

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 28, 2009

Advice Letter 3382-E

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**Subject: Proposed Amendments to the California Solar Initiative
Program Handbook to Revise Metering Requirements
and Performance Based Incentive (PBI) Payment Terms
and to Incorporate Performance Data Provider (PDP)
Requirements**

Dear Mr. Cherry:

Advice Letter 3382-E is effective January 18, 2009.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



December 19, 2008

CCSE ADVICE LETTER 3 / PG&E ADVICE LETTER 3382-E

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Proposed Amendments to the California Solar Initiative Program Handbook to Revise Metering Requirements and Performance Based Incentive (PBI) Payment Terms and to Incorporate Performance Data Provider (PDP) Requirements

The California Center for Sustainable Energy (CCSE), on behalf of Pacific Gas and Electric Company (PG&E), hereby submits this advice filing to propose amendments to the CSI Program Handbook to revise metering requirements and Performance Based Incentive (PBI) payment terms and to incorporate Performance Data Provider (PDP) requirements.

PURPOSE

Consistent with the procedures established by California Public Utilities Commission (CPUC) Decision (D.) 06-08-028, CCSE, on behalf of PG&E, hereby submits this advice filing to propose revisions to the CSI Program Handbook. The proposed revisions seek to make necessary changes to metering requirements and Performance Based Incentive (PBI) payment terms and to incorporate Performance Data Provider (PDP) requirements.

BACKGROUND

On August 24, 2006, the Commission issued D.06-08-028, which, among other things, clarified the process for submitting subsequent revisions to the CSI Program Handbook. In accordance with this process, the revisions proposed in this advice filing originated in the CSI Public Workshop, and a consensus among the Public Workshop participants was achieved. Subsequently, the CSI PAs met at their regular working group meetings to further discuss and refine the proposed revisions.

PROPOSED AMENDMENTS TO THE CSI PROGRAM HANDBOOK

This advice filing seeks to revise sections of the CSI Program Handbook as listed below:

Sections:	2.8	Metering Requirements
	3.3	Performance Based Incentives (PBI)
	3.3.2	PBI for Residential Projects
	3.3.3	PBI for Non-Residential Projects
	4.1.1	Two-Step Process for Residential and Small Non-Residential Applicants
	4.1.5	Step # 2: Submit Incentive Claim Form Package
	4.2.3	Three-Step Process for Non-Residential Applicants (≥ 10 kW)
	4.4.2.1	Required Documents for Incentive Claim Form Package
	4.4.4	Incentive Check Payment and Terms
	4.4.4..2	Performance Based Incentive Payment Terms
	4.7.3.4	Copy of Executed PDP Contract
	8.1	Acronyms
	8.2	Definitions
	11	Appendix B: Metering Requirements
	11.1	Minimum Meter Requirements
	11.1.1	Meter Type
	11.1.3	Meter Measurement
	11.1.5	Meter Certification
	11.1.6	Meter Communication / Data Transfer Protocols
	11.1.7	Meter Data Access
	11.2	Minimum Communication Requirements
	11.2.1	Required Solar Performance / Output Data
	11.2.2	Minimum Report Delivery Requirements
	11.2.3	Time Granularity of Acquired Data
	11.2.4	Frequency of Data Collection
	11.2.6	Frequency of Data Reporting
	17	Appendix H -- CSI PBI Data Transfer Rules

Included as an attachment to this advice filing is the CSI Program Handbook with proposed revisions in redline format (Attachment A). Additionally, the proposed revisions are summarized below:

Redefine PBI basis from "actual" energy produced to "gross" energy produced for electric generating technologies.

Reason: This revision is needed to clarify what is meant by energy production as it relates to PBI. CCSE and PG&E find that the term "gross" should be used instead of "actual", or in some cases "net", to define production as the Commission originally intended, i.e., as the one-directional photovoltaic system production being fed into the electric grid. Electric displacing technologies will still be a net calculation based on the CSI Program Handbook section pertaining to non-PV electric-displacing technologies.

Affected Section(s): 3.3 / 3.3.2 / 3.3.3 / 4.4.4.2 / 11.1.3 / 11.2 / 11.2.1 / 17

Redefine the accuracy of the electric meter to include the accuracy of the metering system components.

Reason: This revision is needed to include current transformer accuracy, potential transformer accuracy and computational errors in determining the accuracy of the electric metering system.

Affected Section(s): 2.8 / 8.2

Clarify when PBI payments should be expected.

Reason: Additional clarification is needed as to when the first PBI payment will be issued by a CSI PA.

Affected Section(s): 4.4.4 / 4.4.4.2

Create the retroactive PBI payment exceptions and stipulations.

Reason: Currently, PBI payments are paid in monthly installments for a period of five (5) years, with payments beginning on a monthly basis after the commissioning (Final Approval from PA) of the system. This has created an unforeseen issue within the photovoltaic installer community in that systems that have been interconnected and are generating power are experiencing losses on the net present value of PBI Payments from the time of interconnection to the first payment of PBI. These unexpected losses have driven the CSI PAs to develop a more customer-centric way to initiate the PBI Incentive Payment process that supports the marketplace and decreases any additional barriers for photovoltaic developers.

Affected Section(s): 4.4.4.2

Further conform the CSI Program Handbook to the final PDP Protocol.

Reason: The June 30, 2008, *Administrative Law Judge's Ruling Providing Notice of Energy Division Performance Data Provider Workshop Report* (Workshop Report) directed the filing of an advice letter on behalf of the CSI PAs with CSI Program Handbook changes as directed by the Workshop Report. On July 30, 2008, SCE filed Advice Letter 2258-E with proposed changes to conform the CSI Program Handbook to the final PDP Protocol. CCSE and PG&E have found that additional revisions are necessary to: (1) insert the new requirement for a PDP contract in the tables and text of the document description; (2) provide a definition of "PDP"; (3) define the responsibilities of the system owner versus the PDP with regard to metering accuracy and certification; (4) state that the CSI PAs are not liable for the non-performance of a PDP; (5) provide a description of the qualification process for PDPs and state the requirement that only qualified PDPs are allowed to participate; (6) insert "and/or PDP" wherever "PMRS" is referenced; and (7) indicate that a PDP requirements document exists for each PA to qualify PDPs for their area and that these documents can be found on each PA's individual website.

Affected Table(s): 8 / 9

Affected Section(s): 4.1.1 / 4.1.5 / 4.2.3 / 4.4.2.1 / 4.4.4 / 4.4.4.2 / 4.7.3.4 / 8.1 / 8.2 / 11 / 11.1.6 / 11.1.7 / 11.2 / 11.2.1 / 11.2.2 / 11.2.3 / 11.2.4 / 11.2.6

PROTESTS

Anyone wishing to protest this Advice Letter may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than January 8, 2009, which is 20 days after the filing of this Advice Letter. Protests should be mailed to:

CPUC Energy Division
 Tariff Files, Room 4005
 DMS Branch
 505 Van Ness Avenue
 San Francisco, CA 94102
 Facsimile: (415) 703-2200
 E-mail: anj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies should also be mailed to the attention of Ken Lewis, Interim Director, Energy Division, Room 4004, at the address shown above.

The protest should also be sent via U.S. mail (and by facsimile and electronically, if possible) to CCSE at the address shown below on the same date it is mailed or delivered to the Commission:

Andrew McAllister
 Director of Programs
 California Center for Sustainable Energy
 8690 Balboa Avenue, Suite 100
 San Diego, California 92123
 Facsimile: (858) 244-1178
 E-mail: andrew.mcallister@energycenter.org

There are no restrictions as to who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

EFFECTIVE DATE

CCSE requests that this business letter become effective on regular notice, January 20, 2009, which is 32 calendar days after the date of filing.¹

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¹ The thirtieth day after the filing of this Advice Letter falls on Sunday, January 18, 2009. Rule 1.14 CPUC Rules of Practice & Procedure, provides that “[i]f the last day falls on a Saturday, Sunday, holiday or other day when the Commission offices are closed, the time limit is extended to include the first day thereafter.” Thus, the time limit for protests to this Advice Letter is extended to Tuesday, January 20, 2009, due to the State holiday on Monday, January 19, 2009.

NOTICE

CCSE is providing a copy of this business letter to service list R.08-03-008.

A handwritten signature in black ink, appearing to read "Andrew McAllister". The signature is fluid and cursive, with a long horizontal stroke at the end.

Andrew McAllister
Director of Programs
California Center for Sustainable Energy

Attachments: Attachment A – CSI Program Handbook Revisions (Redline Version)

cc: Service List R.08-03-008