

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Petition to adopt, amend, or repeal a regulation pursuant to Pub. Util. Code Sec. 1708.5 by Lite Solar Inc., a Calif. Corporation to amend California Public Utility Code Section 780.5 to permit master-meter installation on multi-unit residential apartment buildings or similar multi-unit residential structure, condominium, and mobile home parks when an owner is installing solar solely for the use of the tenants and common area

P1007016

ATTORNEY GENERAL'S RESPONSE TO PETITION TO AMEND CALIFORNIA PUBLIC UTILITY CODE SECTION 780.5 TO PERMIT MASTER-METER INSTALLATION ON MULTI-UNIT RESIDENTIAL APARTMENT BUILDINGS

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August 13, 2010

Pursuant to Commission Rule 47(f) and Rule 2.6(c), the Attorney General submits this brief response to the “Petition to adopt, amend or repeal a regulation pursuant to Pub. Util. Code Sec. 1708.5 by Lite Solar, Inc. . . .” (P1007016), filed July 14, 2010.

Lite Solar requests that the PUC take certain actions to remove existing barriers or disincentives in order for owners of multi-unit buildings to participate in the California Solar Initiative (CSI) program. The Attorney General agrees that PUC action is needed. More than 30 percent of all housing units in California are within multi-unit structures, and there are many thousands of multi-tenant commercial buildings in the state as well. California’s ratepayers fund the CSI program through their electricity bills, and the CSI subsidizes installation of photovoltaic solar systems that serve ratepayer energy needs. Currently, multi-unit buildings face structural barriers to solar installations, in the form of Commission rules, tariffs or other regulatory constraints. These constraints prevent otherwise willing multi-unit building owners from installing solar systems that could serve their buildings’ energy needs, thereby constraining the growth of solar energy throughout California. Removing these constraints will assist the state in meeting its long-term goals for renewable energy generation, and render the CSI more fully available for the benefit of all ratepayers.

In the Commission’s October 2008 decision approving the virtual net metering (VNM) program for qualified affordable housing (R.08-03-008, *Decision Establishing Multifamily Affordable Solar Housing Program Within the California Solar Initiative*, D.08-10-036, hereinafter “MASH Decision”), the Commission directed the ALJ assigned to the CSI Rulemaking to “issue a ruling to explore expansion of the VNM tariff to all multitenant properties that install solar energy systems.” To date, no such order has been issued. The potential existence of disincentives or outright barriers to installation of solar energy systems on multi-unit buildings merits the Commission’s immediate attention.

Although the Lite Solar petition requests specific relief in the form of statutory amendments that the Commission itself cannot grant without legislative enactment, such amendments may not be necessary to achieve the desired result. We suggest that the Commission may respond to the petition by issuing a proposed rule to address this issue within the CSI rulemaking, as directed in the MASH decision. Indeed, the MASH decision found that no state law would prohibit a “virtual” net metering program designed to mimic the function of a master meter in multifamily affordable housing whose units are individually metered. As the

MASH decision notes, this concept solves the problem of allocating benefits from a single solar energy system to multiple individually metered tenants, within existing law. While other options might be appropriate outside of the affordable housing context, existing law may accommodate those as well.

In response to the present petition, the Attorney General again urges the Commission to prioritize the opening of a public process to explore all viable options for removing existing roadblocks to the installation of solar energy generating systems on multi-unit buildings.¹

Dated: August 13, 2010

Respectfully submitted,

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¹ The Attorney General's letter to Commissioner Peevey requesting the Commission's prompt attention to this issue, dated December 24, 2009, is attached to this response as Attachment A.

PROOF OF SERVICE ELECTRONIC & U.S. MAIL

On August 13, 2010, I served the attached **ATTORNEY GENERAL'S RESPONSE TO PETITION TO AMEND CALIFORNIA PUBLIC UTILITY CODE SECTION 780.5 TO PERMIT MASTER-METER INSTALLATION ON MULTI-UNIT RESIDENTIAL APARTMENT BUILDINGS** by transmitting a true copy via electronic mail. In addition, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the internal mail collection system at the Office of the Attorney General at 1515 Clay Street, 20th Floor, Oakland, CA 94612-0550, addressed as follows:

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I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on August 13, 2010 at Oakland, California.

Tanisha N. Marshall

Declarant

/s/ Tanisha N. Marshall

Signature