



VIA ELECTRONIC FILING

July 21, 2015

The Honorable Chair and Members of the
Hawaii Public Utilities Commission
Attn: Dr. James P. Griffin
465 South King Street, #103
Honolulu, Hawaii 96813

RE: Docket No. 2014-0192: Public Comments of SolarCity and Sunrun on the Financing Challenges of a Grid-Supply Tariff in Which Pricing Can Change After Five Years

Honorable Commissioners and Dr. Griffin:

SolarCity Corporation and Sunrun submit these public comments to discuss challenges in financing a grid-supply tariff in which the compensation rate for energy exports can change after five years. As the leading solar companies in the country, we have substantial experience financing the up-front purchase of an onsite solar system. Such financing depends on an investment horizon that extends for the lifetime of the system. Sufficient certainty regarding the fundamental components of the framework in which the investment will mature is critical.

The most fundamental component of such an investment is the compensation rate for exported energy. It should be readily apparent that banks or financial institutions would face fundamental challenges in financing a 25-year investment in an onsite system today if the pricing terms under which they would be recouping that investment are subject to change after five years, especially when the terms of that pricing change are completely unknown. Indeed, banks and financial institutions will likely make the most conservative assumption, *i.e.*, that compensation for exported energy will be eliminated altogether after five years. Thus, we submit that a decision adopting a tariff with a known investment horizon of only five years will harm the ability of all Hawaii residents to finance and install onsite systems.

We strongly urge the Commission to reject any such proposal. However, should the Commission implement such a tariff, we respectfully request that either (1) the pricing be locked in for the entire 25-year life of the system or, at the very least, (2) a clear and appropriate methodology for calculating the price change after five years be included in any Commission ruling or order establishing such a program.

Thank you for your time.

Sincerely,

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