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August 6, 2010

California Energy Commission  
1516 9th Street  
Sacramento, CA 95814

Re: State Energy Program Guidelines, Program Opportunity Notice 400-09-401

Dear Chairwoman Douglas,

SunRun Inc. ("SunRun") is a retail supplier of residential solar power systems that provides affordable, hassle-free solar energy to homeowners. SunRun owns, insures, operates, and maintains these solar facilities on residences, offering customers, through power purchase agreements, solar generated electricity without the risks and burdens of system ownership. As such, SunRun has closely followed California's financing programs, including its efforts to develop municipal financing districts under Assembly Bill 811. SunRun recognizes the clear need to reallocate the funds earmarked for PON 400-09-401, and appreciates the challenge of accomplishing this task under tight time constraints. It is imperative in the current financial environment that California not lose these dollars.

Additionally, SunRun supports the concepts set forth in the new State Energy Program Guidelines which are under consideration by the California Energy Commission (CEC) to prevent this stimulus money from being rescinded because of a failure to encumber the funds within time frames required by the American Recovery and Reinvestment Act. However, given that these guidelines allow the CEC to reallocate the funds without a competitive solicitation, we would like the CEC to ensure that this expeditious process is carried out in a way that continues to promote appropriate and fair competition in the renewable energy market in California.

According to CEC Renewable Energy Office Staff these revised guidelines would:

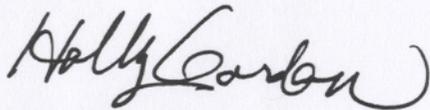
"... allow flexibility in the type of mechanisms used to finance the energy efficiency, water efficiency and distributed renewable energy generation retrofits under the Municipal Financing Program (July 28, 2010, Staff Paper, Proposed Cancellation of Program Opportunity Notice 400-09-401)."

SunRun has engaged CEC staff, local government representatives and other potential recipients of PON 400-09-401 funds to discuss possible funding mechanisms and to offer our support. It appears that the funds may be directed to support the development of a clearinghouse or central repository of information and research on financing options for residents and local governments. SunRun, in support of the CEC program, anticipates active participation by providing information about its business to this program.

SunRun requests that if the SEP funds are used for this purpose that the CEC require recipients of these public funds (including program administrators) to be precluded from entering the energy efficiency or renewable energy financial services market at a future date, thereby competing with the very companies the program administrators were reviewing. The fund recipients would have access to proprietary and other information obtained or provided by companies that feel compelled to share their business model with a state supported marketing, education and outreach program. A non-compete provision is a standard requirement in circumstances where companies or employees have access to intellectual property or other information that they would otherwise not be able to obtain. Given this unusual award process, this minor safeguard provision is a reasonable request to protect existing market actors and will ultimately make the program more successful.

SunRun looks forward to working proactively with the CEC on this program and other shared goals that promote the installation of clean energy technologies.

Best Regards,



Holly Gordon

Vice President of Legislative and Regulatory Affairs

Cc: Commissioner Boyd  
Commissioner Byron  
Commissioner Eggert  
Commissioner Weisenmiller