

California Public Utilities Commission
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PRESS RELEASE

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CPUC REPORT SHOWS CONTINUED SUCCESS OF SOLAR PROGRAM

SAN FRANCISCO, July 9, 2010 - The California Public Utilities Commission (CPUC) today said that three years into the state's 10-year solar program, California is already 42 percent of the way towards its general market program goal in the territories of the investor-owned utilities. This figure includes both projects already installed and those currently holding reservations for incentives and in the process of being installed.

In January 2007, California launched an unprecedented \$3.3 billion ratepayer-funded effort that aims to install 3,000 megawatts (MW) of new solar over the next decade and to transform the market for solar energy by reducing the cost of solar. The CPUC portion of the solar effort is known as the California Solar Initiative (CSI) Program. The CSI portion, the country's largest solar program, has a \$2.2 billion budget and a goal of 1,940 MW of solar capacity by the end of 2016. In addition to the MW goals, the program is also designed to emphasize performance, both for solar systems and the solar industry, by lowering costs and increasing efficiency.

In its CSI Annual Program Assessment Report to the Legislature, the CPUC said that California has over 600 MW of solar connected to the electric grid at nearly 65,000 customer sites. Of the 598 MW of capacity installed in investor-owned utility territories, 342 MW were installed under the CSI Program at 31,000 sites, as well as 256 MW installed through other programs. The non-CSI Program solar capacity was installed under other solar programs, including the California Energy Commission's New Solar Homes Program and the CPUC's Self-Generation Incentive Program and the Emerging Renewables Program.

Other program highlights from the report include:

- Demand is increasing. The CSI Program received a record of nearly 300 MW of new CSI project applications since January 2010 – more than any other six-month period since the start of the program.
- The program had over 134 MW of new projects applying in April 2010, the highest month on record for new solar applications.
- For every dollar spent on incentives by the state, there has been another \$2.62 invested in solar technology in California from other sources.
- Program data shows a decline in the average cost of solar systems. The inflation adjusted cost trends show that prices have declined since January 2007 from \$10.04/watt to \$8.49/watt for systems under 10 kW.
- The CSI Program has reduced incentive levels several times since 2007 in response to program demand. Incentives started at \$2.50/watt across the state, and now they are as low as \$0.65/watt.

Over the next several months the CPUC is expected to consider various aspects of the CSI as part of an overall review of the program. As part of this effort, the CPUC will consider program modifications based on an assessment of the program's progress in achieving its targeted MW goals, programmatic budget constraints, the current economic climate, solar market dynamics, other modifications based on the learnings to date, and associated staff recommendations.

The CSI program is part of the Go Solar California campaign, which has three distinct programs, each with a portion of the statewide budget and solar installation goals:

1) The CPUC's CSI Program provides incentives to customers of Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas and Electric Company. These three utilities represent about 75-80 percent of homes and existing and new commercial, industrial, government, non-profit, and agricultural properties. The CSI program includes several program components: a solar photovoltaic rebate program; two solar programs targeted at affordable housing (one for single family and the other for multifamily affordable housing); and a research, development and demonstration program. Additionally, in May 2010, the CPUC launched its newest CSI program component, the CSI-Thermal Program, which provides incentives for solar water heating systems. .

2) The New Solar Homes Partnership, managed by the California Energy Commission, provides incentives for the installation of solar PV on new residential construction. The budget is \$400 million over 10 years, with a goal of 360 MW.

3) The Publicly Owned Utilities program requires each municipal utility to offer a solar PV incentive program, an aggregate commitment of \$784 million over 10 years, toward a goal of 700 MW.

Since its inception in 2007, the CSI has consistently seen robust levels of demand for solar rebates.

Weekly program demand data, including new rebate applications, installed systems, and system costs can be found at www.CaliforniaSolarStatistics.ca.gov.

The report issued today is available at www.cpuc.ca.gov/PUC/energy/Solar/. Also visit www.GoSolarCalifornia.ca.gov/csi/index.html for more solar information.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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