California Solar Initiative Update
CCSE (SDG&E territory)

California Assembly
Committee on Utilities & Commerce
Sacramento, CA
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About CCSE

- Independent non- profit 501 (c)(3) organization
- Core activities
  - **Program Implementation:** State and utility programs promoting clean generation, energy efficiency, alternative fuel vehicles
    - CA Solar Initiative, SGIP – DG Programs in SDG&E service territory
    - Clean Vehicle Rebate Project – for the CA Air Resources Board
    - Energy Upgrade California – complements the IOU EE programs
  - **Clean energy technical assistance** for:
    - Private entities: companies and non-profits
    - Local governments, other public entities
    - Market support: contractors, manufacturers and other industry stakeholders
  - **Policy Support:** regional planning; legislative & regulatory support
  - **Education:** energy efficiency, renewables, climate, green building, transportation
- Emphasis on serving local jurisdictions, market stakeholders, end users
- www.energycenter.org

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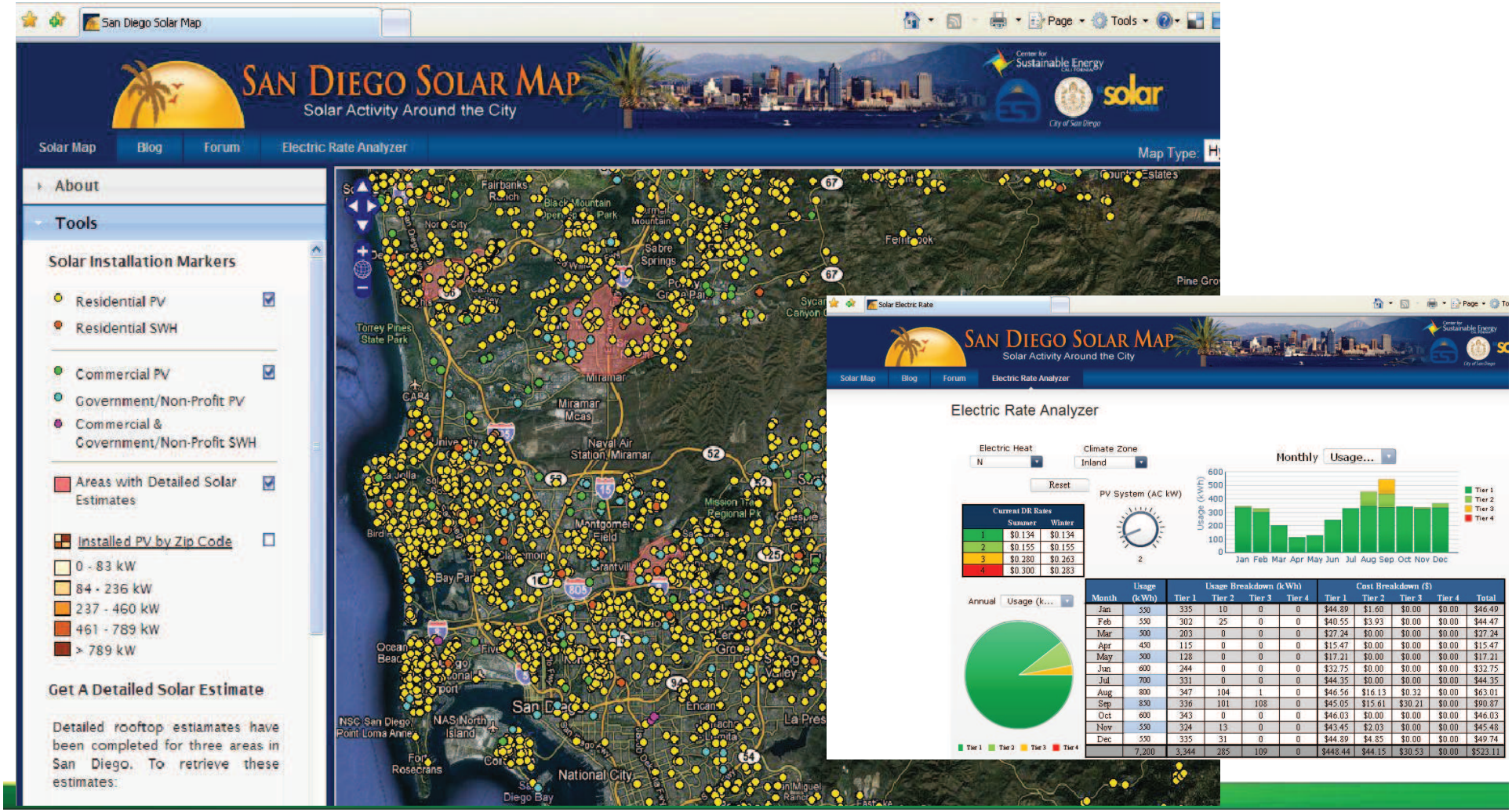
Growing Penetration, Evolving Markets



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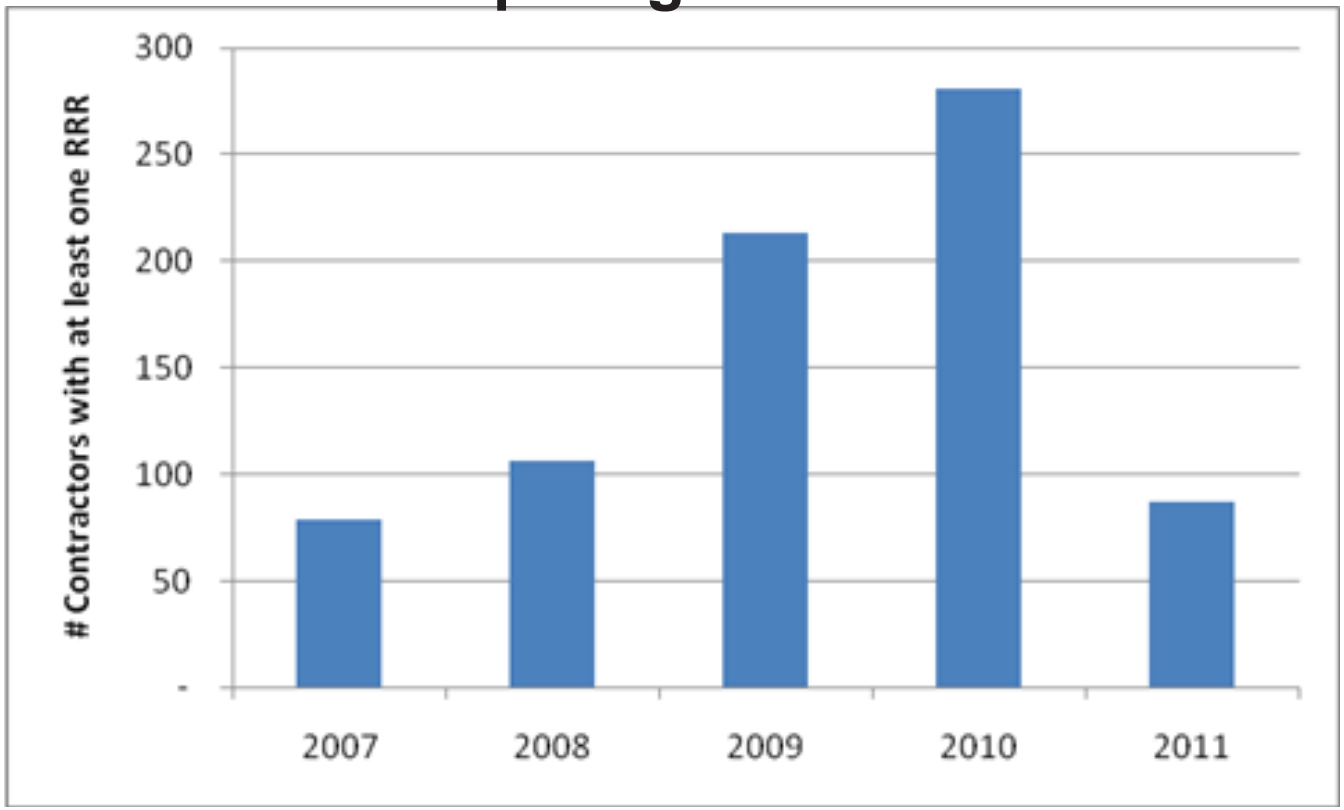
CSI Participation – PV Program

Entity Classification	CSI Incentives $ **Reserved & Complete**	CSI MW **Reserved & Complete**	Number of Projects
Residential	$41,873,119	32.10	6.949
Commercial/Non-Profit	$50,953,770	23.97	207
Gov't/Municipality	$31,243,150	15.61	78
Schools	$19,417,088	15.23	89
Higher Education	$15,987,667	7.79	33

Entity Classification	CSI Incentive $ **Complete Only**	CSI MW **Complete Only**	Number of Projects
Residential	$38,658,562	27.0	5963
Commercial/Non-Profit	$37,609,653	14.64	147
Gov't/Municipality	$12,678,134	4.13	29
Schools	$8,051,433	2.70	13
Higher Education	$6,102,944	2.49	11

Strong Growth in San Diego Region

Participating Contractors



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Current Incentive Rates

		EPBB Payments (per Watt)			PBI Payments (per kWh)		
Step	Statewide MW in Step	Residential	Non-Residential		Residential	Non-Residential	
			Commercial	Government/ Non-Profit		Commercial	Government/ Non-Profit
1	50	n/a	n/a	n/a	n/a	n/a	n/a
2	70	$2.50	$2.50	$3.25	$0.39	$0.39	$0.50
3	100	$2.20	$2.20	$2.95	$0.34	$0.34	$0.46
4	130	$1.90	$1.90	$2.65	$0.26	$0.26	$0.37
5	160	$1.55	$1.55	$2.30	$0.22	$0.22	$0.32
6	190	$1.10	$1.10	$1.85	$0.15	$0.15	$0.26
7	215	$0.65	$0.65	$1.40	$0.09	$0.09	$0.19
8	250	$0.35	$0.35	$1.10	$0.05	$0.05	$0.15
9	285	$0.25	$0.25	$0.90	$0.03	$0.03	$0.12
10	350	$0.20	$0.20	$0.70	$0.03	$0.03	$0.10

- San Diego is in Step 8 For both Residential and Non-Residential Projects
- Very cost-effective from the policy and ratepayer perspectives

Detail: CCSE Residential Budget

Program Goal

Total Projected

CCSE	Program Goals		Confirmed		Remaining		Current Program Forecast			
	Capacity (MW)	Budget ($)	Capacity (MW)	Budget ($)	Capacity (MW)	Budget ($)	Total Capacity (MW)	Final Step	Portion of Final Step (MW)	Shortfall (MW)
Residential (PV-only)	59.483	49,880,000	30.662	41,807,489	28.239	7,867,927	59.483	10	15.55	0
Non-Residential	120.767	130,144,000	62.377	126,283,463	58.39	3,860,537	68.321	8	10.795	52.446
Total	180.25	180,024,000	93.039	168,090,952	86.629	11,728,464	131.457			

Note: CSI-Thermal incentives for electric-displacing systems draw from Step 10

Not yet issued

- Strong residential demand continues; economy not a huge factor
- Improved financing options would allow demand to grow much more quickly
- Budget sufficient to install all 59.5 MW and support electric-displacing CSI-Thermal systems.

Detail: CCSE Non-Res Budget

Total Allocated

Total Projected

CCSE	Program Goals		Confirmed		Remaining		Current Program Forecast			
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Remaining

- Non-Residential budget only sufficient to cover ~57% of goal
- Additional funds needed to meet Non-Res goal: ~$32M
- Systems performing above expectation—not reflected by capacity (MW) targets
- **Currently 4.4 MW in the waiting list; electric-displacing thermal also on hold**
- **Financing is problematic in current economic climate**
  - **Commercial and Gov't deals are at risk of falling through**

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Key Points:

1. ***A California-branded program is important to maintain, even if the absolute value of the incentive is small.***
2. We are in the most cost-effective portion of the program: 15% budget increase = 35% of the program MW. Small CSI incentive leverages 8-10 times its value in other resources.
3. Public entities especially need the CSI incentive – it provides a quality benchmark and enables utilization of many multiples of private third-party and federal funds.
4. CSI provides major public benefits: quality assurance and data collection both support industry and protect customers.

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What Can Be Done?

- Near Term
  - Confirm interest earned by CSI balancing accounts can be collected and placed back into pool of incentives - SB 585 (Kehoe). In San Diego, this could be 1/6th of the full solution (~$4.9M).
  - Find and repurpose unallocated funds from within the program.
  - Modify SB1 to increase ratepayer collection for CSI by up to $200M (~$32M in CCSE program area).
  - Policy support for retrofit financing programs: ABX1 14 (Skinner)
  - Support AG's legal challenge to FHFA re: Property-Assessed Financing
- Medium Term
  - Determine long-term structural support for small-scale solar going forward. **A modest incentive is vastly preferable to none.**
  - Leverage the existing program infrastructure and data stream to highlight the *GoSolarCA* brand as a quality assurance mechanism.

Integration with Energy Efficiency

- Solar and Efficiency are natural partners
- Some innovative solar contractors are moving to provide integrated solar and efficiency to their customers.
- Energy Upgrade California: Statewide energy & water efficiency and renewable energy generation retrofit support program for single- and multi-family residential and commercial buildings.
  - Funding from a variety of sources: utility ratepayers; local EECBG; Dept. of Energy; CEC
- EUC emphasizes energy efficiency, complements the CSI well.

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Thank You!