



DRA

Division of Ratepayer Advocates
California Public Utilities Commission

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June 27, 2012

Honorable Joan Buchanan

California State Assembly
State Capitol, Room 2148
Sacramento, CA 95814

RE: AB 2249 (Buchanan) – Oppose unless amended

Dear Assembly Buchanan:

DRA (Division of Ratepayer Advocates) is the independent consumer advocate at the California Public Utilities Commission (CPUC). DRA's statutory mandate is to obtain the lowest possible rate for utility service consistent with reliable and safe service levels. DRA also advocates for customer and environmental protections in connection with utility service.

DRA respectfully opposes unless amended your AB 2249, as amended on May 25, 2012, which would expand the eligibility of California Solar Initiative's (CSI) Thermal Program to include multifamily residential, governmental, educational, and nonprofit solar pool heating systems, but not include single-family residential solar pool heating systems. While DRA recognizes and appreciates the goal to allow more customers to participate in the CSI Thermal Program, DRA is concerned that AB 2249 would remove the cost-effectiveness provision from P.U. Code Sec. 2862(l).

The CSI Thermal Program provides a financial incentive for installation of solar water heating technologies. These incentives currently are funded by all ratepayers (except those participating in the low income program, CARE) to subsidize early adopters of such technologies. Current law appropriately recognizes that such incentives should be a cost-effective investment to non-participating customers who pay for this subsidy through their rates. DRA respectfully requests that AB 2249 be amended to ensure and maintain program cost-effectiveness under Sec. 2862(l) and (m), as follows:

Sec. 2862 (l) It is the intent of the Legislature that *the solar water heating system incentives created by the act should be a cost-effective investment by gas customers.* Gas customers will recoup the cost of their investment through lower prices as a result of avoiding purchases of natural gas. ~~Program participants will benefit from reduced solar systems prices resulting from increasing market volume economies and from additional system stability and pollution reduction benefits.~~

(m) It is the intent of the Legislature that this act will encourage the *cost-effective* deployment of solar heating systems in both residential and commercial markets and in each end-use application sector in a balanced manner. It is the intent of the Legislature that the commission monitor and adjust incentives created by the act so that they are

cost effectiveness investments sufficient to significantly increase markets *and promote market transformation*. It is the intent of the Legislature that the commission ensure that increased, uniform growth in each market sector is achieved through program incentives or structure adjustments that prevent overutilization of program resources by any single sector.

If you have any questions or would like to discuss this matter further, please call DRA's Legislative Advisor, Rebecca Lee, at (916) 327-1407 or me at (415) 703-2381.

Respectfully,

Joseph P. Como,
Acting Director
Division of Ratepayer Advocates

By Rebecca Lee
Legislative Advisor