

Emerging Renewables Program Update

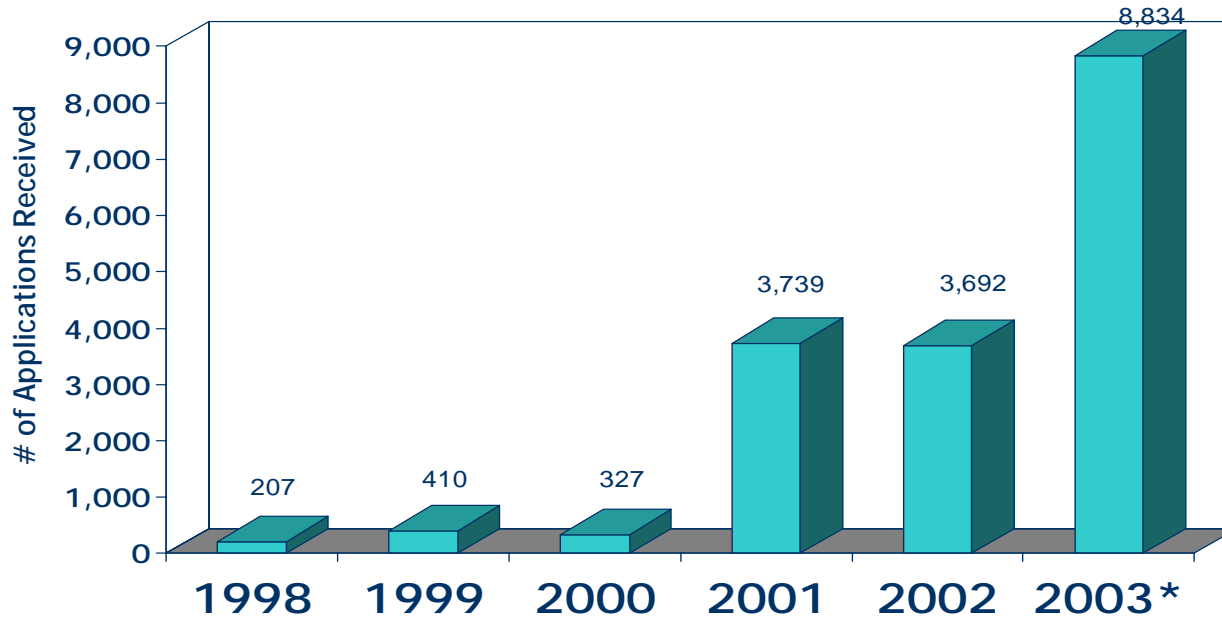
Renewable Energy Program
California Energy Commission

May 5, 2004

Overview

- Program accomplishments
- Application review rates and issues
- Summary of proposed guidebook changes

Applications Received by Emerging Renewables Program



* Represents March through December 2003

Updated 4/30/2004

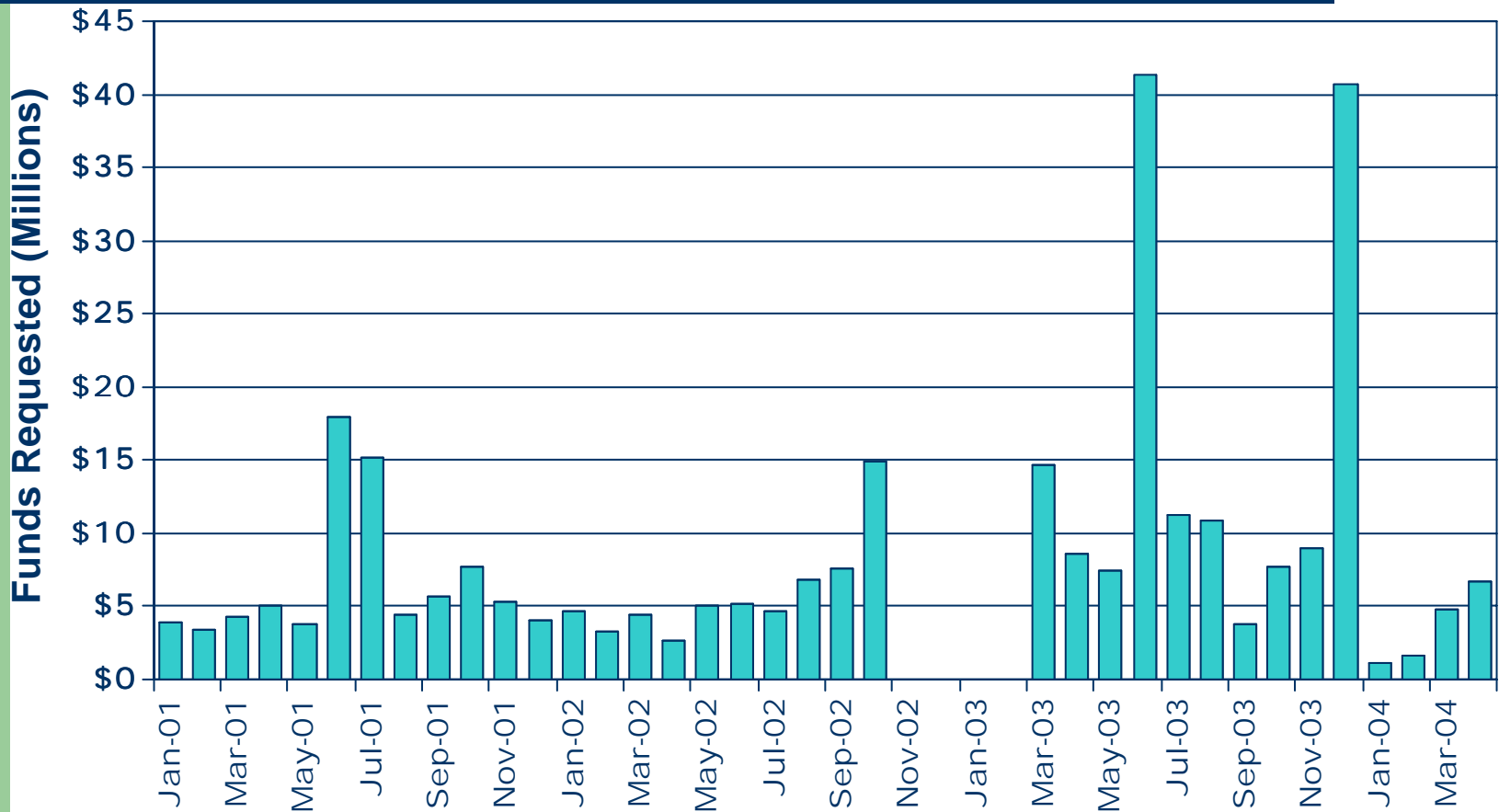
Systems Installed through the Emerging Renewables Program

<i>Year</i>	<i>Number</i>	<i>kW</i>	<i>Paid (millions)</i>
1998	41	181	\$0.5
1999	197	1,060	\$2.9
2000	235	802	\$2.2
2001	1,292	4,294	\$16.9
2002	2,331	8,499	\$36.4
2003	3,022	12,914	\$52.1
2004*	1,758	7,326	\$28.1
Grand Total	8,889	35,147	\$139.4

* Updated April 30, 2004

ERP Funding Requested

by Month (Updated April 30, 2004)

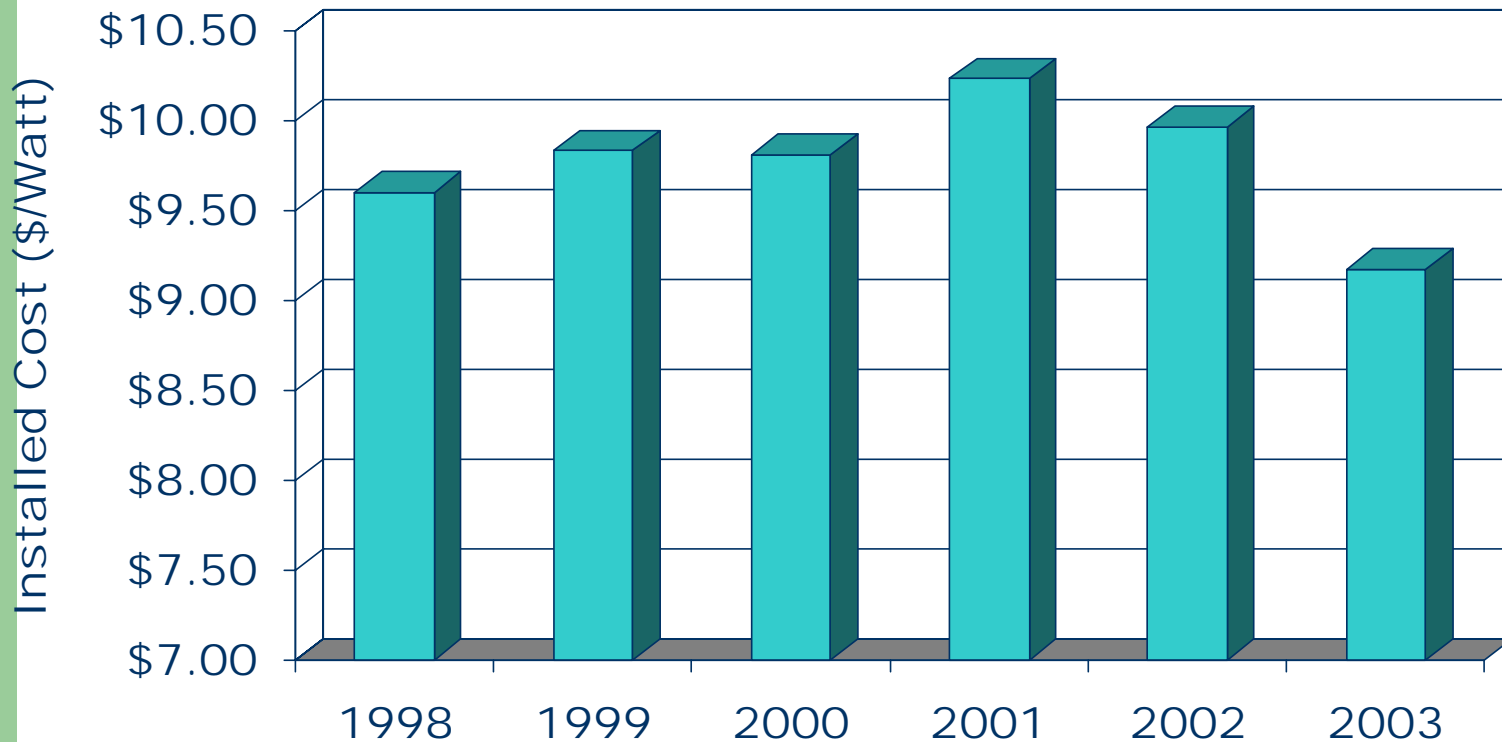


Funding Allocation from 2003

Original Allocation (collected March 2003 through 2006)	\$118,125,000
Reallocated from Customer Credit Program	\$30,000,000
Allocated from interest on Renewables Trust Fund	\$10,000,000
Total	158,125,000

As of April 27, 2004 about 42 million remains available.

Price Trends for Installed PV Systems Smaller than 10 kW



Notes: Excludes projects greater than \$20.00/Watt and less than \$5.00/Watt, and is based on the date the application was received.

Application Processing



Online Applications Available

- Online application form
 - Pull down menus for eligible equipment, registered sellers
 - Automated calculations
 - Print and send with other attachments
- Application status check
 - Provides basic information about application
 - Updated Mondays
- Searchable seller list
 - By name, area code, proximity to zipcode

Available at www.consumerenergycenter.org/erprebate

Application Review Process Issues

- Number of applications that are incomplete or have conflicting information
 - New applications (50% error rate)
 - Payment requests (50% error rate)
- Causes unnecessary delays
 - Increases complaints from applicants
 - Creates additional work

Most Common Issues with New Applications

- Equipment purchase agreement
 - Equipment not same as reservation form (18%)
 - Inadequate purchase agreement provided (12%)
- Benefit of rebate to customer unclear (13%)
- Labor contracts
 - Not signed by both parties (10%)
 - Site address not in contract (6%)
 - Does not meet CSLB requirements (6%)

Note: Statistics for 180 applications with corrections at end of April

Common Issues with Payment Claims (~50% incomplete)

Most common requests for more information*

- Final signoff of building permit (18%)
- Final invoices (11%)
- Payment claim form (11%)
- Warranty form (9%)
- Other notes or clarified requests needed (70%)

*Based on statistics for 215 applications with correction requests in April

Project Completion Rates Improved

- About 80 percent of 2003 reservation applications result in completed projects (March 2003 to Mid June)
- Historically about 70 percent of reservation applications resulted in completed projects

Proposed Guidebook Changes

- Reduce reservation period to 6 months
- Allow 18 month reservations for ALL new construction (with proof of building permit)
- Addition of customer permission for the Energy Commission to share information with the utility
- Extension requests process changes
- Add Bear Valley Electric customers as eligible
- Eliminate requirement for itemized costs
- Changes to affordable housing criteria
- Site defined as legal parcel rather than utility meter

Solar Schools Program Element

- On a separate track, because matching funds from the California Power Authority are scheduled to expire on June 30, 2004
- Will be considered for adoption by the Energy Commission on May 19, 2004, rather than on June 16, 2004
- Matching funds must be encumbered by June 30, 2004 or are at risk of being lost

Process Changes

- Accept only mailed in reservation requests
 - Reduce fax-related errors (faxing still acceptable for clarifications)
 - No significant time penalty compared to faxing in materials
- Apply 60 day limit to respond to payment information requests
 - Clears out old, unpaid claims
 - Applicants would need to reapply to the program
- Immediate disapproval of inadequate reservation applications
 - Applicant must resubmit entire application
 - Reduces piece-meal submittals
 - Eliminates queue advantage of partial applications

Additional Questions

- Should the Energy Commission administer a performance-based incentive program for systems 30 kW and larger?
 - If no, should the funds originally set aside for such a program be used for rebates on systems less than 30 kW?
- Should the Energy Commission consider adding advanced anaerobic digester systems using any conversion technology (micro-turbine, internal combustion engine, fuel cell) as an eligible technology to receive rebates?
 - If yes, how should the incentive be determined?

Schedule for Adoption

- Final proposed changes to be considered for adoption by the Energy Commission June 16, 2004.
- Solar Schools element to be considered on May 19, 2004