

**California Solar Initiative  
Progress Report  
October 2009  
Data Annex**

## Table of Contents

1	Program History and Structure.....	3
2	Additional CSI Program Demand Statistics.....	5
2.1	PBI Incentive Demand .....	5
3	Administrative Statistics .....	5
3.1	Application and incentive processing times .....	6
3.2	Installation time .....	9
3.3	Interconnection time.....	9
3.4	Incentive claim processing.....	10
3.5	End-to-end project completion times .....	13
4	Installer Trainings .....	14
4.1	PG&E Training Offerings.....	14
4.2	SCE Training Offerings .....	15
4.3	CCSE Training Offerings.....	16
5	Transition from SGIP to CSI.....	16
6	Program Dropouts .....	17
6.1	The CSI dropout rate is currently 29%.....	17
6.2	There is \$52.0 million in unreserved incentive associated with CSI Program dropouts.....	18

## Index of Tables

Table 1.	Incentive MW Available by Step, by Program Administrator and Customer Class .....	4
Table 2.	Time from application to reservation.....	7
Table 3.	Installation time .....	9
Table 4.	Interconnection time.....	9
Table 5.	Incentive claim processing times .....	11
Table 6.	Payment Time .....	12
Table 7.	Installer training snapshot.....	14
Table 8.	CSI MW dropouts and dollar differentials .....	19

## Index of Figures

Figure 1.	Number of PBI Systems by System Size by Program Administrator .....	5
Figure 2.	Residential Reservation Processing.....	8
Figure 3.	Non-Residential Reservation Processing .....	8
Figure 4.	Residential Project Completion Times.....	13
Figure 5.	Non-Residential Project Completion Times.....	14

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

## **1 Program History and Structure**

The original step allocations and megawatt goals were divided among the three investor-owned utilities according to the relative proportion of their respective electricity sales. Table 1 shows the original MW goals of the program allocated to PG&E, SCE, and CCSE, separated into residential and non-residential segments. The goals and budgets were determined by each utility's relative percentage of electricity sales compared to the total of all utility sales. These allocated percentages are: PG&E - 43.7%; SCE - 46.0%; and SDG&E - 10.3%.

As each Program Administrator 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 than the “original” MW amount because the actual amount takes into account Program dropouts and represents the actual number of MW that will be paid out at a given step.

Finally, Table 1 shows (highlighted) the current step for each Program Administrator and each customer segment, based on CSI Program demand as of September 2009. For example, PG&E is in Step 6 for Non-Residential and SCE is in step 5 for Non-Residential.

**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-Residential		Residential		Non-Res	
		Original	Actual	Original	Actual	Original	Actual	Original	Actual	Original	Actual	Original	Actual	Original	Actual	Original	Actual
1	50	0	0	27.8	27.8	0.07	0.07	12.4	12.4	0	0	6.4	6.4	0	0	3.3	3.3
2	70	10.1	13.1	20.5	32.9	10.6	10.6	21.6	26.7	2.4	2.5	4.8	10.0	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.			
3	100	14.4	14.8	29.3	33.8	15.2	16.5	30.8	35.4	3.4	4.9	6.9	8.0				
4	130	18.7	20.5	38.1	49.6	19.7	5.8	40.1	47.3	4.4	5.8	9.0	12.6				
5	160	23.1	25.3	46.8	72.5	24.3		49.3	28.9	5.4	5.2	11.0	7.9				
6	190	27.4	5.5	55.6	22.5	28.8		58.6		6.5		13.1					
7	215	31.0		62.9		32.6		66.3		7.3		14.8					
8	250	36.1		73.2		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		<b>252.4</b>		<b>512.3</b>		<b>265.6</b>		<b>539.5</b>		<b>59.5</b>		<b>120.8</b>					
Totals		<b>764.7</b>				<b>805.1</b>				<b>180.3</b>							
Percent		<b>43.7%</b>				<b>46.0%</b>				<b>10.3%</b>							

**Source:** CPUC data request to Program Administrators, covering data through September 30, 2009.

**Table Notes:**

(1) Shading Denotes Current Step as of September 30, 2009.

(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, 2009. 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) SoCalGas is an SGIP administrator and therefore has MW reserved in 2006 at the Step 1 incentive level, but since SoCalGas is not a CSI Program Administrator, it has not reserved any CSI MW after 1/1/07.

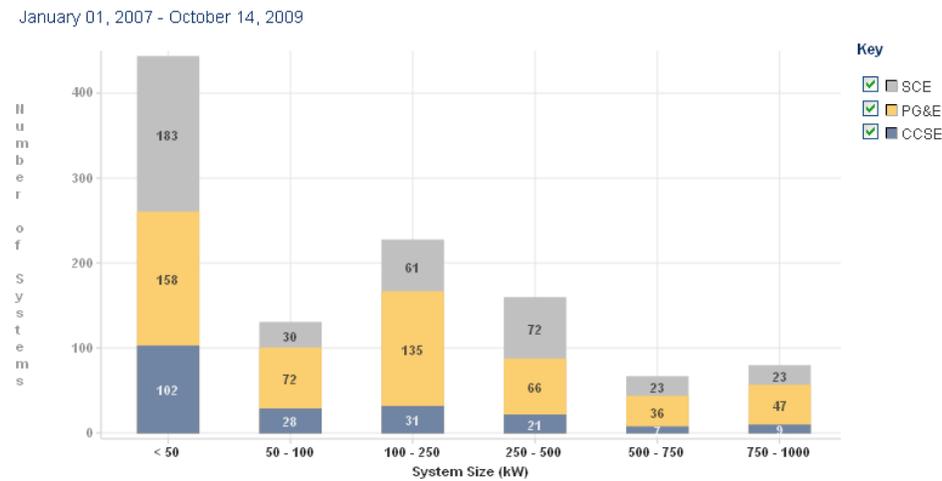
## 2 Additional CSI Program Demand Statistics

All references to capacity are reported as CEC-AC ratings. Additional CSI Program data and information can be found in the data annex to this report, available online at the following URL: [www.californiasolarstatistics.ca.gov](http://www.californiasolarstatistics.ca.gov).

### 2.1 PBI Incentive Demand

The PBI incentive path is required of larger projects in the CSI Program. Currently, the CSI Program has 1,104 PBI projects. Figure 1 shows the number of PBI systems by size and Program Administrator.

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



California Solar Statistics is funded by California utility customers and administered by CCSE, PG&E, and SCE under the auspices of the California Public Utilities Commission for the California Solar Initiative, a component of the Go Solar California campaign.

Source: [californiasolarstatistics.ca.gov](http://californiasolarstatistics.ca.gov) through October 14, 2009.

## 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 from application to reservation, for project completion and interconnection and from incentive claim request to payment.

The data in this section is based on a CPUC data request to the Program Administrators. The data presented is current through October 14, 2009, except where noted.

Please note that this data will soon be made available to the public on the CSI public reporting site, [www.californiasolarstatistics.ca.gov](http://www.californiasolarstatistics.ca.gov). More information on [www.californiasolarstatistics.ca.gov](http://www.californiasolarstatistics.ca.gov) is available in the October 2009 Progress Report.<sup>1</sup>

### **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, 2009) to average processing times for the same quarter of the 2008 calendar year.

Applications that take the Program Administrator more than 60 days to grant a reservation typically have a problem. Some of the most common problems encountered in these applications include:

- Listed equipment does not match EPBB printout
- Mailing address different than project site address
- Missing signatures
- Other missing or incomplete documentation
- Slow customer responsiveness

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<sup>1</sup> The October 2009 CSI CPUC Staff Progress Report is available online at [http://www.cpuc.ca.gov/PUC/energy/Solar/091021\\_staffprogressreport.htm](http://www.cpuc.ca.gov/PUC/energy/Solar/091021_staffprogressreport.htm).

**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 2009	Q3 2008	Q3 2009	Q3 2008	Q3 2009	Q3 2008	Q3 2009	Q3 2008
<b>RESIDENTIAL</b>								
CCSE	73.6%	80.5%	93.1%	92.1%	98.7%	99.5%	1.3%	0.5%
PG&E	81.5%	12.2%	97.1%	88.9%	99.7%	96.9%	0.3%	3.2%
SCE	35.4%	48.4%	68.9%	76.8%	93.7%	94.3%	6.4%	6.0%
<b>NON-RESIDENTIAL</b>								
CCSE	21.1%	13.8%	47.4%	51.7%	57.9%	82.8%	42.1%	17.2%
PG&E	36.7%	15.4%	52.7%	63.5%	92.7%	93.3%	7.3%	6.7%
SCE	6.2%	18.9%	10.4%	43.2%	62.5%	78.4%	37.5%	21.6%

**Source:** : Based on a CPUC data request to Program Administrators, covering data through September 30, 2009. This data will soon be available on [www.californiasolarstatistics.ca.gov](http://www.californiasolarstatistics.ca.gov).

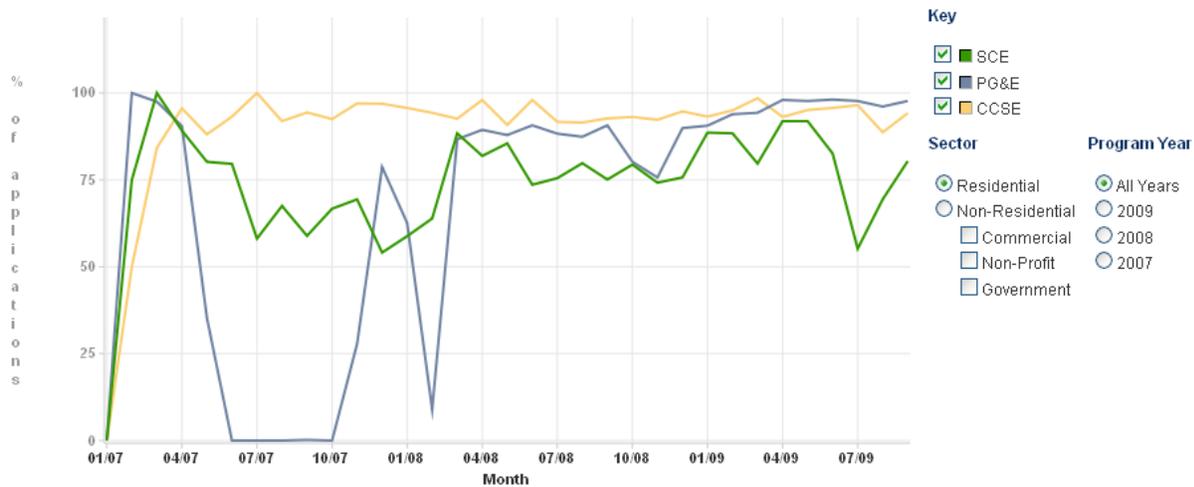
**Table Notes:** "Q3 2009" includes all applications that were reserved by the Program Administrators between July 1, 2009, and September 30, 2009. "Q3 2008" refers to all applications reserved by Program Administrators between July 1, 2008, and September 30, 2008. Not Yet Reserved includes applications received but not yet reserved.

**SCE Note:** Due to changes in calculation methods, which were implemented to have similar reporting results across all of the Program Administrators, SCE's percentages have dropped, primarily due to the inclusion of processing time spent in the applicant's hands for missing and or incorrect submitted documentation, which is outside of SCE's control.

Figure 2 and

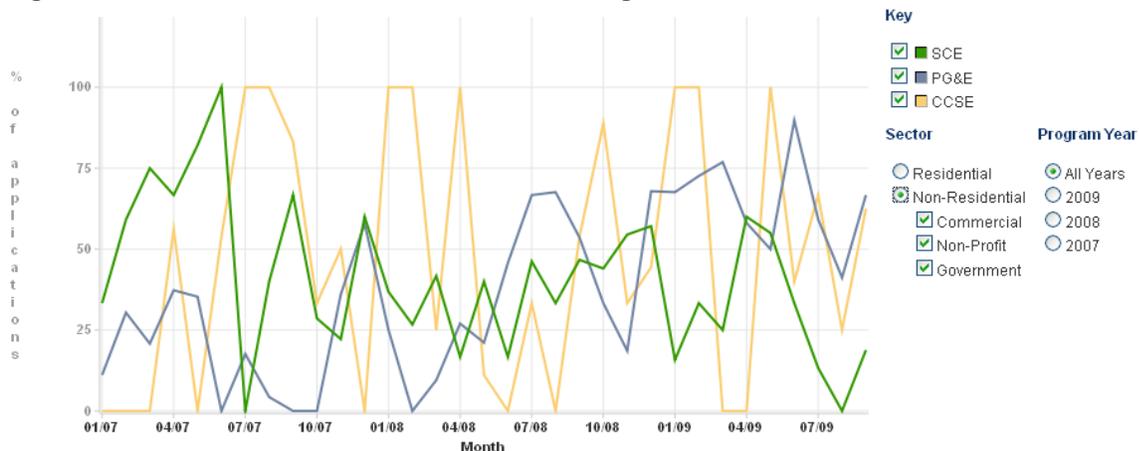
Figure 3 offer another look at our progress towards achieving administrative processing goals. These graphs show the percent of applications granted a reservation within 30 days each month since the program inception on January 1, 2007. The data is presented separately for each Program Administrator and is divided into residential and non-residential customer applications. Since March of 2008, the Program Administrators have been able to consistently process nearly 90 percent of residential reservations in 30 days or less. Data for non-residential applications is particularly challenging, because far fewer non-residential applications have been submitted compared to the number of residential applications, therefore the percentages appear erratic.

**Figure 2. Residential Reservation Processing**



**Source:** Based on a CPUC data request to Program Administrators, covering data through September 30, 2009. This data will soon be available on [www.californiasolarstatistics.ca.gov](http://www.californiasolarstatistics.ca.gov).

**Figure 3. Non-Residential Reservation Processing**



**Source:** Based on a CPUC data request to Program Administrators, covering data through September 30, 2009. This data will soon be available on [www.californiasolarstatistics.ca.gov](http://www.californiasolarstatistics.ca.gov).

### 3.2 Installation time

The average installation time is determined by the applicant and not the Program Administrator. Residential and commercial applicants have 12 months from the date of their 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 2009 and Q3 2008.

**Table 3. Installation time**

Average Installation Time				
	Residential Q3 2009	Residential Q3 2008	Non-Residential Q3 2009	Non-Residential Q3 2008
CCSE	102.2	95.6	116.8	283.1
PG&E	114.7	119.6	223.4	257.6
SCE	97.1	85.8	198.8	307.2

**Source:** Based on a CPUC data request to Program Administrators, covering data through September 30, 2009. This data will soon be available on [www.californiasolarstatistics.ca.gov](http://www.californiasolarstatistics.ca.gov).

**Table Notes:** “Q3 2009” includes all ICF applications that were received by the Program Administrators between July 1, 2009, and September 30, 2009. “Q3 2008” refers to all ICF applications received by Program Administrators between July 1, 2008, and September 30, 2008.

### 3.3 Interconnection time

The time for interconnection is based upon the date the utility’s interconnection department deems the application to be complete (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 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 Program Administrator, for all projects that have been interconnected in the 3rd quarter of 2008 and 2009.

**Table 4. Interconnection time**

Average Interconnection Time (Number of Days)				
	Residential Q3 2009	Residential Q3 2008	Non-Residential Q3 2009	Non-Residential Q3 2008
PG & E	5.0	3.6	6.1	9.2
SCE	4.0	3.3	7.6	8.8
CCSE	2.8	3.0	3.3	2.7

**Source:** CPUC data request to Program Administrators, covering data through September 30, 2009.

**Table Notes:** “Q3 2009” includes all applications that were received by the Program Administrators between July 1, 2009, and September 30, 2009. “Q3 2008” refers to all applications received by Program Administrators between July 1, 2008, and September 30, 2008.

### **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 is physically received and time-stamped (often different than the date the ICF is electronically submitted in PowerClerk) by the Program Administrator to the date that the application is changed to “pending payment” status. Normally, once the ICF is submitted, the Program Administrators select 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 the most recent quarter (Q3) to those projects whose claims were processed in 2008 and 2009. The majority of residential incentive claims are processed in 60 days or less.

Applications that take the Program Administrator more than 90 days to process the incentive claim typically have a problem. Some of the most frequent types of problems encountered with applications at the incentive claims stage include:

- 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 of CSI inspection need
- Failed meter or system inspection
- Other missing or incomplete documentation

**Table 5. Incentive claim processing times**

January 01, 2007 - October 14, 2009

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 2009	Q3 2008	Q3 2009	Q3 2008	Q3 2009	Q3 2008	Q3 2009	Q3 2008
<b>RESIDENTIAL with inspection</b>								
CCSE	77.3%	70.8%	95.5%	95.8%	98.5%	100.0%	1.5%	0.0%
PG&E	82.0%	64.8%	96.2%	83.9%	98.9%	91.7%	1.1%	8.3%
SCE	51.3%	60.4%	85.0%	79.1%	93.8%	89.0%	7.1%	11.0%
<b>RESIDENTIAL without inspection</b>								
CCSE	79.8%	75.7%	94.8%	95.4%	99.1%	98.0%	1.1%	2.0%
PG&E	83.9%	67.5%	95.4%	84.8%	98.5%	91.6%	1.5%	8.9%
SCE	60.6%	64.2%	88.8%	82.3%	94.6%	91.0%	5.7%	9.2%
<b>NON-RESIDENTIAL with inspection</b>								
CCSE	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
PG&E	57.1%	25.0%	71.4%	87.5%	85.7%	100.0%	14.3%	0.0%
SCE	100.0%	50.0%	100.0%	50.0%	100.0%	50.0%	0.0%	50.0%
<b>NON-RESIDENTIAL without inspection</b>								
CCSE	77.8%	12.5%	88.9%	62.5%	88.9%	87.5%	11.1%	12.5%
PG&E	54.5%	46.5%	87.3%	66.2%	92.7%	80.3%	7.3%	19.7%
SCE	4.0%	12.9%	44.0%	45.2%	56.0%	61.3%	44.0%	38.7%

**Source:** Based on CPUC data request to Program Administrators, covering data through September 30, 2009. This data will soon be available on [www.californiasolarstatistics.ca.gov](http://www.californiasolarstatistics.ca.gov).

**Table Notes:** "Q3 2009" includes all applications that were approved for "Pending Payment" by the Program Administrators between July 1, 2009, and September 30, 2009. "Q3 2008" refers to all applications approved for "Pending Payment" by Program Administrators between July 1, 2008, and September 30, 2008. The Not Yet "Pending Payment" includes ICF applications that were received in the quarter but not yet approved for "Pending Payment".

**SCE Note:** Due to changes in calculation methods to have similar reporting across all of the program administrators SCE's percentages have dropped primarily due to the inclusion of processing time spent in the applicant's hands due to missing and or incorrect submitted documentation, as well as down time due to inspection scheduling and failed inspections, which are all outside of SCE's control.

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. The Program Administrators have made relatively few PBI payments, so the average number of days for first payment on these projects is expected to decrease with increased volume and a larger universe of data.

**Table 6. Payment Time**

Average Payment Time				
	Residential		Non-Residential	
	Q3 2009	Q3 2008	Q3 2009	Q3 2008
CCSE				
EPBB Avg Days	21.4	20.5	6.8	20.5
EPBB Projects	321	189	6	4
PBI Avg Days	139.5	36.2	0.0	19.7
PBI Projects	4	5	0	3
PG&E				
EPBB Avg Days	7.8	8.1	7.7	14.8
EPBB Projects	1,530	1,295	54	52
PBI Avg Days	67.4	42.9	134.1	44.3
PBI Projects	9	7	35	18
SCE				
EPBB Avg Days	28.4	42.3	27.8	45.3
EPBB Projects	674	359	13	23
PBI Avg Days	56.9	88.7	47.5	61.2
PBI Projects	22	12	18	10

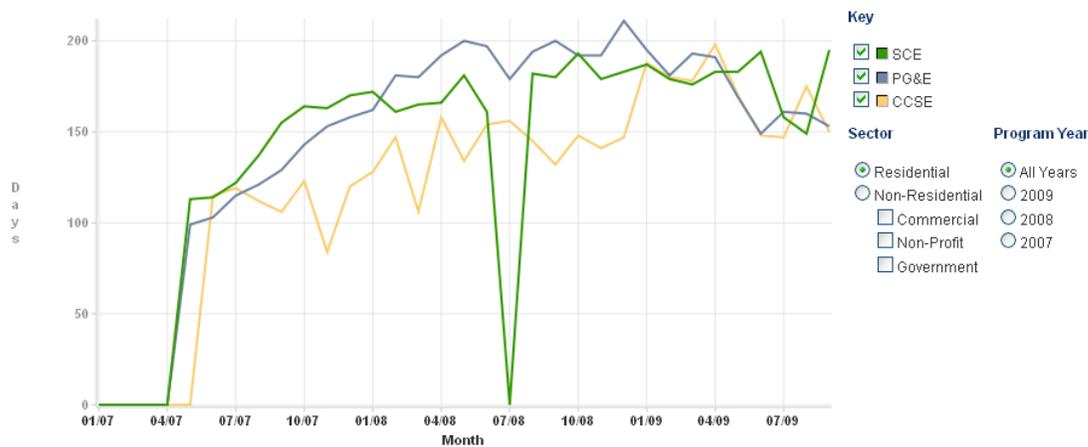
**Source:** Based on CPUC data request to Program Administrators, dated October 23, 2009, and covering data through September 30, 2009. This data will soon be available on [www.californiasolarstatistics.ca.gov](http://www.californiasolarstatistics.ca.gov).

**Table Notes:** “Q3 2009” includes all ICF applications that were “paid” (per the above stated definition) by the Program Administrators between July 1, 2009, and September 30, 2009. “Q3 2008” refers to all ICF applications “paid” by Program Administrators between July 1, 2008, and September 30, 2008.

### 3.5 End-to-end project completion times

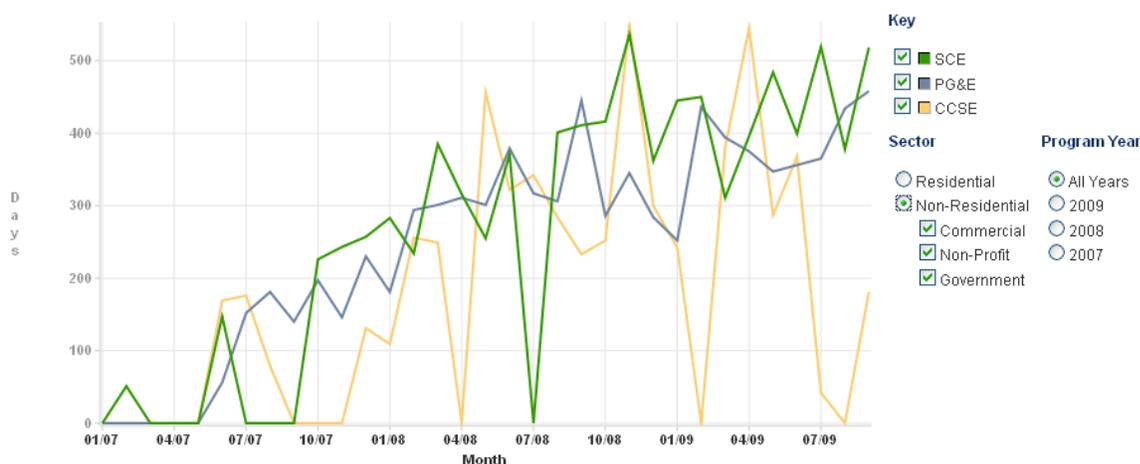
Figure 4 and Figure 5 show the end-to-end project completion times for the past year in calendar days. These times reflect both the Program Administrator processing times and host customer responsiveness to inquiries, requests for additional data and inspection scheduling. The data in the figures below are separated by residential and non-residential customer projects completed in each given month, according to Program Administrator. As the CSI Program is relatively young and projects are given at least 12 months to complete, little data exists for early- and mid-2007, particularly for non-residential projects. As we move through the third year of this ten-year program, we will continue to amass data on end-to-end completion times, and will monitor the progress of applications in the CSI Program.

**Figure 4. Residential Project Completion Times**



**Source:** Based on CPUC data request to Program Administrators, covering data through September 30, 2009. This data will soon be available on [www.californiasolarstatistics.ca.gov](http://www.californiasolarstatistics.ca.gov).

**Figure 5. Non-Residential Project Completion Times**



**Source:** Based on CPUC data request to Program Administrators, covering data through September 30, 2009. This data will soon be available on [www.californiasolarstatistics.ca.gov](http://www.californiasolarstatistics.ca.gov).

**Table Notes:** Data provided only for those months where non-residential projects were completed.

## 4 Installer 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 the third quarter of 2009, the CSI Program Administrators held 61 trainings and trained at least 2,990 attendees.

**Table 7. Installer training snapshot**

	PGE			SCE			CCSE		
	Q3 2007	Q3 2008	Q3 2009	Q3 2007	Q3 2008	Q3 2009	Q3 2007	Q3 2008	Q3 2009
Number of attendees at installer trainings	1800*	500	955	94*	707	1606	108	292	429
Number of CSI Program Trainings held	N/A	13	28	6*	11	24	4	8	9

**Source:** CPUC data request to Program Administrators, dated October 7, 2009, and covering data through September 30, 2009.

**Table Notes:** “Q3 2009” includes number of attendees and trainings held by the Program Administrators between July 1, 2009, and September 30, 2009. “Q3 2008” includes number of attendees and trainings held by the Program Administrators between July 1, 2008, and September 30, 2008. “Q3 2007” includes number of attendees and trainings held by the Program Administrators between July 1, 2007 and September 30, 2007.

**PG&E Note:**\*2007 trainings held between January 1st, 2007 and December 31st, 2007. No class count recorded.

**SCE Note:** \*Q3 2007 average based on total 2007 attendees and class count.

### 4.1 PG&E Training Offerings

PG&E continues to allocate resources and time towards educating solar customers as trends and customer feedback illustrate their ongoing interest in learning about the CSI program and ancillary subject matters. These include, but are not limited to, the interconnection process, solar

system-life maintenance, solar billing, etc. While educating customers is key, ultimately all of these solar-related classes aim to drive down program costs and increase our operational efficiencies as a CSI Program Administrator.

#### **4.1.1 City and County Partnerships**

Classes on which PG&E partnered with other stakeholders increased. Content including the application process, solar basics, permitting and inspections and code compliance were all offered via a partnership – the City and County of San Mateo, the City of Pleasanton and Yolo, Marin and Butte Counties all coordinated classes with PG&E. As a result of PG&E’s strong relationships with these public stakeholders, we were able to cast a more targeted net with our outreach.

#### **4.1.2 Webinars**

PG&E’s webinars continue to offer a low-cost and convenient way to educate our customers. Thus far in 2009, PG&E has trained well over 1,000 customers via these online classes. Subjects steadily grow as feedback is received. The most frequently attended classes continue to be those on CSI Program changes as well as speeding up both the CSI and solar interconnection process.

#### **4.1.3 Energy Efficiency and Solar**

To underscore the importance and value of becoming energy efficient prior to installing a solar system, PG&E is offering a variety of classes with this goal in mind. These include the Integration of Renewables and Solar as well as Path to Energy Savings classes which position conservation and efficiency as the necessary initial steps to optimize customers’ purchase and ongoing use of a solar system.

For more information, please visit

<http://www.pge.com/mybusiness/energysavingsrebates/solar/solareducation/index.shtml>.

## **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 program’s inception, SCE has reached over 2,600 non-residential customers through 70 “Intro to CSI” classes, and more than 3,400 residential customers through 44 Homeowner Solar Information Sessions (HSIS). Since SCE began offering the “Intro to CSI” class via Webinar in 2008, it has had 198 attendees via 15 Webinars.

### **4.2.1 Intro to CSI Classes**

The “Intro to CSI” 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 on how to participate in the program; system basics, including the different types of solar systems, metering, monitoring, site and equipment requirements; and PowerClerk, to name just a few. In addition, beginning in 2009, SCE enhanced the Interconnection information provided during this course.

#### **4.2.2 Homeowner Solar Classes**

SCE's HSIS (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 "HSIS" classes is updated as program needs require. SCE also makes adjustments based on feedback received from attendees.

For more information, please visit <http://www.sce.com/solarleadership/gosolar/california-solar-initiative/Training/training.htm>.

#### **4.3 CCSE Training Offerings**

CCSE holds a quarterly workshop that focuses on the CSI application process and any changes to the program that may have occurred. CCSE also holds a bi-annual solar financing workshop that utilizes the expertise of Andy Black from Ongrid Solar as well as CCSE in house solar financing expertise.

##### **4.3.1 Solar Shade Workshops**

On a monthly basis, CCSE holds a solar shade workshop that also incorporates the CSI inspection protocol, which CCSE strongly encourages all installers to attend. For the first time, CCSE had a representative from Solmetric Suneye, the makers of one of the industries most popular solar analysis tool to give a workshop on shade and the usability of their tool. Also on a monthly basis, CCSE performs a solar for homeowner's workshop that educates homeowners in the San Diego area on the financial and environmental benefits of going solar.

##### **4.3.2 Solar Jobs Workshops**

On an annual basis, CCSE puts on a workshop geared toward those seeking employment in the solar industry. By utilizing the industry knowledge of consultant Liz Merry from Verve Solar Consulting, CCSE aims to help increase the number of qualified workers that are needed in California's solar market.

For more information, visit [www.EnergyCenter.org](http://www.EnergyCenter.org) and click "Events & Workshops".

## **5 Transition from SGIP to CSI**

In 2006, the CPUC provided a transition between SGIP and the CSI. The most important aspects of this transition was that the CPUC (1) funded the SGIP program to meet a sharp rise in the demand for solar incentives and (2) set declining incentive declines based on the CPUC adopted CSI "step table" approved in advance of the actual program launch on January 1, 2007.

In 2006, nearly 97 MW of solar PV projects were reserved under the Self-Generation Incentive Program (SGIP). The first 50 MW of projects reserved in 2006 are considered “Step 1” of the CSI Trigger Tracker, and received incentive payments of \$2.80 per watt for all customer classes. The Step 1 projects were based on “first come first serve” in all four SGIP Program Administrator territories. (SGIP has a fourth Program Administrator, Southern California Gas Company.) After these first 50 MW were reserved, the incentive levels declined to Step 2. In May 2006, projects began receiving “Step 2” level incentives of \$2.50 per watt for residential & commercial customers and \$3.25 per watt for government & non-profit customers. Although we originally expected to fund all of the “Step 2” MW from the CSI budget, a portion of these MW- those that were reserved in 2006- were paid out of SGIP funds.

Any unspent funds in the 2006 SGIP solar budget were transferred to the CSI balancing accounts on December 31st, 2006. Starting on January 1, 2007, all funds committed under the CSI are subject to the statutory budget limits expressly set for solar incentives from January 1, 2007 through 2016, as well as the budgetary detailed guidance provided by the CPUC.

## 6 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.

### 6.1 *The CSI dropout rate is currently 29%*

As of October 14, 2009, about 29% of reserved MW has dropped out of the Program, representing 5% of reserved incentive dollars. This average dropout rate was calculated from the Public Data Export, which draws on data from the October 14, 2009, 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 non-residential projects, and non-blank “Confirmed Reservation” date for residential projects).

CPUC staff also continues to monitor the potential for future dropouts, based on projects that have passed the normal implementation timeline without becoming complete. For residential and commercial projects, this normal implementation timeframe is 12 months after a reservation is granted, and for government and non-profit projects the normative timeframe is 18 months after a reservation is granted. According to the PowerClerk data, approximately 10% of total reserved MW, representing 11% of reserved incentive dollars, remain “active” and incomplete beyond their normal implementation time under the CSI Program, though it is important to note that the majority of these projects have demonstrated installation progress to the CSI PAs and have been granted extensions in accordance with the rules of the CSI Program Handbook. However, if we were to assume that all these incomplete projects will drop out, the percentage of incomplete projects beyond their normative timeframe plus the existing percentage of Program dropouts would yield an overall dropout rate of no more than 25% of reserved MW and 26% of

reserved incentive dollars. Even this “worst case scenario” dropout rate is significantly less than the programmatic dropout rate of the CSI Program’s predecessor, the Self Generation Incentive Program, which experienced dropout rates for solar projects at or above 50%.

## **6.2 *There is \$52.0 million in unreserved incentive 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 was to drop out, and the MW was 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 October 14, 2009, the sum of all unreserved incentive dollars was approximately \$52.0 million, as reported by the Program Administrators in their responses to the CPUC Administration Snapshot Data Request dated October 7, 2009.

**Table 8. CSI MW dropouts and dollar differentials**

Step	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	3.314	13.335	\$5,286,949	0.07	6.94	\$2,637,279	0.0	6.159	\$1,641,126	3.384	26.434	\$9,565,354
2a	0.0	3.063	\$1,007,400	0.06	0.13	\$0	0.0	0.765	\$459,009	0.06	3.958	\$1,466,409
2b	1.369	12.689	\$9,205,936	1.33	5.20	\$2,275,444	0.201	1.443	\$1,374,974	2.900	19.332	\$12,856,354
3	1.866	12.040	\$7,922,912	0.8	10.27	\$5,707,291	1.607	2.130	\$1,254,424	4.273	24.44	\$14,884,627
4	10.864	28.796	\$8,908,536	0.05	26.35	\$7,939,042	1.324	3.469	\$720,793	12.238	58.615	\$17,568,371
5	1.400	21.558	\$6,692,857	0.0	3.4	\$0	0.0	0.013	\$0	1.400	24.971	\$6,692,857
6	0.0	1.500	\$0	0.0	0.0	\$0	0.0	0.0	\$0	0.0	1.500	\$0
Totals	15.499	76.583	\$32,730,241	2.18	45.22	\$15,921,777	3.132	7.055	\$3,350,191	20.811	128.858	\$52,002,209

**Source:** CPUC data request to Program Administrators, dated October 7, 2009, and covering data through October 14, 2009.

**Table 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. (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.