

February 2008

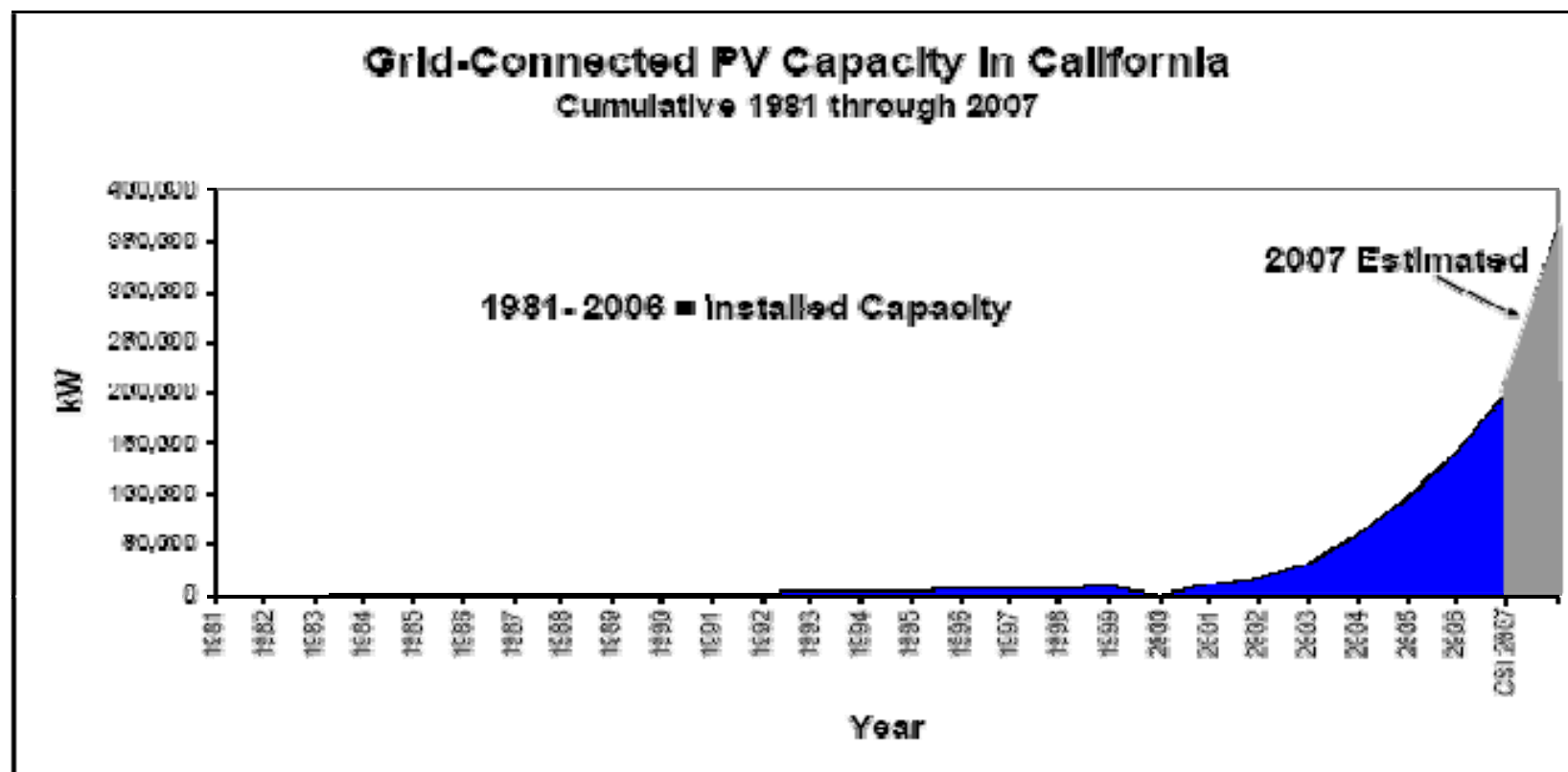
California Solar Initiative
Program Forum Overview &
Program Demand Statistics



Go **Solar California!**

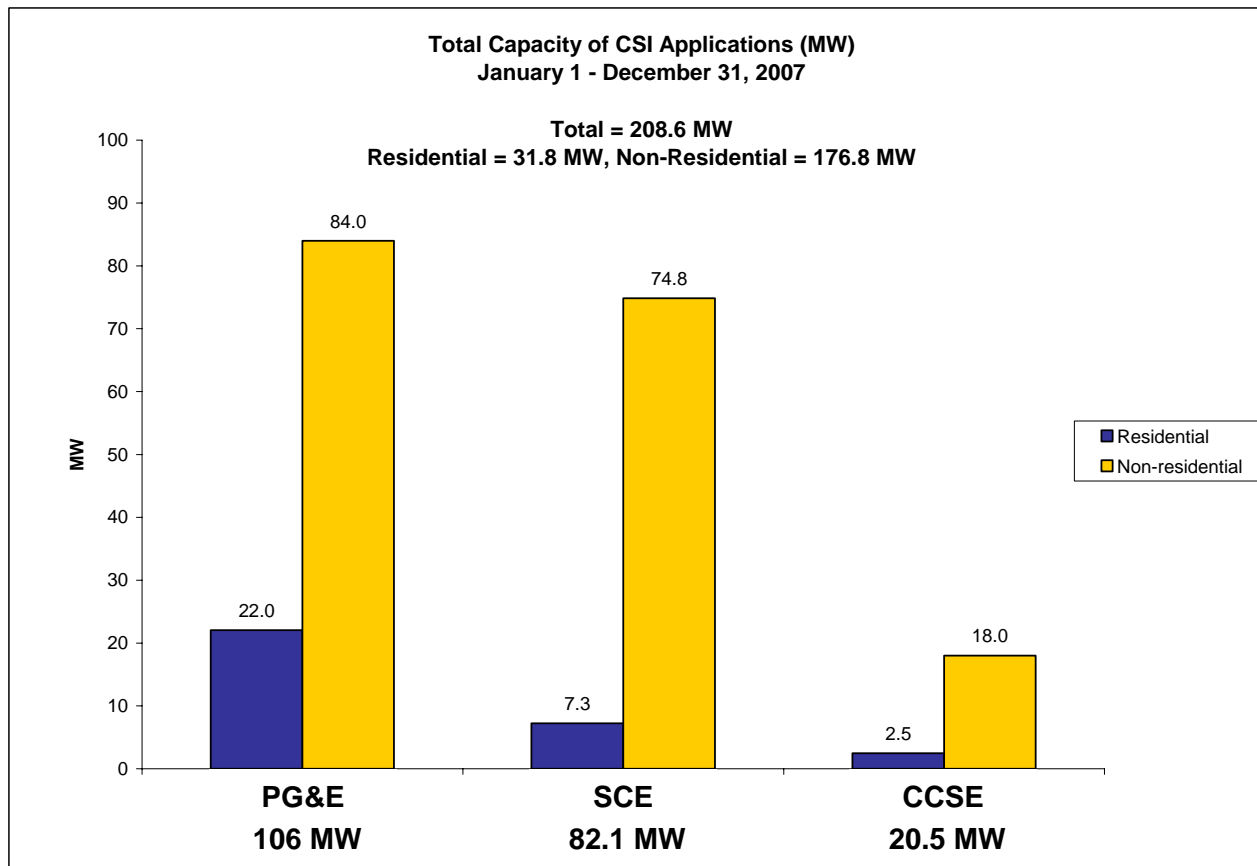


CALIFORNIA SOLAR INITIATIVE



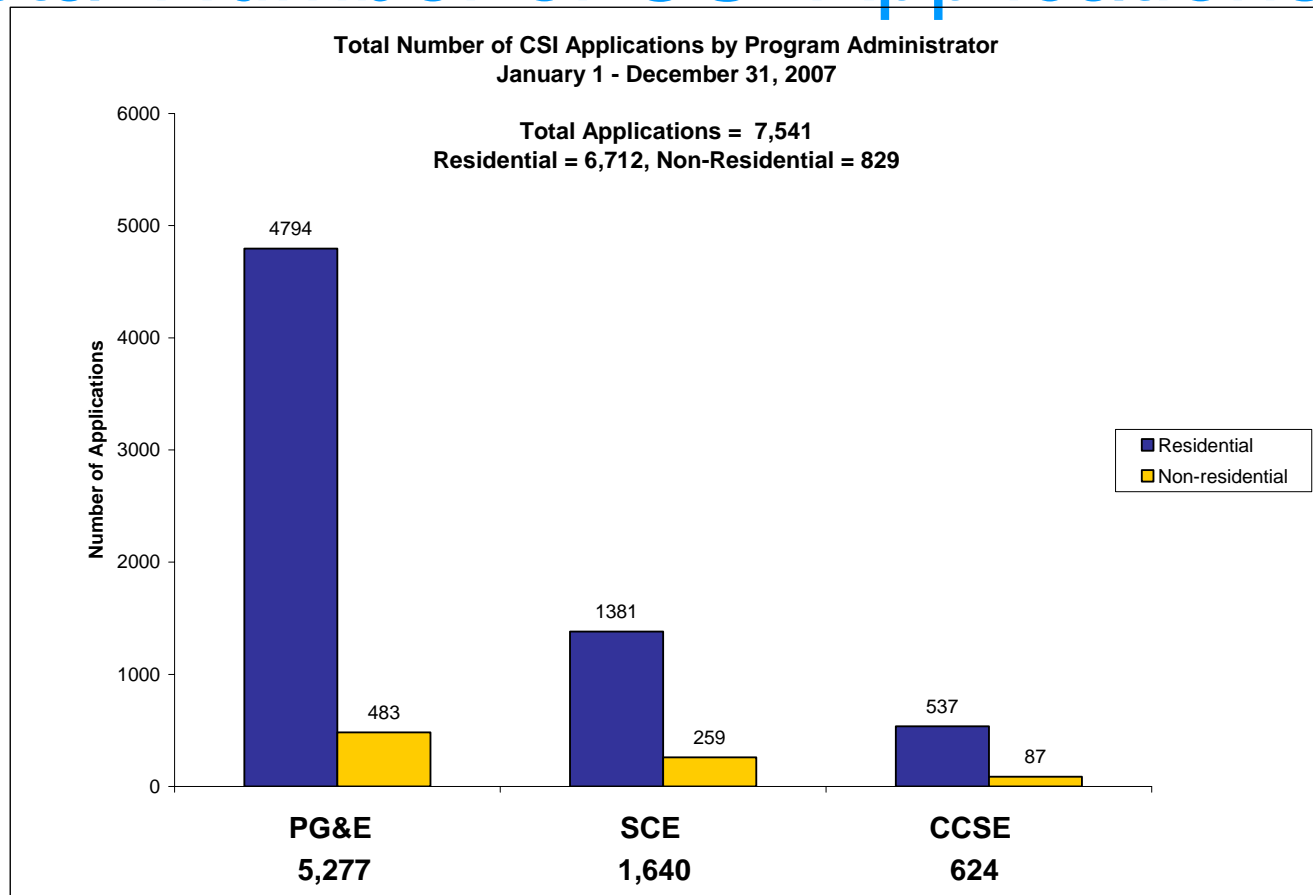


Total Capacity of CSI Applications





Total Number of CSI Applications

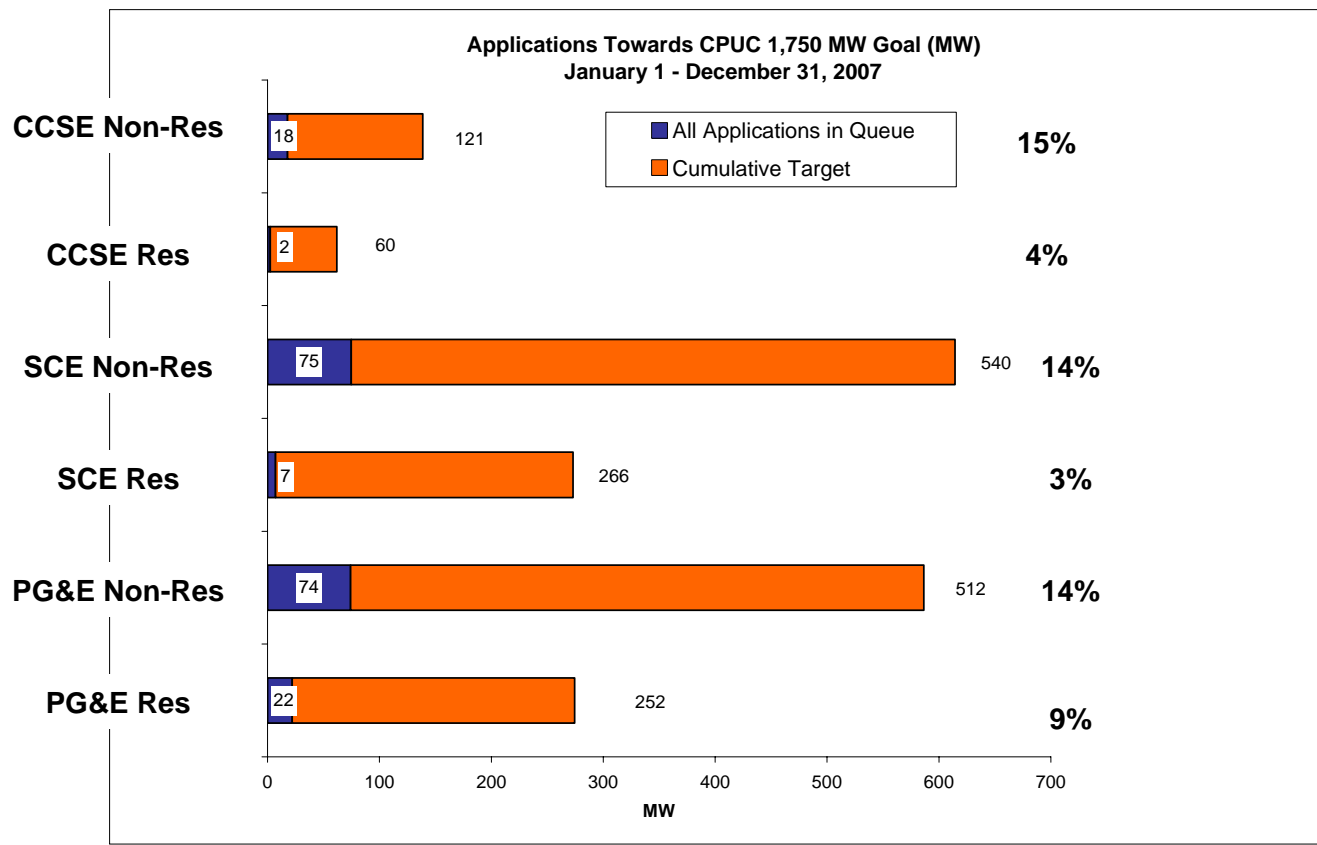


CSI Application Status, MW and Payments

Handbook Step	Number of Applications					Total		Total Incentive
	Application Status	CCSE	PG&E	SCE	Totals	MW	\$	
Application Processing Step 1	Reservation Request Review	8	486	165	659	29.1 MW	\$ 58,252,090	
	Reservation Reserved	26	84	31	141	32.5 MW	\$ 83,146,060	
	Confirmed Reservation	253	2118	577	2948	74.4 MW	\$ 213,661,367	
	Total Applications in Step 1	287	2688	773	3748	136.1 MW	\$ 355,059,518	
Application Processing Step 2 (Only applies to non-residential)	Milestone Review	0	73	12	85	26.2 MW	\$ 71,987,114	
	Pending RFP	2	0	0	2	1.1 MW	\$ 3,270,675	
	Incentive Claim Request Review	11	623	171	805	6.5 MW	\$ 25,212,188	
	Total Applications in Step 2	13	696	183	892	33.9 MW	\$ 100,469,976	
Application Processing Step 3 (Step 2 for Residential and Small Commercial)	Incentive Claim Submitted	15	147	18	180	3.5 MW	\$ 9,654,692	
	Pending Payment	19	205	94	318	2.6 MW	\$ 7,286,241	
	Completed	272	1537	412	2221	11.9 MW	\$ 28,758,012	
	Total Applications in Step 3	306	1889	524	2719	17.9 MW	\$ 45,698,946	
Suspended		18	0	160	178	19.3 MW	\$ 54,366,625	
	<i>Drop Outs</i>	16	104	61	181	23.7 MW	\$ 63,953,230	
Total		640	5381	1701	7722	232.3 MW	\$ 622,159,230	
	Total w/o Drop Outs	624	5277	1640	7541	208.6 MW	\$ 558,380,388	



Progress Towards 1,750 MW Goal





Incentives Available

		EPBB	PBI
CCSE	Residential	\$2.20	\$0.34
	Commercial	\$1.90	\$0.26
	Gov't/Non-profit	\$2.65	\$0.37
PG&E	Residential	\$2.20	\$0.34
	Commercial *	\$1.55	\$0.22
	Govt/Non-Profit *	\$2.30	\$0.32
SCE	Residential	\$2.50	\$0.39
	Commercial *	\$1.55	\$0.22
	Govt/Non-Profit *	\$2.30	\$0.32

* These represent the incentives that will be available when SCE and PG&E officially move to Step 5 as they have more than enough MW to do so.





PG&E Program Drop Outs

Step	MW Originally Allocated	Incentive \$ Reserved	Total MW Dropout to date**	Incentive \$ Left Unreserved from Dropouts	MW added to Step 1	MW added to Step 2	MW added to Step 3	MW added to Step 4
Residential								
1	-	-	2.590	\$776,927		2.590		
2	10.1	\$25,250,000	0.047	\$13,992			0.047	
3	14.4	\$31,680,000						
Non-Residential (Commercial and Government)								
1	27.8	\$77,840,000	13.565	\$4,356,026		12.882	0.410	0.273
2	20.5	\$51,250,000	11.171	\$5,463,971			4.129	7.042
3	29.3	\$64,460,000	3.795	\$1,138,569				3.795
4	38.1	\$72,390,000						
5	46.8	\$72,540,000						
Total Unreserved				\$11,749,485				



Suggested next steps – non regulatory

- Work with industry to identify dropouts sooner
 - Establish a check-in milestone after proof of project milestone (PPM) and incentive claim form (ICF)
 - Not burdensome paper trail but “check-in”
 - Devise additional teeth to discourage late drops in project lifecycle?
- Timing
 - PG&E is already informally doing “check ins”
 - PA’s will seek a proposal to collaborate with industry in February and seek fast implementation
- Other suggestions?

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California Solar Initiative CSI Program Updates



Go Solar California!



2008 Program Updates Simplify, Simplify, Simplify

- Removed duplicate Cost Breakdown Worksheet – only 1 is required for all projects
- Shortened need for Entire Electric Bill to just the page containing account #, meter #, customer info
- **Moved majority of contract language to Handbook (paperwork reduction)**
- Proof of Warranty – require only language in your contract, not copies of manufacturers' warranties.
- **Removed proof of Building Permit Requirement**
- **Removed proof of Interconnection (PA will verify with utility now)**
- Simplified Load Justification for major remodels
- **Removed System Sizing Formula in favor of comparing load with expected annual kWh production shown on EPBB**



CSI 2008-2009

- Continue efforts to improve program, reduce barriers and assist in creating a sustainable business
- Transition CEC SB1 Guidelines
 - Incentive Calculator
 - Energy Efficiency requirements
 - System performance – shading methodology, output validation based on temperature and sunlight



New and Future CSI – Non PV Technologies

- Approves CSI Handbook Changes
 - Definition of non-PV
 - Eligibility requirements
 - System capacity rating
 - Metering (not complete)
 - Estimation of EPBB incentives
 - Quantification of production/electric displacement for PBI
- PAs & Energy Division to establish implementation timeline



New and Future CSI – Low Income

•Single-Family Low Income Program (\$108 million budget):

Implementation outlined in November 2007 CPUC Decision

Incentive Levels – Single Family Program

Federal Income Tax Liability	Qualifying Low-Income CARE-Eligible Homeowners	Qualifying Low-Income Homeowners not eligible for CARE
\$0	\$7.00	\$5.75
\$1 to \$1000	\$6.50	\$5.25
\$1001 to \$2000	\$6.00	\$4.75

- Homeowners must have financed their home using local, state or federal housing assistance programs **and** have a household income less than 50% of the area median income to receive full subsidy
- Will begin with the selection of a Program Manager in 2008

•Multi-Family Low Income Program (\$108 million budget):

- CSI Program Administrators submitted *multi-family* program proposal in July 2007
- Proposal discussed in workshop August 2007
- CPUC decision expected in early 2008

New and Future – RD&D

CSI RD&D Program:

- \$50,000,000 budget
- CSI RD&D is a portfolio based grant-making program that focuses on overcoming technological barriers to the widespread adoption of solar distributed generation

RD&D Program progress to-date and timeline:

- **January 2, 2008:** Draft RFP for RD&D Program Manager was released for public comment (comment period ended Jan 22, 2008)
- **February 2008:** Target for release of Program Manager RFP
- Next steps:
 - Select RD&D Program Manager (**Q2 of 2008**)
 - Finalize RD&D grant-making strategy (**Q2/Q3 of 2008**)
 - Stakeholder meeting (**Q3 of 2008**)
 - First RD&D grant RFP released (**Q4 of 2008**)

note that all above dates are targets not set deadlines



New and Future – Feed-In Tariff

- Feed-In tariff Program for Public Water/Wastewater facilities authorized by AB 1969 (2006)
 - CPUC voluntary expansion required SCE and PG&E to offer the program to other types of facilities
- Program allows eligible DG systems to use a standard tariff/contract for sale of renewable energy to CA IOUs
 - Reduces transaction costs to make small renewable DG more viable
 - Contract periods of 10, 15 and 20 years
 - Tariff is based on the current Market Price Referent adjusted for time of delivery
 - Full-Buy and Excess-sales options may be available

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California Solar Initiative
Other Items



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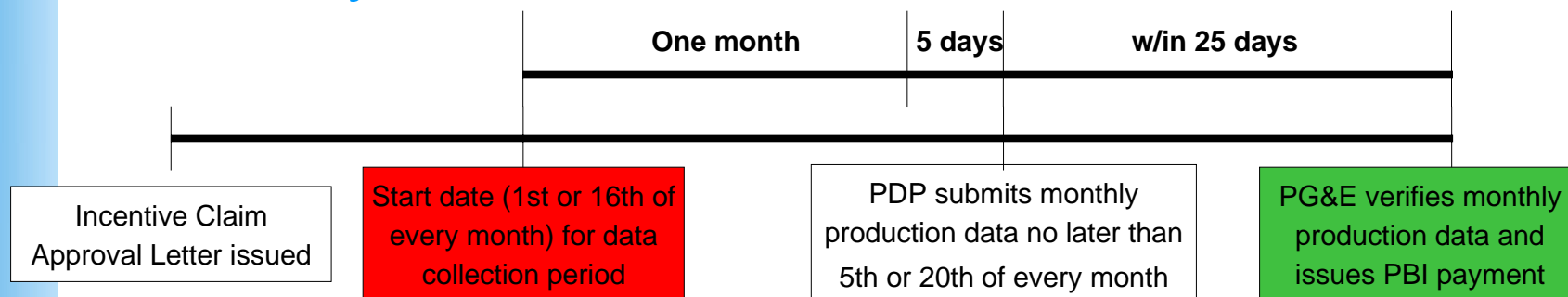




Residential Tariff E7 to E6

- Re-opened for 5,000
- Once 12/31/2007, any open slots available will be part of a queue
 - Queue is based on earliest date of CSI or interconnection application
 - Example – August is before December
- Plan was reviewed with and signed off on by Solar Industry

PBI Payment Process



1. Incentive Claim and Field Inspection approved by PG&E
2. PG&E issues Incentive Claim Approval Letter specifying the start date (1st or 16th of every month) of the data collection period
3. One month data collection period from the 1st or 16th of every month
4. Performance Data Provider (PDP) submits monthly production data to PG&E no later than the 5th or 20th of every month
5. PG&E reviews and verifies monthly production data and issues PBI payment within 30 days
6. Repeat steps 3-5 for an additional 59 months