

MEETING NOTES

CALIFORNIA PV UTILITY (CPVU) MANAGERS MEETING

October 18, 2006

Introductions

On October 18th, 25 representatives from 14 utilities, the CEC and invited guests convened in San Jose to discuss PV program issues. The meeting was held during the Solar Power 2006 conference www.solarpowerconference.com. Additional information on the meeting can be found on the California Solar Center CPVU page <http://www.californiasolarcenter.org/cpvu/cpvu.html>

Primary topic for discussion at this meeting was Senate Bill 1 (SB1), the “Million Solar Roofs” Bill, and its implications for municipal electric utilities (munis). Signed into law on August 21, 2006 by the Governor, SB1 establishes requirements for muni participation in the California Solar Initiative, and increases net metering caps.

[full text of SB1 http://www.leginfo.ca.gov/pub/05-06/bill/sen/sb_0001-0050/sb_1_bill_20060821_chaptered.pdf]

Lindsay Joye [*City of Palo Alto Utilities*] moderated this session and has also compiled the comments and key points in presentation and summary table formats (subsequently presented at a CMUA meeting the following week 10-26-06, also in San Jose).

[presentation:

http://www.californiasolarcenter.org/pdfs/utility/2006.10.18_CPVU-SB1_for_Munis_LJoye.pdf

summary table/key points:

http://www.californiasolarcenter.org/pdfs/utility/2006.10.18_CPVU-SB1_for_CMUA061025_LJOYE.pdf]

A Panel of experts provided insight and comments on SB1

Bret Barrow, *California Municipal Utility Association*, Director of Legislative Affairs

Tim Tutt, *California Energy Commission*

Scott Tomashefsky, *Northern California Power Agency*

Edward Randolph, Chief Consultant to the Assembly Utilities and Commerce Committee, *California State Legislature*

SB1

Bret Barrow (CMUA)

- 39 public power territories in CA
- Must conduct a public hearing to implement the program.
- Cannot divert funds from existing EE and Low-Income & demand response programs.
- Minimum \$2.80/watt starting in 1/1/08

Scott Tomashefsky (NCPA)

- EE program collaborative exists within CMUA, NCPA, and SCPPA – communication network.
- Energy Services & Marketing group within CMUA (meeting next week in SJ – 10-26-06)
- Many members already have solar programs in place.
- Collaboration opportunities exist.
 - Technical
 - eligibility requirements (CEC)
 - Research (PIER – CEC – Navigant)
- Making information available – (ie. Marketing & Education) different levels.
- Metering – co-metering, net metering, etc. requirements. Need to review the history of the requirements and interpret and develop new standards.

Tim Tutt (CEC)

- Statewide aspect
- Mandate to offer solar in new homes (in SB1). Applies to **everyone** in state.
- CEC will develop an offset program – ie. If a builder adds solar xx here, then doesn't need to offer it there. (guidelines will be developed next year).
- New Homes – Marketing & education. \$1.5 M/year contract to be awarded this Fall.
- Standards – for equipment (PV, inverters etc.) Statewide implications
- PV Research Roadmap (collaborative just starting)
- Net Metering – no real changes. Except that cap moved from 0.5% to 2.5%.
 - LADWP is still exempt from Net Metering
- A lot of work to be done in the new year - 2007.

Edward Randolph (legislative consultant)

- Introduced SB1 in 2004/05 session– then passed in August 2006
- Muni language would have been stronger. Not as much flexibility as is now.
- Primary Goal of SB1 = 3000 MW.
 - Additional Goals – self-sustaining market.
- Munis represent 27% of the load.
- Trust the munis will follow through. If not, there will be new legislation to tighten it up
- 2008-09 will be a new solar legislative bill. Legislative review. Net Metering caps will need to be raised.
- Net Metering language – there still need to clean this up.
 - CPUC will conduct a net metering review.
 - IOUS tend to want to do the gen to gen relationship, vs. retail net metering.
- Gas surcharge - review

QUESTIONS

1. **what watt?** \$2.80/watt. “at least \$2.80 per watt” (CM-LA)

The CEC will redefine ‘watts’ using dc watts. Then calculate a system incentive based on the reductions in performance. (TT). This adds new level of confusion to be considered.

2. Costs should go down. But the option does allow for a utility keep the incentive higher. The incentive decline over 10 years should average 7%
3. Motivation to be consistent – legislation will get more involved next time. (ER)
4. Cap at 1 MW. Ie. A 1.6 MW system will only get a rebate for the first 1MW. This is what is in place at several munis already. (ER)

\$784 million for munis to spend over 10 years. Total of \$3.2B (with CSI and CEC New Solar Homes and Munis)

Must be meeting the goals (installed MW).

Volume based incentive reduction – is ok.(ER) Incentives should drop by an AVERAGE of 7% per year over 10 years.

One scenario (ST) is that a utility could offer a \$10/watt in the first years, but....

“Cost Effectiveness” criteria. There are several different definitions of this. Need guidance to define.

Primary GOAL is 3000 MW. “Not cost effective” is not an excuse for not achieving this goal. Spending target is not the main item eg. Giving way free systems is not a good way to go.

Program goals can be recorded as of 1/1/07 (day SB1 goes into effect), even though munis programs are not required to start until 1/1/08.

Time-of-Use: only CSI IOU required. Desired to encourage more peak reduction PV systems. But not required where TOU is not currently in place.

Energy Efficiency requirement? Not clear on this. Follow CSI for guidance.

Public Proceeding? What is that? (JB-SMUD).

Open forum?

City council?

Is there a minimum level of what is considered a public proceeding?

ANS: should have a notice to ratepayers, with details of the proposal, and opportunity to participate in person, advertise.

CEC will create a public proceeding with public utilities. To help define.

Look at 1/1/08 as the finish line, not the starting point (most utilities will implement the new rules in July 1, 2007, in line with fiscal year cycle)

Metering – for PV (CJ) – refer to metering for PV system output.

Rancho Seco PV system – would not qualify for the SB1 goal, but would qualify for the RPS goal.

Initial intent was ‘Solar Homes’ bill, then it was expanded to CIA applications, as long as they provide power onsite.

As long as have program prescribed by the law, a utility can go beyond, get creative, to install systems. Eg. Selling “solar shares” in larger systems to customers that do not have shade.

SOLAR AMERICA INITIATIVE (DOE) Joe McCabe

- Transforming MSR (Million Solar Roofs) into SAI (Solar America Initiative)
- http://www.irecusa.org/articles/static/1/1160615228_1018302029.html
 - these links lead to further information on this initiative, regarding 4 areas of funding potential.
- Discussion included gauging interest in submitting proposals for this project – minimal interest expressed.
- SMUD thinking of responding to the proposal. Bid due ~ December 12th.
- ~\$7 Million available.

Tom Hoff - POWERCLERK Review

Powerpoint posted

http://www.californiasolarcenter.org/pdfs/utility/2006.10.18_CPVU-PowerClerkOverview-TomHoff.pdf

Goal: to develop a uniform set of applications that is used statewide. This reduces costs to implement and costs to maintain.

Utility Experience

Salt River Project (Herjinder Hawkins) –

- “potential to run the incentive program with one person”

- Desire to have consistent language among all stakeholders
- Helped to provide assurance to customers that it was ok to install PV.
- Installers greatly appreciate the new tool. A common tool across utility boundaries.
- Would like to see adoption of a common tool and resulting language across state boundaries.
- Needed to minimize the administration requirements.
- Have already invested in improvements to this program (PowerClerk).
- Commercial now, and evolving to residential.
- Kicked off program in July 2006

SMUD (Jbertolino & SFrantz)

- SMUD already has individual tools (that do the functions of PC) , some of which does better job than PowerClerk, BUT...they are **not integrated** and require a lot of labor & effort to use.
- SMUD will be investing a lot in this tool in the coming year.
- In hindsight, would have started using PowerClerk sooner than later. Ie. Avoid creating a lot of different databases.

Collaboration in California – Common Database Tool?

- Can the tool be utilized via NCPA or SCPPA? Single contract possible? To be explored.
- Main thing to think about is develop a common ‘muni’ process. Minimize customization requirements = lower cost to operate & maintain.
- a unified process.
- State level?– SDREO is managing an RFP to select common database for statewide CSI (IOU) program. Clean Power Research team (with PowerClerk) has bid on this contract. (*Update 12/4/06 – in final negotiations*)

Additional comments...

- Huge opportunity for reporting capabilities. Push a button for a report vs. months delay in collecting and analyzing data.
- SB1 reporting capabilities are possible.
- CEC New Solar Homes Partnership – (TTutt) – not sure what tool they will use yet.
- Appealing to many small munis (ST – NCPA). Value added service.
- HH – very easy to review the trends – costs, etc.
- Module, inverter, labor costs broken out. = very valuable data.
- Provide current market data to the buyer. Smarter buyers = better systems installed.
- www.Powernaturally.org (New York data using PowerClerk)
 - <http://www.clean-power.com/PowerNaturally/Default.aspx>
- Further contact at SRP - Jerald ‘Chico’ Hunter – jnhunter@srpnet.com 602-236-2840 Renewable Energy Program Manager

ROSEVILLE PROJECT (Carla Johannesen)

Update on the BEST program

Final Report 2006 for BEST Homes Program development

<http://www.roseville.ca.us/news/displaynews.asp?NewsID=272>

- March of 2007 – kick off
- 10-20% goal of homes = solar (PV)
- 10 year program
- where will the funding come from? Potentially from **non**-Public Benefit programs.
- Hired a professional facilitator to walk city committee to go through 10 meetings.
Many participants
 - Builder
 - KEMA member (utility)
 - BIA representations
 - PV industry

SOLAR SCHOOLHOUSE (Tor Allen) www.solarschoolhouse.org

2 announcements

- **Solar decathlon DVD and Book** – provided copies to all participants at the meeting. (note: *we've since shown the film as an introduction to solar energy in the city of Lodi as a community event 11/13/06 very effective and a great turnout*)
- **Summer Institute for Educators 2007** – 5 day workshop in Santa Barbara County. Consider sponsoring 1 or more educators from your area to attend. Cost per educator is \$1050 (incl: lodging, food, materials). More info to follow regarding sponsorships.

Questions for next time...

- EXPEDITED PERMITTING? (JBertolino) anyone doing this?

Next steps??

End of January– next meeting. Pasadena. (SCPA) or Burbank