

D.11-10-015

R.10-05-004

Concurrence of Commissioner Timothy Alan Simon on Item 34 [D.11-10-015] Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues (Rulemaking 10-05-004)

I concur with this Decision (D.) 11-10-015 implementing the low-income solar water heating incentives program—as part of the California Solar Initiative Thermal Program, which provides installation of solar thermal water heating (SWH) systems on qualifying low-income single-family and multi-family residences. My concurrence is based on my support of consumer choice, specifically in advancing clean energy technology for low income ratepayers. In my support, I have expressed certain concerns about SWH’s reliability due to its inherent intermittency problems and a clear dependence on back-up electric or gas-fired water heaters. Hence, it cannot be classified as displacing natural gas, but supplementing.

As the Assigned Commissioner for the Low Income Oversight Board (LIOB), California Alternate Rates for Energy (CARE), and the Energy Savings Assistance Program (ESAP) proceedings,¹ I fully support market mechanisms that provide low-income ratepayers the opportunities to have cost-effective distributed generation clean energy technology options.

Unfortunately as a solar technology, the SWH system is an intermittent resource. Therefore, my concern is that solar water heaters may not reduce customer bills because customers will need to maintain either gas or electric water heaters as backup sources in addition to paying for the equipment and installation cost of SWH. This is an important area to explore in as much as the program is intended to reduce energy cost and greenhouse gas emissions.

Furthermore, technologies like SWH should be under a full fuel cycle (FFC) analysis for assessment of their energy consumption and emission impacts. Ratepayers deserve full information to understand the energy use and environmental impacts associated with the SWH systems. Current efficiency standards and labels are not fuel-neutral because they provide incomplete information on energy consumption and emissions. FFC analysis would enable a more comprehensive analysis of the total energy and environmental impacts of SHW energy efficiency standards.

I expect and will monitor the utilities to use full disclosure of the intermittency, reliability and back-up supply problems of the SWH and its potential impact on monthly bills.

Dated October 12, 2011, at Los Angeles, California

/s/ TIMOTHY ALAN SIMON
Timothy Alan Simon
Commissioner

¹ CPUC Consolidated Proceeding, A.11-05-017, A.11-05-018, A.11-05-019 and A.11-05-020.