST DATA SHOULD NOT DEPEND ON THE EXISTENCE OF THE FEDERAL INVESTMENT TAX CREDIT	1
	B. COLLECTION OF THE APPROPRIATE DATA FIELDS SHOULD BE MANDATORY	2
	C. DATA SHOULD BE COLLECTED FOR NEM INTERCONNECTION APPLICATIONS SUBMITTED OUTSIDE THE CSI APPLICATION PROCESS.....	3
III.	CONCLUSION.....	4

I. INTRODUCTION

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission, the Office of Ratepayer Advocates (ORA) submits these Reply Comments on the August 12, 2014 Proposed Decision (PD) of Commissioner Peevey in the proceeding listed above, the “Decision To Transfer Responsibility For Collecting Solar Statistics From The California Solar Initiative To The Net Energy Metering Interconnection Process.”¹ The California Solar Initiative (CSI) application process currently collects valuable data about customer-sited solar photovoltaic systems. However, as CSI funds are depleted and these systems are installed outside the CSI process, this data would not be collected. This PD orders the investor owned utilities (IOUs) to update the customer Net Energy Metering (NEM) interconnection application requirements to include additional data fields and to regularly transfer this data to the California Solar Statistics (CSS) contractor to be processed and posted on the California Solar Statistics website. Additionally, it orders the utilities that have not done so to establish an online NEM application process.

II. DISCUSSION

A. Collection Of Cost Data Should Not Depend On The Existence Of The Federal Investment Tax Credit

The PD recognizes the value of collecting project cost data by requiring the “Sale Price” if host customer-owned. But in the event the system is third-party-owned (TPO), the PD requires the “Federal ITC Filed Amount.”² SolarCity, Solar Energy Industries Association (SEIA) and the California Solar Energy Industries Association (CALSEIA) correctly recognize this data field is intended to collect the installed cost of the TPO systems. Depending on the type of TPO agreement, the installed cost for TPO systems

¹ R. 12-11-005 Proposed Decision of Commissioner Peevey, “Decision To Transfer Responsibility For Collecting Solar Statistics From The California Solar Initiative To The Net Energy Metering Interconnection Process,” mailed August 12, 2014
<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M101/K125/101125940.PDF>

² PD, Appendix A, p.1.

may represent something different than the sale price of a host customer-owned transaction.³ SolarCity, SEIA, and CALSEIA recommend that instead of “Federal ITC Filed Amount” the data field should be renamed to “Claimed Federal ITC Cost Basis of the PV System”.⁴ ORA is concerned that collection of data based on either language would depend on the provision of the Federal ITC. If that incentive expires, the installed cost data for TPO systems would no longer be provided. Collecting the installed cost of TPO systems is important now and will continue to be important if and when the Federal ITC expires as most new residential solar PV projects in California are third party owned.⁵ ORA recommends that for TPO systems, the data field be changed so that it does not rely on the existence of the Federal ITC. Under the SolarCity, SEIA, and CALSEIA recommendations, the data field would simply be Cost Basis of the System. Another alternative would be the “Standard Appraised Value.”⁶

B. Collection Of The Appropriate Data Fields Should Be Mandatory

SCE raised the question of how NEM applications should be treated when data fields, which apply to the customer’s system, are left incomplete or blank and is amenable to requiring all customers complete the appropriate data fields before considering the application complete.⁷ PG&E similarly requested clarification of whether submission of data other than that needed for interconnection is mandatory.⁸

³ Under a TPO agreement, the cash outlay by the customer typically consists of a series of payments over time, rather than a single up-front payment for the purchase of the PV system.

⁴ SolarCity Opening Comments, p.3., SEIA and CALSEIA Opening Comments, p.4.

⁵ Most new residential solar PV projects in California program are not owned by homeowners, September 17, 2013, United States Energy Information Administration, <http://www.eia.gov/todayinenergy/detail.cfm?id=12991>

⁶ Tracking the Sun VI, July 2013, Lawrence Berkeley National Laboratory. <http://emp.lbl.gov/sites/all/files/lbnl-6350e.pdf> “...for systems financed by *integrated* third party providers (i.e., companies that provide both the installation service and customer financing), the installed price data reported to PV incentive program administrators generally represents an *appraised value*, as there is no intermediate transaction to report.”

⁷ SCE Opening Comments, p.3.

⁸ PG&E Opening Comments, p.2-3.

The data fields listed in Appendix A of the PD will provide a valuable, publically available data set that will inform the Commission, the Program Administrators (PAs), market participants, researchers and the general public related to the system characteristics, cost, expected performance of customer-sited PV systems, etc. The collection and publishing of this data will accomplish multiple goals.

“First, it provides market suppliers (manufacturers, contractor, and investors) with information about what equipment is being installed where and for how much. Second, it provides distributed generation (DG) host customers with information about which contractors are active in their area and at what price. Third, it provides academic researchers and journalists with vital information about the progress of the industry. Fourth, it helps utilities to understand the nature of their DG fleet and its impact on the grid and on needed resources. And fifth, it informs the Commission and state government policy-makers about new technologies and market models, enabling them to intelligently modify existing programs and design future programs.”²

Based on the multiple needs to collect this data, ORA recommends that the Commission state that collection of the applicable fields is mandatory and that an application would be considered incomplete without the information.

C. Data Should Be Collected For NEM Interconnection Applications Submitted Outside The CSI Application Process

The Center for Sustainable Energy (CSE) discussed the gap in data collection between the point when the PAs have or will stop accepting CSI applications and the implementation of the data collection as described in the PD. It recommends that the Commission outline a plan directing the IOUs to retroactively collect any “lost” data.¹⁰ SEIA and CALSEIA express a similar concern to ensure continuity in data collection and request the Commission to direct the IOUs to separately provide the CSS contractor data

² PD, p. 6.

¹⁰ CSE Opening Comments, p. 2-3.

from the NEM interconnection applications submitted outside the CSI application process, including backfilling for those IOUs that have ceased accepting CSI applications for some customer classes.¹¹

ORA agrees and also recommends that the Commission order the IOUs to collect data from NEM interconnection applications from the time when the PAs cease acceptance of CSI applications until data collection as directed in the PD is initiated and provide it to the CSS contractor. This would maintain continuous data collection and ensure that provision of publically available data on renewables systems is complete to the extent possible.

III. CONCLUSION

ORA supports the continued collection of valuable data on customer-sited renewable systems in California and requests the PD be modified as discussed above.

Respectfully submitted,

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¹¹ SEIA and CALSEIA Opening Comments, p. 2-3.