

**CALIFORNIA ENERGY COMMISSION**

715 P Street  
Sacramento, California 95814

[energy.ca.gov](http://energy.ca.gov)

CEC-70 (Revised 2/2021)



IN THE MATTER OF:

***Eligibility Criteria and Conditions for  
Solar Energy System Incentives***

Docket No. 07-SB-01

RE: Guidelines for California's Solar  
Electric Incentive Programs

## **Notice to Consider Adoption of a Resolution Revising the Guidelines for California's Solar Electric Incentive Programs (Senate Bill 1), Seventh Edition**

As part of the California Energy Commission's (CEC) December 8, 2021 Business Meeting, the CEC will consider adoption of a resolution revising the *Guidelines for California's Solar Electric Incentive Programs (Senate Bill 1), Seventh Edition* (SB 1 Guidelines).

The business meeting will be held remotely, consistent with Assembly Bill 361 (Rivas, Chapter 165, Statutes of 2021) to improve and enhance public access to state meetings during the COVID-19 pandemic by allowing broader access through teleconferencing options. The public can participate in the business meeting consistent with the direction provided on the CEC's [Business Meetings webpage](#) available at <https://www.energy.ca.gov/proceedings/business-meetings>.

### **Background**

Senate Bill (SB) 1 (Murray, Chapter 132, Statutes of 2006) requires the CEC to establish eligibility criteria, conditions for incentives, and rating standards for projects applying for ratepayer-funded incentives for solar energy systems. The SB 1 Guidelines were adopted in December 2007 and have been updated periodically to address program modifications and market developments. The SB 1 Guidelines were revised through the adoption of a resolution in 2019 to implement changes in the accreditation criteria for third-party photovoltaic (PV) module performance testing laboratories.

The SB 1 Guidelines, adopted December 19, 2007, and *Resolution No. 19-0715-1b Regarding Revisions to the Guidelines for California's Solar Electric Incentive Programs (Senate Bill 1), Seventh Edition*, adopted July 15, 2019, are available on the [Eligibility Criteria and Conditions for Solar Energy System Incentives – SB1 webpage](#) at

<https://www.energy.ca.gov/programs-and-topics/programs/new-solar-homes-partnership-program-nshp/eligibility-criteria-and>.

## **Purpose**

Chapter III, Section A and Appendix B, section A of the SB 1 Guidelines 7<sup>th</sup> Edition, require PV module equipment to be certified by a Nationally Recognized Testing Laboratory (NRTL) with accreditation that includes the UL 61730 standard starting January 1, 2022. This date was identified as the appropriate deadline for NRTLs to obtain the UL 61730 accreditation under the Occupational Safety & Health Administration (OSHA) NRTL program.

Since then, the COVID-19 pandemic has adversely impacted OSHA's internal processes to add UL 61730 to its list of appropriate standards for the NRTL program and review the NRTLs' applications. It is unlikely that any NRTL will receive OSHA UL 61730 accreditation by the January 1, 2022 deadline.

The proposed revisions to the SB 1 Guidelines 7<sup>th</sup> Edition, will allow time for the NRTLs to comply with the requirement by delaying the start date for when the CEC will only accept safety certification for PV modules issued by a NRTL with UL 61730 in its scope of recognition. The revisions will change the start date from January 1, 2022, to two years after OSHA determines that UL 61730 is an appropriate test standard for the NRTL program.

If adopted, these revisions will be effective immediately and may be incorporated into the next edition of the SB 1 Guidelines.

## **Public Advisor and Other Energy Commission Contacts**

The CEC's Public Advisor provides the public with assistance in participating in CEC proceedings. For information about how to participate in the business meeting or to request interpreting services or other reasonable modification and accommodations, reach out via email at [publicadvisor@energy.ca.gov](mailto:publicadvisor@energy.ca.gov) or by phone at (916) 957-7910. Requests should be made for interpreting services, reasonable modifications and accommodations as soon as possible but at least five days in advance of the business meeting. However, the CEC will work diligently to meet all requests based on the availability of the service or resource requested.

**Direct media inquiries** to [mediaoffice@energy.ca.gov](mailto:mediaoffice@energy.ca.gov) or (916) 654-4989.

**Direct technical subject inquiries** to Abtin Mehrshahi at [Abtin.Mehrshahi@energy.ca.gov](mailto:Abtin.Mehrshahi@energy.ca.gov) or (916) 237-2563.

**Direct general inquiries** to Edgar Rodriguez at [Edgar.Rodriguez@energy.ca.gov](mailto:Edgar.Rodriguez@energy.ca.gov) or (916) 903-4667.

## **Availability of Documents**

Documents and public comments submitted for the SB1 Guidelines are available on the [Eligibility Criteria and Conditions for Solar Energy System Incentives – SB1 webpage](https://www.energy.ca.gov/programs-and-topics/programs/new-solar-homes-partnership-program-nshp/eligibility-criteria-and) at <https://www.energy.ca.gov/programs-and-topics/programs/new-solar-homes-partnership-program-nshp/eligibility-criteria-and>.

When new information is docketed, an email will be sent to the SolarEquipment, Renewable, GoSolar, NSHP, PVCalculator list servers. To receive these notices and manage subscriptions please visit [the List Servers Hosted by the California Energy Commission webpage](https://ww2.energy.ca.gov/listservers/index_cms.html) at [https://ww2.energy.ca.gov/listservers/index\\_cms.html](https://ww2.energy.ca.gov/listservers/index_cms.html).

Dated: November 24, 2021, at Sacramento, California

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Natalie Lee  
Deputy Director  
Renewable Energy Division

List Servers: SolarEquipment, Renewable, GoSolar, NSHP, PVCalculator

## Attachment A

### Notice to Consider Adoption of Revisions to the *Guidelines for California's Solar Electric Incentive Programs (Senate Bill 1), Seventh Edition*

#### Proposed changes to CHAPTER III, Section A are below:

- **NOTE:** Prior to January 1, 2022, the Energy Commission will accept safety certification from a NRTL with either UL 1703 or UL 61730 in its scope of recognition. Starting January 1, 2022, the Energy Commission will accept a safety certification only from a NRTL with UL 61730 in its scope of recognition.
- **NOTE:** Starting two years after OSHA determines that UL 61730 is an appropriate test standard for the OSHA NRTL program, the California Energy Commission will accept a safety certification only from a NRTL with UL 61730 in its scope of recognition. Prior to this deadline, the Energy Commission will accept safety certification from a NRTL with either UL 1703 or UL 61730 in its scope of recognition.

#### Proposed changes to Appendix B, Section A are below:

- Before January 1, 2022, the Energy Commission will accept safety certification from a NRTL with either UL 1703 or UL 61730 in its scope of recognition. Starting January 1, 2022, the Energy Commission will accept safety certification only from a NRTL with UL 61730 in its scope of recognition.
- Starting two years after OSHA determines that UL 61730 is an appropriate test standard for the OSHA NRTL program, the Energy Commission will accept safety certification only from a NRTL with UL 61730 in its scope of recognition. Before this deadline, the Energy Commission will accept safety certification from a NRTL with either UL 1703 or UL 61730 in its scope of recognition.

# Memorandum

To: Chair Hochschild  
Commissioner Monahan  
Commissioner Douglas  
Commissioner Gunda  
Commissioner McAllister

Date: **November 24, 2021**

From: Office of Chief Counsel  
California Energy Commission  
715 P Street  
Sacramento, California 95814

Subject: *Basis for Finding that Revisions to the Guidelines for California's Solar Electric Incentive Program (Senate Bill 1), Seventh Edition are Exempt under the California Environmental Quality Act*

## I. CEQA

The California Environmental Quality Act (CEQA) (Pub. Resources Code, sections 21000 *et seq.*; see also CEQA Guidelines, Cal. Code Regs., tit. 14, sections 15000 *et seq.*) requires that state agencies consider the environmental impact of their discretionary projects. Further, CEQA allows for certain projects to be exempt from its requirements. Of relevance here, and discussed further below, is the common-sense exemption (Cal. Code Regs., tit. 14, section 15061(b)(3).)

## II. Guidelines for California's Solar Electric Incentive Program (Senate Bill 1), Seventh Edition (SB 1 Guidelines)

The SB 1 Guidelines establish eligibility criteria, conditions for incentives, and rating standards to qualify for ratepayer-funded incentives for solar energy systems pursuant to SB 1. SB 1 builds on the California Public Utilities Commission's California Solar Initiative program, the California Energy Commission's (CEC) New Solar Homes Partnership Program, and the local publicly owned electric utilities' existing solar energy system incentive programs, with an overall goal to help build a self-sustaining solar electricity market combined with improved energy efficiency in residential and non-residential buildings in California. The CEC initially adopted the SB 1 Guidelines in December 2007, with multiple revisions to date, including the most recent update to the Seventh Edition adopted in 2018.

## III. The Proposed Revisions to the SB 1 Guidelines

The revisions to the SB 1 Guidelines will change the starting date for when the CEC will accept a safety certification only from a Nationally Recognized Testing Laboratory (NRTL) with UL 61730 in its scope of recognition. The CEC specifically proposes changing the start date from January 1, 2022, to a timeframe of two years after the Occupational Safety & Health

Administration (OSHA) determines that UL 61730 is an appropriate test standard for the OSHA NRTL program.

#### **IV. The Proposed Revisions Are Not a “Project”.**

The proposed revisions to the SB 1 Guidelines are not subject to CEQA because they are not considered a “project.” The CEQA Guidelines define a “project” as “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment...” (Cal. Code Regs., tit. 14, section 15378(a).) Relevant here, the proposed revision to the SB 1 Guidelines is not a project because they will not have the potential to result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Under Chapter III, Section A and Appendix B, Section A of the SB 1 Guidelines, 7th Edition, the CEC accepts either UL 61730 accreditation or UL 1703 accreditation for all new PV module equipment listings. Under the current guidelines, beginning on January 1, 2022, the CEC will only accept new PV module equipment listings certified by a NRTL with accreditations that include the UL 61730 standard. At the time the SB 1 Guidelines, 7th Edition was adopted, it was expected that OSHA would have added UL 61730 to its list of appropriate standards for the NRTL program by January 1, 2022. However, the COVID-19 pandemic has impacted OSHA’s internal processes to add UL 61730 to its list of appropriate standards for the NRTL program and has hampered their review of the NRTL’s applications. Staff recommends extending the status quo, where the CEC will accept either the UL 61730 or UL 1703 accreditation, for a grace period of up to 2 years after OSHA adds the new UL 61730 standard to the OSHA NRTL program, to allow NRTLs to obtain the accreditation and accommodate the unavoidable consequences of the COVID-19 pandemic.

As such, the CEC's approval of the proposed revisions is excluded from the definition of a “project” under the CEQA Guidelines and not subject to CEQA. (Cal. Code Regs., tit. 14, section 15378(b)(2).)

#### **V. Common Sense Exemption**

If the adoption of the revisions to the SB 1 Guidelines is considered to constitute a "project" under CEQA, the CEC's action is nevertheless exempt under the “common sense exemption.” CEQA only applies to projects that have the potential to have a significant effect on the environment. (Cal. Code Regs., tit. 14, section 15061(b)(3).) A “significant effect on the environment” is defined as a substantial or a potentially substantial, adverse change in the environment and does not include an economic change by itself. (Pub. Resources Code, section 21068; Cal. Code Regs., tit. 14, section 15382.) The proposed revisions seek to revise program guidelines, and therefore it can be seen with certainty they will not have a significant effect on the environment.

#### **VI. Conclusion**

For the reasons above, the CEC’s adoption of the proposed revisions to the SB 1 Guidelines are not subject to CEQA because they are not a “project.” However, if the proposed revisions were considered a "project," they are exempt from CEQA under the common sense exemption.

## Notice of Exemption

TO: Office of Planning and Research 1400 FROM: California Energy Commission  
Tenth Street, Room 212 Sacramento, 715 P Street  
California 95814 Sacramento, California 95814

Project Title: Proposed Revisions to the Guidelines for California's Solar Electric Incentive Program (Senate Bill 1), Seventh Edition, at the December 8, 2021 Business Meeting

Project Location: 715 P Street Sacramento, California 95814

Description of Nature, Purpose, and Beneficiaries of Project: Senate Bill 1 (SB 1) directs the California Energy Commission (CEC) to adopt guidelines to establish eligibility criteria, conditions for incentives, and rating standards for ratepayer-funded solar energy incentive programs (SB 1 Guidelines). The revisions to the SB 1 Guidelines will change the starting date for when the CEC will accept a safety certification only from a Nationally Recognized Testing Laboratory (NRTL) with UL 61730 in its scope of recognition. The Energy Commission proposes changing the start date from January 1, 2022, to a timeframe of two years after Occupational Safety & Health Administration (OSHA) determines that UL 61730 is an appropriate test standard for the OSHA NRTL program.

Name of Public Agency Approving Project: California Energy Commission

Name of Person or Agency Carrying Out Project: California Energy Commission

Exempt Status: (Check One)

- Ministerial (Sec. 21080(b)(1); 15268)
- Declared Emergency (Sec. 21080(b)(3); 15269(a))
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c))

Categorical Exemption: State type and section number: \_\_\_\_\_

- Statutory Exemption: State code number: \_\_\_\_\_
- Other: Common Sense (Sec. 15061(b)(3)).

Reasons why the project is exempt: The amendments to the SB 1 Guidelines are not a project because they will not have the potential to result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, they do not meet the definition of a "project" under section 21065 of the Public Resources Code. Further, even if the amendments were considered a "project," they would not be subject to the California Environmental Quality Act under the "common sense" exemption (Cal. Code Regs., tit. 14, section 15061(b)(3)) because they do not have a significant effect on the environment or result in a physical change to the environment.

Lead Agency Contact Person

Jim Folkman  
California Energy Commission  
916-897-3805  
Jim.Folkman@energy.ca.gov

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Signed by the Lead Agency

Date received for filing by

Authority cited: Sections 21083 and 21110, Public Resources Code.

Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

STATE OF CALIFORNIA

STATE ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION REVISIONS TO THE GUIDELINES FOR CALIFORNIA'S SOLAR  
ELECTRIC INCENTIVE PROGRAMS (SENATE BILL 1), SEVENTH EDITION

**WHEREAS**, Senate Bill 1 (SB 1) (Murray, Statutes of 2006, Chapter 132), as codified in Public Resources Code sections 25780-25784 directs the California Energy Commission (CEC) to adopt guidelines to establish eligibility criteria, conditions for incentives, and rating standards for ratepayer-funded solar energy incentive programs, including incentive programs administered by the CEC, the California Public Utilities Commission, and local publicly owned electric utilities; and

**WHEREAS**, on December 19, 2007, in accordance with Public Resources Code sections 25780-25784, the CEC adopted guidelines entitled, *Guidelines for California's Solar Electric Incentive Programs Pursuant to Senate Bill 1* (SB 1 Guidelines), which were most recently revised in 2018; and

**WHEREAS**, the SB 1 Guidelines require photovoltaic module equipment to be tested by accredited third-party test laboratories; and

**WHEREAS**, CEC staff proposes a resolution to amend the SB 1 Guidelines by changing the starting date for when the CEC will only accept a safety certification for photovoltaic modules issues by a Nationally Recognized Testing Laboratory (NRTL) with UL 61730 in its scope of recognition, and proposes to change the start date from January 1, 2022 to a deadline of two years after Occupational Safety & Health Administration determines that UL 61730 is an appropriate test standard for the NRTL program, as described in the Notice to Consider Adoption of Revisions to the SB1 Guidelines docketed and distributed for public comment on November 19, 2021; and

**WHEREAS**, the CEC has considered the application of the California Environmental Quality Act (CEQA) to the proposed SB 1 Guideline amendments and concluded that the proposed amendments do not meet the definition of a "project" under Public Resources Code section 21065 because they are a continuing administrative activity related to general policy and procedure making, and, even if the SB 1 Guideline amendments were considered a project, then the project would fall under the "common sense exemption" in California Code of Regulations, Title 14, section 15061(b)(3) because there is no reasonable possibility it would have a significant effect on the environment.

**RESOLUTION NO: 21-1208-1a**

**WHEREAS**, the CEC has considered staff's proposed revisions to the SB 1 Guidelines and finds that its adoption is exempt from CEQA for the reasons stated by the Chief Counsel's Office; and

**THEREFORE, BE IT RESOLVED**, that, on the basis of the entire record before it, the CEC finds that the SB 1 Guideline amendments are not subject to CEQA because they do not meet the definition of a "project" under Public Resources Code section 21065 as they are not an activity that can cause a direct or reasonably foreseeable indirect physical change in the environment and, even if they were a project, they are exempt from CEQA pursuant to the common sense exemption (Cal. Code Regs., tit 14, 15061 subd. (b)(3) because there is no reasonable possibility that the activity will have a significant effect on the environment, including due to unusual circumstances; and

**FURTHER BE IT RESOLVED**, that the CEC hereby adopts the revisions to the SB 1 Guidelines; and

**FURTHER BE IT RESOLVED**, that the CEC delegates the authority and directs the executive director or their designee to take on behalf of the CEC, all actions reasonably necessary to have the proposed amendments go into effect, including but not limited to, making any appropriate non-substantive changes to the guidelines, preparing all appropriate documents, and implementing the revisions to the SB 1 Guidelines on the CEC's behalf.

**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 California Energy Commission held on December 8, 2021.

AYE:

NAY:

ABSENT:

ABSTAIN:

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Liza Lopez  
Secretariat