

California Solar Initiative Thermal Program
Quarterly Progress Report
(July 1 – September 30, 2012)

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Center for
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CALIFORNIA



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1. Executive Summary

1.1. Introduction

Southern California Gas Company (SCG), on behalf of the California Solar Initiative Thermal (CSI-Thermal) Program Administrators (PAs)¹, submits this Quarter 3, 2012 Progress Report for the CSI-Thermal Program, in compliance with California Public Utilities Commission (CPUC or Commission) Decision (D.) 10-01-022, which requires the PAs to submit quarterly progress reports to the CPUC Energy Division.²

This report provides an overall qualitative and quantitative review of the CSI-Thermal Program from January 1, 2010 through September 30, 2012. It also highlights the program's progress and achievements for the quarter. The report has been divided into several sections covering topics such as program budget, eligibility requirements, incentive structure, program expenditures, market facilitation activities and regulatory updates.

1.2. Key Report Highlights

During the third quarter of 2012, the PAs filed an Advice Letter to implement D.12-08-008 by filing a revision to the CSI-Thermal Program Handbook that reflects the adjusted incentive structure. Most significantly, the Step-1 incentive rate for single-family residential customers was increased by 45%, and the Step-1 incentive rate for commercial/multifamily customers was increased by 13.33%. The Decision also modifies the natural gas displacing incentive budget allotments by increasing the single-family residential allocation to 45% of the overall budget and decreasing the commercial/multi-family allocation to 55% of the overall budget. The new incentive rates took effect on October 4, 2012 and are retroactive to July 4, 2012. These changes to the general market program did not affect the low-income program.

The statewide marketing and outreach campaign continues to be successfully implemented, which is discussed in detail in Section 5 of this report.

In addition to these program enhancements, the PAs continue to effectively manage the CSI-Thermal Program. Since program inception, more than 721 projects have been completed, accounting for over \$6,182,417 in statewide incentive payments.³

¹ CSI-Thermal PAs are Pacific Gas and Electric Company (PG&E), California Center for Sustainable Energy (CCSE), Southern California Edison (SCE), and Southern California Gas Company (SCG).

² D.10-10-022, Ordering Paragraph No. 13 and Appendix A.

³ As of September 30, 2012

2. Introduction

2.1. Program Background

In January 2007, the CPUC launched the California Solar Initiative (CSI), a \$2.16 billion ratepayer-funded incentive program with a goal of installing 1,940 megawatts (MW) of new solar generation and creating a sustainable solar industry by 2016.⁴ State law allows up to \$100.8 million of CSI funds to be used for incentives for solar thermal technologies that displace electricity usage, but the CPUC deferred allowing solar water heating (SWH) technologies to be eligible for CSI until after a pilot program for SWH was conducted in San Diego Gas & Electric Company's (SDG&E) service territory. Starting in July 2007, CCSE administered a \$2.59 million pilot program for SWH incentives in SDG&E service territory. In D.08-06-029, the Commission made minor modifications to the pilot to allow it to run until December 31, 2009, or until the budget was exhausted, whichever occurred first.

In 2007, Governor Arnold Schwarzenegger signed Assembly Bill (AB) 1470 (Stats. 2007, ch. 536),⁵ authorizing the CPUC to create a \$250 million incentive program to promote the installation of 200,000 SWH systems on homes and businesses that displace the use of natural gas by 2017. AB 1470 required the CPUC to evaluate data from the SWH Pilot Program and determine whether a SWH program was "cost effective for ratepayers and in the public interest" before designing and implementing an incentive program for gas customers.

On January 21, 2010, the CPUC established the CSI-Thermal Program,⁶ allocating funds for both natural gas and electric-displacing SWH and other solar thermal technologies, in the service territories of California's major investor-owned utilities. The CPUC established the incentive structure, the program administration details, and other key CSI-Thermal Program rules. The CPUC designated PG&E, SCG, SCE, and CCSE (for the SDG&E service territory) as the PAs for the CSI-Thermal Program. The PAs launched the single-family residential program in May of 2010 and the commercial/multi-family program in October of 2010.

On October 6, 2011, the CPUC signed D.11-10-015, which authorized the low-income component of the CSI-Thermal Program. The \$25 million budget for CSI-Thermal low-income SWH incentives will be funded by collections from gas ratepayers pursuant to AB 1470, and as previously established in D.10-01-022. The low-income program was launched in March 2012.

2.2. Program Goals

The CSI-Thermal Program is designed to significantly increase the adoption rate of SWH technologies in the California marketplace. The program strategy and design principles will address

⁴ Public Utilities Code § 2851, enacted by Senate Bill (SB) 1 (Murray), Chapter 132, Statutes of 2006

⁵ Public Utilities Code § 2860-2867

⁶ D.10-01-022

the barriers to growth, namely installation costs, lack of public knowledge about SWH, permitting costs and requirements, and a potential shortage of experienced installers. As laid out in D.10-01-022, the primary goals of the CSI-Thermal Program include the following:

- Significantly increase the size of the SWH market in California by increasing the adoption rate of SWH technologies, including:
 - Achieving the installation of natural gas-displacing systems that displace 585 million therms (equivalent to 200,000 single-family residential systems) over the 25-year life of the systems;
 - Achieving the installation of electric-displacing SWH systems that displace 275.7 million kilowatt hours (kWh) per year (equivalent to 100,800 single-family residential systems); and
 - Achieving an expansion of the market for other solar thermal technologies that displace natural gas and electricity use, in addition to SWH.
- Support reductions in the cost of SWH systems of at least 16 percent through a program that increases market size and encourages cost reductions through market efficiency and innovation;
- Engage in market facilitation activities to reduce market barriers to SWH adoption, such as high permitting costs, lack of access to information, and lack of trained installers; and
- Increase consumer confidence and understanding of SWH technology and its benefits.

2.3. Program Budget

The total incentive budget (excluding administrative, marketing, and measurement and evaluation budget allocations) for the CSI-Thermal Program is approximately \$280.8 million over the life of the program. Of this total, \$180 million is allocated to natural gas-displacing SWH systems, as authorized by AB 1470, and up to \$100.8 million may be used to fund electric-displacing systems subject to overall CSI budget availability, as authorized by Senate Bill (SB) 1. There is also an additional \$25 million incentive budget dedicated to low-income single-family and multi-family residences in the service territories of PG&E, SCG and SDG&E, as established in D.10-01-022.

In the CSI-Thermal Program, incentive dollars totaling \$180 million for natural gas-displacing systems are allocated between two customer classes, single-family residential and multi-family/commercial. D.12-08-008 updated the budget allocation as follows:

- 45 percent of the total incentive budget is reserved for single-family residential customer SWH systems; and

- 55 percent of the total incentive budget is reserved for multi-family/commercial SWH systems. Funds may be moved from the multi-family/commercial budget to the single-family residential budget, but not vice versa.

The incentive budget is split proportionately among the PAs based on the size of their respective gas and electric sales.

Table 1 below displays the incentive allocation percentage and budget amount by PA for the natural gas-displacing SWH systems. Table 2 displays the incentive allocation percentage and budget amount by PA for the electric/propane-displacing SWH systems.

The incentive budget for the natural gas-displacing portion of CSI-Thermal Program will operate until all funds available from the program’s incentive budget have been allocated or until January 1, 2018, whichever occurs first. The incentive budget for the electric/propane-displacing portion of the program is available until the budget caps have been reached, the CSI General Market Program budget has been exhausted, or January 1, 2017, whichever occurs first.

The \$25 million natural-gas low-income incentive budget is allocated among CCSE, PG&E, and SCG in the same proportions as the total CSI-Thermal natural gas-displacing program outlined in Table 1. There will not be specific low-income incentive allocations between single-family and multi-family projects. Incentives for low-income projects will be available until the incentive budget is fully expended or January 1, 2018, whichever occurs first. Table 3 below displays the incentive allocation percentage and budget amount by PA for the low-income natural gas-displacing SWH systems.

Table 1: Incentive Allocation per PA for Natural Gas-Displacing Systems

PA	Budget Allocation	Total Incentive Budget (in millions)
PG&E	39.0%	\$70.2
CCSE	10.0%	\$18.0
SCG	51.0%	\$91.8
Total	100.0%	\$180.0

Table 2: Maximum Incentive Allocation per PA for Electric/Propane-Displacing SWH Systems

PA	Budget Allocation	Maximum Incentive Budget (in millions)
PG&E	43.7%	\$44.0
CCSE	10.3%	\$10.4
SCE	46.0%	\$46.4
Total	100.0%	\$100.8

Table 3: Low-Income Incentive Allocation per PA for Natural Gas-Displacing SWH Systems

PA	Budget Allocation	Maximum Incentive Budget (in millions)
PG&E	39.0%	\$9.75
CCSE	10.0%	\$2.50
SCG	51.0%	\$12.75
Total	100.0%	\$25.00

2.4. Incentive Structure

One of the primary goals of the CSI-Thermal Program is to lower the cost of SWH technology for the System Owner through incentives. Incentive rates will decline over the life of the program in four steps to facilitate market transformation.

Natural gas-displacing incentives will decline from step to step when the total incentive amount reserved is equal to the budget allocation for the given step in each service territory. If a PA receives applications accounting for more dollars than what is left in the budget allocation for a given step, a lottery may determine which projects receive the higher incentive level. Table 4 below displays the dollar amount paid per therm displaced in each step and the total program budget allocation per step excluding the low-income budget as noted in Section 2.3 of this report.

Table 4: Total Natural Gas Budget Allocation per Incentive Step

Effective July 4, 2012

Step	Customer Class	Incentive per annual therm displaced	Maximum Incentive per System
1	Single-Family	\$18.59	\$2,719
	Commercial/Multi-family	\$14.53	\$500,000
2	Single-Family	\$13.11	\$1,919
	Commercial/Multi-family	\$9.88	\$500,000
3	Single-Family	\$7.69	\$1,125
	Commercial/Multi-family	\$6.55	\$500,000
4	Single-Family	\$3.23	\$474
	Commercial/Multi-family	\$3.13	\$500,000

As incentives decline under the natural gas-displacing program, a corresponding step reduction occurs in the electric/propane-displacing incentive structure. Table 5: Electric/Propane-Displacing System Incentive Steps below, shows the electric rates at each of the four steps. Electric and propane-displacing SWH installations will count against the MW trigger in Step 10 of the General Market CSI Program. If the Step 10 budget is insufficient, the PAs may use funds from Step 9.

Table 5: Electric/Propane-Displacing System Incentive Steps

Effective July 4, 2012

Step	Customer Class	Electric/Propane-Displacing Incentive (\$/kWh)	Maximum Incentive per System
1	Single-Family	0.54	\$1,834
	Commercial/Multi-family	0.42	\$250,000
2	Single-Family	0.38	\$1,311
	Commercial/Multi-family	0.29	\$250,000
3	Single-Family	0.22	\$752
	Commercial/Multi-family	0.19	\$250,000
4	Single-Family	0.10	\$329
	Commercial/Multi-family	0.09	\$250,000

Incentive step changes will move independently in each program territory⁷ and for each customer class. Incentives will be paid on a first come, first serve basis. The most current information on incentive step status per customer class is posted on www.csithermal.com/tracker.

The Low-Income program has a separate incentive step structure from the mainstream program, as shown below in Table 6: Low-Income Single-Family and Multi-family Natural Gas Incentive Steps. The maximum incentives for qualifying single-family low-income customers are 200% of the applicable CSI-Thermal SWH incentive level; incentives for qualifying SWH installations on multi-family housing are 150% of the applicable CSI-Thermal SWH incentive level. The current incentive step level will be the same as the current incentive step in the natural gas portion of the mainstream CSI-Thermal Program. Currently, the mainstream natural gas single-family program is in Step 1 for all PA territories; therefore, the low-income single-family program is also in Step 1.

Table 6: Low-Income Single-Family and Multi-family Natural Gas Incentive Steps

Step Level	Single-Family Low-income Incentive per therm displaced	Incentive Cap for Single-Family Low-income Projects	Multi-family Low-Income Incentive per therm displaced	Incentive Cap for Multi-family Low-income Projects
1	\$25.64	\$3,750	\$19.23	\$500,000
2	\$20.52	\$3,000	\$15.39	\$500,000
3	\$15.38	\$2,250	\$11.53	\$500,000
4	\$9.40	\$1,376	\$7.05	\$500,000

2.5. Program Eligibility

Eligibility for the CSI-Thermal Program is described in detail in the CSI-Thermal Handbook.⁸ A few key eligibility requirements are highlighted below:

- Customer site must be within the service territories of SCG (for natural gas only), PG&E, SCE (for electric only), or SDG&E.
- Single-family residential SWH systems must have a Solar Rating and Certification Corporation (SRCC) or International Association of Plumbing and Mechanical Officials (IAPMO) OG-300 System Certification.⁹

⁷ SCE incentive step changes will correspond with SCG gas incentive step changes for each customer class.

⁸ The CSI-Thermal Handbook is located at http://gosolarcalifornia.org/documents/CSI-Thermal_Handbook.pdf

⁹ D.11-11-004 was approved on November 18, 2011 to modify D.10-01-022 regarding certification standards for SWH systems. This decision allows systems certified to the OG-300 standards by IAPMO to be eligible for CSI-Thermal Program incentives along with those certified by SRCC.

- Solar collectors used in multi-family/commercial water heating shall have SRCC OG-100 Collector Certification.
- All components must be new and unused (with exceptions). All systems must have freeze and stagnation protection.
- For single-family projects, all Domestic Hot Water (DHW) end-uses are eligible.¹⁰
- For multi-family/commercial projects, SWH applications must directly consume the solar-heated potable water, as opposed to using the solar-heated water as a medium to carry heat for some other end-use. In multi-family/commercial applications, DHW and commercial end-uses are eligible for CSI-Thermal Program incentives.¹¹
- Rebates are available for qualifying natural gas-and electric-displacing systems that were installed within 24 months after the date on the final signed-off permit. Propane-displacing systems are eligible for a CSI-Thermal Program incentive if a final permit was signed-off after June 14, 2011.
- SWH contractor or self-installer must complete a one-day mandatory training offered by the PAs.
- For specific details regarding low-income eligibility requirements, go to the CSI-Thermal Handbook.

3. Program Expenditures

From program inception through September 30, 2012, CSI-Thermal Program expenditures totaled over \$15 Million. Table 7 below illustrates the detailed expenditures by PA followed by a breakdown of expenses specific to the natural gas and electric/propane-displacing programs for the reporting period as represented in Table 8 and Table 9.

Program expenditures consist of, but are not limited to, administration activities, such as application processing, continued enhancement of the statewide online database, mandatory contractor and self-installer training, local and statewide marketing efforts, activities related to potential program expansion, and administrative staffing support.

¹⁰ DHW is defined as water used, in any type of building, for domestic purposes, principally drinking, food preparation, sanitation and personal hygiene (but not including space heating, space cooling, or swimming pool heating).

¹¹ Examples of eligible DHW end uses include: apartment buildings with central DHW systems, convalescent homes, hotels and motels, military bachelor quarters, school dormitories with central DHW systems and prisons. Examples of eligible commercial end uses include: commercial laundries, laundromats, restaurants, food processors, agricultural processes and car washes.

Table 7: CSI-Thermal Expenditures by PA

Natural Gas and Electric/Propane CSI-Thermal Program Expenditure Data January 1, 2010 to September 30, 2012					
Expenditure Type	CCSE	PG&E	SCE	SCG	Total
Administration	\$1,076,600	\$2,183,818 ¹²	\$514,603	\$1,021,828	\$4,796,849
Market Facilitation	\$540,993	\$1,801,200	\$118,185	\$1,998,160 ¹³	\$4,458,538
Measurement & Evaluation	\$3,320	\$2,543	\$0	\$0	\$5,863
Incentives Paid	\$979,398	\$3,479,320	\$18,390	\$1,705,309	\$6,182,417
Total	\$2,600,311	\$7,466,881	\$651,178	\$4,725,297	\$15,443,667

Table 8: CSI-Thermal Expenditures by PA (Natural Gas)

Natural Gas July 1 – September 30, 2012				
Expenditure Type	CCSE	PG&E	SCG	Total
Administration	\$73,943	\$148,390	\$116,545	\$338,878
Market Facilitation	\$55,893	\$804,985	\$181,494 ¹³	\$1,042,372
Measurement & Evaluation	\$217	\$0	\$0	\$217
Incentives Paid	\$252,458	\$625,729	\$875,284	\$1,753,471
Total	\$382,511	\$1,579,104	\$1,173,323	\$3,134,938

¹² An incorrect charge of \$63,583.97 was applied in April and was revised in July reporting.

¹³ This amount also includes total Statewide M&O expenses including allocations to be reimbursed by other Program Administrators.

Table 9: CSI-Thermal Expenditures by PA (Electric/Propane)

Electric/Propane July 1 – September 30, 2012				
Expenditure Type	CCSE	PG&E	SCE	Total
Administration	\$19,770	\$42,635 ¹²	\$57,333	\$34,468
Market Facilitation	\$15,558	\$211,109	\$64,709	\$291,376
Measurement & Evaluation	\$0	\$0	\$0	\$0
Incentives Paid	\$9,040	\$10,478	\$1,263	\$20,781
Total	\$44,368	\$178,952	\$123,305	\$346,625

4. Program Progress

The PAs spent much of Q3 2012 modifying the CSI-Thermal Program Handbook and database to reflect the changes that needed to be made as a result the Decision to increase the incentives for the mainstream program. Additionally, the PAs devoted a significant amount of time working with their respective marketing leads on the statewide and local marketing campaigns to continue to bring awareness to the program across customer sectors and business industries. The PAs also worked on refining the process and paperwork requirements for the recently launched low-income program for Natural Gas customers.

4.1 Applications Received, Installation Costs and Incentives Paid

The CSI-Thermal Program began accepting applications for single-family systems and multi-family/commercial systems on May 1, 2010 and October 8, 2010, respectively. Applications for propane-displacing SWH systems were also made available on February 7, 2012, while the low-income program began on March 29, 2012. In addition, the CPUC approved an increase in the single-family residential and the commercial and multi-family incentive levels effective July 4, 2012. Tables 10, 12, 14, 16 and 18 represent the amount of applications received by each PA in Q2 2012, as well as the corresponding incentives and energy savings for those applications. Tables 11, 13, 15, 17 and 19 show the average costs of systems for completed projects by PA and customer class since program inception.

Table 10: Summary Data: CSI-Thermal Single-Family Applications by Status (Natural Gas)

	CCSE	PG&E	SCG	Total
	Q3	Q3	Q3	
APPLICATIONS RECEIVED				
Application (Number)	3	6	8	17
Incentives (\$)	\$5,968	\$14,510	\$16,199	\$36,677
Capacity (First Year Expected Energy Displaced in therms)	321	857	942	2,120

Legend: Applications Received = All applications that moved to "Application Review" status during the reporting period

Table 11: Average Cost per Single-Family Project (Natural Gas)

	CCSE	PG&E	SCG	Overall Average
Average Project Cost per Single-Family Project*	\$7,410	\$10,052	\$8,498	\$8,653
Average Project Cost per Unit of First Year Energy Displaced (\$/therm)*	\$66.60	\$74.64	\$72.87	\$71.37

*Since program inception

Table 12: Summary Data: CSI-Thermal Single-Family Applications by Status (Electric/Propane)

	CCSE	PG&E	SCE	Total
	Q3	Q3	Q3	
APPLICATIONS RECEIVED				
Applications (Number)	9	8	2	19
Incentives (\$)	\$13,160	\$11,261	\$2,303	\$26,724
Capacity (First Year Expected Energy Displaced in kWh)	25,059	24,604	6,971	56,634

Legend: Applications Received = All applications that moved to "Application Review" status during the reporting period

Table 13: Average Cost per Single-Family Project (Electric/Propane)

	CCSE	PG&E	SCE	Overall Average
Average Project Cost per Single-Family Project*	\$7,366	\$7,918	\$8,188	\$7,824
Average Project Cost per Unit of First Year Energy Displaced (\$/kWh)*	\$2.61	\$2.87	\$2.61	\$2.70

*Since program inception

Table 14: Summary Data: Multi-family/Commercial (Natural Gas)

	CCSE	PG&E	SCG	Total
	Q3	Q3	Q3	
APPLICATIONS RECEIVED				
Application (Number)	6	22	5	33
Incentives (\$)	\$31,241	\$747,187	59,256	\$837,684
Capacity (First Year Expected Energy Displaced in therms)	2,150	51,638	4,115	57,903
UNDER REVIEW Incentive Claims				
Application (Number)	5	17	8	30
Incentives (\$)	\$403,092	\$285,556	\$92,152	\$780,800
Capacity (First Year Expected Energy Displaced in therms)	27,742	19,810	6,379	53,931

Applications Received = All applications that moved to "RR Application Review" status during the reporting period

Under Review Incentive Claims = All applications that moved to "ICF Application Review" status during the reporting period

Table 15: Average Cost per Multi-family/Commercial Project (Natural Gas)

	CCSE	PG&E	SCG	Total
Average Project Cost per Multi-family/commercial Project (\$)*	\$153,960	\$66,122	\$50,720	\$90,267
Average Project Cost per Unit of First Year Energy Displaced (\$/therm)*	\$43.46	\$44.46	\$40.73	\$42.88

*Average Project Cost per Multi-family/commercial Project for all completed projects since program inception

Table 16: Summary Data: Multi-family/Commercial (Electric/Propane)

	CCSE	PG&E	SCE	Total
	Q3	Q3	Q3	
APPLICATIONS RECEIVED				
Application (Number)	N/A	N/A	2	2
Incentives (\$)	N/A	N/A	\$13,811	\$13,811
Capacity (First Year Expected Energy Displaced in kWh)	N/A	N/A	37,326	37,326
UNDER REVIEW Incentive Claims				
Application (Number)	N/A	N/A	N/A	N/A
Incentives (\$)	N/A	N/A	N/A	N/A
Capacity (First Year Expected Energy Displaced in kWh)	N/A	N/A	N/A	N/A

Applications Received = All applications that moved to "RR Application Review" status during the reporting period
 Under Review Incentive Claims = All applications that moved to "ICF Application Review" status during the reporting period

In Q3 2012, 2 multi-family/commercial electric-or propane-displacing applications were received.

Table 17: Average Cost per Multi-family/Commercial Project (Electric/Propane)

	CCSE	PG&E	SCE	Total
Average Project Cost per Multi-family/commercial Project (\$)*	N/A	\$58,793	\$7,630	\$33,212
Average Project Cost per Unit of First Year Energy Displaced (\$/kWh)*	N/A	\$1.44	\$4.32	\$2.88

*Average Project Cost per Multi-family/commercial Project for all completed projects since program inception

Table 18: Summary Data: Multi-family Low-income (Natural Gas)

	CCSE	PG&E	SCG	Total
	Q3	Q3	Q3	
APPLICATIONS RECEIVED				
Application (Number)	0	8	17	25
Incentives (\$)	0	\$186,710	511,741	\$698,451
Capacity (First Year Expected Energy Displaced in therms)	0	9,770	277,722	287,492
UNDER REVIEW Incentive Claims				
Application (Number)	3	4	12	19
Incentives (\$)	\$114,226	\$172,476	\$688,312	\$975,014
Capacity (First Year Expected Energy Displaced in therms)	5,940	9,125	35,948	51,013

Applications Received = All applications that moved to "RR Application Review" status during the reporting period
 Under Review Incentive Claims = All applications that moved to "ICF Application Review" status during the reporting period

Table 19: Average Cost per Multi-family Low-income (Gas)

	CCSE	PG&E	SCG	Total
Average Project Cost per Multi-family/commercial Project (\$)*	\$57,311	\$93,599	\$119,334	\$90,081
Average Project Cost per Unit of First Year Energy Displaced (\$/therm)*	\$31.95	\$53.15	\$48.36	\$44.49

*Average Project Cost per Multi-family/commercial Project for all completed projects since program inception

4.2 Turnaround Times

The PAs strive to process reservation requests and incentive claim requests within 30 days or less for both single-family residential and multi-family/commercial applications to ensure that projects are moved forward as quickly as possible. The tables below reflect the reporting period from July through September 2012.

Table 20 below shows the most recent application processing times between the "Reservation Application Review" and "Reservation Application Approved" stages for 2- or 3-step applications. This metric represents the amount of time it took to reserve incentives for a multi-family/commercial project. Table 21 shows the time from Application Review to Incentive Approval (1 Step – Single-Family Residential). The time period being measured in the processing times tables includes both PA application processing time and the time taken by the host customer to respond to requests for more information or application corrections.

Table 22, shows the Time from Application to Incentive Approval (2- and 3-Step- Commercial or Multi-Family Residential).

Applications that take the PAs more than 60 days to approve typically have outstanding issues that require resolution or input from the Applicant and/or customer. Problems encountered from these applications include, but are not limited to:

- Incorrect project site addresses
- Missing signatures
- Missing or incomplete documentation
- Slow customer/Applicant responsiveness

Table 20: Multi-family/Commercial Application Processing Times by Program Administrator between "Reservation Application Review" and "Reservation Application Approved" Stages

Program Administrator	30 Days or Less	60 Days or Less	Greater than 60 Days	Total
	Q3	Q3	Q3	
Multi-family/ Commercial				
CCSE	33.00%	100.00%	0.00%	6
PG&E	100.00%	100.00%	0.00%	16
SCE	0.00%	100.00%	0.00%	1
SCG	100.00%	100.00%	0.00%	12

Table 21: Processing Time from Application Review to Incentive Approval (1- Step – Single-Family Residential)

Program Administrator	30 Days or Less	60 Days or Less	Greater than 60 Days	Total
	Q3	Q3	Q3	
No Inspection: Percentage of applications without inspection with processing time between Incentive: Application Review and Incentive: Approved as described.				
CCSE	100.00%	100.00%	0.00%	9
PG&E	100.00%	100.00%	0.00%	7
SCE	N/A	N/A	N/A	0
SCG	100.00%	100.00%	0.00%	7
Inspection: Percentage of applications with inspection with processing time between Incentive: Application Review and Incentive: Approved as described.				
CCSE	100.00%	100.00%	0.00%	1
PG&E	37.50%	100.00%	0.00%	8
SCE	100.00%	100.00%	0.00%	1
SCG	100.00%	100.00%	0.00%	1
Percentage of applications with processing time between Incentive: Application Review and Incentive: Paid as described.				
CCSE	90.00%	100.00%	0.00%	10
PG&E	56.25%	87.50%	12.50%	16
SCE	100.00%	100.00%	0.00%	1
SCG	87.50%	100.00%	0.00%	8

Table 22: Processing Time from Application Review to Incentive Approval (2-and 3-Step - Commercial or Multi-Family Residential)

Program Administrator	30 Days or Less	60 Days or Less	Greater than 60 Days	Total
No Inspection: Percentage of applications without inspection with processing time between Incentive: Application Review and Incentive: Approved as described.				
CCSE	N/A	N/A	N/A	0
PG&E	29.03%	100.00%	0.00%	31
SCE	N/A	N/A	N/A	0
SCG	83.33%	100.00%	0.00%	6
Inspection: Percentage of applications with inspection with processing time between Incentive: Application Review and Incentive: Approved as described.				
CCSE	100.00%	100.00%	0.00%	6
PG&E	18.18%	100.00%	0.00%	22
SCE	N/A	N/A	N/A	0
SCG	100.00%	100.00%	0.00%	18
Percentage of applications with processing time between Incentive: Application Review and Incentive: Paid as described.				
CCSE	100.00%	100.00%	0.00%	6
PG&E	19.30%	98.24%	0.01%	57
SCE	N/A	N/A	N/A	0
SCG	69.90%	100.00%	0.00%	21

5. Market Facilitation

During Q3 2012, the Marketing & Outreach (M&O) representatives of the four PAs worked to sustain the elements of the statewide marketing campaign begun in Q2, and leverage them to enhance their local outreach efforts.

5.1 Continuation of Statewide Marketing Campaign

The successful launch of the statewide marketing campaign in Q2 established a baseline of ongoing outreach materials in the digital domain that was maintained in Q3 including an internet landing page (WaterHeatedbytheSun.com), the TV commercial optimized for web, two animated internet banner ads aimed at residential and commercial customers, and search engine marketing. The landing page continued to serve as the statewide portal to the CSI-Thermal Program sections of the four PAs' websites and the resource to which the statewide materials directed people for more

information. Contextual video targeting services were utilized to deliver the TV commercial as pre-roll video to individuals in the target audience in a contextually-relevant environment. Similarly, contextual display targeting services were utilized to display animated banner ads to individuals in the target audience in a contextually-relevant environment. Animated banner ads also ran on specifically-targeted websites such as *The Huffington Post* and *Whitepages.com*. The Business Targeting Network (BBN) was utilized to deliver the business-themed animated banner ad to targeted commercial sites. Google searches that included targeted keywords served up the “WaterHeatedbytheSun.com” option to the information seekers.

5.2 Campaign Print Brochures

Four new CSI-Thermal statewide brochures were finalized, approved by Energy Division, and begun to be distributed during Q3. Specific brochures were created in the following content areas:

- Understanding Solar Water Heating for Single-family Homes
- Understanding Solar Water Heating for Multi-family Dwellings
- Understanding Solar Water Heating for Commercial Customers
- Understanding Rebates for Solar Water Heating Systems – California Solar Initiative-Thermal Program

Copies of the brochures were printed and distributed at the “Go Solar California” booth at the InterSolar North America Exhibition and Conference in San Francisco on July 9-12, 2012, and at Solar Power International in Orlando, Florida, on September 11-13, 2012. After D.12-08-008 was issued on August 6, 2012, the brochure copy was updated to reflect the increased rebate levels where necessary.

5.3 International Solar Heating and Cooling Conference Sponsorship

The CSI-Thermal Program was a Gold Sponsor of the International Conference on Solar Heating and Cooling for Buildings and Industry presented by the Solar Heating & Cooling Programme of the International Energy Agency held in San Francisco on July 10-12, 2012.

The Gold Sponsorship included:

1. Sponsor logo attribution featuring the “WaterHeatedbytheSun.com” graphical URL identifier and the “GoSolarCalifornia” logo posted on the conference website homepage sponsor section.
2. An animated internet banner ad prominently displayed on the sponsorship page of the website.
3. A black-and-white print ad for the CSI-Thermal Campaign featured in the Conference Program book.
4. The “WaterHeatedbytheSun.com” graphical URL identifier and “GoSolarCalifornia” logo placed on the conference bag that was distributed to all conference attendees.

In addition, the M&O rep from PG&E made a brief presentation about the CSI-Thermal Program Marketing and Outreach to the attendees, and the Program Manager from PG&E appeared as a panelist for one of the conference information sessions.

5.4 Sunset Magazine Promotional “Breezhouse” Promotion

A key promotion of the statewide campaign during Q3 was the CSI-Thermal Program sponsorship of the *Sunset* magazine “Breezhouse” – a prefabricated home with “private retreats, gathering spaces, and green innovations—all under a soaring roof.” Residential banner ads were displayed in rotation on “Sunset.com”, and the campaign sponsorship was noted in the Breezhouse sponsors section of the website. The campaign had previously arranged for a fully-functioning rebate-eligible solar water heating system to be installed on the Breezhouse as part of the promotion, which was noted in the description posted on the site. The solar thermal collectors were clearly visible on the roof of the Breezhouse in the photo that appeared on the site. The four PA Program Managers were spotlighted in an “Ask the Experts” feature on the website in which they answered some questions about SWH and the CSI-Thermal Program.

The Breezhouse was open to the public for tours from August 3 to September 9, 2012, and CSI-Thermal Program promotional signs were posted in two strategic locations on the tour. The new CSI-Thermal Program brochures were also available to tour-goers, and a poster was created to draw attention to the brochures at the distribution point.

5.5 NPR Sponsorships

The CSI-Thermal Program sponsored program segments on key NPR-affiliated radio stations across the state during Q3 to reach listeners in the target demo for the marketing campaign. Energy Division-approved sponsorship copy was delivered on-air as part of the program sponsorship announcements during the weeks of August 27, September 3, September 10, and September 24. Animated banner ads were displayed on the stations’ websites during the term of the sponsorship, which will carry over into the first two weeks of Q4. Radio stations included were: KCRW-FM, Santa Monica; KPBS-FM, San Diego; KPCC-FM, Pasadena; and KQED-FM, San Francisco.

5.6 Trade Print Publications

During Q3, several business-oriented print ad layouts were reviewed and approved by Energy Division, and placements in targeted industry trade publications were begun. In particular, ads appeared in:

- August “Wine Business Monthly”
- September “Commercial Property Management”
“Apartment Management Magazine”
“California School Business” – Fall Edition

Ads in additional publications will be published during Q4.

Energy Division staff participated in a conference call with the M&O reps and staff from Fraser Communications to review the trade print publication strategy on July 12, 2012.

5.7 E-newsletters

During Q3 Energy Division also reviewed and approved copy and layouts for the following targeted business publication E-newsletters:

- “Food Processing” that was distributed on September 17, 2012;
- “Building Operating Management”; and
- “Athletic Business” for dissemination during Q4.

5.8 Other Activities

The M&O representatives provided content about the statewide marketing campaign for presentation in the CSI Public Forum webinar held August 24, 2012. During Q3, the Energy Division approved a narration script for the previously-produced solar water heating illustration animation that is expected to be completed in Q4. The M&O representatives provided marketing updates to Energy Division staff via conference calls on a regular, bi-weekly basis during the quarter.

5.9 Mandatory CSI-Thermal Workshops

Contractors and self-installers are required to attend a designated, no-cost CSI-Thermal Program training workshop. The PAs conduct training courses in their respective service territories. The workshops are publicized on each PA website as well as the GoSolarCalifornia website. As part of the statewide effort, the PAs coordinated this activity and developed a one-day Contractor and Self-installer Workshop curriculum for the training workshop.

The CSI-Thermal Program training workshop is intended to familiarize Applicants (contractors and self-installers) with program rules and requirements. The workshop provides an overview of the CSI-Thermal Program Handbook, application process, program requirements, technical requirements, and additional related resources. Upon completion of this mandatory CSI-Thermal Program training workshop and meeting other requirements, Applicants receive a unique alphanumeric key that allows them to register on the web-based, online statewide application database and be eligible to apply for CSI-Thermal Program incentives in any PA territory.

Table 23 shows the number of workshops held in each service territory for Q3 2012 and the number of attendees. As of October 24, 2012, there were 440 licensed eligible solar contractors statewide. Approximately 29 additional contractor companies registered as participants in the program compared to the number reported in the previous CSI-Thermal Quarterly Progress Report.

Table 23: Mandatory CSI-Thermal Workshops Held by Program Administrator

	Q3 2012	
PA	Number of Workshops	Number of Attendees
CCSE	4	40
PG&E	3	82
SCE ¹⁴	1	10
SCG ¹⁴	2	36
Total	10	168

5.10 PA-Specific Marketing Efforts

In addition to statewide marketing activities, each PA completed territory-specific or local marketing to address the needs of their customer base.

5.10.1 California Center for Sustainable Energy

Training and Education

CCSE continues to educate the next generation of SWH professionals and the broader community about SWH. In Q3 2012, 71 people participated in a total of six CSI-Thermal Program workshops. CCSE conducted two homeowner workshops, two contractor and self-installer workshops, and two specialized training courses for SWH installation. CCSE trained a total of 25 homeowners, 15 contractors, and 31 SWH training students on SWH technology and its benefits at these workshops.

A brief outline and synopsis of the workshops offered follows:

Solar Water Heating Basics for Homeowners: This educational workshop is for homeowners seeking to learn more about the benefits of SWH technology and economics.

- 2 workshops held during Q3
- 25 Attendees

How to become a CSI-Thermal Eligible Contractor: Attendance at this contractor and self-installer workshop is a prerequisite for becoming an eligible contractor under the CSI-Thermal Program.

- 2 workshops held during Q3
- 15 Attendees

¹⁴ Contractors and self-installers can attend classes offered by either SCE or SCG. SCE and SCG alternate locations each month to cover overlapping service territories.

Solar Water Heating Installation Training (5-day): This workshop was a 5-day in-depth SWH training program.

Solar Water Heating Installation Training (2-day): This workshop was a 2-day SWH training program.

Workshop Promotion and Follow up

CCSE promoted its ongoing workshop offerings for both homeowners and contractors through a number of online and in-person activities during Q3.

Online Promotion:

CCSE utilized a number of in-house resources to spread the word about CSI-Thermal workshops including the Weekly Roundup Newsletter, CSI Newsletter as well as CCSE's online calendar and social media channels (Facebook and Twitter). A brief synopsis of each communication platform follows:

- Weekly Roundup Newsletter: This newsletter highlights CCSE's upcoming workshops and has a weekly distribution to over 11,000 users.
- CSI Newsletter: Distributed to approximately 10,500 subscribers per month. Due to funding concerns, only a July issue of the CSI Newsletter was published during Q3.
- CCSE's online calendar: Features all of CCSE events and workshops and is one of the most active pages on CCSE's website with 6,607 page views during Q3.
- Facebook and Twitter: CCSE has active Facebook and Twitter pages that connect CCSE to a green-minded audience and provide platforms for sharing program updates, promoting workshops and spreading awareness of SWH.

Direct Email:

In addition to utilizing the above communication platforms, CCSE also refined its direct email marketing and workshop follow up strategies in order to have a more effective interaction with engaged consumers and to capitalize on those individuals who have demonstrated an interest in SWH.

CCSE has finalized an attractive CSI-Thermal Program email template for sending workshop reminders and notices to homeowners and contractors. CCSE has also developed a follow-up email template that thanks workshop attendees for their interest, provides the presentation slideshow from the workshop, and reminds the audience of helpful resources to encourage them to "take the next step" in the CSI-Thermal Program.

Events and Outreach

SWH had a presence at various community events in and around San Diego during Q3. CCSE's most notable outreach arm is the mobile "Residential Energy Roadshow" trailer, which features SWH technology alongside other residential energy saving technologies and measures.

At each of the Energy Roadshow events, CCSE's outreach team is equipped with the knowledge and marketing materials to bring the SWH message to the San Diego community. In addition to having CSI-Thermal Program brochures and fact sheets on hand, CCSE also developed a creative new marketing premium for distribution to homeowners during Q3. The "Soak up the Sun" sponge was designed as a giveaway at CCSE events to help spread awareness about SWH technology and serve as a reminder for when homeowners interact with hot water in the privacy of their own kitchen. The sponge directs users to CCSE's CSI-Thermal landing page and is being tracked with a unique URL.

The following are just a few of the event locations where SWH had a presence during Q3:

- 10 "Community Collaborative Events" around San Diego
 - Event locations included local libraries, community centers, churches and more.
- SDG&E Lighting Exchange (August 18, 2012): SDG&E event where customers traded in old incandescent bulbs for new, energy-efficient lighting.
- Fiesta Del Sol (August 11-12, 2012): Two-day street festival that celebrated the history, diverse cultures and engagement of the people of San Diego. This was a family-friendly event focused on creating positive change by empowering communities.
- San Diego Fall Home Show (August 24-27, 2012): 3-day show attracting thousands of homeowners interested in updating, renovating or greening their new or existing home.
- National Plug-in Day (September 23, 2012): This was a CCSE-hosted event where over 150 local electric vehicle enthusiasts gathered.

Solar Water Heating Installation Training (2-day and 5-day Sessions)

CCSE has continued its partnership with National Solar Trainers to provide in-depth SWH training programs to fully prepare attendees to enter into this rapidly growing market. There were two different tracks offered, and participants could choose between a 5-day or 2-day training series. Additionally, CCSE offered previous participants the opportunity to participate in a new advanced design portion of the course. In this training, participants discovered the skills needed to launch a SWH career as an installer, designer, sales and marketing professional, or entrepreneur.

The training sessions covered all aspects of SWH from fundamentals to business practices to hands-on installation. The first two days of the series covered SWH technology fundamentals, sales, marketing, and business development. The next two days covered system design and also provided a comprehensive hands-on SWH installation laboratory. The final day covered advanced system design.

Promotion:

In addition to leveraging the online promotion methods mentioned above, CCSE also partnered with Energy Upgrade California to send a direct email invite to Participating Contractors in the San Diego region.

Interactive Outreach/ Web Development

CCSE's website devotes several pages to CSI-Thermal Program-specific information at <http://www.energycenter.org/swh>. This landing page contains links to CSI-Thermal Program information as well as general information about SWH technology, how to apply for an incentive, upcoming workshops, program documents, resources for installers, solar thermal vendors, webinars and latest news and legislation on SWH. This information is updated frequently to ensure information is accurate and up-to-date.

In addition to ongoing website maintenance, CCSE also completed an update of the CSI-Thermal Program landing page during Q3. This update improves navigation and usability of the CSI-Thermal Program portal page and is also intended to resonate more closely with the statewide campaign's messaging and feel. The updated landing page is accompanied by other updates on the CSI-Thermal Program section of CCSE's website and is scheduled for completion by October 31, 2012.

5.10.2 Pacific Gas and Electric Company

Q3 2012 represented a very active time for PG&E's local marketing and outreach efforts that built upon the momentum from Q2.

CSI-Thermal Workshop

As a core part of PG&E's ongoing efforts, PG&E continues to offer monthly CSI-Thermal Program Workshops for contractors and self-installers throughout the service territory. The workshops are vital in conveying program requirements and ultimately help ensure contractors are better prepared to submit CSI-Thermal Program paperwork. This workshop is required for anyone looking to become an eligible installer within the CSI-Thermal Program.

Local Media Outreach

NBC Olympics Sponsorship

In Sacramento, PG&E/CSI-Thermal Program were sponsors of the NBC Olympic Coverage on KCRA. The paid sponsorship included broadcasting of the: 30 TV commercial developed as part of the statewide campaign. The commercial ran during the Olympics news coverage and Olympics programming throughout the duration of their coverage. Additionally, banner ads appeared on the KCRA website (driving to PGE.com). The paid media aired mid-July through mid-August. Leading up to the event, KCRA-TV ran several: 30 aspiration/inspirational vignettes in a rotation promoting the Olympics. As a value-add to the media buy, KCRA had one of the featured vignettes tagged with the PG&E and Go Solar logos. The campaign with KCRA ran from July 6, 2012 through August 12, 2012.

CBS 5-Minute Video Segment

In late August, the 5-minute video segment created by PG&E and CBS was given additional airplay by CBS in the San Francisco market. The piece, which originally aired in June, used first-hand

customer accounts and industry expert insights to educate viewers about SWH technology, its benefits, and the rebates that are currently available to help offset the initial installation costs. Viewers were encouraged to visit PGE.com to learn more about SWH and to secure their free SWH Kit. The SWH kit contains more detailed information on the technology, rebates, and steps to find a qualified contractor.

Out of Home Media

As part of the ongoing promotional efforts for CSI-Thermal/ SWH, PG&E executed local media outreach in targeted cities in the PG&E territory. These media tactics included: Digital Billboards (Sacramento), Mall Panel Ads (East Bay/San Jose) and Transit Ads (San Jose Light Rail) and reinforced the messaging and visual images from the statewide SWH campaign to help drive broader awareness of SWH and encourage customer to take the next step in their green routine. The media placement began the week of July 9, 2012 and ran through the week of September 3, 2012. The call-to-action on all of the pieces drove customers to the SWH pages of PGE.com.

Radio Spots

In addition to the statewide radio buys on various stations in July, PG&E also purchased additional media in the Sacramento area to run the 'Polar Bear Club' radio spot. In September, the media buy at the statewide level was further extended to Sacramento with NPR radio posts.

Direct Outreach

Direct Mail Campaign: Residential Customers

On July 18, 2012, a SWH direct mailer was sent to 60,000 residential customers in four selected cities (Alamo, El Dorado Hills, Sacramento, San Jose). The messaging was customized by city to reinforce the green actions of each community and encourage the recipients to take the next step in their own green routine by installing SWH, which ties in with the statewide messaging from the mass media campaign. The mailer provided customers with information about SWH and the available CSI-Thermal Program rebates. The call-to-action of the piece encouraged customers to go online to download a free SWH Kit from pge.com. The kit provides more detailed explanations about SWH technology and how it works, reinforces the benefits of installing (financial and environmental), and helps to give customers the tools they will need to find a contractor and make informed purchase decisions. These same customers were mailed the communication again at the end of September.

Direct Mail Campaign: Small and Medium Business Outreach

For this summer's outreach targeted to Small and Medium (SMB) Business customers, PG&E created a six-page booklet that provides an overview of SWH technology, how it can benefit customers, the incentives available, and how to take the next step. The booklet was mailed to 10,000 small- to medium- sized customers in segments who use large amounts of hot water (hotels, restaurants, nursing homes, gyms, multifamily and laundries) in early July. To follow-up,

customers were contacted via telephone a few days after receipt to talk through any questions they might have and help them locate eligible contractors to take the next step.

In addition, contractors in the PG&E territory were given the opportunity to order a supply of the booklets at no cost to them from PG&E. To date over 30 requests have been fulfilled.

[PG&E and the San Francisco Department of the Environment: Community Outreach/Promotion](#)

On August 29, 2012, San Francisco Department of the Environment (SF Environment) and PG&E held a press conference at The Ritz, located at 216 Eddy, in San Francisco. The Ritz is a low-income, multi-family building owned by the Tenderloin Neighborhood Development Company (TNDC), who installed SWH and took advantage of program rebates to offset the cost. Around 20 community leaders and multi-family property managers attended and took a tour of the system.

To learn more about the SWH system the Tenderloin Neighborhood Development Company (TNDC) installed, read the case study found at:

http://www.pge.com/includes/docs/pdfs/mybusiness/energysavingsrebates/solar/solarwaterheating/cs_SFAffordableMultifamily.pdf

[Energy Upgrade California \(EUC\)](#)

In September, PG&E's Energy Upgrade California workshops kicked off in the Bay Area. These workshops are designed to engage homeowners who are looking to make substantial home upgrades and take advantage of many of the rebates offered to them by PG&E. In addition to Energy Efficiency upgrades, the presentation given to attendees now features a detailed overview of SWH and the CSI-Thermal Program rebates. While contractors participating in the EUC program must meet certain criteria to participate, they are able to sub-contract the SWH work to any of the qualified contractors for the CSI-Thermal Program. The EUC events in PG&E's territory will take place September-November 2012.

[InterSolar 2012 Annual Conference](#)

Held in San Francisco in July, this year's InterSolar booth featured materials and representatives knowledgeable about Solar PV and SWH. This was a PG&E-sponsored event on behalf of the statewide team for the CSI Program. The booth showcased new statewide collateral for the CSI-Thermal Program and helped customers understand how SWH may be a benefit for their home or business. The conference was attended by more than 18,000 people.

[The Facilities Expo](#)

The Facilities Expo was held in Santa Clara on September 20 and 21, 2012. It is an annual conference held in PG&E's service territory that brings together facility managers, business developers and owners, as well as new facility professionals for commercial and residential customers. A representative of the CSI-Thermal Program was on hand to give a presentation on the CSI-Thermal Program and its benefit to customers. The conference was attended by more than 1,200 people and 150 exhibitors.

Case Studies Featuring Solar Water Heating Business Customers

Case studies are a key piece of collateral that provide business customers with robust information about the benefits of SWH/CSI-Thermal Program Rebates and are used as a sales tool by the PG&E Sales and Service team. In September, a case study featuring the Cheesecake Factory and its SWH system was released. It provided information on its process with going solar, its rebate amount and ultimately its satisfaction with the SWH system itself.

Food Service Technology Center Open House

On September 25, 2012, the CSI-Thermal Program was part of a featured showcase at the Food Service Technology Center (FSTC) Open House. The event was held at Vic's Restaurant in Pleasanton and was geared to restaurant owners and operators. PG&E and FSTC discussed the energy efficiency options, rebate programs and rate options in addition to SWH. Approximately 20 customers were in attendance.

5.10.3 Southern California Edison Company

Training and Education

SCE continues to highlight the CSI-Thermal Program in current solar training offerings, including its CSI Homeowner Solar Class (HSC), Solar Connection Event, CSI Contractor Solar Class and CSI Commercial Solar Workshops. The residential-focused classes (HSC & Solar Connection Events) are non-technical, easy-to-understand, free sessions that educate customers about the CSI Program, available rebates, and how to "go solar."

The Solar Connection Event is a 50-minute presentation followed by an opportunity to meet with solar contractors to help determine a customer's home's solar potential. The CSI-Thermal Program is marketed in these classes to provide exposure to two key audiences: homeowners and solar contractors.

In Q3 2012, SCE held five Homeowner Solar Classes and seven Solar Connection Events, drawing nearly 800 customers to locations that included Laguna Hills, Santa Monica, Thousand Oaks, Mission Viejo, Arcadia, Moreno Valley, Palos Verdes, Yucaipa, Brea and Cerritos.

The monthly CSI-Thermal Program Contractor and Self-Installer Training is a consistent offering for SCE. Since SCE and SCG have overlapping territories, training is offered at alternating venues each month. The date and location of the trainings is cross-promoted on each PA's website. For this reporting period, SCE held one class at SCE's Energy Education Center on August 15, 2012.

Bundled Outreach

- SCE participated in conferences, tradeshows and community-based events as a means to further educate customers about the CSI-Thermal Program and provide continuing program exposure. Program fact sheets and other related information was distributed at the following events:

- Orange County Fair, July 13 – August 12, 2012
- Covina Home Tour Scavenger Hunt, July 27, 2012
- Los Angeles County Fair, August 31 – September 30, 2012
- Solar Power International, September 10 -12, 2012
- Tulare County Fair, September 12 – 16, 2012
- SCE Water Conference, September 19, 2012
- AEE Southern California Annual Conference, September 20, 2012

Local Market Facilitation Plan

Early in the third quarter, SCE met with Fraser Communications to discuss potential CSI-Thermal Program tactics for the balance of 2012 and beyond. Fraser has developed a plan, including a 2013 media plan that SCE is currently reviewing.

Earlier in the year, SCE agreed to a Green Partnership with the Southern California Golf Association (SCGA), partnering in the SCGA's first-ever electronic, green issue of "FORE" monthly magazine, with exposure to the organization's 160,000+ membership across Southern California with prime readership metrics. Leading up to the release of the green issue of FORE in the third week of September, the CSI-Thermal Program commercial was posted on SCGA's Website along with other CSI-Thermal Program ads and other promotional opportunities, including a dedicated e-Blast, monthly email, Website content including banner ads and solar factoids, SCGA.org's splash page and a direct mail postcard. Furthermore, SCE worked with Fraser to develop a two-page ad spread to be published in the November issue of FORE.

In September, Fraser also helped develop a direct mail piece to 13,000 single-family homes targeted for two all-electric CSI-Thermal Program workshops scheduled for the fourth quarter.

Also in Q3 2012, the statewide marketing campaign materials (Fact Sheets) were updated to reflect the incentive increase, and SCE subsequently posted them on its CSI-Thermal Program website.

SCE Website

SCE promotes the CSI-Thermal Program through SCE.com website, which contains current information including program changes and upcoming Contractor and Self-Installer trainings offered by SCE and SCG. To access the latest information about the program, please visit www.sce.com/csithermal.

SCE.com is currently undergoing a redesign that will result in a more streamlined website, as well as separate channels for residential and commercial customers seeking information on the CSI-Thermal Program.

5.10.4 Southern California Gas Company

In an effort to increase adoption of SWH systems and increase the number of trained installers, SCG continued its collaboration with SCE and Alternative Energy Systems Consulting (AESC) to provide mandatory contractor and self-installer training courses. To ensure overlapping SCG and SCE service territories were covered by both utilities, training courses alternated every other month between SCE and SCG training facilities. SCG's course was offered at its Energy Resource Center in Downey, California. SCG hosted two workshops with 36 attendees during Q3.

Trade Shows and Events

The CSI-Thermal Program had a presence at the following shows and events at which SCG participated as an Exhibitor. At each venue, the Solar Water Heating Fact Sheet, then the new statewide brochures, as well as promotional items were distributed:

- Camarillo Fiesta and Street Fair in Camarillo, California, on July 13-15, 2012
- 2nd Annual Green Business Event in Santa Maria, California, on July 25, 2012
- U.S. Green Building Council Orange County Chapter Event in Irvine, California, on July 26, 2012
- Southern California Hotel and Lodging Conference at the Marriott in Anaheim, California, on August 2, 2012
- La Palma Civic Expo at the La Palma, California, Central Park on August 15, 2012
- Westminster Green Expo in Westminster, California, on August 16, 2012
- Black Voice Green Expo and Job Fair at the Riverside, California, City Hall on August 18, 2012
- Filipino American Chamber of Commerce Orange County Chapter Green & Health Expo in Garden Grove, California, on August 22, 2012
- Home and Garden Show at the Anaheim Convention Center in Anaheim, California, on August 24-26, 2012
- Los Angeles County Fair at the Fairplex Fairgrounds in Pomona, California, from August 31 to September 30, 2012
- Huntington Beach Green Expo in Huntington Beach, California, on September 15, 2012
- Clean Air Car Show and Green Living Expo in South Pasadena, California, on September 16, 2012
- California Hispanic Chamber of Commerce Event in Ontario, California, on September 16, 2012
- Association of Energy Engineers Southern California Chapter Conference at SoCalGas' Energy Resource Center on September 20, 2012
- Apartment Owners Association Tradeshow at the Long Beach Convention Center in Long Beach, California, on September 22, 2012
- Plumbing Heating and Cooling Contractors Tradeshow at the Anaheim Convention Center in Anaheim, California, on September 22, 2012
- Latino Expo in Panorama City, California, on September 22, 2012
- Irvine Global Village in Irvine, California, on September 29, 2012

Workshops

Six informational workshops were presented during the quarter:

- Solar Water Heating Basics for Single-family Residences in Irvine, California, on July 11, 2012
- Solar Water Heating Basics for Commercial Customers at the Energy Resource Center in Downey, California, on July 31, 2012
- Solar Water Heating Basics for Single-family Residences in Santa Barbara, California, on August 29, 2012
- Solar Water Heating Basics for Commercial Customers in Santa Barbara, California, on August 30, 2012

- Solar Water Heating Basics for Multi-family Dwellings in Santa Monica, California, on September 25, 2012
- Solar Water Heating Basics for Single-family Residences in Santa Monica, California, on September 27, 2012

External Communications

An E-mail blast was sent to targeted commercial customers on July 30, 2012, to promote the Commercial Customers workshop at the Energy Resource Center in Downey, California, on the next day. An E-mail blast was also sent to targeted commercial customers on August 23, 2012, to promote the Commercial Customers workshop in Santa Barbara on August 30, 2012. Templates for workshop flyers and print ads were approved by Energy Division in September. Both the single-family and multi-family workshops in Santa Monica in September were promoted with print ads in the *Santa Monica Mirror*, the *Argonaut*, and the Westside zone edition of the *Los Angeles Times*. Press releases were also prepared and disseminated in support of the workshops.

Internal Development

CSI-Thermal Program staff participated in training sessions for SCG staff working the LA County Fair to provide them with background information about SWH and the CSI-Thermal Program. Sessions were held at SCG facilities on the following dates:

- San Dimas – August 21, 2012
- Redlands – August 22, 2012
- Gas Company Tower – August 23, 2012
- Energy Resource Center in Downey – August 27, 2012

Website Development

SCG updated the content on its dedicated CSI-Thermal Program page: <http://www.socalgas.com/solar>, during the quarter to align with the “Meet the Next Step in Your Green Routine” theme of the Statewide Marketing Campaign. An online sign-up form was implemented for the workshops to allow customers to register for them in advance.

Customer Contact Center

SCG continued to provide information updates to its Customer Contact Center, 1-800-GAS-2000, in an effort to answer and address SWH questions and program inquiries. Interested participants are also provided information and links to the SCG CSI-Thermal Program webpage in an effort to direct and address the callers’ questions. SCG continued to actively monitor its swh@socalgas.com e-mail account for SWH inquires.

6. Legislative and Regulatory Update

Assembly Bill (AB) 2249 (Stats. 2012, ch. 607), which expands incentive eligibility for the CSI-Thermal Program to include multifamily residential, governmental, educational, and nonprofit solar pool heating systems has passed the California Legislature and was signed by the Governor on September 27, 2012. The Commission will need to review the impact of this Bill in relation to the CSI-Thermal Program.

A final Decision, D.12-08-008, was approved by the Commission on August 2, 2012, modifying the incentive structure for the single-family and multi-family/commercial mainstream programs. The PAs filed an Advice Letter modifying the CSI-Thermal Program Handbook and implementing the modification of the incentive structure on September 4, 2012. The Advice Letter was approved on October 4, 2012, and the new incentive rates were retroactive to July 4, 2012

7. Conclusions

With the on-going statewide marketing campaign to build awareness about the program and the recent Decision to increase incentives, the PAs are optimistic that there will be a significant increase in participation in the mainstream program for the remainder of 2012 into 2013 and onward.

The PAs are also looking forward to the potential inclusion of other solar thermal end-uses as well as multifamily residential, governmental, educational, and nonprofit solar pool heating in the near future. These program improvements will aid in the adoption of solar thermal technologies in California and help to create a self-sustaining solar thermal industry for years to come.