

**January 22, 2020 California Energy Commission Business Meeting
Item 6. Trinity Public Utility District.**

[Staff Review and Analysis for Trinity Public Utility District's Application for a Solar Photovoltaic Determination](https://efiling.energy.ca.gov/GetDocument.aspx?tn=231291&DocumentContentId=62979)

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=231291&DocumentContentId=62979>

[Notice of Availability and Public Comment Period on Staff Review and Analysis](https://efiling.energy.ca.gov/GetDocument.aspx?tn=231332&DocumentContentId=63081)

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=231332&DocumentContentId=63081>

Trinity Public Utility District's Application

1. [Trinity Public Utility District's Photovoltaic Determination Cover Letter](https://efiling.energy.ca.gov/GetDocument.aspx?tn=228619&DocumentContentId=59845)
<https://efiling.energy.ca.gov/GetDocument.aspx?tn=228619&DocumentContentId=59845>
2. [Trinity Public Utility District's Rate Schedule](https://efiling.energy.ca.gov/GetDocument.aspx?tn=228620&DocumentContentId=59848)
<https://efiling.energy.ca.gov/GetDocument.aspx?tn=228620&DocumentContentId=59848>
3. [Trinity Public Utility District's Public Hearing Minutes](https://efiling.energy.ca.gov/GetDocument.aspx?tn=228622&DocumentContentId=59876)
<https://efiling.energy.ca.gov/GetDocument.aspx?tn=228622&DocumentContentId=59876>

[Notice of Public Comment for Trinity Application](https://efiling.energy.ca.gov/GetDocument.aspx?tn=228619&DocumentContentId=59845)

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=228619&DocumentContentId=59845>

[Proceeding Docket Log, containing all documents filed in this proceeding and any documents filed after this was created on April 11, 2019](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=19-BSTD-05)

<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=19-BSTD-05>

Memorandum

To: Drew Bohan
Executive Director

Date: December 12, 2019

Telephone: (916) 654-4516

From: **Michael Sokol**
Deputy Director, Efficiency Division
California Energy Commission
1516 Ninth Street
Sacramento CA 95814-5512

Subject: **PROPOSED RESOLUTION DETERMINING THAT THE SOLAR PHOTOVOLTAIC REQUIREMENT IN THE 2019 BUILDING ENERGY EFFICIENCY STANDARDS SHALL NOT APPLY TO NEWLY CONSTRUCTED LOW-RISE RESIDENTIAL BUILDINGS IN TRINITY PUBLIC UTILITY DISTRICT**

Summary of Item

The Trinity Public Utility District (Trinity PUD) submitted an application package for a solar photovoltaic (PV) system requirement determination, regarding whether or not the solar PV requirements for newly constructed low-rise residential buildings in the *2019 Building Energy Efficiency Standards*¹ (2019 Energy Code) should apply to homes in its service territory. Staff has performed a cost-effectiveness analysis based on the public agency rules adopted by Trinity PUD. Staff is now bringing the application before the California Energy Commission (CEC) for consideration and possible approval.

Background

The 2019 Energy Code includes new solar PV requirements for all newly constructed low-rise residential buildings in California Code of Regulations (CCR), Title 24, Part 6, §150.1(c)14. These requirements go into effect on January 1, 2020.

As part of the adoption, CCR, Title 24, Part 1, Chapter 10, §10-109(k), specifies that the CEC, upon written application or its own motion, may determine that the residential solar PV requirements in §150.1(c)14 shall not apply to particular buildings within a given territory. The CEC bases its determination on whether or not the implementation of public agency rules regarding utility system costs and revenue requirements, compensation for customer-owned generation, or interconnection fees, causes CEC's cost-effectiveness conclusions to not hold. This ensures that the requirements adopted into the Energy Code only apply where they are cost effective, consistent with § 25402 of the Public Resources Code.

¹ California Code of Regulations, Title 24, Part 1, Chapter 10, and Part 6.

To make such a finding, an application must include information regarding the differences between public agency rules and CEC's cost-effectiveness determinations, and the applicant must provide any additional information requested by the CEC to enable full review of the application. Applications from public agencies must be submitted to the CEC only after public review within the jurisdiction of the public entity or service area of the utility.

After the receipt of an application and determining that the application is complete, the executive director must make the application package available to interested parties, and provide 60-day public comment period. The executive director may request any additional information needed to evaluate the application. The executive director must make a recommendation on the application, and place the application package, any additional information considered by the executive director, and the executive director's recommendation on the business meeting calendar for CEC consideration.

Summary of Application Review

On March 15, 2019, Trinity PUD submitted an application proposing that its residential energy rates of \$0.055 and \$0.078 per kilowatt-hour are lower than those assumed by the CEC when determining cost effectiveness of solar PV systems, and that the 2019 residential solar PV requirements are not cost effective when these rates are used.

Trinity PUD's application includes the following:

- A cover letter that summarizes the proposal;
- Trinity PUD's Residential Energy Rate Schedule; and
- Meeting Minutes of the public hearing on March 14, 2019.

The application noted that Trinity PUD conducted a public hearing on March 14, 2019, and approved the decision to seek a determination from the CEC under Title 24, Part 1, Chapter 10§10-109(k).

Staff made the application available for comment to interested parties by posting the application on CEC's website. The application was docketed under number 19-BSTD-05 for a 60-day public comment period, which concluded on August 5, 2019.

Staff also considered the following additional information:

- Email of support for the Trinity PUD application to the CEC from the Trinity County Administrative Officer;
- Trinity PUD Renewable Electric Generating Facility Net Metering and Solar Power Incentive;
- Trinity PUD Interconnection Agreement for Net Energy Metering from Solar Electric Generating Facilities; and
- Trinity PUD Fiscal Year 2019/2020 Budget.

Staff reviewed the Trinity PUD application and performed life-cycle cost-effectiveness analysis to determine if Trinity PUD public agency rules would cause solar PV to not be cost effective in their service territory. Staff found that applying Trinity PUD's

residential rates and its net energy metering rules for the analysis resulted in solar PV to not be cost effective. Results show that the energy bill savings from installation of an onsite solar PV system is less than the solar PV system cost, resulting in a benefit-to-cost ratio of less than 1.0.

Project Manager

Cheng Moua, Mechanical Engineer, Building Standards Office

Staff Recommendation

Staff recommends that the CEC approve the resolution determining that the solar photovoltaic requirements in the 2019 Energy Code shall not apply to newly constructed low-rise residential buildings in the Trinity PUD service area.

Staff prepared the attached staff paper to document the analysis completed in making the recommendation.

Oral Presentation Outline

Staff will be available at the January 22, 2020, business meeting to provide a brief summary and to answer questions.

Business Meeting Participants

Cheng Moua, Mechanical Engineer, Building Standards Office

Executive Director Action Requested

Recommendation by the executive director that the CEC determine that the solar PV requirements in the 2019 Energy Code, §150.1(c)14, shall not apply to the Trinity PUD service area.

Commission Action Requested

Determination by the CEC that the solar PV requirements in the 2019 Energy Code, §150.1(c)14, shall not apply to the Trinity PUD service area.

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION APPROVING THE DETERMINATION THAT THE
SOLAR PHOTOVOLTAIC REQUIREMENT IN THE 2019 BUILDING
ENERGY EFFICIENCY STANDARDS §150.1(c)14 SHALL NOT APPLY
TO TRINITY PUBLIC UTILITY DISTRICT

RESOLUTION: California Energy Commission (CEC) approval of the determination that the solar photovoltaic (PV) requirement in the *2019 Building Energy Efficiency Standards* (Energy Code) §150.1(c)14 shall not apply to the Trinity Public Utility District (Trinity PUD) service territory, pursuant to California Code of Regulations, Title 24, Part 6, and associated administrative regulations in Part 1, Chapter 10.

WHEREAS, California Code of Regulations, Title 24, Part 1, Chapter 10, §10-109(k) and §10-110, establishes a process for the CEC to determine that the solar PV requirement in §150.1(c)14 shall not apply to particular buildings; and

WHEREAS, on March 14, 2019, the Trinity PUD conducted a public hearing and approved the decision to seek a solar PV system requirement determination; and

WHEREAS, the Trinity PUD submitted an application to the CEC for the solar PV system requirement determination pursuant to California Code of Regulations, Title 24, §10-09(k) on March 15, 2019; and

WHEREAS, the Trinity PUD, in its application to the CEC, stated that its low energy rates cause the solar PV system requirement to not be cost-effective for its service area; and

WHEREAS, CEC staff has analyzed whether Trinity PUD public agency rules causes the CEC's cost-effectiveness conclusions to not hold, and determined that the solar PV requirement is indeed not cost-effective using Trinity PUD public agency rules, pursuant to Public Resources Code 25402(b)(3);

THEREFORE BE IT RESOLVED, the CEC finds that the Trinity PUD application meets §10-09(k) requirements, and determines that the solar PV requirements in the 2019 Energy Code, §150.1(c)14, shall not apply to newly constructed low-rise residential buildings within Trinity PUD service territory; and

THEREFORE BE IT FURTHER RESOLVED, that on January 22, 2020, the CEC grants the approval of the application from Trinity PUD; and

THEREFORE BE IT FURTHER RESOLVED, that the CEC directs the executive director to take all actions necessary to implement this Resolution.

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted at a meeting of the CEC held on January 22, 2020.

AYE: [List of Commissioners]

NAY: [List of Commissioners]

ABSENT: [List of Commissioners]

ABSTAIN: [List of Commissioners]

Cody Goldthrite
Secretariat