



August 28, 2014

The Honorable Katherine MacDonald
 California Public Utilities Commission
 Division of Administrative Law Judges
 505 Van Ness Avenue, Room 5042
 San Francisco, CA 94102-3214

The Honorable Jessica T. Hecht
 California Public Utilities Commission
 Division of Administrative Law Judges
 505 Van Ness Avenue, Room 5113
 San Francisco, CA 94102-3214

The Honorable Regina DeAngelis
 California Public Utilities Commission
 Division of Administrative Law Judges
 505 Van Ness Avenue, Room 5105
 San Francisco, CA 94102-3214

RE: Notification of California Solar Initiative-Thermal Incentive Reduction in CSE/SDG&E Service Territory

Dear ALJs MacDonald, Hecht and DeAngelis:

In accordance with Decision 10-01-022, the Center for Sustainable Energy (CSE), formerly known as the California Center for Sustainable Energy (CCSE), is providing notification that it has received advanced reservations during Step 1 of the incentive schedule for the CSI-Thermal Program for \$3.4 million of natural gas-displacing multifamily and commercial projects. As per the Decision, as incentives decline under the natural gas-displacing program, a corresponding reduction will occur for electric- and propane-displacing incentives. Thus, CSE has moved to Step 2 in the incentive reduction schedule for all multifamily/commercial projects and has lowered the incentive level for these categories as follows:

Customer Segment	Natural Gas Incentive Level \$/therm	Natural Gas PBI Incentive Level \$/therm	Natural Gas Solar Pool Incentive Level \$/therm	Low Income Multifamily	Electric Incentive Level \$/kWh	Electric PBI Incentive Level \$/kWh
Multifamily/ Commercial	\$9.88	\$4.94	\$7.00	\$15.39	\$0.29	\$0.15



CSE is also providing this notice to all members of the Service List in R.12-11-005.

If you have any questions, please call me at 510-725-4768.

Sincerely,

A handwritten signature in black ink, appearing to read "Sachu Constantine". The signature is fluid and cursive, with the first name "Sachu" written in a larger, more prominent script than the last name "Constantine".

Sachu Constantine
Director of Policy
Center for Sustainable Energy (CSE)

cc: Service List R.12-11-005