

February 2006

## **IMPORTANT ANNOUNCEMENT**

### **Order to Modify the Self-Generation Incentive Program**

On December 15, 2005, the CPUC issued a final decision which makes substantial modifications to the Self-Generation Incentive Program (SGIP) in 2006. On January 17, 2006, the CPUC issued a final decision to implement the California Solar Initiative ([http://www.cpuc.ca.gov/PUBLISHED/FINAL\\_DECISION/52898.htm](http://www.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/52898.htm)), which included slight modifications to the 2006 SGIP.

The following Q&A is designed to assist those in need of immediate guidance about what the decision means in terms of submitting a new 2006 Reservation Request to the SGIP, as well as those who are currently on a waiting list. If you have questions which are not covered in the Q&A below, please direct your question to one of the SGIP Program Administrators by email or phone as shown at the end of the Q&A list.

**1. *Where can I get a copy of the complete final December 15, 2005 CPUC decision to review?***

**Answer:** The decision can be found and downloaded at:  
[http://www.cpuc.ca.gov/word\\_pdf/FINAL\\_DECISION/52129.pdf](http://www.cpuc.ca.gov/word_pdf/FINAL_DECISION/52129.pdf)

**2. *What are some of the major points of the decision that I should be aware of?***

**Answer:** The decision directs the SGIP Program Administrators to:

- a. Increase the funding for solar projects by \$300 Million in 2006.
- b. Lower the rebate for solar projects to \$2.80/Watt, for all 2006 projects.
- c. Offer projects currently on the 2005 Level 1 Wait List (as of December 15, 2005) a rebate of \$3.00/Watt.

**3. *What if I have a project on the wait list, and do not want to proceed with the rebate amount of \$3.00/watt?***

**Answer:** If you do not want to proceed with the project at \$3.00/watt, please notify your Program Administrator that you would like to cancel the project and have your application fee refunded. The Program Administrator will cancel your project and refund the application fee.

**4. Do I need to take any action if I am on the 2005 Level 1 Wait List, and want to proceed with the rebate amount of \$3.00/watt?**

**Answer:** No. If you do not contact your Program Administrator, your application will be automatically “rolled-over” into the 2006 program and subject to the 2006 Handbook terms and conditions. The 2006 SGIP Handbook should be posted on each of the Program Administrators web sites on or before January 27, 2006.

Please be aware that after the Conditional Reservation Notice Letter has been issued, you will have 60 days to meet the Project Advancement Milestone, and provide all documentation, including an executed installation contract. If you do not meet this deadline, your reservation will be cancelled, and the application fee will be forfeited. Extensions are not allowed, except for public Entities, which may request a maximum of a 60 day extension.

**5. Are the other technologies revising their incentive amounts?**

**Answer:** At this time, the CPUC has not recommended any revisions to the non-solar technology rebate levels.

**6. How much incentive funding will be available on January 1, 2006?**

**Answer:** The decision increases the annual statewide solar budget by \$300 Million.

**7. I already have an approved SGIP reservation for a project – does this decision impact my existing application in any way?**

**Answer:** Those projects which have already received a Conditional Reservation prior to the final decision will continue to be eligible to receive an incentive amount under the “old” structure, as well as be subject to the rules and procedures (e.g., cost documentation requirements) described in the last revision of the 2005 SGIP Handbook dated April 23, 2005 Rev. 1 and applicable Interim Changes.

**8. When will new SGIP applications be accepted for 2006? When and how can I turn it in?**

**Answer:** **New 2006 Reservation Requests (applications) for all technologies will begin to be accepted on February 10, 2006.** On January 12, 2006, the CPUC issued a decision to implement the California Solar Initiative (CSI). This decision included slight modifications to the 2006 SGIP, resulting in a delayed release of the SGIP Handbook and Forms. The application and related forms are available on each program administrator’s website listed at the bottom of this document.

Conditional Reservation Notice letters were issued for the current Level 1 Wait List on February 1, 2006, in order to allow for the SGIP participants to read the 2006 SGIP Handbook prior to notifying the Program Administrator their intent to proceed.

February 10, 2006 is the earliest date new 2006 Conditional Reservation Requests will be accepted by Program Administrators. Applications received on 2005 SGIP forms will not be accepted and will be returned to sender.

To ensure confirmation of receipt, documentation is recommended to be returned and delivered to the appropriate Program Administrator by certified or overnight mail. No hand deliveries or faxes will be accepted.

**9. Are there any other substantive changes to the 2006 SGIP that I should be aware of?**

**Answer: There will be some changes to the 2006 SGIP including:**

- A Host Customer is designated as the reservation holder, and may change applicants at any time.
- The 2006 SGIP will continue to require an application fee equal to 0.5% of the originally requested incentive amount.
- The Incentive Levels have been adjusted to the following:

Incentive Levels	Eligible Technologies	Incentive Offered (\$/Watt)	Minimum System Size	Maximum System Size <sup>1</sup>
Level 1 (Solar)	Photovoltaics	\$3.00/W for project "rolled over" into 2006 from the 2005 Wait List	30 kW	5 MW
		\$2.80/W for projects received after 12/15/05		
Level 2 (Renewable Non-Solar)	Wind turbines	\$1.50/W	30 kW	5 MW
	Renewable fuel cells	\$4.50/W		
	Renewable fuel internal combustion engines and large gas turbines	\$1.00/W	None	
	Renewable fuel micro-turbines and small gas turbines <sup>3</sup>	\$1.30/W		
Level 3 (Non-Renewable Non-Solar)	Non-renewable fuel cells <sup>2</sup>	\$2.50/W	None	5 MW
	Non-renewable & Waste Gas fuel micro-turbines and small gas turbines <sup>2,3,4</sup>	\$0.80/W		
	Non-renewable & Waste Gas fuel internal combustion engines and large gas turbines <sup>2,3,4</sup>	\$0.60/W		

1 Maximum incentive payout capped at 1MW

2 System must utilize waste heat recovery meeting Public Utilities Code 218.5

3 Small Gas Turbines are defined as gas turbines < 1.0 MW

4 System must meet AB1685 Emissions standards

**Program Administrator Contact Information:**

**Pacific Gas & Electric (PG&E)**

Website: [www.pge.com/selfgen](http://www.pge.com/selfgen)

Email Address: selfgen@pge.com

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### **San Diego Regional Energy Office (SDREO)**

Website: [www.selfgen.sdenergy.org](http://www.selfgen.sdenergy.org)  
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Mailing Address: San Diego Regional Energy Office  
Attn: SELFGEN Program Manager  
8520 Tech Way Suite 110  
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### **Southern California Edison (SCE)**

Website: [www.sce.com](http://www.sce.com) click on Rebates and Saving  
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### **Southern California Gas Company (SoCalGas)**

Website: [www.socalgas.com/business/selfgen](http://www.socalgas.com/business/selfgen)  
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