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Friday, February 17, 2012 6:19 PM ET **Exclusive**

# Calif. regulators quietly cut SoCalEd's 500-MW rooftop solar program in half

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By Jeff Stanfield

Without discussion, California regulators on Feb. 16 accepted [Southern California Edison Co.](#)'s request to cut its solar photovoltaic program from 500 MW to 250 MW and move 10% of the proposed rooftop-mounted units remaining in the program to sites on the ground.

The [decision](#) basically reduces the utility-owned portion of the rooftop solar program to 125 MW, cuts the independent power producer portion to 125 MW and sets aside the combined 250 MW for separate competitive solicitation for solar photovoltaic installations.

Critics said the decision is the antithesis of the program's original intent to encourage development of distributed rooftop solar generation through a program the PUC and SoCalEd set up with much fanfare less than three years ago. Instead, the change will promote only utility-scale solar projects already addressed in other programs, the critics said.

The action was taken Feb. 16, along with approval of 42 other consent items in a single vote, after the item was removed from the regular agenda in which items are publicly reviewed and discussed among the commissioners.

Commissioner Michel Florio abstained from the recorded vote on this item, but the other four commissioners approved the [proposed](#) Jan. 11 decision of Administrative Law Judge Maryam Ebke without amendment.

On June 22, 2009, the PUC ordered [Edison International](#) subsidiary SoCalEd to implement a 500-MW solar PV program, of which 250 MW was to be for utility-owned generation and 250 MW was to be owned, installed and maintained by independent power producers. The program envisioned mostly installations on large commercial rooftops, especially in extensive warehouse districts around the suburban Los Angeles metropolitan area.

Instead of its rooftop solar program, the PUC decided to allow SoCalEd to shift 250 MW of the program to a renewable auction mechanism, or RAM, which is an experimental program aimed at reducing transaction costs for smaller renewable generation projects with renewables standard contracts. The RAM also increases the maximum size of eligible projects from the range of 1 MW to 2 MW targeted under the solar PV program to up to 20 MW, according to Jan. 31 comments on the proposed decision by the Independent Energy Producers Association.

That will allow a wider array of renewable technologies to compete for power purchase agreements as it increases the maximum size of eligible projects and opens up the program to more efficient and cost-effective projects, the association said.

The judge said solar PV costs have fallen, as shown by SoCalEd's recent renewable standard contract acquisitions. Also, the economic downturn has slowed development for commercial and industrial construction, and that in turn has reduced opportunities for installing solar panels on rooftops, Ebke said.

However, the Clean Coalition, which advocates for policies and programs that enable wholesale distributed generation connected to the distribution grid for local use, said the program changes will hurt that initiative because it is doubtful rooftop solar projects will be able to compete in the renewables auction and the move will reduce the IPP rooftop segment by 56%. "We believe a 56% reduction would be a substantial and unwarranted disruption to business planning in this renewable energy sector and would constitute bad policy," the coalition said.

The coalition also accused SoCalEd of overstating claims that \$300 million will be saved in the move. The utility did not take into account transmission and upgrade costs that ratepayers will bear to support the larger, ground-mounted solar projects that will win out for the renewables standard contracts, the coalition argued.

That is counter to the commission's intent of the rooftop program, in which the PUC said the primary purpose was to help meet the state's "Million Solar Rooftops" goal and to encourage development of more distributed renewable resources in the range of 1 MW to 2 MW, the coalition noted.

Similar [comments](#) had come earlier from the Solar Alliance, a group of solar manufacturers and project integrators and financiers.

Also, the move set off a fight among labor groups. The Southern California District Council of Laborers charged that Ekbe's decision contains anticompetitive and illegal provisions to be imposed on contractors at the urging of the International Brotherhood of Electrical Workers and the Coalition of Utility Employees, an IBEW affiliate. Those provisions include requirements to pay prevailing wages for electricians and use electrician-certified employees for all tasks, both electrical and nonelectrical, and assign all work on projects to the IBEW and its members.

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"In other words, the practical (and intended) effect of this ... is to exclude contractors signatory with the Laborers and any other building trades unions from bidding on any of the solar PV program projects to which it applies, and exclude workers represented by the Laborers and other building trades unions from working on any of these projects," the council said in its Jan. 31 comments on the proposed decision that the PUC adopted.

The Coalition of Utility Employees responded that the laborers were attacking the wrong proceeding and misapplied and misinterpreted labor laws. "Edison's decision to ensure that contractors are appropriately licensed as C-10 electrical contractors and workers certified as electricians is entirely reasonable to ensure quality installations and work-site safety," the CUE said. "Edison is not required by the CCSLB [California Contractors State License Board] to use lesser skilled workers, or to accept work by lesser skilled workers."

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