

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies,
Procedures and Incentives for Distributed Generation and
Distributed Energy Resources.

RULEMAKING 04-03-017
(Filed March 16, 2004)

**Reply Comments of the San Diego Regional Energy Office regarding
Commissioner Peevey and ALJ Malcolm's Draft Interim Order Adopting
Policies and Funding for the California Solar Initiative**

San Diego Regional Energy Office

January 9, 2006

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1 INTRODUCTION

The San Diego Regional Energy Office (SDREO) is pleased to submit these reply comments regarding Commissioner Peevey and ALJ Malcolm's Draft Interim Order Adopting Policies and Funding for the California Solar Initiative. In addition to our individual comments, the Self Generation Incentive Program Working Group Program Administrators (SGIP Working Group PA), including SDREO, have submitted joint comments under separate cover.

SDREO responds to comments regarding:

- Third Party Administration
- Solar Water Heating (SWH) Pilot Program
- Timeframe for SDREO's Payment of Solar Incentives
- Ownership Determination of Renewable Attributes
- Proper Acknowledgement of the San Diego Renewable Energy Study Authors

2 THIRD PARTY ADMINISTRATION

As SGIP administrator in the SDG&E service territory since 2000, SDREO has a well-established track record of successful administration. We have a coordinated and positive working relationship with the local utility to ensure that applicant needs are addressed, such as those involving the interconnection process, as well as high customer satisfaction ratings from vendors and customers. In addition to SGIP, SDREO has managed a portfolio of CPUC-funded energy efficiency programs since 2002.

2.1 Ratepayers Look to Third Parties for Energy-Saving Measures

In their comments, it would seem that SDG&E and SoCalGas are calling for IOU administration of CSI because “IOU personnel are experienced and trained to work with customers to identify energy efficiency and demand response opportunities and inform them [customers] of incentive programs. These customers look to the utility for energy solutions to reduce their utility bills.”¹ SDG&E and SoCalGas overstate the IOU role by not recognizing that SDREO, and other third parties, also provide these services. Many customers have commented to SDREO that they appreciate our services specifically because we are a not-for-profit organization. They believe that SDREO provides independent, non-biased services and can better “look out” for their interests. In fact, since SDREO performs such high quality technical assessments, both SDG&E and SCE are currently contracting with us to provide initial and comprehensive assessments in their respective IOU demand response programs. Furthermore SDG&E has elected to partner with SDREO on educational, technical assistance, and rebate programs for the 2006-2008 energy efficiency program cycle.

2.2 Third Parties Serve as Educators

SDG&E and SoCalGas state that the utilities fulfill the role of educator on energy efficiency and can easily expand that role to CSI.² SDREO would again express that utilities do not operate alone. SDREO and Flex Your Power (FYP) are two excellent examples of key education avenues for energy-saving programs and measures. The San Diego Energy Resource Center (SDERC) at SDREO is a single source point for energy information, resources and programs in the greater San Diego region. It serves as a public venue for education and demonstration of best practice energy technologies and techniques and provides answers to commercial, industrial and residential energy questions.

One of the SDERC's core activities is the educational workshops given by leading industry experts in our Learning Center. The Center offers a wide-variety of customer-focused seminars

¹ SDG&E and SoCalGas Opening Comments, pages 4-5.

² SDG&E and SoCalGas Opening Comments, page 6.

and workshops tailor-made to help participants incorporate the latest best practices in energy efficiency, renewables, cogeneration and demand response topics, etc. In 2005, we held a record number of workshops and events and to date we've had approximately 8,000 visitors to the SDERC. Based on the success of our education and outreach activities, SDG&E selected SDREO as a partner to promote energy-saving measures through our SDERC for the 2006-2008 energy efficiency program cycle.

SDREO has been the leading proponent of solar energy in Southern California since 1999 and has been providing education and marketing of solar energy through SGIP and our Million Solar Roofs Initiative grants with the US Department of Energy. On October 1, 2005, we hosted San Diego's 6th Annual Solar Homes Tour. Twenty-eight homes throughout San Diego County participated, including new construction homes from Pardee Homes. The Tour offered real life, working examples of three residential solar energy technologies: solar electric (photovoltaics), solar water heating and solar pool heating, and was part of our first Solar Energy Week, which drew close to 3,000 participants. SDREO is committed to continuing our role as a leading source for solar information and activities in the CSI.

2.3 Third Parties have Positive Relationships with the Community

On page 5 of their comments, SDG&E and SoCalGas further state as a reason for IOU Administration that they have long-standing relationships with commercial and industrial customers to provide energy solutions. Through our extensive educational and marketing efforts, programs and services, and regional planning activities, SDREO has developed widespread positive relationships in the San Diego region and statewide. Our mission is to promote a sustainable energy future, and in this role SDREO promotes all energy-saving programs available in the San Diego region—including SDG&E programs and other third parties—where appropriate. We hope that the utility also provides information on all available programs that are of benefit to their customers regardless of who implements them.

3 SDREO COULD HOST A WORKSHOP ON SWH PILOT DEVELOPMENT

CALSEIA and other respondents have requested the opportunity to provide input into the development of the Pilot Solar Water Heating (SWH) program. To address valuable stakeholder input, SDREO offers to host a public workshop on SWH Pilot Program Development within 30 days of the CPUC decision. This workshop could be held at SDREO's San Diego Energy Resource Center and include program development staff from SDREO, CPUC and CEC. Topics could include a review of existing SWH programs, current market conditions, and pilot program components such as qualifying technologies, eligibility requirements, handbook development, rebate structure, and program monitoring and evaluation.

SDREO is also open to discussions on expediting the pilot and/or expanding the pilot beyond the SDG&E service territory. In 2001-2003, SDREO ran the CEC-funded Cool Savings with Cool Roofs Program which covered the Southern half of the state. SDREO is currently providing technical assistance within both the SCE and SDG&E service territories on their respective IOU Demand Response programs.

4 SDREO PAYMENT ON SGIP INCENTIVES IS WELL WITHIN 30 DAYS

On page 4 of their comments, CALSEIA stated that, "Payment of invoices for system installations with correct paperwork is now reaching 90 days, with some variation between Program administrators. Given the monetary resources allocated for Program administration, a Program payables benchmark of 30 days should be established." Upon final approval of all incentive claim form documentation and completed field verification visit, SDREO turnaround time for all SGIP solar incentive payments to date averages 22 days. Since the implementation of 2005 SGIP changes, including adopting a straight \$/W incentive calculation and eliminating duplicative SDG&E administration efforts, SDREO's average has decreased to 12 days.

5 RENEWABLE ENERGY ATTRIBUTES SHOULD BE ADDRESSED AT A LATER DATE

SDREO urges the Commission to reject PG&E's recommendation that the Commission make the determination to take ownership rights away from solar program participants and give

them to the IOUs. Until the topic of environmental attributes is addressed at greater length as part of the CSI proceeding, providing opportunity for public notice and input, we believe it premature for the Commission to make a determination on their ownership in relation to the solar rebate programs. This is an important topic, but one the Commission should address separate from this decision.

6 SDREO WOULD LIKE TO CORRECTLY ACKNOWLEDGE ALL THE AUTHORS OF THE SAN DIEGO RENEWABLE ENERGY STUDY

On page 5 of the SDG&E and SoCalGas comments, SDREO inaccurately received all the credit for writing the August 2005 report: "Potential for Renewable Energy in the San Diego Region."³ The report authors were part of the San Diego Regional Renewable Energy Study Group and SDREO would like to correctly cite and acknowledge their extensive contributions to this regional effort. The San Diego Regional Renewable Energy Study Group comprised **SDG&E, SDSU Center for Energy Studies, Resley Consulting, Rohy Consulting Associates, Universidad Autonoma de Baja California, Tanaka Research and Consulting, and SDREO.**

7 CONCLUSION

SDREO reiterates that it looks forward to actively participating in the workshops and further development of the California Solar Initiative. We are also pleased to work with the CPUC and CEC staff to develop the Solar Water Heating Pilot Program and strongly support the development of a long-term and predictable state solar program under the California Solar Initiative.



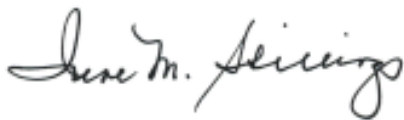
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³ Available online at: <http://www.renewablesg.org/>

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of these Reply Comments regarding Commissioner Peevey and ALJ Malcolm's Draft Interim Order Adopting Policies and Funding for the California Solar Initiative on all known parties of record in this proceeding by delivering a copy via email to the current service list.

Executed on January 9, 2006.

A handwritten signature in black ink that reads "Irene M. Stillings". The signature is written in a cursive style with a large initial 'I' and a long, sweeping tail on the 'g'.

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