



Monday, June 25, 2007

The Honorable Dorothy Duda
California Public Utilities Commission
Division of Administrative Law Judges
Room 5109
505 Van Ness Avenue
San Francisco, CA 94102-3214

Re: Notification of California Solar Initiative Incentive Reduction in
CCSE/SDG&E Service Territory

Dear ALJ Duda:

In accordance with Decision 06-08-028 Ordering Paragraph 19, as modified by Decision 06-12-033, CCSE is providing notification that it has received conditional reservations during Step 2 of the incentive schedule for 10.10 MW of Non-Residential projects. In accordance with Decision 07-05-007, this number includes approximately 5.30 MW of Non-Residential projects that dropped out of Step 1. Thus, CCSE has moved to Step 3 in the incentive reduction schedule for Non-Residential projects and has lowered the incentive level for this category as follows:

Customer Segment	EPBB Incentive Level \$/watt	PBI Level \$/kWh
Commercial	\$2.20	\$0.34
Government/Non-Profit	\$2.95	\$0.46

CCSE is also providing this notice to all members of the Service List in R.06-03-004. If you have any questions, please call me at 858-244-7282.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph Andrew McAllister".

Andrew McAllister
Director of Operations
California Center for Sustainable Energy (CCSE)

cc: R.06-03-004 Service List