Pacific Gas and Electric Company™

Dan Patry
State Agency Representative
State Agency Relations

77 Beale Street, Mail Code B29L
Pacific Gas and Electric Company
P.O. Box 77000
San Francisco, CA 94177-0001

415.973.6126
Fax: 973.5003

April 20, 2009

Electronic Delivery

DOCKET 06-NSHP-01	
DATE	APR 20 2009
RECD.	APR 20 2009

California Energy Commission
Docket Office, MS-4
1516 Ninth Street
Sacramento, CA 95814

Re: Docket No. 06-NSHP-01

Docket Office:

Please find attached PG&E's comments on the workshop held April 10, 2009, regarding "Proposed Changes to the New Solar Homes Partnership Guidebook".

Please contact me should you have any questions. I can be reached at 415/973-6126.

Sincerely,

DAN PATRY

Attachment

Pacific Gas and Electric Company Comments on Proposed Changes to the New Solar Homes Partnership Program & Guidebook

April 20, 2009
Docket No. 06-NSHP-01

Pacific Gas and Electric Company (PG&E) respectfully submits these comments in response to the proposed changes to the New Solar Homes Partnership (NSHP) Program Guidebook as outlined in the April 10, 2009 staff workshop. PG&E appreciates this opportunity to provide comments on these proposed changes.

I. General Program:

NSHP Incentives
PG&E supports keeping the incentive for developments where "**Solar as an Option**" is available for up to 50% of the development. Developments with more than 6 homes should be able to apply **in phases** and qualify for the higher incentive under "Solar as a Standard Feature".

Elimination of NSHP 1.6 form
PG&E encourages the **elimination of NSHP 1.6 form** and 6 month checkpoint due to lack of use.

Length of Reservation Period
PG&E's energy efficiency incentive program, Residential New Construction (RNC), is changing the reservation period from 30 months to 36 months to align with the NSHP. PG&E supports maintaining the 36 months reservation period for large developments to maintain alignment with RNC. In addition, and to respond to current market conditions while treating applicants equally, the reservation period may need to be adjusted for all projects. PG&E recommends a one time extension of the reservation for up to 12 months for large developments/multifamily projects, and up to 6 months for small developments/custom homes.

Incentive level for modified systems
PG&E recommends that if a PV system larger than the one originally approved during reservation is installed, the project could be eligible to earn additional incentives at the incentive level available at that time. Over-encumbering of funds for large developments may impact adversely some viable small developments or custom homes projects. This is also a concern for PG&E from interconnection perspective. The electric infrastructure is designed based on the proposed system sizes of the homes and PV penetration in a project. Clarification is needed whether the proposal would impact existing developments. There could be potential issues with the engineering review due to transformer size and excess production going to the grid, etc., if the proposal includes developments that are already estimated and designed. For new developments with unknown PV system size, utilities need to plan and design the distribution system appropriately to ensure reliability of the grid without overspending ratepayer's money (with worst case scenario approach).

System Size Justification
Support removing of the **system size justification** for systems up to 10kW, but not limiting the incentive to the first 10 kW. The latter will discourage owners of larger custom homes from going solar and moving toward Net Zero Energy Homes.

Solar Lease
NSHP should allow and adopt guidelines similar to the California Solar Initiative (CSI) program which allows leased systems to participate in the program. Given the current state of the economy, having flexibility in the financing of PV systems would potentially increase participation in the NSHP.

Virtual Net Metering
PG&E supports the implementation of Virtual Net Metering (VNM) for NSHP multifamily projects consistent with the forthcoming decision on VNM by the California Public Utility Commission for the CSI program.

II. Paperwork

NSHP Forms
As outlined in previous comments submitted to the Energy Commission, PG&E recommends that the CEC simplify NSHP-1 and NSHP-2 forms and update said forms with Program Administrators' mailing address and contact information. The NSHP – 3 form should be project specific and not site specific. PG&E will provide the CEC with recommendations on revising NSHP-3 separately. Alternatively, the CEC can eliminate the form altogether as warranty verbiage could be added to the installation contract.

NSHP Supporting Documents
PG&E supports the proposed simplification and elimination of duplicative paperwork pertaining to the application, reservation, inspection and payment claim process. This will improve customer satisfaction of NSHP participants. To further streamline the processing of reservation and payment requests and reduce turn around times, we recommend that electronic copies of the RNC acceptance letter and interconnection letter are eliminated as these are being verified internally by PG&E's NSHP team. CEC should consider waiving the submittal of building permit with the NSHP-1 if a project is already approved in the RNC program.

NSHP Signatures
PG&E recommends that only the homeowner/builder and solar contractor are required to sign the NSHP-1 and NSHP-2 forms. The retailer's signature should be required only on the purchase agreement. The PV Calculator output file, CF-1R-PV, should not require signatures to streamline the process and align with the CSI.

III. CEC PV Calculator

PG&E recommends that CF-1R-PV not be deemed invalid after 30 days of the release of a new version as this may lead to processing delays. When a new version of the calculator is run, the incentive is sometimes lower which may impact the contract executed between the builder/homeowner and solar contractor.

IV. Energy Efficiency

NSHP and RNC Integration
PG&E supports energy efficiency first prior to adding solar. PG&E's NSHP team works closely with the RNC team to encourage customers to participate in both programs. This also helps to streamline the process and eliminate duplicative paperwork that is required for both programs for ease of customer participation. Recommendation – provide training to all interested parties on energy efficiency to clarify NSHP requirements and help with supporting documentation as well guidance on how to achieve 15% above current Title – 24 Energy Efficiency code.

Projects are on Different Timelines Which May Not Allow for Concurrent Participation:

- NSHP – Projects farther along in construction, solar being installed at time of completion of construction
- RNC – in order to be eligible for energy efficiency incentives, project needs to apply to program prior to or early in construction.

Different Applicants for NSHP (Solar Contractor) /RNC (Builder/Developer) Programs
PG&E recommends comprehensive marketing strategy that emphasizes the importance of energy efficiency and early participation in the IOU's RNC program to take advantage of all incentives available for new construction. This outreach along with additional training on the energy efficiency requirements should target not only builders, developers and new homebuyers, but also solar contractors, architects, designers, general contractors, etc. Better understanding of the program requirement for energy efficiency will smooth the application and review process and potentially increase participation in both programs.

V. Home Energy Rating System (HERS)

HERS Raters
PG&E recommends that the HERS Rater is selected at time of reservation to streamline the process. If the input files are uploaded to the appropriate registry at time of plan check completion, the applicant would avoid unnecessary delays in processing the incentive claim.

HERS Verification

Projects that participate in NSHP or both NSHP/RNC are required to interact with various entities: Title-24 Consultant, Certified Energy Plan Examiner, HERS providers and raters (separate raters for the energy efficiency measures and the PV system might be needed). Hence, better coordination and additional training is needed, so that applicants understand the NSHP energy efficiency requirements and HERS verification process for both the energy efficiency measures and the PV system. PG&E is willing to work in conjunction with the CEC to streamline the process and deliver such training.