

California Solar Initiative
Progress Report
Q3 2010
Data Annex

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This report was compiled by the California Solar Initiative Program Administrators – Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and the California Center for Sustainable Energy (CCSE) – pursuant to direction from the CPUC.

1 Program History and Structure

The original step allocations and megawatt (MW) goals were divided among the three investor-owned utilities (IOUs) according to the proportion of their respective electricity sales. Table 1 shows the original MW goals of the program allocated to PG&E, SCE, and CCSE (for SDG&E’s service territory), separated into residential and non-residential segments. The goals and budgets were determined by each utility’s percentage of electricity sales compared to the total of all utility sales. These allocated percentages are:

Program Administrator(PA)	Allocated Percent (%)
PG&E	43.7
SCE	46.0
SDG&E	10.3

As each Program Administrator (PA) receives applications for solar incentives, it tracks the total MW reflected in the applications received. Table 1 also shows the actual MW available or used at each step. The “actual” MW amount is different from the “original” MW amount because the actual amount takes into account program dropouts and represents the actual number of MW that will be paid at a given step. Finally, the highlighted sections of Table 1 show the current step for each Program Administrator and each customer segment, based on CSI Program demand as of September 2010.

Table 1. Incentive MW Available by Step, by Program Administrator and Customer Class

Step	MW in Step	PG&E (MW)		SCE (MW)		CCSE in SDG&E Territory (MW)				SoCalGas (MW)							
		Residential		Non-Residential		Residential		Non-Residential		Residential		Non-Res					
		Original	Actual	Original	Actual	Original	Actual	Original	Actual	Original	Actual	Original	Actual				
1	50	0	0	27.8	11.4	0.1	0	0	5.5	0	6.4	0.3	0	0	3.3	3.3	
2	70	10.1	11.9	20.5	17.4	10.6	9.3	21.6	21.4	2.4	4.8	7.5					
3	100	14.4	13.0	29.3	21.7	15.2	15.0	30.8	25.0	3.4	6.9	4.3					
4	130	18.7	18.0	38.1	28.6	19.7	21.2	40.1	19.9	4.4	9.0	4.9					
5	160	23.1	24.0	46.8	52.9	24.3	11.5	49.3	82.7	5.4	11.0	15.7					
6	190	27.4	29.6	55.6	76.3	28.8		58.6	58.5	6.5	13.1	15.8					
7	215	31.0	23.9	62.9	67.4	32.6		66.3	38.0	7.3	14.8	15.9					
8	250	36.1		73.2	15.5	38.0		77.1		8.5	17.3						
9	285	41.1		83.4		43.3		87.8		9.7	19.7						
10	350	50.5		102.5		53.1		107.9		11.9	24.2						
Subtotal		252.4		512.3		265.6		539.5		59.5		120.8					
Totals		764.7				805.1				180.3							
Percent		43.7%				46.0%				10.3%							

SoCalGas was a Program Administrator in 2006 during the transition to CSI, but has no role in CSI projects that started since 1/1/2007.

Source: CPUC data request to Program Administrators, dated October 01, 2010, and covering data through September 30, 2010.

Notes: (1) Shading in the table denotes Current Step as of September 30, 2010.

(2) The "Actual" MW field in Table 1 denotes the actual amount of MW that are either actively reserved or completed in each step and will be paid out at the given incentive level. The "Actual" MW numbers are equal to the "Original" MW in step less dropouts from that step plus dropouts from previous steps. The "Actual" numbers are current as of September 30, 2010. The "Original" MW amount represents the original number of MW allocated to the step in CPUC decision D.06-12-033, Appendix B, Table 13.

(3) In accordance with CPUC policy decisions that provided for a transition between the Self Generation Incentive Program and the California Solar Initiative, Step 1 was fully reserved in 2006 under the Self Generation Incentive Program, which was only open to non-residential projects. The 50 MW in Step 1 were not allocated across the utilities and were reserved on a first come, first served basis. Although almost all Step 1 MW were reserved by non-residential entities, Program Administrators later reallocated Step 1 dropouts into both residential and non-residential customer segments.

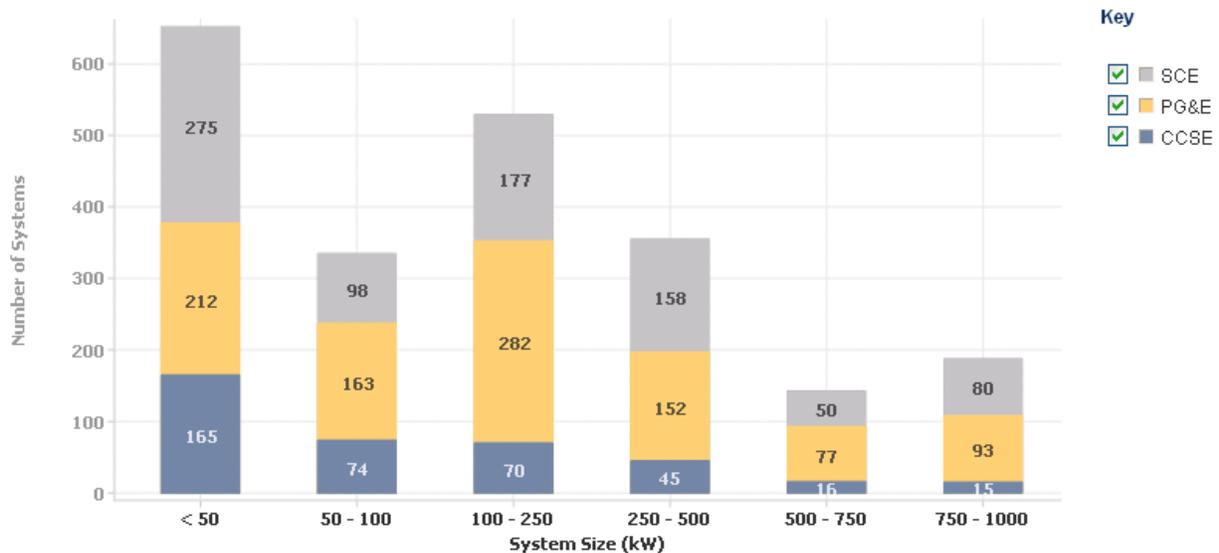
(4) Southern California Gas Company (SoCalGas) is an SGIP administrator and had MWs reserved in 2006 for solar projects at the Step 1 incentive level, but since SoCalGas is not a CSI Program Administrator, it has no CSI MWs reserved after January 1, 2007.

2 Additional CSI Program Demand Statistics

All references to capacity are reported as CEC-AC ratings (except Tables 1 and 8, which are reported in CSI rating). Additional CSI program data and information can be found at the following URL: www.GoSolarCalifornia.ca.gov.

2.1 PBI Incentive Demand

The Performance Based Incentive (PBI) path is required of larger projects in the CSI Program. Currently, the CSI Program has 2,202 PBI projects. Figure 1 shows the number of PBI systems by size and Program Administrator as of September 30, 2010.



Source: www.californiasolarstatistics.ca.gov

Figure 1. Number of PBI Systems by System Size and Program Administrator

3 Administrative Statistics

The CPUC continues to track a number of administrative metrics in order to monitor potential program administration issues. In particular, the CPUC is interested in application and payment processing times, including the amount of time needed for moving projects from: application to reservation; application to project completion; and incentive claim request to payment. Additionally, CPUC monitors the average number of days for interconnection application to be completed.

The data in this section is responsive to a CPUC data request to the Program Administrators dated October 01, 2010. The data presented is current through September 30, 2010 except as indicated.

3.1 Application and Incentive Processing Times

The Program Administrators strive to process reservation requests in 30 days or less for both residential and non-residential customer applications. Table 2 shows the most recent application processing times, from the date the application paperwork is

physically received and time-stamped by the Program Administrator to the date that a reservation is granted (either “first reservation reserved” status or “first pending RFP” for non-residential applications or “first confirmed reservation” status for residential applications). This time period includes both Program Administrator application processing time and time that the host customer takes to respond to requests for more information or application corrections. Table 2 compares processing times from the most recent quarter (Q3, 2010) to average processing times for the same quarter of the last calendar year (Q3, 2009).

Applications for which the Program Administrator takes more than 60 days to grant a reservation typically have a problem. Problems encountered in these applications include, but are not limited to:

- Listed equipment does not match the EPBB printout
- Mailing address is different from the project site address
- Missing signatures
- Missing or incomplete documentation
- Slow customer responsiveness
- Non-Residential 3 step applications have a 60 day period for RFP submittal

Table 2. Time from Application to Reservation

Percentage of applications whose processing time between "Application Received" and "Confirmed Reservation" is:								
	15 days or less		30 days or less		60 days or less		Greater than 60 days	
	Q3 2010	Q3 2009	Q3 2010	Q3 2009	Q3 2010	Q3 2009	Q3 2010	Q3 2009
RESIDENTIAL								
CCSE	86.2%	74.2%	97.4%	93.3%	98.9%	98.8%	1.1%	1.2%
PG&E	79.0%	81.5%	97.5%	97.0%	99.5%	99.7%	0.5%	0.3%
SCE	39.7%	35.1%	48.0%	69.1%	64.5%	93.7%	35.5%	6.3%
NON-RESIDENTIAL								
CCSE	15.3%	23.5%	30.6%	52.9%	100.0%	64.7%	0.0%	35.3%
PG&E	4.9%	39.0%	55.1%	55.1%	81.2%	91.9%	18.8%	8.1%
SCE	7.9%	6.2%	25.3%	10.4%	62.4%	62.5%	37.6%	37.5%

Source: Based on public export from CA Solar Statistics at www.californiasolarstatistics.ca.gov.

Notes: “Q3” includes all applications that were reserved by the Program Administrators between July 1 and September 30 of a specific year.

The data in Figures 2 and 3 offer another look at the PA’s progress towards achieving their administrative processing goals. These graphs show the percent of applications that were granted a reservation within 30 days, by month since the program began on January 1, 2007. The data is presented separately for each Program Administrator and is divided into residential and non-residential customer sectors. Since March 2008, the Program Administrators consistently processed the majority of residential reservations in 30 days or less. Analyzing data for non-residential applications is particularly

challenging, because the Program Administrators have received far fewer non-residential applications compared to the number of residential applications. As a result, the percentages appear erratic.

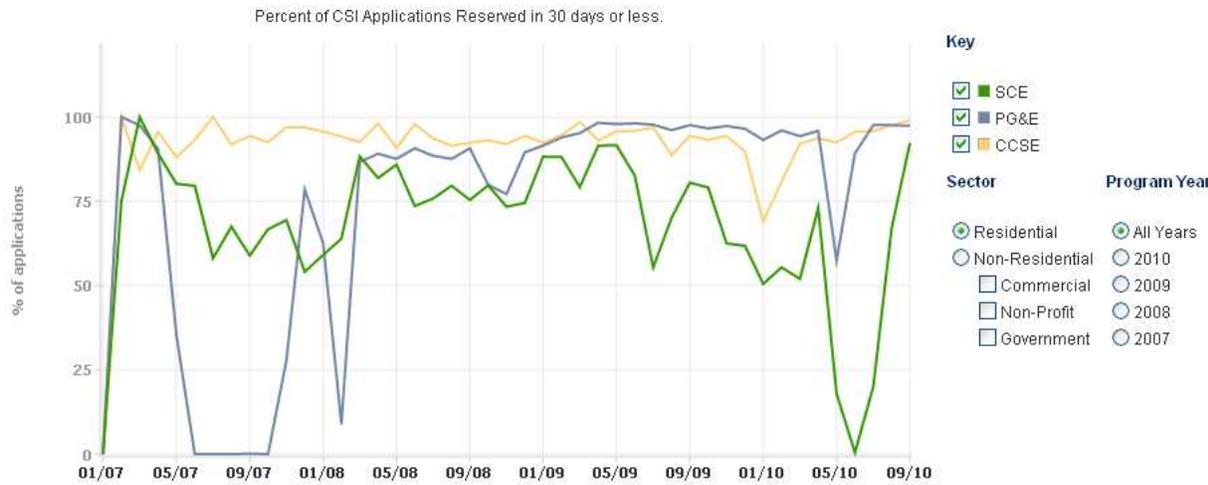
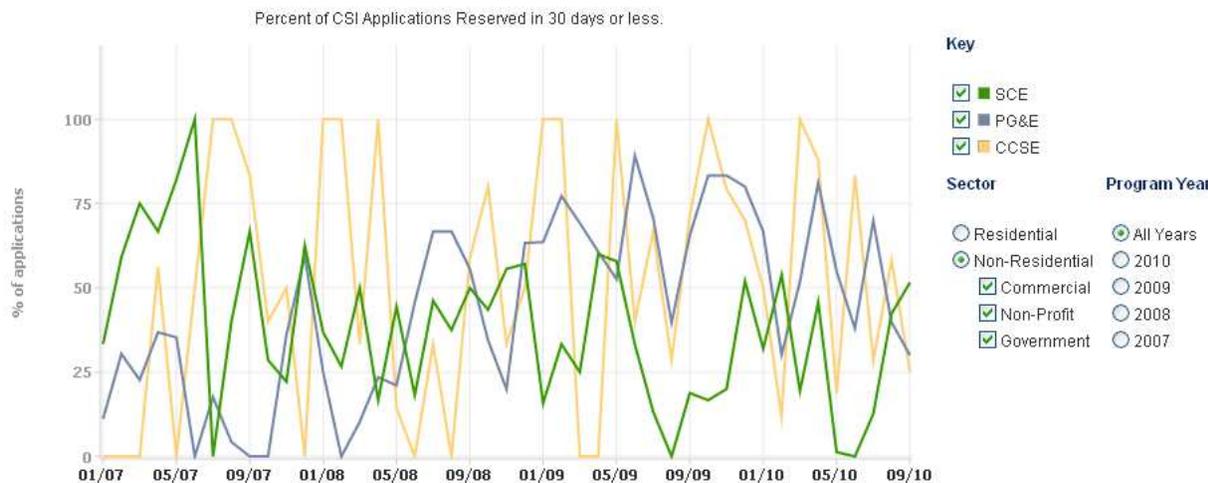


Figure 2. Residential Reservation Processing

Source: Based on public export from CA Solar Statistics at www.californiasolarstatistics.ca.gov. Data covers January 1, 2007-September 30, 2010



Source: Based on public export from CA Solar Statistics at www.californiasolarstatistics.ca.gov. Data covers January 1, 2007-September 30, 2010

Figure 3. Non-Residential Reservation Processing

3.2 Installation time

The average installation time is determined by the applicant and not the Program Administrator. Residential applicants have 12 months and non-residential applicants have 18 months from the date of the confirmed reservation to submit an Incentive Claim Form (ICF). Installation times also vary according to residential and non-residential projects. Table 3 shows the average number of calendar days between the customer's confirmed reservation date and the date that the Incentive Claim Form was received by

the Program Administrator, for all applications for which the ICF was received in Q3 2010 and Q3 2009.

Table 3. Installation time

Average Installation Time				
	Residential Q3 2010	Residential Q3 2009	Non-Residential Q3 2010	Non-Residential Q3 2009
CCSE	103.3	103.6	417.9	183.4
PG&E	121.0	114.6	203.1	233.1
SCE	62.0	97.3	177.6	188.5

Source: Based on public export from CA Solar Statistics at www.californiasolarstatistics.ca.gov.

Notes: "Q3" includes all projects whereby ICFs were received by the Program Administrators between July 1 and September 30 of a specific year.

3.3 Interconnection Time

The time for interconnection is determined by the date the utility's interconnection department deems the application to be complete (e.g., final single line, final building permit, etc.) and the date that the utility inspects the interconnection and issues the "permission to operate" letter. This time is generally under the utility's control and does not depend on additional inputs from other entities, such as cities, counties, etc. However, exogenous factors, such as customer availability or adverse weather conditions, may impact this process. Table 4 shows the average number of calendar days for the interconnection of residential and non-residential customer projects by IOU, for all projects that have been interconnected in the Q3 2009 and Q3 2010.

Table 4. Interconnection Time

	Residential Q3 2010	Residential Q3 2009	Non-Residential Q3 2010	Non-Residential Q3 2009
PG & E	16.0	5.0	13.7	6.1
SCE	5.9	4.0	16.1	7.6
SDG&E	3.1	2.8	3.6	2.9

Source: Program Administrators and SDG&E

3.4 Incentive Claim Processing

For CSI Program participants, incentive claim processing is an extremely important part of the project timeline. Table 5 shows how quickly incentive claims are processed for different types of projects, from the date that the Incentive Claim Form (ICF) is physically received by the Program Administrator and time-stamped (often different than the date the ICF is electronically submitted in PowerClerk) to the date that the application is changed to "pending payment" status. After the ICF is submitted, the Program Administrator selects a random number of projects for onsite field inspection, during which inspectors verify that the installed system matches the system identified in the paperwork. As scheduling and inspection times often vary, projects identified in

Table 5 are sorted into groups that were or were not inspected. Table 5 compares data from those projects that were identified as “pending payment” in Q3 2010 to those in Q3 2009. The majority of residential incentive claims are processed in 60 days or less. Applications for which the Program Administrator takes more than 90 days to process the incentive claim typically have a problem. Problems encountered with applications at the ICF stage include, but are not limited to:

- System not interconnected
- Revised EPBB not submitted to reflect changes in installed equipment
- Missing PMRS documentation
- Missing 10-year warranty for equipment and/or installation
- Incomplete or missing data about Performance Data Provider (PDP)
- Host customer unaware the need for a CSI inspection
- Failed meter or system inspection
- Missing or incomplete documentation

Table 5. Incentive Claim Processing Times

Percentage of applications whose processing time between "Incentive Claim Form Received" and "Pending Payment" stage is:								
	30 days or less		60 days or less		90 days or less		Greater than 90 days	
	Q3 2010	Q3 2009	Q3 2010	Q3 2009	Q3 2010	Q3 2009	Q3 2010	Q3 2009
RESIDENTIAL with inspection								
CCSE	9.9%	26.3%	63.0%	73.7%	95.1%	97.4%	4.9%	2.6%
PG&E	4.4%	45.3%	59.9%	85.7%	81.9%	97.6%	18.1%	2.4%
SCE	16.1%	27.8%	48.7%	75.2%	68.5%	87.2%	31.5%	12.8%
RESIDENTIAL without inspection								
CCSE	94.7%	83.7%	97.9%	96.6%	99.8%	99.1%	0.2%	0.9%
PG&E	56.4%	90.5%	93.5%	97.2%	98.0%	98.7%	2.0%	1.3%
SCE	60.0%	65.7%	79.1%	90.9%	90.6%	96.0%	9.4%	4.0%
NON-RESIDENTIAL with inspection								
CCSE	0.0%	0.0%	71.4%	100.0%	85.7%	100.0%	14.3%	0.0%
PG&E	7.7%	37.5%	23.1%	87.5%	69.2%	93.8%	30.8%	6.2%
SCE	10.0%	11.1%	40.0%	44.4%	56.7%	66.7%	43.3%	33.3%
NON-RESIDENTIAL without inspection								
CCSE	80.0%	87.5%	100.0%	87.5%	100.0%	87.5%	0.0%	12.5%
PG&E	22.2%	62.2%	70.7%	86.7%	88.9%	93.3%	11.1%	6.7%
SCE	39.5%	5.9%	55.3%	47.1%	71.1%	52.9%	28.9%	47.1%

Source: Based on public export from CA Solar Statistics at www.californiasolarstatistics.ca.gov.

Notes: “Q3” includes all applications that were approved for “Pending Payment” by the Program Administrators between July 1 and September 30 of a specific year.

Table 6 shows the average number of calendar days for an application in “Pending Payment” status to reach “Completed” status (EPBB payments) or “PBI in Payment” status (PBI payments). The time from “Pending Payment” to “Completed” status reflects the amount of time it takes for payment to be made to the applicant for EPBB payments and the time from “Pending Payment” to “PBI in Payment” status reflects the amount of time it takes for the first payment to be made to the applicant for PBI Payments. Timeframes vary according to residential and non-residential projects, but also depend upon whether the project is receiving an EPBB or PBI payment.

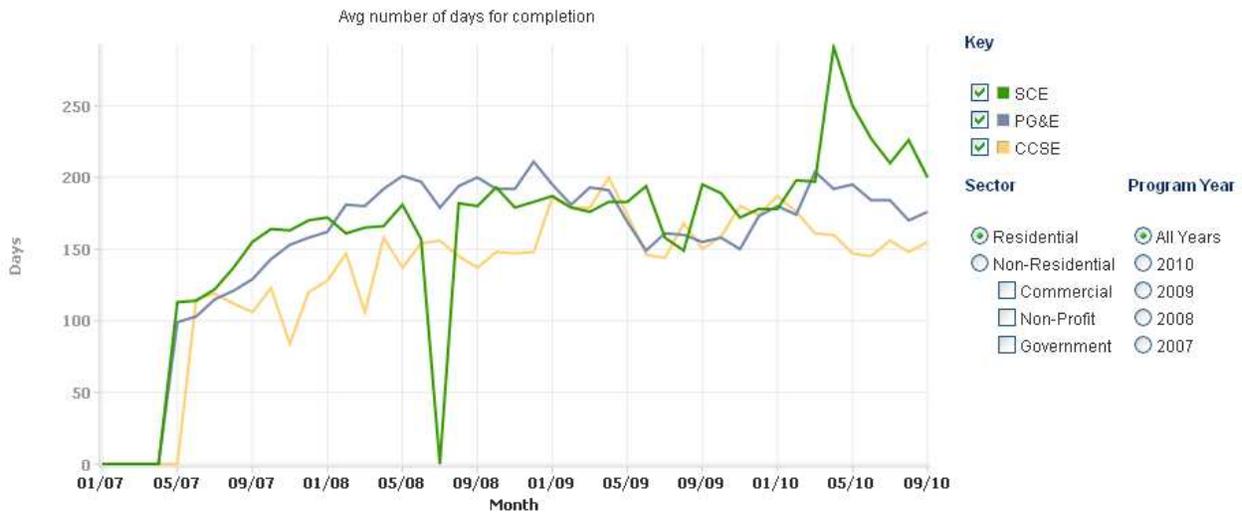
Table 6. Payment Time

Average Payment Time				
	Residential		Non-Residential	
	Q3 2010	Q3 2009	Q3 2010	Q3 2009
CCSE				
EPBB Avg Days	28.8	21.2	29.0	8.9
EPBB Projects	561	356	2	7
PBI Avg Days	34.6	80.0	52.1	7.0
PBI Projects	9	7	8	2
PG&E				
EPBB Avg Days	9.6	7.8	9.4	7.6
EPBB Projects	2,230	1,532	78	53
PBI Avg Days	113.0	67.4	69.6	134.1
PBI Projects	1	9	24	35
SCE				
EPBB Avg Days	35.1	28.4	42.4	27.8
EPBB Projects	1,568	674	33	13
PBI Avg Days	58.0	56.9	48.6	47.5
PBI Projects	11	22	11	18

Source: Based on public export from CA Solar Statistics at www.californiasolarstatistics.ca.gov.

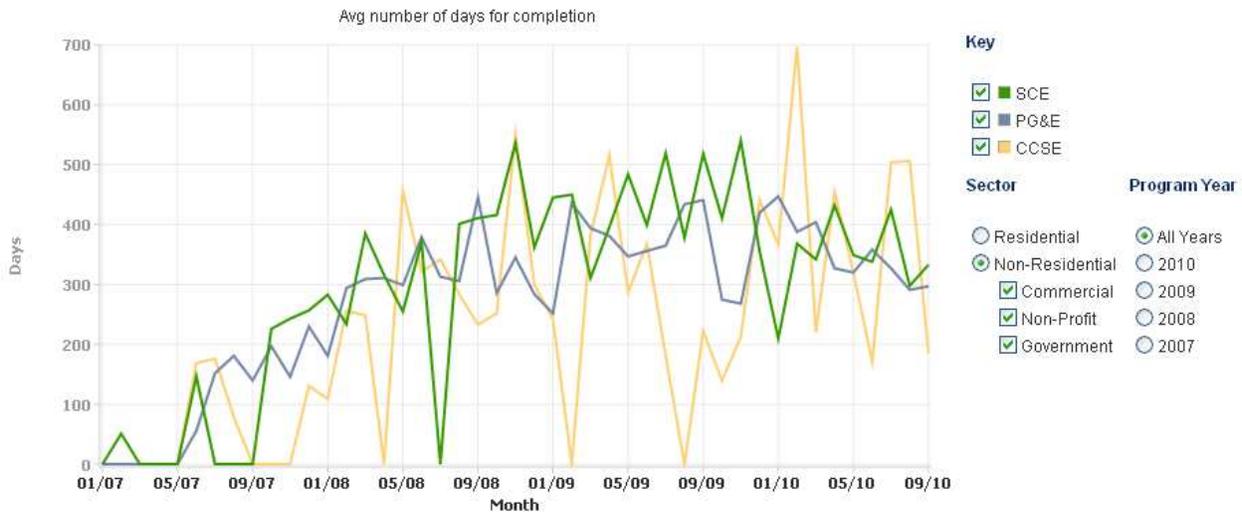
Notes: “Q3” includes all ICFs applications that have reached either “PBI-In Payment” or “Completed” status between July 1 and September 30 of a specific year.

Figures 4 and 5 show the end-to-end monthly average project completion times (defined as time between "First Reservation Request Review Date" to either "First Completed Date" or "First PBI - In Payment Date") in calendar days for all projects completed through September 30, 2010. These times reflect both the Program Administrator processing times and host customer responsiveness to inquiries, requests for additional data and inspection scheduling. The data in the figures below are separated by residential and non-residential customer projects completed in each given month, according to Program Administrator.



Source: Based on public export from CA Solar Statistics at www.californiasolarstatistics.ca.gov. Data covers January 1, 2007- September 30, 2010.

Figure 4. Residential project completion times



Source: Based on public export from CA Solar Statistics at www.californiasolarstatistics.ca.gov. Data covers January 1, 2007- September 30, 2010.

Figure 5. Non-Residential project completion times

4 CSI Program Trainings

Each of the Program Administrators regularly offer training for both customers and solar installers on the CSI Program and the benefits and technical details of solar generally. In Q3 2010, the CSI Program Administrators held 100+ trainings and trained 3000+ attendees.

Table 7. Number of Trainings by Program Administrator

	PGE		SCE		CCSE	
	Q3 2010	Q3 2009	Q3 2010	Q3 2009	Q3 2010	Q3 2009
Number of attendees at trainings	456	955	1,035	1606	628	296
Number of CSI Program Trainings held	29	28	22	24	22	16

Source: CSI Program Administrator’s Marketing and Outreach departments

Notes: “Q2” refers to the period July 1 through September 30 of a given year.

4.1 PG&E Training Offerings

PG&E continues to offer a suite of training and education options for consumers, contractors and others interested in solar-related topics and the CSI programs through webinars and in classrooms. An overview of these classes can be found on our solar education website, along with the corresponding slides and training materials, at <http://www.pge.com/solareducation>. PG&E strategizes on the portfolio of offerings by assessing consumer and industry needs in an effort to streamline the installation and rebate application processes as well as facilitate an increased adoption of solar in the community. PG&E also offers other classes to continue to educate customers on their PV systems after they have been installed to ensure they receive the maximum benefits of the system. In addition to the many solar PV related classes that PG&E has offered over the last few years, we have ramped up breath of courses for Solar Water Heating in support of the new CSI Thermal incentive program. Lastly, we also engage with key stakeholders in the community including consumers, government partners and industry leaders through various events including fairs, symposiums, conferences and other speaking opportunities.

4.2 SCE Training Offerings

SCE continues to offer classes geared toward non-residential and residential customers, both of which attract the solar installer community. Since the CSI program’s inception, SCE has reached more than 2,900 non-residential customers, through 76 “Intro to CSI” classes, and more than 4,100 residential customers through 60+ Homeowner Solar Classes (HSC) and Solar Fairs. Since SCE began offering the “Intro to CSI” class via Webinar in 2008, 198 attendees have participated via 15 Webinars. Solar Fairs are events where customers can talk to contractors and talk to SCE about the incentive rebate process. Customers interested in attending a Solar Fair can get more information at homesolar@SCE.com.

4.2.1 Intro to CSI Classes

The “Contractor Solar Class” is a course designed for solar contractors, self-installers, managers and PV owners, and features new and updated information on the CSI Program. During the course discussion, information is given to attendees on the following topics: (i) how to participate in the program; (ii) system basics, including the different types of solar systems, metering, monitoring, site and equipment requirements; and (iii) PowerClerk. In addition, SCE enhanced the Interconnection information provided during this course beginning in 2009.

4.2.2 Homeowner Solar Classes

SCE’s HSC (homeowner) classes are 90-minute, easy-to-understand sessions that provide the basics of how residential customers can “go solar” without the “techy” jargon so often used and confusing to potential solar customers. The subject matter SCE presents in both the “Intro” and “HSC” classes is updated as required by program needs. SCE also makes adjustments based on feedback received from attendees.

For more information, please visit:

www.sce.com/solarleadership/gosolar/california-solar-initiative/Training/Residential.htm.

4.2.3 Commercial Solar Workshop

SCE added a NEW Commercial Solar Workshop to its training curriculum in 2010. The inaugural class Contractors can register online at www.sce.com/ctac.htm.

www.sce.com/ctac.htm. The target audience for this class is non-residential customers.

4.3 CCSE Training Offerings

In Q3 of 2010, CCSE continues to offer a wide variety of workshops for homeowners, contractors, solar installers, financiers and the general public.

CCSE strengthened its outreach to solar consumers in Q3 of 2010. Besides the Solar for Homeowners workshop which continues to be offered monthly with attendance numbers ranging around 15 people per workshop, CCSE offered a “Solar for Non-Residential Customers” workshop in September 2010. The goal of this new quarterly workshop series is to foster solar implementation amongst small to medium-sized businesses, government entities, and non-profits.

CCSE is also continuing its emphasis on solar contractor outreach to improve application processing efficiency, educate contractors on the CSI inspection protocol, and ensure ethical sales and marketing behaviors in the rapidly growing solar market.

CCSE offered more than 10 workshops for solar contractors in Q3 of 2010 that focused on these topics (see detailed description below).

CCSE also implemented a new workshops series focusing on the latest technological developments in the solar market called “Solar Technology Series”. Every other month, CCSE will invite experts who will present the latest emerging technologies to solar contractors and the general public. The Solar Technology Series was inaugurated in July 2010 with a workshop on Microinverters and Maximizers which was attended by more than 50 people.

CCSE also continued its successful Power Purchase Agreement series for the non-residential sector in July of 2010. The fourth and last workshop of the series was held in July and focused on PPA Case Studies.

CCSE has partnered with various stakeholders and solar experts to run the workshops presented in Q3. They include *Enphase*, the *University of California, San Diego*, *City of San Diego*, *Point Loma Nazarene University*, *SDG&E*, and *Clean Power Finance*.

CCSE's in-house workshops and trainings in Q3 of 2010 included:

4.3.1 California Solar Initiative (CSI) Application Process

CCSE holds a quarterly workshop focused on the CSI application process and any recent changes to the program. This training session is designed for contractors, but is open to the public. *Held on 8/4/2010.*

4.3.2 Solar Shade Workshops

CCSE holds a monthly solar shade workshop that reviews the CSI program's shade measurement requirements and the CSI inspection protocol. CCSE strongly encourages all installers to attend. *Held on 7/14/2010, 8/18/2010 and 9/8/2010.*

4.3.3 Solar for Homeowners

CCSE conducts a monthly solar for homeowners workshop that educates homeowners in the San Diego area about how to read their annual electricity usage and properly size a PV system. The workshop also provides an overview of the California Solar Initiative, and explains the financial and environmental benefits of going solar. *Held on 7/24/2010; 7/29/2010; 8/26/2010; 9/30/2010.*

4.3.4 Solar for Non-Residential Customers

As mentioned above, CCSE initiated a new workshop series to complement the Solar for Homeowners workshop focusing on solar for businesses, governments, and non-profits. The workshop focused on an introduction into commercial utility rates, the CSI program for non-residential customers, and the latest legislative updates and was well received by the attendees. CCSE intends to continue this workshop on a quarterly basis. *Held on 9/20/2010.*

4.3.5 Solar Technology Series

CCSE initiated a new workshop series focusing on existing and emerging solar technologies. The first workshop in the series was *held on July 27, 2010* and focused on Microinverters and Maximizers. The workshop was held by representatives of Enphase and Tigo Energy.

4.3.6 Solar Financing

In Q3 of 2010, CCSE finalized its workshop series on Power Purchase Agreements, one of the most commonly used financing mechanisms in the solar sector. The last workshop *held on 7/28/2010* focused on PPA case studies and included presentations

from the City of San Diego, the University of California, San Diego and Point Loma Nazarene University, all three major implementers of solar in SDG&E territory.

4.3.7 Solar Permitting & Interconnection

Intended to give solar contractors and other interested parties in-depth knowledge of the City of San Diego's building permit process as well as SDG&E's interconnection process, this workshop was *held on September 2nd, 2010*. Representatives from the City of San Diego and Ken Parks, Team Leader for SDG&E's Customer Generation Department, explained to attendees recent changes in the City's permitting requirements and best practices on how to get solar systems connected to the utility grid.

4.3.8 Economics of Solar

This two day workshop explored in detail the economics behind every solar quote and provided tips on how to interpret terms in ways readily understandable to customers. The workshops were *held on 9/23 and 9/24/2010* by Jock Patterson from Clean Power Finance and attracted more than 50 attendees.

4.3.9 Utility Scale Solar

Due to increasing customer demands, CCSE hosted a workshop on utility scale solar run by Uyen Nguyen from SDG&E. Uyen described the competitive bidding process for utility scale solar projects in SDG&E territory focusing on how feed-in tariffs and utility scale solar projects differ from the California Solar Initiative.

For more information on CCSE's workshops, visit: www.energycenter.org/calendar

Besides the regular workshops offered at CCSE's training facilities, the CSI team also offered special events such as "Sustainable Energy Week" *held from Sept. 12 to 18, 2010*. Sustainable Energy Week brought together a broad cross section of business leaders, energy experts, industry contractors, policymakers, and the general public at events such as Family Energy Day and Street Smart on Sep. 12, the Clean Energy Commercial Tours on Sep. 14 and 15, and the Clean Energy Conference on Sep. 16

Workshops were held during Family Energy day focusing on solar for residential customers. Workshops included *Solar Water Heating Basics for Homeowners, Solar 101, Intro to CSI, How to Pick a Contractor, and a Solar Homeowner Panel.*

On Jul 30, 2010 CCSE held the CSI Public Forum at its facilities which was attended by more than 80 stakeholders, solar market experts, and the general public. In an effort to maintain a sustainable solar market in Southern California, CCSE continues to hold regular "Solar Focus Group" meetings which include around 15 to 20 solar experts from the region. The Solar Focus Group *held on 8/19/2010* focused on how access to

financing options for residential customers can be improved, a topic that has great relevance under current market conditions.

5 Program Dropouts

The CPUC hosted a workshop on CSI Program Dropouts and their effects on the CSI Budget in July 2008. Since that time, CPUC staff has continued to monitor and report on both the CSI Program dropout rate and the amount of incentive dollars unreserved when projects and their associated MW drop out of a higher incentive level and are added back in to the program after a step change, at a newer, lower incentive level.

The CSI dropout rate is currently about 16.2%. As of September 30, 2010, about 16.2% percent of reserved MW has dropped out of the Program, representing 18.6% of reserved incentive dollars. This average dropout rate was calculated from the Public Data Export, which draws on data from the September 30, 2010, PowerClerk data, and includes ***only those applications that have ever been granted a CSI reservation*** (non-blank “Reservation Reserved” or “Confirmed Reservation” or “Pending RFP” date for nonresidential projects, and non-blank “Confirmed Reservation” date for residential projects).

There are about \$68 million in unreserved incentives associated with CSI Program dropouts. Additionally, when CSI projects drop out of the program and their associated MW are added in at a lower incentive rate, a small amount of incentive dollars become “unreserved.” For example, if a 1 MW commercial project were to be reserved at incentive Step 4, its associated incentive would be \$1.9 million (1 MW x \$1.90/watt incentive). If that project were to drop out, and the MW were to be added back in at incentive Step 5, the associated incentive would be \$1.55 million (1 MW x \$1.55/watt incentive). That represents a difference of \$350,000 in unreserved incentive. The CPUC requires Program Administrators to regularly report on the amounts of these unreserved incentives, and publishes the overall sum of these unreserved incentives in the quarterly Staff Progress Reports. Table 8 shows that as of September 30, 2010, the sum of all unreserved incentive dollars was approximately \$68 million as reported by the Program Administrators in their responses to the CPUC Data Request dated October 01, 2010.

Table 8. CSI MW Dropouts and Dollar Differentials

Site p	PG&E			SCE			CCSE			Total		
	Res MW	NonRes MW	\$million un-reserved	Res MW	NonRes MW	\$million un-reserved	Res MW	NonRes MW	\$million un-reserved	Res MW	NonRes MW	\$million un-reserved
1	3.3	13.4		0.1	6.9		0.0	6.2		3.4	26.5	
2a	0.0	3.1		0.1	0.1		0.0	0.8		0.1	4.0	
2b	1.4	13.2	\$10,119,745	1.2	5.0	\$2,984,359	0.2	1.8	\$1,772,309	2.8	20.0	\$14,876,413
3	2.0	12.6	\$8,646,830	1.3	9.6	\$6,030,359	1.7	3.7	\$2,788,683	4.8	25.9	\$17,465,872
4	12.2	29.6	\$10,331,411	0.0	23.8	\$8,576,307	1.5	7.7	\$3,131,423	13.6	60.2	\$22,039,141
5	2.6	26.3	\$9,474,936	0.0	0.04	\$158,880	0.2	2.3	\$1,733,620	2.8	28.2	\$11,367,436
6	9.7	10.9	\$1,769,646	0.0	0.3	\$130,883	0.1	1.3	\$304,754	9.6	5.8	\$2,205,103
7	0.2	3.4	\$0	0.0	0.0	\$0	0.0	1.0	\$0	0.0	1.1	\$0
Totals	28.1	96.0	\$40,342,568	2.5	39.1	\$17,880,788	3.7	8.3	\$9,730,789	32.9	144.0	\$67,954,145

Source: CPUC data request to Program Administrators, dated October 01, 2010 and covering data through September 30, 2010.

Notes:

1) The "\$ unreserved" figure is an estimate based on the assumption that all non-residential dropouts are commercial projects. The actual figures may differ slightly based on government & non-profit participation in the steps. The "\$ unreserved" figure does not equal the total amount of incentive money associated with the dropped-out MW. Varying rate structures have an impact on the calculation for unreserved Incentive dollars.

2) Steps 1 and 2a were fully reserved under the Self Generation Incentive Program in 2006, and these applications were subject to different programmatic rules. Therefore, Step 1 and 2a dropout rates are not directly comparable to the rates for Step 2 and beyond, and are not included in the totals row at the bottom of Table 8.

Question 9. Net Energy Metering

PUC Section 2827 establishes net energy metering (NEM) for solar and small wind customer-generators. The answers to these questions should be combined and included in the Data Annex.

- a. How many total NEM customer generators, pursuant to PUC Section 2827, are interconnected in your service territory as of September 30th, 2010?

Service Territory	# of Customers
PG&E	43,588
SCE	16,833
SDG&E	10,928

- b. How many NEM customer generators from subsection a. are **solar** customer generators?

Service Territory	# of Customers
PG&E	43,484
SCE	16,583
SDG&E	10,906

- c. What is the “total rated generating capacity” (in MW) of all NEM customer-generators pursuant to PUC Section 2827, as of September 30th, 2010?

Service Territory	MW
PG&E	367.7
SCE	186.7
SDG&E	80.7

- d. What is the “total rated generating capacity” (in MW) of **solar** NEM customer-generators only pursuant to PUC Section 2827, as of September 30th, 2010?

Service Territory	MW
PG&E	366.5
SCE	182.1
SDG&E	80.6

- e. What percentage of your “aggregate customer peak demand,” pursuant to PUC Section 2827(c)(1), is accounted for by all NEM customer-generators, as of September 30th, 2010?

Service Territory	Percent
PG&E	1.76%
SCE	0.81%
SDG&E	1.74%