

The background of the slide is a photograph of solar panels, showing a grid of blue and white cells. The panels are arranged in a perspective that recedes into the distance.

SB1 for Public Power

CMUA Energy Services & Marketing Committee

10/25/06

**Lindsay Joye
City of Palo Alto Utilities**

PUBLIC POWER GOAL

“In order to further the state goal of encouraging the installation of 3,000 MW of PV in CA within 10 years, a publicly owned electric utility shall adopt, implement, and finance a solar initiative program, for the purpose of investing in, and encouraging the increased installation of, residential and commercial solar energy systems” SB1, Sec. 5

Public Power goal is 700 MW and \$784M

If we don't show progress, the Legislature may return with a more restrictive quota-based bill

“I'll be back!”

SB1: MANDATES for POU

- Programs must start <1/1/08
- Budget \$784M for all POU- Your share of expenditures is based on annual sales
- Rebate minimum of \$2.80/watt_{CEC-AC} (or PBI equiv. \$/kWh)
- System size eligible for rebate: 1 kW- 5 MW
- Systems must be located on customer premises to meet customer load- not utility owned
- Equipment must meet CEC requirements (TBD in 2007)
- Minimum 10 year warranty for equipment (most inverters are 5 yrs now)
- May not reduce existing funds for efficiency, low income or demand response programs to fund solar program

SB1: MANDATES for POU

- By 1/1/08:
 - Public Hearing to announce how program will be funded
- By 6/1/08:
 - Report program accomplishments to CA Legislature, CEC and customers
- Net metering:
 - Raises cap to 2.5% of Utility peak demand
 - No new changes, co-energy metering for >10kW allowed

SB1 Q&A

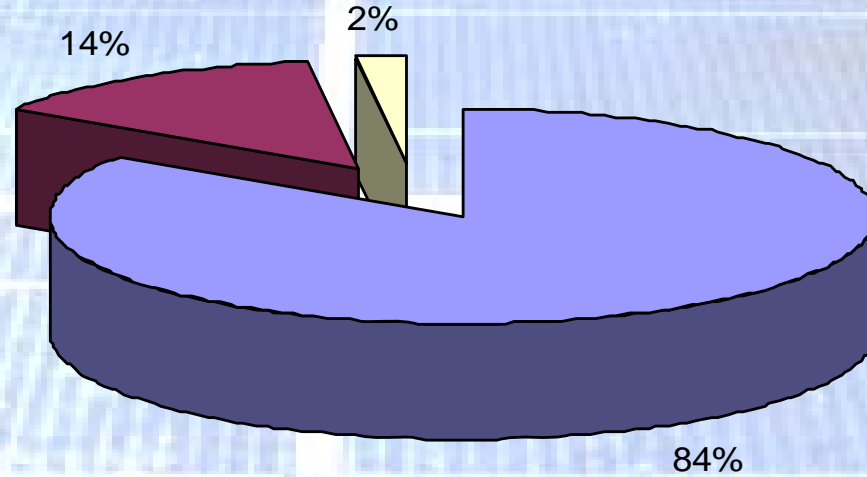
1. **Do utility-owned projects qualify (non-net metered)?** No- the bill is for customer –owned net metered systems (originally called Million Solar homes bill, now expanded to allow commercial customers)
2. **How to split \$784M? What base year of total Utility GWh sales, and which utilities to include?** Use Annual Sales Data as of 1/1/07. Maybe CMUA can distribute?
3. **Can programs in place < 1/1/08 count toward SB1 funding targets and MW accomplishments?** Can count installations starting 1/1/07 (the bill's start date)
4. **Are volumetric based trigger points allowed for rebate reduction as long as avg. decline $\geq 7\%$?** It looks like the IOU program will keep their trigger points, so it prob. is OK for munis to do similar.
5. **What is the base year for “existing” energy efficiency, low-income program & demand response expenses?** Annual expenses as of 1/1/07
6. **Can we use maximum rebate caps per project, per customer?** May not be advisable if you aren't on target to accomplish your utility's share of the 700 MW goal
7. **For new construction projects: how to collaborate with New Solar Homes Partnership?** More info on the new homes PV program is coming from the CEC

Implementation Opportunities

Leverage CSI tools & rules where appropriate:

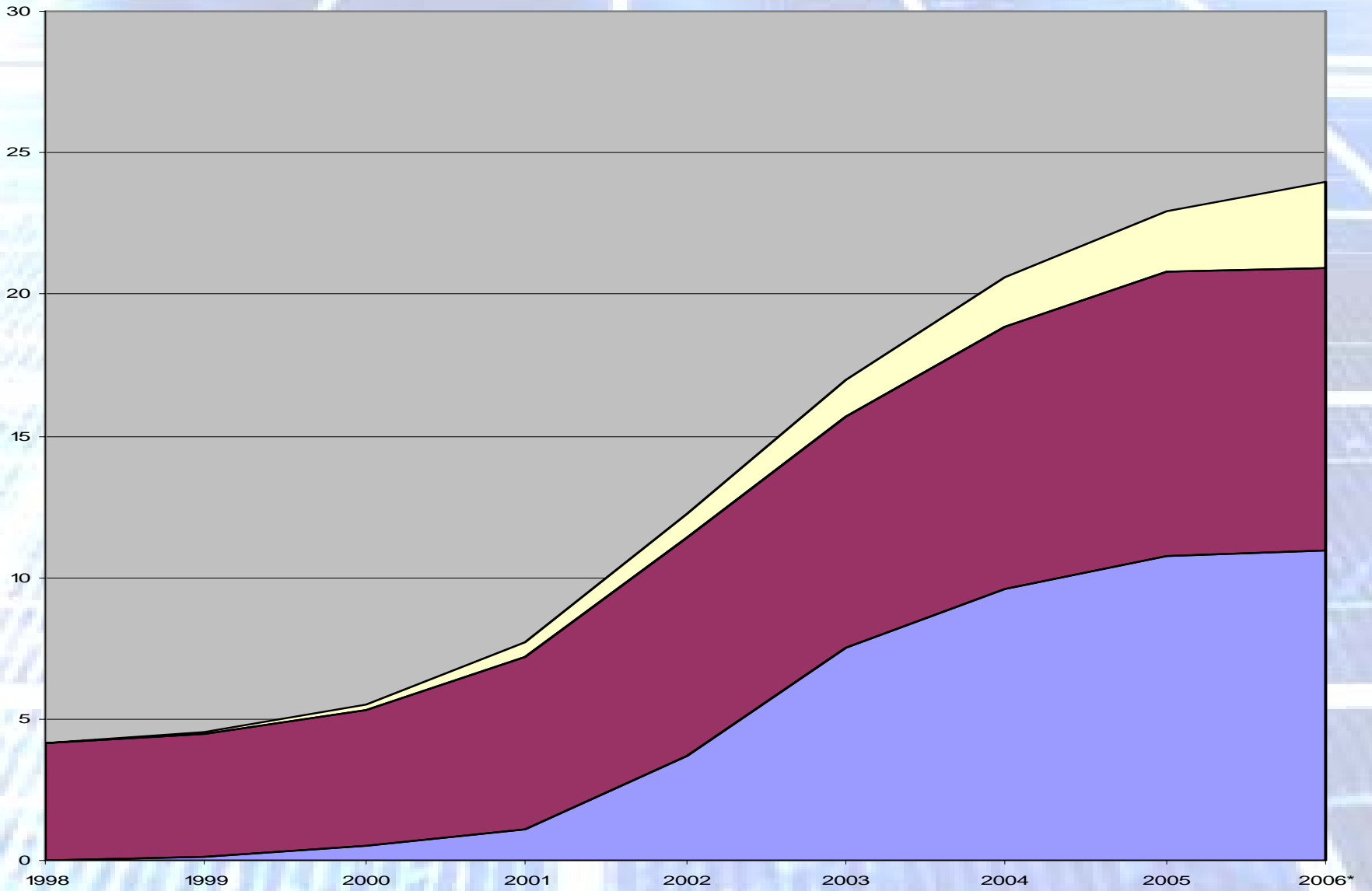
1. Online application processing
2. Rebate calculation methodology (EPBB & PBI)
3. M&V: metering requirements, field verification
4. Marketing & Customer education
5. Training (util. staff, contractors, inspectors)
6. Quality Assurance
7. Addressing other market barriers- interconnection, building inspectors, net metering vs. co-metering

CA PV- Percent of Cumulative kW



■ IOU ■ LA & SMUD ■ Rest of Public Power

Public Power PV



■ Los Angeles Department of Water and Power ■ Sacramento Municipal Utility District ■ Rest of Public Power

