

Frequently Asked Questions

Q. What is the California Solar Initiative?

A: As part of the Governor's Million Solar Roofs program, California has set a goal to create 3,000 megawatts of new, solar-produced electricity by 2017 –moving the state toward a cleaner energy future and helping lower the cost of solar systems for consumers. As of January 1, 2007, the \$3 billion program consists of three components:

- The California Public Utilities Commission, through its California Solar Initiative, provides \$1.7 billion in incentives over the next decade for existing residential homes and existing and new commercial, industrial, and agricultural properties. The program is funded through revenues and collected from electric utility distribution rates.
- The California Energy Commission manages a 10-year, \$350 million program to encourage solar in new home construction through its New Solar Homes Partnership.
- Local publicly-owned electric utilities will adopt, implement, and finance a solar initiative program by January 2008.

Q: Who is eligible for incentives?

A: All electric customers of PG&E, Southern California Edison (SCE), and SDG&E are eligible to apply for incentives.

Q. Are there special incentives for low-income housing?

A: Ten percent of program funds are allocated for solar installations in low-income and affordable housing. The PUC is currently considering program design options towards a decision in 2007.

Q: Are publicly-owned electric utility customers eligible for the rebate?

A: Many publicly owned utilities already offer solar incentives. All others municipal electric utilities must develop such programs by January 2008. If a municipal electricity customer takes electric service from PG&E, SCE, or SDG&E, that customer will be eligible for CSI solar incentives.

Q: How much are the incentives?

A: Starting in January, 2007, PV rebates given through the CPUC California Solar Initiative will change from the current capacity-based payments to performance-based incentives that reward properly installed and maintained solar systems. The incentives will be determined according to the system size, as follows:

- For photovoltaic systems greater than or equal to 100 kilowatts in size, incentives will be paid monthly based on the actual energy produced for a period of five years. This incentive path is called Performance Based Incentives (PBI). Systems of any size may elect to opt into the PBI program.

In addition, building integrated systems (BIPV), regardless of size, are required to participate in the PBI program.

- Incentives for all systems less than 100 kilowatts will initially be paid a one-time, up-front incentive based on expected system performance. Expected performance will be calculated based on equipment ratings and installation factors, such as geographic location, tilt, orientation and shading. This type of incentive is called Expected Performance-Based Buydown (EPBB). Residential and commercial incentives will receive up to \$2.50 per watt, depending on their location, tilt, orientation, and other installation factors. Government and non-profit organizations will receive a higher incentive (up to \$3.25 per watt) to compensate for their lack of access to the federal tax credit.

The incentive payment levels will automatically be reduced over the duration of the CSI program in 10 steps, based on the volume of MW of confirmed reservations issued within each utility service territory. On average, the CSI incentives are projected to decline at a rate of 7 percent each year following the start of implementation in 2007. The incentives will gradually phase out over the 10 steps.

Q. How do I apply for incentives?

A: Beginning January 1, 2007, consumers seeking photovoltaic incentives for all existing residential, and new and existing commercial, industrial, and agricultural properties should apply to the program administrator in your local area:

Pacific Gas & Electric (PG&E)

Website: www.pge.com/solar
Email Address: solar@pge.com
Contact Person: Program Manager, California Solar Initiative Program
Telephone: (800) 743-5000
Fax: (415) 973-2510
Mailing Address: PG&E Integrated Processing Center
P.O. Box 7265
San Francisco, CA 94120-7265

Southern California Edison (SCE)

Website: www.sce.com/rebatesandsavings/CaliforniaSolarInitiative/
E-mail Address: greenh@sce.com
Contact Person: Program Manager, California Solar Initiative Program
Telephone: (800) 799-4177
Fax: (626) 302-6253
Mailing Address: Southern California Edison
2131 Walnut Grove Avenue, G03, 3rd Floor, B10
Rosemead, California 91770

San Diego Regional Energy Office (SDREO)

Website: www.csi.sdenergy.org
Email Address: csi@sdenergy.org

Contact Person: Nathalie Osborn, Program Manager
Telephone: (858) 244-1177/(866)-sdenergy
Fax: (858) 244-1178
Mailing Address: San Diego Regional Energy Office
Attn: SELFGEN Program Manager
8690 Balboa Avenue Suite 100
San Diego, CA 92123

For applications in new residential construction, contact the California Energy Commission New Solar Homes Partnership:

**California Energy Commission
New Solar Homes Partnership**
1516 Ninth Street
Sacramento, CA 95814-5512
Telephone: 1-800-555-7794
Email Address: renewable@energy.state.ca.us

Q. What types of solar technologies are eligible?

A: PV systems up to 5 MW capacity are eligible, although incentives are paid only for the first (1) MW of capacity.

Q. Does my building need to meet specific energy efficiency requirements?

A: New structures: new construction is already required to meet certain energy efficiency standards, which will be familiar to your contractor or developer.

Existing structures: In 2007, existing structures must undergo an energy efficiency audit to obtain the solar incentives. Contact your program administrator for more information on the audit. In 2008, existing structures must meet any specific energy efficiency standards. The PUC and CEC will develop these energy efficiency requirements in 2007.

Q. What is the cost to consumers?

A: The estimated average cost to a residential electric customer will be approximately \$16 a year.

Q. Do I pay a surcharge to my utility even if I don't sign-up for solar?

A: There will **not be a separate surcharge** on your bill. The costs of the solar program will be included in the **distribution component of your utility bill. All utility customers will pay for the program** except for low-income customers who qualify for California Alternate Rates for Energy (**CARE**) and/or Family Energy Rate Assistance (**FERA**).

Q. What is CARE and FERA? How do I find out if I qualify?

A: Low-income customers that are enrolled in the CARE program receive a 20 percent discount on their electric and natural gas bills and other rate exemptions.

Families whose household income slightly exceeds the [low-income energy program allowances](#) will qualify to receive Family Energy Rate Assistance (FERA) discounts, which bills some of their electricity usage at a lower rate. Customers should contact their local utility for more information.

Q. How does the rebate program work once I contact the program administrator?

A: Experienced solar installers typically contact the program administrator on the customer's behalf to apply for the rebate and arrange for the project to be interconnected to the utility system. The installer may also apply for local permits, if applicable. Some cities charge user or permit fees, which vary among cities.

Step 1 The program administrator will provide you or your installer with a rebate application form. After the program administrator receives your completed application, it will reserve rebate funds based on the size of your solar project. These funds will be reserved for approximately 60 days, by which time you must provide adequate proof of progress towards installing your system. Your system does not have to be installed within this period, but the utility will require you to provide documentation to prove you are serious about moving forward with the project.

Step 2 When your system is installed, you or your installer will contact the utility for permission to connect your system to the utility grid.

Step 3 Once your system is approved, you will provide proof of payment to the program administrator, and receive your rebate.

See the [CSI program handbook](#) (link to http://www.cpuc.ca.gov/static/energy/solar/061228_csihandbook.htm) for more information.

Q. If I install solar, how will it impact my utility bill? Can you give an example of how my power expenses will reduce over time if I install solar?

A: When the sun is shining, your solar system generates electricity, which means, you will purchase less electricity from the local utility. Over the course of one year, your utility will track the amount of electricity your system has fed into the grid, and use this credit to offset the costs of power purchased from the utility when your system does not generate electricity, i.e. cloudy days or at night. At the end of the year, the utility will true up how much electricity it provided to you, and compare it to how much your system fed back to the utility grid. If you produced more than you consumed, your bill will be zero. If you used more electricity than you generated, you will only pay the difference. This process is called net metering. This works for solar systems 1 MW or less in size.

Q. Why can't the utility pay me if I generate more electricity than I can use during this one-year period?

A: California's net metering law doesn't require the utilities to do so. See Public Utilities Code 2827.

Q. How do I get this law changed?

A: Contact your state legislator.

Q. How did the CSI program start?

A: At the direction of Governor Schwarzenegger, the California Public Utilities Commission (CPUC) approved the California Solar Initiative on January 12, 2006, a \$2.8 billion ten-year incentive program that aims to add solar panels to a million roofs across the state. On March 2, 2006, the CPUC opened a proceeding that will allow it to develop rules and procedures for the Solar Initiative and to continue our consideration more generally of policies for the development of cost-effective, clean and reliable distributed generation (DG). On August 21, 2006, the Governor signed Senate Bill 1 (SB1), which directs the CPUC and the Energy Commission to implement the CSI program consistent with specific requirements and budget limits set forth in the legislation.

On August 24, 2006, the CPUC issued a [decision \[link to http://www.cpuc.ca.gov/static/energy/solar/csi_factsheet_082406.pdf\]](http://www.cpuc.ca.gov/static/energy/solar/csi_factsheet_082406.pdf) that shifted the program from volume-based to performance-based incentives and clarified many elements of the program's design and administration. The PUC has a rulemaking in progress to reconcile its decisions with SB1, and it also continues to hold public workshops to continue designing program elements. Contact the CPUC to learn how to provide your input in these decisions. See [California Solar Initiative History](http://www.cpuc.ca.gov/static/energy/solar/061228_csihistory.htm) (link to http://www.cpuc.ca.gov/static/energy/solar/061228_csihistory.htm) to learn more.

Q. How will the CPUC monitor the success of the CSI?

A: The CPUC will select an independent consultant to perform periodic program evaluations. We anticipate making improvements to the program based on these evaluations, staff research, and input from the public. Our ultimate goal is to mainstream efficient, affordable PV and other solar technologies.