

CALIFORNIA ENERGY COMMISSION1516 Ninth Street
Sacramento, California 95814Main website: www.energy.ca.gov

In the matter of the Design of the New Solar Homes Partnership) Docket No. 06-NSHP-1
)
) NOTICE OF BUSINESS MEETING
) RE: Revision of the New Solar
) Homes Partnership Guidebook

Notice to Consider Adoption of Revisions to the New Solar Homes Partnership Guidebook

The California Energy Commission will hold a Business Meeting on:

WEDNESDAY, APRIL 10, 2013
 10 a.m.
 CALIFORNIA ENERGY COMMISSION
 1516 Ninth Street
 First Floor, Hearing Room A
 Sacramento, California
 (Wheelchair Accessible)

Audio from this meeting will be broadcast over the Internet.

For details, please go to:
www.energy.ca.gov/webcast

As part of the April 10, 2013 Business Meeting, the Energy Commission will consider adopting revisions to the *New Solar Homes Partnership (NSHP) Guidebook, Fifth Edition*. The *NSHP Guidebook* describes the requirements for participating in NSHP and receiving incentives for installing eligible solar energy systems on new residential construction located in specified investor-owned utility territories.

Staff, with input and guidance from lead Commissioner Andrew McAllister, is recommending the following proposed revision to the *Guidebook*:

- A builder/developer may be an interim lessee or interim signatory of a power purchase agreement (PPA) for the purpose of obtaining a NSHP incentive reservation. However, prior to submitting a payment claim package, the lease or PPA must be transferred from the builder/developer to the homeowner. For reservation applications with the builder/developer as an interim lessee or interim signatory to a PPA, a completed lease or PPA transfer document, as well as the

referenced lease or PPA, must be submitted to the program administrator prior to expiration of the reservation and must meet the document requirements outlined in Chapter II, Section O of the *Guidebook*. An applicant that obtains a reservation based on the builder/developer as an interim lessee or interim signatory of a PPA assumes the risk of having to complete the system installation, transfer the lease or PPA to the homeowner, and submit a payment claim prior to the expiration date of the reservation. Any such applicant that fails to satisfy these requirements prior the expiration date of the reservation must reapply for NSHP funding pursuant to the rules in place at the time of reapplication and that reapplication is subject to funding availability. Applicants are therefore encouraged to plan accordingly when applying for NSHP reservations.

The *Guidebook* currently allows solar energy systems that are leased by an end-use customer or provide electricity to an end-use customer under a PPA to qualify for NSHP funding, provided certain requirements are satisfied. The proposed *Guidebook* revisions are intended to add program requirements that allow for leases or PPAs where the home builder/developer is an interim lessee or interim signatory to a PPA, pending transfer of the lease or PPA to the homeowner as the end-use customer. The requirements that must be met in order to receive a NSHP incentive remain unchanged. The *Guidebook* revisions are being proposed as an interim fix to one of several issues staff is evaluating regarding leased systems and systems providing electricity through PPAs. Other issues being evaluated include: incentive levels and required cost documentation. Energy Commission staff is planning a workshop for early summer to address these additional issues and related modifications to the *Guidebook*.

The proposed revisions to the *Guidebook* occur on pages vi, 7, 22-23, 37, 46, D-3, and D-6. These pages are provided in Attachment A to this notice.

Public Comment

The Energy Commission will accept oral comments during the meeting. Comments may be limited to 3 minutes per speaker. Any comments will become part of the public record in this proceeding.

Written comments should be submitted to the Dockets Unit by 4:00 p.m. on April 8, 2013. Written comments will be also accepted at the Business Meeting on April 10, 2013, however, the Commission may not have time to review them before the conclusion of the meeting. All written comments will become part of the public record of this proceeding. Additionally, written comments may be posted to the Energy Commission's website for the proceeding.

The Energy Commission encourages comments by e-mail. Please include your name and any organization name. Comments should be in a downloadable, searchable format such as Microsoft® Word (.doc) or Adobe® Acrobat® (.pdf). Please include the docket number 06-NSHP-1 and indicate New Solar Homes Partnership in the subject line. Please submit comments to docket@energy.ca.gov and renewable@energy.state.ca.us to ensure that staff receives a copy.

If you prefer, you may send a paper copy of your comments to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 06-NSHP-1
1516 Ninth Street
Sacramento, CA 95814-5512

Public Adviser and Other Commission Contacts

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission proceedings. If you want information on how to participate in this forum, please contact the Public Adviser's Office at PublicAdviser@energy.ca.gov or (916) 654-4489 (toll free at (800) 822-6228).

If you have a disability and require assistance to participate, please contact Lou Quiroz at lquiroz@energy.ca.gov or (916) 654-5146 at least five days in advance.

Media inquiries should be sent to the Media and Public Communications Office at mediaoffice@energy.ca.gov or (916) 654-4989.

If you have questions on the subject matter of this meeting, please contact Le-Quyen Nguyen at Le-Quyen.Nguyen@energy.ca.gov or (916) 654-4650.

Remote Attendance

For remote attendance instructions, see the **April 10, 2013**, Business Meeting agenda at: www.energy.ca.gov/business_meetings/

Availability of Other Agenda Items

To see other agenda items for this business meeting, see the full agenda for the **April 10, 2013**, Business Meeting at: www.energy.ca.gov/business_meetings/

Availability of Documents on This Matter

Documents and presentations regarding this proceeding are available online at: www.energy.ca.gov/renewables/06-NSHP-1/notices/index.html.

Electronic Mail Lists: GoSolar, PVCalculator, Renewable

ATTACHMENT A

Page vi from the NSHP Guidebook, Fifth Edition

What's New in This Guidebook?

Below are the major changes in this edition of the *New Solar Homes Partnership Guidebook* as compared with the ~~January~~September 2012, 4th~~5~~th edition of the NSHP Guidebook:

General Program Changes

- ~~• During the payment process, if the applicant submits a complete interconnection package to its utility interconnection department on or before the NSHP reservation expiration date, the applicant is provided 90 days after the reservation expiration date to complete the Expected Performance Based Incentive (EPBI) Documentation, Energy Efficiency Documentation, and System Interconnection with Utility Grid.~~
- ~~• The program administrator will verify the system generation allocation percentages for virtual net metering systems during the payment process.~~
- ~~• Revises NSHP application forms.~~
- A builder/developer may be an interim lessee or interim signatory of a PPA for the purpose of obtaining an NSHP incentive reservation. However, prior to submitting a payment claim package, the lease or PPA must be transferred from the builder/developer to the homeowner. For reservation applications with the builder/developer as an interim lessee or interim signatory to a PPA, a completed lease or PPA transfer document, as well as the referenced lease or PPA, must be submitted to the program administrator prior to expiration of the reservation. The program administrator will verify that these documents meet the document requirements outlined in Chapter II, Section O. An applicant that obtains a reservation based on the builder/developer as an interim lessee or interim signatory of a PPA assumes the risk of having to complete the system installation, transfer the lease or PPA to the homeowner, and submit a payment claim prior to the expiration date of the reservation. Any such applicant that fails to satisfy these requirements prior the expiration date of the reservation must reapply for NSHP funding pursuant to the rules in place at the time of reapplication and that reapplication is subject to funding availability. Applicants are therefore encouraged to plan accordingly when applying for NSHP reservations.

F. Applicability of Guidebook Changes to Existing Applications

The rules below explain the applicability of this ~~fifth~~ sixth edition of the *NSHP Guidebook* to existing reservation applications. For purposes of this section, “adoption date” means the date the Energy Commission adopts this edition of the guidebook, and an “approved application” means one that the Commission approved before the adoption date.

1. An approved application that has not received an approved payment claim will continue to be governed by the previous edition of the guidebook except as follows:
 - a) AA lease agreement or PPA with the homeowner must be submitted to the program administrator prior to claiming an incentive. n applicant that submitted a complete interconnection package to its utility interconnection department on or before the reservation expiration date is subject to the payment process outlined in Chapter V.
 - a)
2. Approved applications that have been paid or that have approved payment claims are not eligible for additional compensation, ~~or to reapply for additional compensation,~~ or to claim additional compensation for past reservation applications previously disapproved and required to re-apply.
3. An applicant who submitted an application prior to the adoption date of this ~~fifth~~ sixth edition of the guidebook and did not receive approval of the application by the adoption date may opt to follow either the previous guidebook edition or this ~~fifth~~ sixth edition. The applicant must provide written or e-mail notice to be subject to this ~~fifth~~ sixth edition of this guidebook. If no notice is received by the program administrators or the Commission prior to the reservation approval of the application by the program administrator, the application will be governed by the previous edition of the guidebook.
4. All applications submitted on or after the adoption date will be governed by this ~~fifth~~ sixth edition of the guidebook.

Pages 22-23 from the NSHP Guidebook, Fifth Edition

O. Leases and Power Purchase Agreements

Solar energy systems that are leased by an end-use customer or provide electricity to an end-use customer under a power purchase agreement (PPA) are eligible for NSHP funding if the lease agreement or PPA is executed and has a start date on or after July 1, 2009. Lease agreements and PPAs that are executed or have a start date before July 1, 2009, are not eligible for funding even though the system may have been installed after this date. Lease agreements and PPAs must have an initial term of no less than 10 years and must provide the lessee or customer the following options at the end of the initial term of the agreement:

- 1) Renew the agreement
- 2) Purchase the system
- 3) Remove the system at no cost to the lessee or customer.

In addition, lease agreements and PPAs must demonstrate that the NSHP funding benefits the end-use customer by directly and exclusively reducing the lease payments for the system or the cost of electricity produced by the system. For applications in which a reservation is obtained based on the builder/developer as an interim lessee or interim signatory of a PPA, as described below, this benefit must be shown once the lease agreement or PPA is transferred to the homeowner. In order for a lease agreement, or PPA, or transfer document to show the NSHP funding benefits the end-use customer, the lease agreement, or PPA, or transfer document must include express provisions showing the cost to the end-use customer without the NSHP funding and the reduced cost to the end-use customer with the NSHP funding.

A builder/developer may sign a lease agreement or PPA as an interim lessee or interim signatory of a PPA for the purpose of obtaining a reservation. However, prior to submitting a payment claim package, the lease agreement or PPA must be transferred from the builder/developer to the homeowner as the end-use customer. For applications in which a reservation is obtained based on the builder/developer as an interim lessee or interim signatory to a PPA, a completed transfer document, as well as the referenced lease agreement or PPA, must be submitted to the program administrator prior to expiration of the reservation. The program administrator will verify that these documents meet the document requirements outlined in this section.

For the first five years of the lease or PPA, the lessor or owner of the solar energy system, in the case of a PPA, shall provide an annual status report to the program administrator on the operation of the NSHP-funded solar energy system. The annual status report shall address agreements executed through December 31 of each year, be submitted to the program

administrator no later than January 31 of each year, and shall include the following information for each system:

- 1) Date that the agreement was fully executed and the start date of the agreement
- 2) Operational status of the system
- 3) Status of the agreement, and if status has changed, date of change and reason for the change. (Status changes would primarily include, change in lessee or customer, system purchase, termination of agreement, and system removal.)

The annual status report shall be submitted to the Energy Commission if the NSHP is not administered by a program administrator.

If any lease agreement or PPA for a system that received funding from the NSHP is terminated and the system is removed from the building on which it was originally installed, the NSHP funding received by the applicant shall be repaid by the lessor or system owner to the Energy Commission in the amounts specified below:

- If the agreement is terminated within one year of the system's installation or the start date of the agreement, whichever is later, 100 percent of the funding received shall be repaid.
- If the agreement is terminated within two years of the system's installation or the start date of the agreement, whichever is later, 80 percent of the funding received shall be repaid.
- If the agreement is terminated within three years of the system's installation or the start date of the agreement, whichever is later, 60 percent of the funding received shall be repaid.
- If the agreement is terminated within four years of the system's installation or the start date of the agreement, whichever is later, 40 percent of the funding received shall be repaid.
- If the agreement is terminated within five years of the system's installation or the start date of the agreement, whichever is later, 20 percent of the funding received shall be repaid.
- Repayment shall not be required if the agreement is terminated more than five years after the system's installation or the start date of the agreement, whichever is later.

The lease agreement, or PPA, or transfer document should include provisions that specifically discuss repayment obligations of the NSHP funding when there is early termination of the lease agreement or PPA, and identify the party responsible for the repayment.

An applicant that obtains a reservation based on the builder/developer as an interim lessee or interim signatory of a PPA assumes the risk of having to complete the system installation, transfer the lease agreement or PPA to the homeowner, and submit a payment claim prior to the expiration date of the reservation. Any such applicant that fails to satisfy these requirements prior the expiration date of the reservation must reapply for NSHP funding pursuant to the rules in place at the time of reapplication and that reapplication is subject to funding availability. Applicants are therefore encouraged to plan accordingly when applying for NSHP reservations.

Table 4-1: Project Types and Required Reservation Application Documentation

Reservation Application Documents	Project Type							
	Solar as Standard	Solar as an Option	Affordable Housing Residential Dwelling Unit	Affordable Housing Common Area	Custom Home	Small Development /Phases	Projects w/ Solar on Less Than 50% of Residential Units	Market-Rate Common Areas
Reservation Application Form: NSHP-1	X	X	X	X	X	X	X	X
Final Subdivision Map*	X	X				X	X	
Building Permit			X	X	X			X
EPBI Documentation								
CF-1R-PV Form	X	X	X	X	X	X	X	X
Electronic Input Files (.emf, .her)	X	X	X	X	X	X	X	X
Energy Efficiency Documentation								
CF-1R Form	X	X	X	X	X	X	X	X
Electronic Input Files (.bld/.mp7, .mp8)	X	X	X	X	X	X	X	X
Plan Set and Checklist Items	X	X	X	X	X	X	X	X
Utility New Construction Energy Efficiency Program Approval Letter**								
Equipment Purchase Agreement	X	X	X	X	X	X	X	X
Lease Agreement/Power Purchase Agreement (PPA)***								
Installation Contract	X	X	X	X	X	X	X	X
Regulatory Agreement			X	X				
Buildout Schedule	X	X						

*Applicants may provide either a final subdivision map or building permit as proof of residential new construction.

**If the project is participating in the utility new construction energy efficiency program, then the applicant may submit the program approval letter in place of the energy efficiency documentation.

***In the case of lease or PPA projects, a lease agreement/PPA is not required until payment claim, however a lease agreement or PPA with equipment listed may replace the equipment purchase agreement. For projects where the builder/developer is the interim lessee or signatory for the lease agreement or PPA, the completed transfer document, as well as the referenced lease agreement or PPA, must be submitted to the program administrator as part of the payment claim package prior to the expiration of the reservation.

Source: California Energy Commission

Page 37 from the NSHP Guidebook, Fifth Edition

The master purchase agreement(s) must be signed by the applicant or the applicant's representative, the seller of the systems, and the installer. (An installer's signature on the equipment purchase agreement is not required if the applicant is hiring a separate company for the installation of the equipment.) The seller and installer of the system(s) must be self-registered with the Energy Commission as specified in Chapter II, Section N.

In cases where there is no signed purchase agreement, the applicant may provide invoices or receipts showing that at least 10 percent of the system equipment purchase price (photovoltaic modules, inverters, and performance meter[s]) or \$1,000 per residential unit has been paid to the seller(s).

In situations where the applicant is purchasing the system from one company and hiring a separate company for installation, the applicant must provide proof of his or her commitment to purchase and install the system in separate documents.

An installation contract must state the price charged for the installation of equipment for all of the residential dwelling units in the reservation. Installation contracts must comply with the California Contractors State License Board (CSLB) requirements. In general, proper contracts will contain the following information:

- Name, address, and contractor's license number of the company performing the system installation.
- Site address for the system installation.
- Description of the work to be performed.
- Total agreed price to install the system.
- Payment terms (payment dates and dollar amounts).
- Printed names and signatures of the builder and the installation company's authorized representative.

For more information on CSLB guidelines, please refer to its website at: [www.cslb.ca.gov/]

For systems that are leased or provide electricity under a ~~power purchase agreement~~ PPA, instead of providing both an equipment purchase agreement and installation contract, applicants must provide the lease agreement or PPA, and an installation contract that lists the proposed equipment to be installed.

system generation allocation percentages provided to the utility interconnection department will be used to recalculate the correct incentive payment amount.

Page 46 from the NSHP Guidebook, Fifth Edition

9. Lease Agreement or Power Purchase Agreement

For systems using third-party ownership structures, the lease agreement or power purchase agreement, and transfer document, where applicable, shall be submitted to the program administrator. See Chapter II, Section O, for requirements.

4. Home Energy Rating System (HERS) Information¹

	HERS Rater Company	HERS Rater	Phone number	HERS Provider
Energy efficiency measures verification				
Solar energy system field verification				

5. Supporting Documentation Required for Application Submittal

All Projects:

- Final Subdivision Map or Building Permit
- EPBI Documentation
 - CF-1R-PV form
 - Electronic input files (.emf, .her)
- Equipment Purchase Agreement*
- Installation Contract (if separate from the equipment purchase agreement)
- Energy Efficiency Documentation**
 - CF-1R form
 - Electronic input file (.bld/.mp7, .mp8)
 - Construction plan set***

Additional Requirements for:

Affordable Housing Projects:

- Regulatory Agreement

Solar as Standard Projects:

- Build-Out Schedule

Solar as an Option Projects:

- Build-Out Schedule

Affordable Housing Projects. TCAC projects have up to 60 days after funding approval to submit the Energy Efficiency Documentation.

**In the case of lease or PPA projects, a lease agreement or PPA and an installation contract with equipment listed shall replace the equipment purchase agreement.*

***Waived if participating in a utility new construction energy efficiency program*

****See Appendix C for document requirements.*

6. Other Terms and Conditions

- Builder/Developer is aware that initial energy efficiency measure verification may need to be completed early in the construction process. Energy efficiency measures requiring early verification include, but are not limited to:
 - Quality Installation of Insulation (QII)
 - Special Features*
- Builder/Developer is aware that all NSHP Energy Efficiency verification requirements must be completed in order to receive NSHP incentives. Required energy efficiency verifications include, but are not limited to:
 - Envelope Assembly (Wall, Roof)
 - Fenestration Surface Details
 - HVAC System Details- Heating and Cooling
 - Water Heating
 - Special Features*

*Please see Appendix C, Section C for more information on special features measures requiring verification.

7. Declaration

The undersigned party declares under penalty of perjury that the information in this form and the supporting documentation submitted herewith is true and correct to the best of his or her knowledge and acknowledges the following program requirements to reserve funding:

- Incentives are based on the expected performance of the systems installed.
- Buildings must achieve at a minimum Tier I Energy Efficiency to be eligible for the program.
- Systems that are leased or provide electricity under a ~~power purchase agreement~~ PPA are subject to special reporting and repayment requirements. An annual status report on the operation of the solar energy system must be submitted by the lessor or owner of the solar energy system. Applicant may be required to repay some or all of the NSHP funding he or she receives if the system is leased or provides electricity through a power purchase agreement, and the lease agreement or power purchase agreement PPA is terminated within five years of the system's installation or the start date of the agreement, whichever is later, the lessor or system owner is responsible for the funding repayment, unless otherwise identified in the lease agreement, or PPA, or transfer document.

The undersigned party further acknowledges that he or she is aware of the requirements and conditions of receiving funding under the New Solar Homes Partnership (NSHP) and agrees to comply with all such requirements and conditions as provided in the Energy Commission's NSHP Guidebook, ~~Fourth~~ Sixth Edition, Overall Program Guidebook, and Building Energy Efficiency Standards (Title 24, Part 6) as a condition to receiving funding under the NSHP. The undersigned party authorizes the Energy Commission, during the term of the NSHP, to exchange information on this form with the applicable electric utility servicing the project to verify compliance with NSHP requirements.

¹ This information is used to upload the project information to the HERS Provider data registry.

6. Payment Assignment

Is payment assigned to another party?

Yes (Please fill out all the sections below.)

No (Please skip Section 5 and complete all others.)

Assignment Request

I, _____, the applicant or authorized representative of the applicant as specified on the NSHP-1 form, hereby assign the right to receive payment for the above noted reservation under the NSHP to the following individual or entity and request that payment be forwarded to this individual or entity at the address below. A STD-204 must be submitted for the person/entity receiving the payment, if it is not already on record with the Energy Commission.

Name: _____

Address: _____

Phone Number: _____

As the applicant or authorized representative of the applicant as specified on the NSHP-1 form, I understand that I remain responsible for complying with the requirements of the NSHP and will remain liable for any tax consequences associated with the reservation payment, despite the payment's assignment. I further understand that I may revoke this payment assignment at any time prior to the Energy Commission's processing of the payment by providing written notice to the Energy Commission's Renewable Energy Office.

Signature: _____

Date: _____

Name: _____

Title: _____

7. Signatures

The undersigned party declares under penalty of perjury that the information in this form and the supporting documentation submitted herewith is true and correct to the best of his or her knowledge. The party further declares under penalty of perjury that the following statements are true and correct to the best of his or her knowledge:

- (1) The electrical generating system described above and in any attached documents meets the terms and conditions of the Energy Commission's NSHP, has been installed, and is operating satisfactorily or a complete interconnection package has been submitted to the appropriate utility for the system, as of the date stated below.
- (2) The electrical generating system described above and in any attached documents is properly interconnected to the utility distribution grid and has been issued utility approval to operate the system as interconnected to the distribution grid, or a complete interconnection package has been submitted to the appropriate utility for the system.
- (3) The rated electrical output of the generating system, the physical location of the system, and the equipment identified were installed as stated above in Sections 1-4.
- (4) Except as noted above, there were no changes in the information previously submitted for this system.

The undersigned party further acknowledges that he or she is aware of the requirements and conditions of receiving funding under the NSHP, including the special reporting and repayment requirements for leased systems and systems providing electricity under a power purchase agreement, and agree to comply with all such requirements and conditions as provided in the Energy Commission's NSHP Guidebook, ~~Fourth~~ Sixth Edition, Overall Program Guidebook and the Building Energy Efficiency Standards (Title 24, Part 6) as a condition to receiving funding under the NSHP. If the system is leased or provides electricity through a power purchase agreement (PPA), an annual status report on the operation of the solar energy system must be submitted by the lessor or owner of the solar energy system. If the lease agreement or PPA is terminated within five years of the system's installation or the start date of the agreement, whichever is later, the lessor or system owner is responsible for the funding repayment, unless otherwise identified in the lease agreement, or PPA, or transfer document. As specified in the NSHP Guidebook, the undersigned applicant authorizes the Energy Commission during the term of the NSHP to exchange information on this form with the electric utility servicing the system in order to verify compliance with the NSHP requirements.

Applicant/ Authorized Representative	Required Supporting Documentation	Documents to be Verified by Program Administrator
Name: _____	<ul style="list-style-type: none"> • Ten-Year Warranty Form (NSHP-3) • Payee Data Record (STD-204), and IRS W-9 if requested • Lease or Power Purchase Agreement, and Transfer Document, if applicable 	<ul style="list-style-type: none"> • Final EPBI Documentation (CF-4R-PV) • Final NSHP Energy Efficiency Documentation (CF-4R and CF-4R-EE NSHP) or utility new construction energy efficiency program payment letter • Utility Approval of Interconnection
Title: _____		
Signature: _____		
Date: _____		

For the latest mailing address information, visit <http://www.gosolarcalifornia.ca.gov/contacts/consumers.php>.