

**California Energy Commission**  
**RENEWABLE ENERGY PROGRAM**  
**Summary of Activities**  
**July 1, 2009 – September 30, 2009**



## **ACCOMPLISHMENTS**

### **Renewables Portfolio Standard Program**

Under California's current Renewables Portfolio Standard (RPS) law, retail sellers are required to increase the renewable content of their electricity sales by at least 1 percent per year, with a goal of serving 20 percent of the state's retail electricity sales with renewables by 2010. In November 2008, Governor Schwarzenegger set into motion higher RPS goals by signing Executive Order S-14-08, which calls on California to raise its renewable energy aims to 33 percent by 2020 and expedite development of renewable energy sites. This more aggressive goal reinforces the importance of renewable energy as a component of the state's greenhouse gas reduction goals codified in Assembly Bill 32 (Núñez, Chapter 488, Statutes of 2006).

The Energy Commission and the California Public Utilities Commission (CPUC) jointly implement the RPS. The Energy Commission's roles are to certify renewable facilities as eligible for the RPS and to design and implement an accounting system to track and verify RPS compliance. The CPUC is responsible for developing the rules for RPS procurement and providing oversight of contract activities, and it administers incentive payments for the above-market costs of renewable energy.

On September 15, 2009, Governor Schwarzenegger signed Executive Order S-21-09, which directed the California Air Resources Board (ARB) to adopt a regulation by July 31, 2010, requiring the state's load serving entities to meet a 33 percent renewable energy target by 2020. The Executive Order commits ARB staff to work with the CPUC, the Energy Commission, the California Independent System Operator, and others in developing the regulation.

### ***Investor-Owned Utilities' Renewables Portfolio Standard Procurement***

#### **RPS Solicitations and Bilateral Negotiations**

Since the RPS policy was established in 2002, the state's investor-owned utilities (IOUs) — Pacific Gas & Electric, Southern California Edison, and San Diego Gas & Electric — have conducted a number of renewable energy solicitations. From these competitive solicitations (including an all-source solicitation), and also through bilateral negotiations, the IOUs have signed 121 contracts for 12,280 to 15,211 megawatts (MW) of new and existing renewable energy projects to date (range in capacity reflects build-out options). This includes 107 contracts representing 11,577 to 14,420 MW of new, repowered, or restarted renewable facilities. Of these, 40 contracts are with projects that are currently online for 1,736 MW of capacity

(2,091 MW is the maximum capacity, but some of these projects are only partially online). Online facilities account for 15 percent of the total minimum capacity for new, repowered, or restarted renewable facilities under contracts for the RPS program. (Source: Database of Investor-Owned Utilities' Contracts for Renewable Generation, Contracts Signed towards Meeting the California RPS Targets; updated December 15, 2009, [http://www.energy.ca.gov/portfolio/contracts\\_database.html](http://www.energy.ca.gov/portfolio/contracts_database.html)).

### Investor-Owned Utilities' Feed-In Tariffs for Renewable Generation

The Legislature passed Assembly Bill 1969 in 2006, authorizing tariffs<sup>1</sup> and standard contracts for the purchase of eligible renewable generation from public water and wastewater agencies. The CPUC had originally expanded feed-in tariff eligibility to all RPS-eligible renewable resources in only PG&E and SCE territories. The CPUC, in Decision 07-07-027, however, extended the tariffs to include renewable facilities other than the public water and wastewater facilities. With the passage of SB 380 in 2008, the Legislature consolidated these two tariffs into a single program that applies to renewable facilities with a capacity of not more than 1.5 MW and increased the statewide generating capacity limit from 250 MW to 500 MW. On September 18, 2008, in accordance with the changes mandated by SB 380, the CPUC approved an extension of feed-in tariffs in SDG&E territory to all renewable generators, bringing the scope of SDG&E's feed-in tariff in line with that of PG&E and SCE.<sup>2</sup> Participating utilities now include California's investor-owned and small and multijurisdictional utilities. As of the end of this quarter, the three large IOUs have entered into a total of 21 feed-in-tariff agreements representing 18 MW of capacity and 151 GWh of annual generation.

### Southern California Edison's Renewables Standard Contracts Program

Through its Renewables Standard Contracts Program, SCE is offering to purchase energy and its associated green attributes from eligible renewable resource generating facilities with capacities not greater than 20 MW. This program is available until December 31, 2009, or until 250 MW in contracts have been executed, whichever occurs first. Two different standard contracts are offered depending on the generating facility's capacity: (1) greater than 1.5 MW but not greater than 5 MW, and (2) greater than 5 MW but not greater than 20 MW. Facilities with capacities that exceed 20 MW are not eligible for a renewables standard contract but may submit a proposal in SCE's annual RPS solicitation. By the end of the quarter, SCE signed 5 standard contracts with a total capacity of 5.8 to 16 MW and deliveries of 36 to 98 GWh of generation annually.

### Southern California Edison's Rooftop Solar Program

In March 2008, SCE launched an ambitious solar rooftop program that promises 250 MW of photovoltaic power installed on 65 million square feet of unused commercial building rooftop space in SCE's service territory. The project is forecast to cost \$875 million and produce enough electricity for 162,000 homes.

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<sup>1</sup> A *renewable feed-in tariff* is a renewable energy procurement mechanism that requires an electric utility to purchase renewable energy at a fixed price using a standard contract.

<sup>2</sup>CPUC Decision 08-09-033, September 18, 2008, R.08-08-009.

SCE has entered into two contracts in this category for a total capacity of 3 MW and 5.3 GWh of annual generation. The first major solar installation in Fontana, California, began during the summer of 2008, and the facility started generating solar power that fall. Construction is underway on the utility's second installation in Chino, California. SCE's program goal is to add 50 MW of generating capacity in each of the next five years.

The rooftop solar program supports several of California's key environmental policies, especially the Million Solar Roofs program that provides incentives to encourage Californians to install solar projects by 2017. SCE's solar program also supports the state's Global Warming Solutions Act as well as furthering efforts to attain the goals of California's RPS.

### *RPS Activities through September 2009*

- The Energy Commission has certified or pre-certified 757 facilities as eligible for the RPS, representing 25,874 MW of renewable capacity.<sup>3</sup> Of that generating capacity, 14,209 MW is proposed new capacity from 156 planned facilities that have been conditionally pre-certified; however not all are yet under contract. These numbers do not reflect activity in the application queue.
- The Energy Commission staff is completing the draft *2006 Renewables Portfolio Standard Procurement Verification Report*, which analyzes renewable energy claims toward the RPS program. Previous years' reports compared procurement claims made by IOUs with generation data submitted to various programs by generating facilities. In addition to claims from the large IOUs, the *2006 Verification Report* will also include an analysis of RPS claims made by electric service providers and the small and multi-jurisdictional utilities between 2004 and 2006. The draft report, expected to be released in the fourth quarter of 2009, reflects oral and written comments that were submitted on the proposed data in the report, presented during a staff workshop in March 2009.

### RPS Contracts

RPS contract activities for the quarter are detailed in the table, *Renewable Portfolio Standard Contract Activity by Utility, July through September 2009*, located on the Energy Commission's website at [www.energy.ca.gov/renewables/quarterly\\_updates/index.html](http://www.energy.ca.gov/renewables/quarterly_updates/index.html).

## **Western Renewable Energy Generation Information System**

The Energy Commission, in conjunction with the Western Governors' Association and renewable energy market stakeholders, designed an accounting system to verify that renewable energy output is counted only once for the purposes of California's Renewables Portfolio Standard and other regulatory or voluntary programs related to renewable energy throughout the west. With the subsequent addition of efforts by the Western Electricity Coordinating Council, these organizations implemented the Western Renewable Energy Generation Information System (WREGIS), a regional renewable energy certificate tracking and registry

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<sup>3</sup> RPS certified or pre-certified renewable facility capacities do not take into account multi-fuel status.

system, which provides WREGIS Certificates to support verification of compliance with regulatory and voluntary renewable energy programs in the Western Interconnect. The Energy Commission provided the startup funding for WREGIS and serves as the financial backstop for the program during operations.

- APX, Inc., the System Development & Technical Operations Contractor
  - APX continued to provide maintenance and support services for WREGIS and to make changes to the system that were requested by stakeholders and approved by the WREGIS Committee.
- WREGIS Administration
  - 274 companies registered to be Account Holders in WREGIS by September 28, 2009.
  - 1,129 generators were registered in WREGIS by September 28, 2009.
- The WREGIS Committee held monthly conference calls to discuss and review policy issues related to WREGIS, such as minor changes to system functionality and program documents.
- The WREGIS staff and Energy Commission staff participated in a Critical Project Review Meeting for the WREGIS program in August. This meeting evaluated the progress and performance of parties involved with WREGIS and addressed developing recommendations for the program in the future.
- The WREGIS Stakeholder Advisory Committee, Policy Subcommittee, Change Control Subcommittee, and Operations Subcommittee also met monthly or semi-monthly to discuss issues that may be brought to the WREGIS Committee for review and approval. These supporting committees and subcommittees provide a greater opportunity for stakeholder input and collaboration than the WREGIS Committee meetings.
- Following are WREGIS expenditures this quarter from the Consumer Education account (unless noted otherwise):
  - APX, Inc. contract for \$3,277,702 for the services of a System Development and Technical Operations (SD&TO) Contractor for WREGIS. The SD&TO Contractor modified an existing generation registry and tracking system to serve the needs of WREGIS and will continue to perform operations and maintenance for the system at least through the end of the Energy Commission/APX Contract in October 2010. Expended \$96,979
  - Western Electricity Coordinating Council contract for \$2,202,750 for the administration of WREGIS. The WREGIS Administration staff runs the day-to-day operations of WREGIS. No expenditures for this quarter.

## **New Renewable Facilities Program**

The intent of the New Renewable Facilities Program (NRFP) was to foster the development of new in-state renewable electricity generation facilities by providing financial support to renewable projects that became operational after September 26, 1996. The program was comprised of two elements: the original program under SB 90, and the program as evolved

under SB 1038, SB 1078, and SB 107, which offered supplemental energy payments (SEPs) to qualifying facilities to cover the above-market costs of meeting the RPS. In October 2007, the enactment of SB 1036, effective January 1, 2008, eliminated funding for this program with the exception of projects that were still operational as of January 1, 2007. In accordance with the legislation's direction, the Energy Commission implemented the following:

- The Energy Commission terminated all pending awards made to projects under the New Renewable Resources Account of the Renewable Resource Trust Fund (RRTF) prior to January 1, 2002, unless the projects were online and operational by January 1, 2007.
- The Energy Commission's authority to award SEPs was eliminated as of January 1, 2008. Beginning in 2008, the CPUC has authority over the disposition of SEPs for above-market costs.

As noted by the Senate Energy, Utilities and Communications Committee, SB 1036 eliminated the SEP program because the program was not achieving its purpose. As of January 1, 2008, no applications for SEPs had been approved.

- In March 2008, the Energy Commission refunded the New Renewable Resources Account's remaining unencumbered funds (totaling \$461,681,784) to the electrical corporations whose ratepayers contributed funds to support the RRTF. These electrical corporations included Pacific Gas & Electric, San Diego Gas & Electric, Southern California Edison, and Bear Valley Electric Service (a division of Golden State Water Company).
- The enactment of SB 1036 removed the New Renewable Resources Account from the RRTF effective July 1, 2008.

Under the NRFP's original SB 90 funding, production incentives (cents per kWh payments for generated renewable energy) for proposed projects were allocated to the lowest bidders during three competitive solicitation processes. Production incentives are paid over a five-year period once a project begins generating electricity. Although the New Renewable Resources Account was eliminated July 1, 2008, active NRFP projects continue to be paid for generation from those projects' previously encumbered RRTF funding award dollars.

- During this quarter, \$326,146 in production incentives was paid to one facility for 23.8 gigawatt-hours of renewable generation.
- \$258,413 is encumbered for the one remaining active account
  - The last active project account will reach the end of their five-year payment period on December 30, 2009.
- Since the NRFP's inception in June 1998, forty-seven<sup>4</sup> projects have been able to come online and generate electricity, representing 488 megawatts of new renewable energy capacity. The NRFP has paid a total of approximately \$76.5 million in production incentives to new renewable generating facilities for 8,713 gigawatt-hours of generation.

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<sup>4</sup> The Wintec #2 wind project was split into two projects, but in order to maintain consistency with previous years, it will continue to be reported as one project.

## Emerging Renewables Program

Since 1998, the Emerging Renewables Program has provided \$405 million in rebates and production incentives to customers who have purchased and installed 28,482 renewable energy systems, representing 126 MW of capacity, to offset part or all of their electricity needs at their homes or businesses.

On December 31, 2006, the solar portion of the Emerging Renewables Program ended and was replaced on January 1, 2007, with the Energy Commission's New Solar Homes Partnership (NSHP) and the CPUC's California Solar Initiative. Fuel cells using renewable fuel and small wind turbines are still eligible for rebates under the Energy Commission's Emerging Renewables Program.

During this quarter, the Energy Commission paid \$267,415 to 19 rebate applicants for completed projects located in investor-owned utility service areas. These completed projects represent 167 kW of generating capacity from photovoltaic and wind systems.<sup>5</sup> Customers planning to install additional systems held approved rebate reservations totaling 1.1 MW of solar and wind capacity, encumbering about \$2.7 million.

Staff conducted a public workshop on the Emerging Renewables Program on July 21, 2009, soliciting input from small wind manufacturers, contractors, retailers, and wind energy consultants. The main comments and issues included the adequacy of the rebate level, removal of the current inverter conversion efficiency test requirement, increasing the current 7.5 kW system size break in rebate structure to 10 kW, and increasing the reservation period from 9 to 12 months. The Energy Commission staff reviewed stakeholders' input and in September briefed the Renewables Committee for possible changes to the *Emerging Renewables Program Guidebook*.

### *New Solar Homes Partnership*

The Energy Commission's NSHP, a \$400 million program, offers incentives to encourage solar installations, with high levels of energy efficiency, in the residential new construction market for investor-owned electric utility service areas. The goal of the NSHP is to install 400 MW of capacity by 2016. The NSHP is a component of Senate Bill 1 (Murray, Chapter 132, Statutes of 2006), a \$3.35 billion solar incentive program aiming to install 3,000 MW of capacity by 2016. Unlike the ERP, incentives under the NSHP are not capacity-based. Instead the actual incentive for a particular system and installation, which is paid up-front, is dependent on an Expected Performance-Based Incentive calculation of the system's performance compared to a reference system. Since mid-2008, program administration has been subsumed under the investor-owned utilities, with oversight from the Energy Commission. With coordinated IOU administration of both the NSHP and the IOU's new construction efficiency incentive programs, greater administrative efficiencies are being achieved, ultimately simplifying the application process for builders and retailers.

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<sup>5</sup> Due to the length of the Emerging Renewables Program's reservation period, the program is still paying rebates to solar system applicants who submitted their reservation requests before January 1, 2007.

NSHP Program Activity (includes Energy Commission and IOU activities)

As of September 30, 2009, a total of 757 applications, representing 8,594 residential solar systems, were in various stages of applying to the program. Of those, 60 applications, representing 659 residential systems, were listed as "Pending." (Pending applications are defined as applications in the initial stages of applying to the program and additional information is required before formally submitting the complete application package.)

The remaining 697 applications consisted of the following:

Custom Homes:	527 applications for 527 systems
Lg. Developments (solar standard):	102 applications for 7,173 systems
Other Developments:	68 applications for 235 systems
<b>TOTAL:</b>	<b>697 applications for 7,935 systems</b>

NSHP Disbursements<sup>6</sup>

- July to September 2009: Incentives totaling \$2.3 million were paid for 0.80 MW of solar capacity.
- Cumulative payments through September 2009: Since the program's beginning in 2007, incentive payments total nearly \$10.86 million. This represents 1,607 residential solar installations for 3.86 MW of renewable electricity capacity.

Additional NSHP Activities:

- The on-line application web tool continues to be refined, allowing greater ease of use, and also providing more information on program statistics.
- In response to comments from stakeholders on how to improve NSHP program participation, staff has been working to revise the *Guidebook*. A staff workshop was held on April 10, 2009 to receive comments on staff-proposed revisions. At the direction of the Renewables Committee, proposed revisions to the *Guidebook* were made, with possible adoption by the Commission of a revised guidebook by the end of the year.

Expenditures for the NSHP support contracts are reported under their funding source, the Consumer Education Program.

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<sup>6</sup> PG&E and SDG&E issue incentive payments directly to NSHP applicants and are later reimbursed by the Energy Commission upon request. Applicants to the SCE-administered NSHP are paid through the Energy Commission. Note that the Energy Commission's reported quarterly disbursements may not include all of PG&E's and SDG&E's incentive payments for the reporting quarter. This is due to the time lag between those utilities issuing a payment, submitting a reimbursement request, and subsequently being reimbursed by the Energy Commission. The Energy Commission expects to make a reimbursement payment to PG&E and SDG&E of \$434,417 for 0.15 MW in the next quarter for systems that were installed from July to September 2009. This expenditure will be captured in the October to December 2009 NSHP disbursements.

## Existing Renewable Facilities Program

The Existing Renewable Facilities Program (ERFP) offers production incentives to biomass, solar thermal electric, and wind facilities that were operational as a renewable facility prior to September 25, 1996. Incentive payments are tied to market prices, with no payments made if the market price is above a predetermined target price. Beginning 2007, under the Senate Bill 1250 program structure, each facility must apply for funding annually. Funding eligibility decisions are made on a facility-by-facility basis.

The current program is designed to fully fund incentive payments (assured payments) to facilities with fixed-price contracts below five cents per kWh first; then the balance of remaining funds is allocated to the rest of the facilities. These payments are calculated and possibly adjusted based on estimated funds remaining during the calendar year. Total ERFP payments are capped at \$18 million per calendar year.

In 2009, the ERFP received and approved 35 applications for funding from 27 biomass facilities representing 680 MW and for 8 solar thermal facilities representing 409 MW. Of these, eight facilities qualified to receive assured payments (7 biomass [153 MW] and 1 solar thermal [50 MW]).

During this quarter, the following activities occurred:

- The Energy Commission made \$5.4 million in payments to existing facilities for 1,240 gigawatt-hours generated during May, June, and July of 2009.
- Payments to 27 facilities were reduced by \$4.1 million based on the amount of 2009 funds available. The total adjusted payout to these facilities was \$2.5 million.
  - Because of low short-run avoided cost (SRAC) prices during the previous quarter, five facilities receiving variable market prices based on the SRAC formula received \$2.5 million more compared to payments made during the same period in 2008. This resulted in the need to reduce payments to all but the eight facilities with assured payments.
- Since the program's inception in 1998, cumulative payments totaling \$303 million have been made to existing facilities for generation.
- ERFP rollover funds from 2008--those remaining after payments have been made and rolled over to the 2009 payment cycle as available funds--totaled \$12.3 million.

## Consumer Education Program

This program is designed to increase public awareness of renewable energy and its benefits, and to help build a consumer market for renewable energy and small-scale emerging renewable technologies.

## *New Solar Homes Partnership*

### Contract support activities

**ProProse** contract for \$105,000 assists the NSHP campaign by securing varying levels of partnerships. These include builders' participation in the program, financial institutions offering energy efficiency and solar-friendly loans or programs, realtors and appraisers, utilities, and other entities to help leverage the NSHP's outreach and public awareness campaign dollars. The Department of General Services approved an amendment of an additional \$145,000 on May 20, 2008 for a combined total of \$250,000 to continue efforts of partnership development for purposes of leveraging dollars for the NSHP Public Awareness Campaign. This amendment extends the term of the contract through the end of 2009 to coordinate with the Edelman contract noted below.

Contractor activities this quarter included the following:

- Researched and contacted potential partners for the 2008 and 2009 campaigns including:
  - Scheduling and attending SMUD partnership meeting.
  - Updating the partnership database in coordination with Edelman.
  - Coordinating various elements of the 2009 Clear Channel Green Home Make-Over sweepstakes including:
    - Contacting sweepstakes partners: Solio (solar chargers), Phillips (lighting), Cisco Brothers (furniture), Healthy Homes - a.k.a. Sage House (green installers), TerraPass (carbon offsets), Eco-Chic (green designer), Viva Terra (eco- accessories), FLOR (carpet tiles), Purcell Murray and Kohler (faucets), Kirei (green construction board), Bottlestone (counter tops), R.W. Williams contractor (whole house fan), Wildflower Farms (drought tolerant grass), Oxygenics (shower heads), Hunter Douglas (blinds), Oceanside (glass tile), and ConSol (energy audit).
    - Coordinating with Ed Begley, Jr. and his agent to secure partnership for his participation as radio announcer in 2009 sweepstakes radio ads.
      - Included NSHP sweepstakes receptacle link on Ed Begley, Jr.'s website.
    - Coordinating with Granite Bay Energy and SRS Energy as potential prize partners for solar PV partnership.
    - Coordinating sweepstakes website with Clear Channel to include prize contribution details and design opt-in structure for consumers to receive additional information from prize sponsors.
- Advised and provided technical expertise that included:
  - Coordinating with the California Association of Realtors and Edelman for articles about the NSHP to be included on the Green California Association of Realtors website located at <http://green.car.org/>.

- Reviewing revised media plan in preparation for SMUD's participation as an NSHP partner.
- Attended biweekly status meeting with NSHP team.

Expended \$ 14,454

**Edelman's** three-year contract for \$4.3 million provides an array of marketing and media planning services. These include market research to analyze and identify California home buyers who are most likely to seek higher levels of energy efficiency and solar photovoltaic systems when purchasing new homes; determining the most effective messaging, logo design, and branding; creative development (advertisements and print collateral); and ad placement.

Contractor activities this quarter included the following:

- Continued partnership outreach with:
  - Starbucks.
  - Disney.
  - WalMart.
  - SMUD.
  - California Grocers' Association.
  - California Building Industry Association regarding the April NSHP Advisory Committee meeting.
  - Updated and forwarded partnership database to the Energy Commission.
- Continued marketing outreach by:
  - Updating the 2009 media outreach plan including outreach to home owners for testimonials.
  - Reviewing and finalizing the Clear Channel media (radio) buy which included the development of a reporting template to track the media placement.
  - Reviewing and finalizing radio advertisement copy including:
    - Music options for the Ed Begley radio scripts.
  - Coordinating the block programming (30-minute advertisements) with Clear Channel and the Energy Commission.
  - Coordinating the Weekend Walk Thru communities' event with participating NSHP builders (builder promotion through Clear Channel).
  - Coordinating the builder marketing support delivery with Cornerstone (Fontana, CA), Woodside Homes (Manteca, CA), Clear Channel, and the Energy Commission.
- Continued developing new NSHP marketing materials and collateral including:

- Revising the Builder Outreach Kit's online and print versions including identifying and securing new articles for inclusion. The Builder Outreach Kit was also packaged and loaded on USB drives for distribution at various builder events and promotions.
- Drafting and finalizing content for a realtor brochure and various articles that were placed on the Green California Association of Realtors website.
- Designing the Builder Advertising Toolkit and a promotional postcard for builders at PCBC (formerly Pacific Coast Builders Conference).
- Designing various consumer literature that includes:
  - E-blast for 2009 sweepstakes.
  - Flash animation for Internet banner ads.
  - Brochure and community listing insert.
- Designing various builder literature that includes:
  - Print ads.
  - Brochure.
- Continued media outreach that includes:
  - Developing new short- and long-term story opportunities and placing editorial calls to national consumer media, national personal finance media, regional home media and local magazines (examples include Good Housekeeping, Better Homes and Gardens, DWELL, and men's magazines).
  - Coordinating participation in Plus Media "Satellite Media Tour" (SMT) opportunity, including:
    - Outreach and discussions with Plus Media, coordination of scope of work, and timeline, script message points, and visual opportunities.
- Continued developing and attending a variety of events to promote the NSHP that includes:
  - Coordinating participation in the California Association of Realtors conference.
  - Participating and coordinating logistics for AltBuild conference.
  - Cost-sharing booth space with PG&E at PCBC and Southern California Edison for the Dwell on Design Conference.
  - Coordinating with the Building Industry Association of Southern California for a July workshop that promotes the NSHP to builders.
  - Coordinating the 2009 Clear Channel consumer Green Home Makeover sweepstakes that includes:
    - Developing and reviewing sweepstakes campaign creative, consumer online banner ads, consumer website, consumer static ads, kiosk wrap, and e-blast.

- Coordinating with Clear Channel to develop and manage deadlines for sweepstakes deliverables including: website, kiosks, advertising buy, radio spots.
  - Developing and revising the sweepstakes quiz.
- Continued development of market research activities including formatting and submitting the pre- and post- advertising survey summary report that discussed the recent survey of consumer attitudes toward solar.
- Continued development and promotion of the affordable housing component of the NSHP including:
  - Planning with “Housing California” for the 2009 affordable housing annual conference event to include promoting NSHP affordable housing elements. Developed advertisement in event program and distributed NSHP affordable housing developer outreach kit CD to all conference attendees.
  - Coordinating, reviewing, and printing the Affordable Housing Builder Outreach Kit print, online, and CD version.
  - Developing a tri-fold brochure for affordable home developers.
  - Coordinating with the Energy Commission for a presentation opportunity to the City of San José about the NSHP affordable housing program.
  - Planning and participating on the NSHP working group calls.
- Continued development and promotion of the NSHP to local governments and municipalities including:
  - Coordinating editing and review of the Local Government Tool Kit online and print version.
    - Incorporating NSHP Advisory Committee input into draft Tool Kit.
    - Completing the layout and design.
  - Developing a brochure about the NSHP that local jurisdictions can customize and distribute to applicants for building permits to publicize the NSHP.
  - Preparing for presentation overview of work products to the NSHP Advisory Committee.
  - Reviewing past environmental activities for potential outreach partners.
  - Developing a list of conferences, meetings, and similar events that will be attended by key stakeholders for NSHP outreach.
  - Discussing partnership proposals with the League of California Cities and beginning outreach to cities.
- Attended biweekly status meetings with the NSHP team.

Expended \$336,760

## *Near-Term Consumer Education Marketing and Outreach Development*

As the current marketing and outreach contracts (Edelman/ProProse) conclude, and in an effort to carry on the momentum developed, Energy Commission Consumer Education Program staff is developing a plan and follow-on actions. During this quarter, staff interviewed and met with a variety of stakeholders, representing several key target audiences including developers, builders, solar installers, appraisers, realtors, and others. These efforts were specifically designed to obtain feedback on the effectiveness of the "Go Solar California" campaign to date and identify areas of future focus. Key discussion topics included assessing target audience needs, obtaining recommendations on how best to market and educate target audiences, and identifying barriers to solar home construction and purchases.

Based on the feedback received, a sample of several common themes emerged:

- The need to further leverage data to quantify and promote the financial benefits and added value of a new solar home.
- The need to better educate developers and builders on the incentives available for the construction of new solar homes.
- The need for more public exposure of the NSHP and PV through strategically planned presentations and workshops at industry events or public forums, placement of articles in targeted trade journals and magazines, and the implementation of continuing education classes to serve several professions (appraisers, realtors, lenders, etc.).
- The need to be strategic and efficient with marketing and outreach dollars to maximize results.
- The need to educate local government about the benefits of solar in meeting state political, economic, and environmental goals and encourage the adoption of local mechanisms incentivizing new solar home developments.

No expenditures for this effort.

### *KEMA Contract, #400-07-030*

This three-year \$3,681,000 contract, executed on July 11, 2008, will provide technical assistance to the Renewable Energy Program, including Consumer Education-related activities. Currently, there is no work being conducted in support of Consumer Education; consequently, there are no expenditures to report for this quarter.

## **ADDITIONAL RENEWABLE ENERGY PROGRAM ACTIVITIES**

### **Guidelines for California's Solar Electric Incentive Programs**

Senate Bill 1 (Murray, Chapter 132, Statutes of 2006), an extensive and multi-faceted legislation, enacts Governor Schwarzenegger's Million Solar Roofs Initiative and is built upon the CPUC's [California Solar Initiative](#), the Energy Commission's NSHP, and the publicly owned utilities' existing solar energy incentive programs. With an emphasis on energy efficiency and high performance installations, this \$3.35 billion comprehensive statewide solar effort aims to install

3,000 MW of capacity by 2016. The CPUC's portion, the California Solar Initiative, provides incentives to existing and new nonresidential customers and to existing residential customers. The Energy Commission's NSHP offers incentives to encourage solar installations, with high levels of energy efficiency, in the residential new construction market. Publicly-owned utilities administer solar incentive programs for their individual service areas.

Among other directives, SB 1 requires the Energy Commission, in consultation with the CPUC, local publicly-owned electric utilities, and interested members of the public, to establish eligibility criteria for solar energy systems; conditions for incentives; and rating standards for equipment, components, and systems for electric ratepayer-funded solar energy incentive programs in California by January 1, 2008.

SB 1 required the Energy Commission to adopt eligibility guidelines for solar energy systems receiving ratepayer-funded incentives and identified the following conditions:

- High quality solar energy systems with maximum system performance to promote the highest energy production per ratepayer dollar.
- Optimal system performance during periods of peak demand.
- Appropriate energy efficiency improvements in the new and existing home or commercial structure where the solar energy system is installed.

The *Guidelines for California's Solar Electric Incentive Programs* can be found on the Energy Commission's website at

[www.energy.ca.gov/2008publications/CEC-300-2008-007/CEC-300-2008-007-CMF.PDF](http://www.energy.ca.gov/2008publications/CEC-300-2008-007/CEC-300-2008-007-CMF.PDF).

Other SB 1 requirements to be completed by the Energy Commission include:

- Conduct annual random audits of solar energy systems to evaluate operational performance.
- Education and outreach by providing assistance to builders and contractors and publishing educational materials for consumers.
- Evaluate costs and benefits of solar energy systems.
- Conduct a study to determine whether solar should be required on new residential and new nonresidential buildings.
- Develop a solar offset program that would allow a developer or seller of production homes to forgo the "solar as an option" offer requirement by installing solar energy systems generating specified amounts of electricity on other projects including low income housing, multifamily, commercial, industrial, and institutional developments.
- Publicly owned utilities are required to report on the progress of their solar incentive program to the Energy Commission on a yearly basis. Reporting data must be submitted to the Energy Commission by June 1 of each year (for the previous year). Data for calendar year 2008 has been received from the publicly owned electric utilities and this data has been posted since summer 2009 on the Energy Commission's website at [www.energy.ca.gov/sb1/pou\\_reports/index.html](http://www.energy.ca.gov/sb1/pou_reports/index.html).