July 19, 2010

Advice Letters 3641-E and 3641-E-A

Jane K. Yura  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
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P.O. Box 770000  
San Francisco, CA  94177

Subject: Proposed Amendments to the California Solar Initiative Program  
Handbook to Update Sections in the Program and Performance  
Section of the CSI Program Handbook and Supplemental Filing

Dear Ms. Yura:

Advice Letters 3641-E and 3641-E-A are effective June 7, 2010.

Sincerely,

Julie A. Fitch, Director  
Energy Division
March 30, 2010

CCSE ADVICE LETTER 10 / PG&E ADVICE LETTER 3641-E / SCE ADVICE LETTER 2458-E

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Proposed Amendments to the California Solar Initiative Program Handbook to update sections in the program and performance section of the CSI Program Handbook

The California Center for Sustainable Energy (CCSE), on behalf of Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE), hereby submits this advice filing to propose amendments to the CSI Program Handbook to make a complete editorial revision of the CSI Program Handbook.

PURPOSE

Consistent with the procedures established by California Public Utilities Commission (CPUC) Decision (D.) 06-08-028, CCSE, on behalf of PG&E and SCE, hereby submits this advice filing to propose revisions to the CSI Program Handbook. The proposed revisions seek to make necessary updates to specific sections in the program and performance sections of the current CSI Program Handbook. The updates were made to specific sections in an attempt to clarify information and to remove language that is repetitive.

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:
1.4  Getting Started
1.5  Getting Paid: A Quick Guide to CSI Incentives
1.9  CSI PA Contact Info and Other Resources
1.10 Move CSI Acronyms from Appendix A to Introduction section
2  Program Eligibility Criteria and Requirements, Footnote 5
2.1  CSI Program Participants
2.1.1 Applicant
2.1.3 System Owner
2.1.4.1 Suspended Contractor State License Board (CSLB) License
2.2.1 New Equipment, Not Pilot or Demonstration Systems
2.2.2 Eligibility of Replacement PV Systems
2.2.5 System Size, Footnote12
2.3  Energy Efficiency Requirements
2.3.1 Existing Residential and Commercial Buildings
2.3.1.1 Existing Commercial Buildings with Conditioned Floor Area of 100,000 Square Feet or Larger Applying for an EPBB Incentive
2.4  Warranty Requirement
2.5  Performance and Permanency Requirements
2.6  Interconnection to the Electric Utility Distribution System
2.7  Removal of TOU language
2.10  CSI Program Database
2.12  Removal of Fraudulent Activity Section
3.4.1 Total Eligible Project Costs
3.4.1.1 Reportable Project Costs
3.4.5 Limitations on Installed Cost
4.1  1-, 2-, & 3, Step Application Process
4.2  1-Step Application Process (Adding Proof of Title 24 Compliance, Host Customer Email, and Authorization to Receive: Customer’s Information or Act on a Customer’s Behalf)
4.3.1 Step #1: Submit Reservation Request Form Package (Adding Proof of Title 24 Compliance, Host Customer Email, and Authorization to Receive: Customer’s Information or Act on a Customer’s Behalf)
4.3.2 Step #2: Submit Incentive Claim Form Package
4.4.1 Step #1: Submit Reservation Request Form Package and Application Fee (Adding Proof of Title 24 Compliance, Host Customer Email, and Authorization to Receive: Customer’s Information or Act on a Customer’s Behalf)
4.4.1.1.2 Return of Application Fee
4.6.1 Withdrawal
4.6.2.1 Reservation Period Extensions for School Districts, Community College Districts, University of California Schools, and California State Universities
4.8 System Changes Affecting Incentive Amount
4.9 CSI Project Review
4.10.1.9 Copy of New Construction Building Permit
4.10.2.2 Copy of Executed Contract for System Purchase and Installation (moved to Section 4.10.1.12)
4.10.2.2 General Construction Contracts with Solar Subcontracts (newly added Section)
4.11.2.3 Copy of Executed Alternative System Ownership Agreement (If System Owner is Different from Host Customer)

5 Metering Requirements
5.1 Add EPBB Metering Requirements
5.2 Add PBI Metering Requirements
5.3.1 Add Subsections for EPBB and PBI
5.3.2 Add Subsections for EPBB, PBI and Other Technologies
5.3.3 Consolidate Meter Measurement Section and Time Granularity of Acquired Data
5.3.5 Meter Certification
5.3.6 Meter Communication / Data Transfer Protocol
5.4 Add Data Privacy to Minimum Communication Requirements
5.5 Revise Minimum Performance Monitoring & Reporting Capability Requirements Section

7 Field Verification
10 Removal of PDP Bond Requirement
10 Application Process
10 PDP Application Checklist
10 Attachment B, EDI Waiver

Appendix B Seller Definition
Appendix C.12 Additional Requirements and Terms

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:

Removing language that states Energy Efficiency Requirements are required for CSI Participants starting July 1, 2009

Reason: Since the CSI Program has passed July 1, 2009, and all Energy Efficiency Requirements pursuant to the CEC’s SB1 Recommendations have been implemented, it makes sense to remove this statement.

Affected Section(s): 1.4

Changing the minimum EPBB System Size to 30 kW

Reason: CSI requirements mandate all solar energy systems 30 kW or greater are required to receive the Performance Based Incentive as of January 1, 2010. Since we have passed this date, it makes sense to remove any mention of it.
Affected Table(s): 8
Affected Section(s): 1.5, 3, Footnote 21

CSI Program Administrator and Contact Information and Other Useful Resources

Reason: Add web address to CCSE Events Calendar and update SCE’s mailing address.

Affected Section(s): 1.8

CSI Program Acronyms

Reason: In order to help participants understand the nuances of the CSI Program better the acronym section that was previously found in the Appendix has now been moved to Section 1.

Affected Section(s): 1.9

Program Eligibility Criteria and Requirements

Reason: To clarify the meaning of CEC-AC Rating in Footnote 5

Affected Section(s): 2, Footnote 5

CSI Program Participants

Reason: To clarify who are the participants on a CSI Application

Affected Section(s): 2.1

Applicant

Reason: After the description of CSI Program Participants in Section 2.1, it is more intuitive to list the description of Applicant in the very next section. This section was formerly under Section 2.1.3 and is now under Section 2.1.1.

Affected Section(s): 2.1.1 and 2.1.3

System Owner

Reason: In this section there is a mention of “turnkey systems.” As this term may not always be obvious of its meaning, language was added to help clarify its intent.

Affected Section(s): 2.1.3

Suspended Solar Contractor License

Reason: State that any incentive payment made in regards to a project where the solar contractor has a Suspended CSLB license, the payment will be made only to the Host
Customer. To also state the consequences for any contractor suspension from the program based on an inactive CSLB license or any other reason based on section 4.10.

Affected Section(s): 2.1.4.1

**Change the term “Reservation Request Form” to “Reservation Request Package”**

Reason: In order to reflect the current application process, the Reservation Request Form was replaced to align with the online application tool.

Affected Section(s): 2.1.5/ 2.2.4/ 2.3.1/ 2.3.1.2.1/3.4/4.2/4.3/4.3.1/4.3.2/4.4.1/4.4.1.2.1/4.5.2/4.6.2/4.8/4.11.1/4.11.1.2/4.11.1.12/4.11.1.13/4.11.2.3
Affected Table(s): Table 13/Table 14/Table 15

**New Equipment, Not Pilot or Demonstration Systems**

Reason: This change is needed to incorporate language that describes incentive eligibility for adding panels to an existing inverter. This is allowed only if the new panel addition meets the requirement of a new system under the CSI Program.

Affected Section(s): 2.2.1

**Eligibility of Replacement PV Systems**

Reason: Only those systems that fall outside the warranty period given in either the Self-Generation Incentive Program (SGIP), California Energy Commission’s (CEC’s) Emerging Renewables Program (ERP) or Rebuild a Greener San Diego Program, are eligible for incentives through the California Solar Initiative.

Affected Section(s): 2.2.2

**System Size**

Reason: To clarify the standards that goes into the CEC-AC rating. This change affects Footnote 12. We are also taking out a sentence at the end of this section that adds no value to the calculation of PBI incentives.

Affected Section(s): 2.2.5

**Energy-Efficiency Requirements**

Reason: As of July 1, 2009, Energy Efficiency requirements have been placed upon all residential, commercial and new commercial construction projects. It is no longer necessary to state this.

Affected Section(s): 2.3
Existing Residential and Commercial Buildings

Reason: Change reference to “CSI Reservation Request Form” to “CSI Reservation Request Form Package” in advance of moving to an all electronic submission process

Affected Section(s): 2.3.1

Existing Commercial Buildings with Conditional Floor Area of 100,000 Square Feet or Larger Applying for an EPBB Incentive

Reason: This section failed to state that for those Commitment Agreements provided to the Program Administrators, it is only necessary for buildings with a benchmark rating less than 75. Also, this section previously failed to state that the Retro-Commissioning Report must be submitted at the Incentive Claim stage.

Affected Table(s): Table 12/Table 13
Affected Section(s): 2.3.1.1

Warranty

Reason: In order to create a warranty that is fair to both the solar contractor and solar module and inverter manufacturer, new warranty language has been created that puts the onus of failed equipment on the manufacturer and faulty installation on the solar contractor.

Affected Section(s): 2.4

Performance and Permanency Requirement

Reason: To clarify that if a system is removed and re-installed in a previous location within the same service territory from which it received its rebate, a mandatory site inspection is required. Also, failure to re-install a system within six (6) months from the date of removal requires the system to return the EPBB incentive.

Affected Section(s): 2.5

Interconnection to the Electric Utility Distribution System

Reason: To clarify that projects that have been interconnected to the utility grid for over twelve (12) months are not eligible to receive a CSI Incentive.

Affected Section(s): 2.6

Time-of-Use (TOU) Rates

Reason: The utilities have met the requirement to develop an effective TOU tariff based on the statute Assembly Bill (AB) 2768. Because of this, there is no further implementation of a mandatory TOU rate in the CSI Program.

Affected Section(s): 2.7 (removed)
CSI Program Database

Reason: In order to clearly explain the different databases utilized by the CSI Program, language was added that differentiates the use of the online application tool, Powerclerk, the CSI Statewide Trigger Point Tracker and California Solar Statistics.

Affected Section(s): 2.9

Fraudulent Activity

Reason: Fraudulent Activity has been moved to the new CSI Project Review in Section 4.10, Grounds for Immediate Disqualification from the CSI Program.

Affected Section(s): 2.12(removed)

Total Eligible Project Costs

Reason: To state that a contract for the installation of solar electric system and any other measure needs to have the solar costs broken out so the Program Administrators can identify the solar portion.

Affected Section(s) 3.4.1

Reportable Project Costs

Reason: To state that Applicants must enter four (4) pre-determined cost components when applying for a CSI incentive.

Limitations on Installed Cost

Reason: Recently the CSI Program Administrators have seen a large amount of solar projects being installed for high dollar amounts that do not reflect the current average installed dollar per watt. In order to combat these costly installed systems, the Program Administrators agreed to place a soft cap on the installed cost of solar. Projects shall not exceed two standard deviations above the average cost per watt or $14.70/watt, whichever is less, of all projects as of 3/22/2010.

Affected Section(s): 3.4.5

Change Designation of 2-Step Application Process Projects

Reason: In order to be more clear regarding which projects are eligible for either the 2-Step Application Process or 3-Step Application Process, we have termed those projects eligible for the 2-Step Application Process as “Small (<10 kW) Non-Residential and All Residential Projects” instead of “Residential and Small (<10 kW) Non-Residential.”

Table(s): 10
Affected Section(s): 4.1/4.2/ 4.3
Require Host Customer Email Address

Reason: Too often Applicants fail to list the Host Customer’s email address on the Reservation Request Form. Because the Reservation belongs to the Host Customer, all communication is required to be sent to Host Customer as well as Applicant.

Affected Section(s): 4.2/4.3.1/4.4.1

Add “Authorization to Receive Customer’s Information or Act on their Behalf” Document to Reservation Request Form Package

Reason: Since CCSE is not a utility and cannot access the Host Customer historical electric consumption, this document would mandate that all Host Customers submit this document with their Reservation Request Form Package. This would be required in CCSE territory only.

Affected Table(s): Table 11/Table 12/Table 13
Affected Section(s): 4.2/4.3.1/4.4.1

Step #2: Submit Incentive Claim Form Package

Reason: Add language to item #5, “Signed Field Verification Certification Form”, that this requirement is only mandatory for Reservation Request Applications first received on or after July 1, 2009.

Affected Table(s): Table 12/Table 13/Table 15
Affected Section(s): 4.3.2/4.4.3/4.5.2.3

Step #1: Submit Reservation Request Package and Application Fee

Reason: Add the requirement that “Proof of at least 15% above current Title 24 standards (for non-residential new construction only)” is needed for 3-Step Application Process for Large Non-Residential Project (≥10 kW).

Affected Table(s): Table 12
Affected Section(s): 4.4.1

Remove Language Regarding Return of Application Fee

Reason: The language states “If a project that has received an Incentive Claim Form from the Program Administrator is withdrawn due to extenuating circumstances beyond the Applicant’s control, the application fee may be returned pending discussion and agreement of the Program Administrators. This will be determined on a case by case basis.” This section also must be modified to reflect that the Program Administrators no longer mail Incentive Claim Forms to CSI Participants. In addition, the phrase contradicts the section “Forfeit of Application Fee” and may allow for each Host Customer to provide a case for Application Fee Return.

Affected Section(s): 4.4.1.1.2
Withdrawal

Reason: To clarify that those projects that increase the system size after a reservation has been issued will receive the increased amount at the current incentive rate. If the available budget for the Program Administrator has been exhausted, the project will not receive any further funds.

Affected Section(s): 4.6.1

Extensions for University of California Schools and California State Universities

Reason: To allow University of California Schools and California State Universities to receive three (3) 180-day Reservation expiration date extensions.

Affected Section(s): 4.6.2.1

System Change Affecting Incentive Amount

Reason: To remove language that is confusing and unintuitive regarding the expectations of installed systems and regarding the increase of system size after the Reservation expiration date. Also, to remove the statement, “subsequent updates,” that implies Applicants can submit change orders to CSI Reservations that would either increase or decrease system size after the Reservation has been issued and prior to submission of the Incentive Claim Form. Any change to system size should be submitted either at the Proof of Project Milestone stage or Incentive Claim stage.

Affected Section(s): 4.8

CSI Project Review

Reason: The CSI Project Review section is being implemented to allow CSI Program Administrators to verify that each project is installed as represented in the Incentive Claim documentation (including Incentive Claim form and all required documents) and to ensure that the Host Customer and Applicant have complied with all CSI Program Handbook requirements.

This new section changes the parameters of failures by allowing the Program Administrators to issue infractions and failures in regard to onsite field inspections and application process review. An infraction is determined when the incentive amount submitted in the incentive claim documentation differs from that of the inspection incentive results between 5-10%. A failure is when the incentive amount submitted in the incentive claim documentation differs from that of the inspection incentive results greater than 10%.

During the application process review, the appropriate party may also receive an infraction or failure based on the review of all required program documentation or any other documentation received regarding the application. Three (3) infractions will now equal one (1) failure. Failures for high volume versus low volume contractors have not changed.
The definition of fraud, as stated in the previous handbook, has now been qualified as “Grounds for Immediate Disqualification” which can be found in Section 4.10.2.

Affected Section(s): 4.9, 4.10

**Proof of at least 15% above Title 24 Standards (non-residential new construction)**

Reason: To add new section for Non-Residential New Construction projects because the CSI Program Handbook previously did not include the requirement to submit Title 24 compliance documents.

Affected Section(s): 4.11.1.9 (newly added section, while all section numbers for subsequent sections have been changed accordingly)

**Adding Section that Discusses Copy of Executed Contract for System Purchase and Installation**

Reason: Previously, the only section that discussed the “Copy of Executed Agreement of Solar Energy System Purchase and Installation” in detail was found in the “Proof of Project Milestone Package (for Projects following a 3-Step Process)”. While it is needed there, it implies that this document is not needed in the “Reservation Request Package and Required Documentation” section. To rectify this, it is being included in both the “Proof of Project Milestone Package (for Projects following a 3-Step Process)” and in the “Reservation Request Package and Required Documentation” section.

Affected Section(s): 4.10.1.11/4.10.2.2 (Old Sections) and 4.11.1.12/4.11.2.2 (New Sections)

**PMRS Contract or Cost Cap Exemption Documentation**

Reason: To reference Section 5 for further information on PMRS cost cap documentation.

Affected Section(s): 4.1.3.3 (Old Section) and 4.11.3.3 (New Section)

**Add New Section Discussing General Construction Contracts with Solar Subcontracts**

Reason: In cases where there is a general construction contract between the Host Customer and General Contractor and a subcontract for the installation of solar between the solar contractor and general contractor, submission of the subcontract will suffice so long as it outlines the requirements in Section 4.10.1.12.

Affected Section(s): 4.11.3.8.2 (newly added section)

**Signed Field Verification Certification Form**

Reason: Add language to item #5, “Signed Field Verification Certification Form”, that this requirement is only mandatory for Reservation Request Applications first received on or after July 1, 2009.

Affected Section(s): 4.11.3.6
Copy of Executed Alternative System Ownership Agreement (If System Owner is Different from Host Customer)

Reason: To state that any executed “Alternative System Ownership Agreement” is required at the Proof of Project Milestone for Non-Residential 3-Step projects.

Affected Section(s): 4.11.2.3

Add Language Requesting 5-Year PMRS Contract at PA’s Discretion

Reason: In order to verify Host Customers have in fact contracted with a PMRS provider for the mandated period of five (5) years, new language is added allowing the PAs to reserve the right to request this documentation.

Affected Section(s): 5

Update Table 17 Notes

Reason: Add footnote stating cost cap for EPBB projects 30kW and greater are applicable to projects submitted prior to January 1, 2010 and Remove redundant information.

Affected Section(s): 5

Add Link to List of Eligible PMRS Providers

Reason: Add Go Solar CA website link to reference the list of eligible PMRS providers for the CSI program.

Affected Section(s): 5

Add Section 5.1 EPBB Metering Requirements

Reason: Consolidate footnote 4 notes from Table 17 and Section 5.7.1

Affected Section(s): 5, 5.1, 5.1.1, 5.7.1

Add Section 5.2 PBI Metering Requirements

Reason: Consolidate footnote 4 notes from Table 17 and Section 5.7.2 to provide clarity and remove redundant information

Affected Section(s): 5, 5.2, 5.2.1, 5.7.2

Add Subsections “EPBB” and “PBI” to Meter Type Section

Reason: Separate the EPBB and PBI sections to better clarify Meter Type requirements.

Affected Section(s): 5.3.1, 5.3.1.1, 5.3.1.2
Add Subsections “EPBB”, “PBI” and “Other Technologies” to Meter Accuracy Section

Reason: Separate the EPBB, PBI and Other Technologies sections to better clarify Meter Accuracy requirements.

Affected Section(s): 5.3.2, 5.3.2.1, 5.3.2.2, 5.3.2.3

Consolidate Meter Measurement section and Time Granularity of Acquired Data

Reason: To specify that PMRS and PDPs must capture data in 15-minute interval.

Affected Section(s): 5.1.3, 5.3.3

Insert language postponing the requirement for ±5% meter certification and link to Docket 07-SB-1

Reason: The requirement for inverter integrated meters to be tested to a ±5% standard will not be enforced until further notice per California Energy Commission Docket 07-SB-1.

Affected Section(s): 5.3.5

Add Language that Delists PMRS Providers if they Fail to Provide Data to CSI Program Administrators

Reason: Many PMRS Providers listed as eligible PMRS Providers on the Go Solar California Website have failed to submit PV data to the CPUC when requested. Language is being added to state that if the PMRS Provider fails to submit this data, they will be delisted from the Go Solar California Website.

Affected Section(s): 5.3.6

Move Data Privacy Section to Minimum Communication Requirements

Reason: “Eligible Recipients of Information” (Section 5.5) was removed due to redundant information; therefore, Section 5.5.3, Data Privacy was added as a subsection to “Minimum Communication Requirements”.

Affected Section(s): 5.5, 5.4.1

Revise Minimum Performance Monitoring & Reporting Capability Requirements Section

Reason: Section was confusing and provided redundant information. For clarity purposes, Section 5.5 has been revised listing PMRS / EPBB systems and PDP/PBI systems requirements separately.

Remove Repetitive Language from Field Verification Section

Reason: Guidelines 7 and 8 of the Field Verification Section were repetitive with Guidelines 4 and 5.
Affected Section(s): 7

Removal of PDP Bond Requirement

Reason: Requiring Performance Data Providers (PDPs) to have a bond adds unnecessary requirements to the CSI Program. PDPs currently have guidelines within the CSI Program to ensure that they provide quality service to their customers.

Affected Section(s): 10

Performance Data Provider (PDP) Application Process

Reason: Add language that states all PDPs must be listed as eligible Performance Monitoring and Reporting Service (PMRS) providers with the CEC, as found on the Go Solar California website.

Affected Section(s): 10 (Application Process and listed on the PDP Application Checklist)

Removing the EDI Waiver

Reason: Because the CSI Performance Based Incentive (PBI) Data Transfer Rules have been permanently set, the ability of PDPs to receive an EDI 867 waiver has been removed.

Affected Sections(s): 10, Attachment B (removed)

Remove Language in Seller Definition that Requires Program Administrators to Check Eligibility through CEC’s List of Eligible Contractors

Reason: Because the CSI Program no longer mandates Seller’s register as an approved Seller through the CEC’s list of Registered PV Retailers and Installers, CSI PAs no longer need the Seller Definition to require CSI PAs to check this validation.

Affected Section(s): Appendix B

Add Language to CSI Program Contract that Ties the Data Transfer from PMRS to the CSI Program Through the Host Customer’s Contract with PMRS Provider

Reason: In order to ensure the CSI Program receives solar production data from PMRS Providers, language is needed to ultimately tie the transfer of data from PMRS Provider to the CSI Program via the 5-year PMRS contract entered into between the Host Customer and PMRS Provider.

Affected Section(s): Appendix C.12 (newly added Section)
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 April 19, 2010, 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: jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies should also be mailed to the attention of Julie A. Fitch, 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 Advice Letter become effective on regular notice, April 29, 2010, which is 30 calendar days after the date of filing.

NOTICE

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

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