



California Energy Commission

Guidelines for Solar Programs Pursuant to SB 1



October 4, 2007

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Today's Presentation Covers

- Background
- Policy Drivers
- Schedules
- Changes from Aug. Staff Report

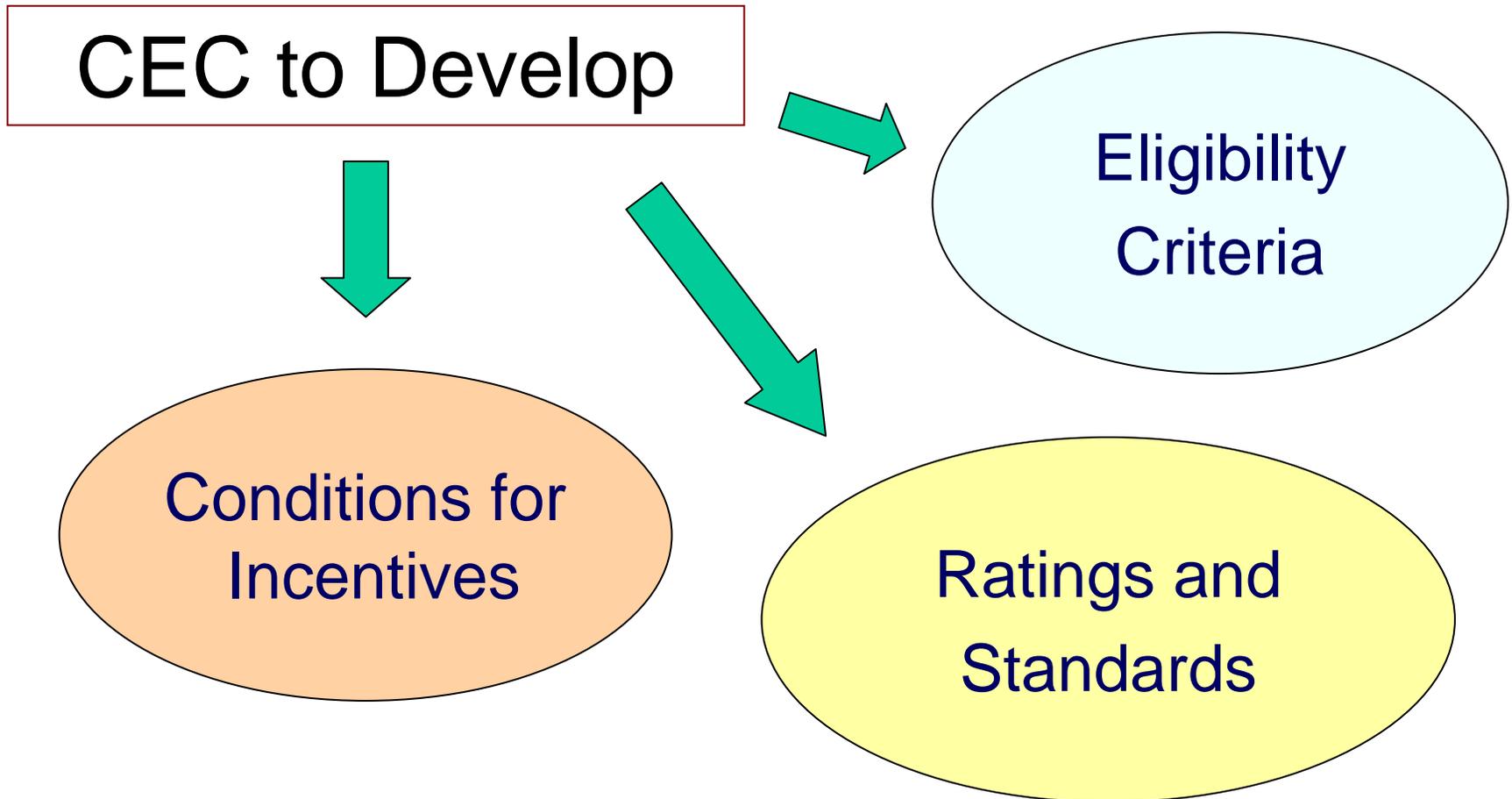


SB 1 Assignments for Commission

- The commission shall, by January 1, 2008, in consultation with the Public Utilities Commission, local publicly owned electric utilities, and interested members of the public, **establish eligibility criteria** for solar energy systems receiving ratepayer funded incentives
- The commission shall establish **conditions on ratepayer funded incentives**
- The commission shall set **rating standards for equipment, components, and systems**



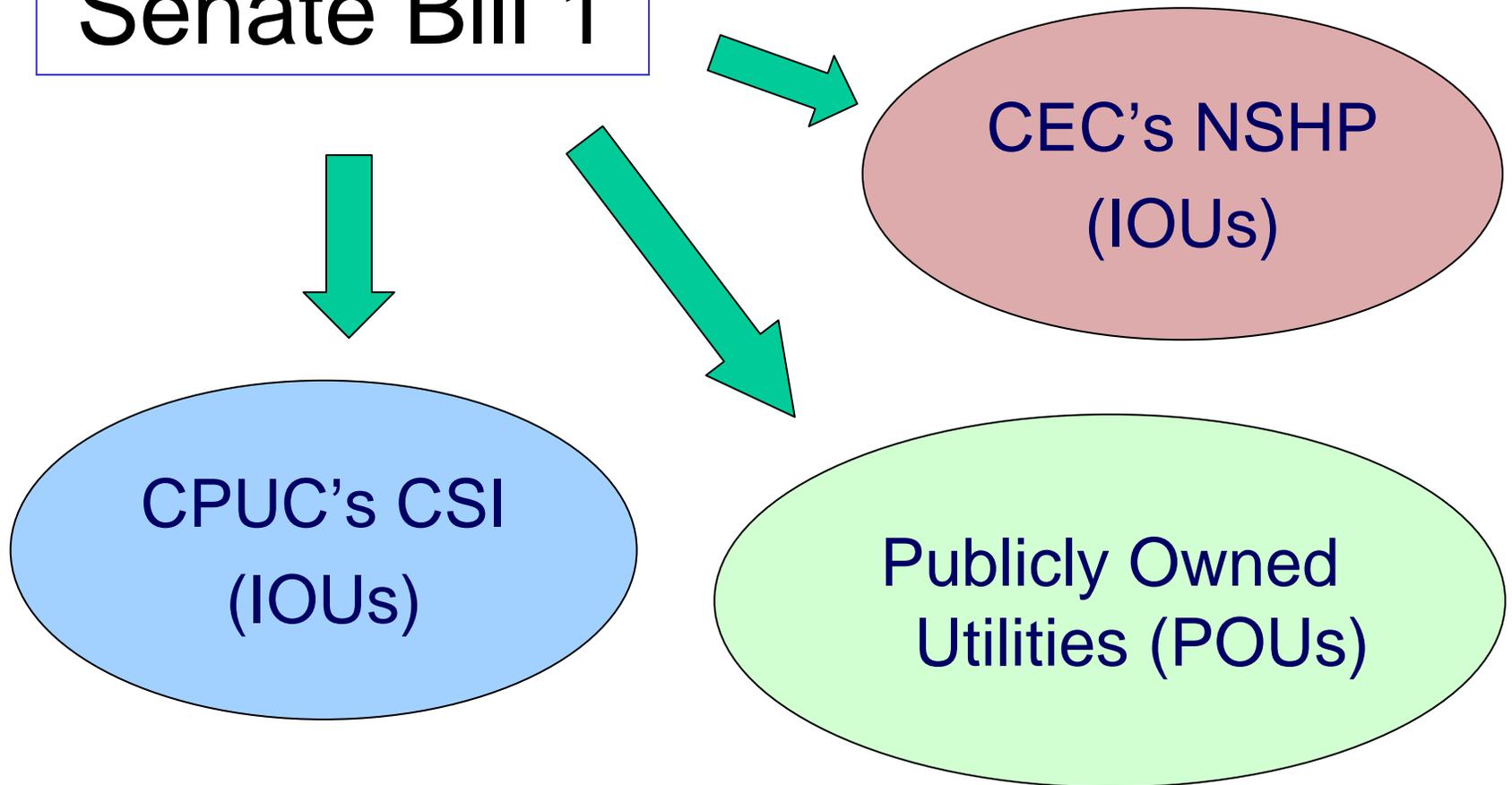
What Are We Responsible For?





What Programs are Affected?

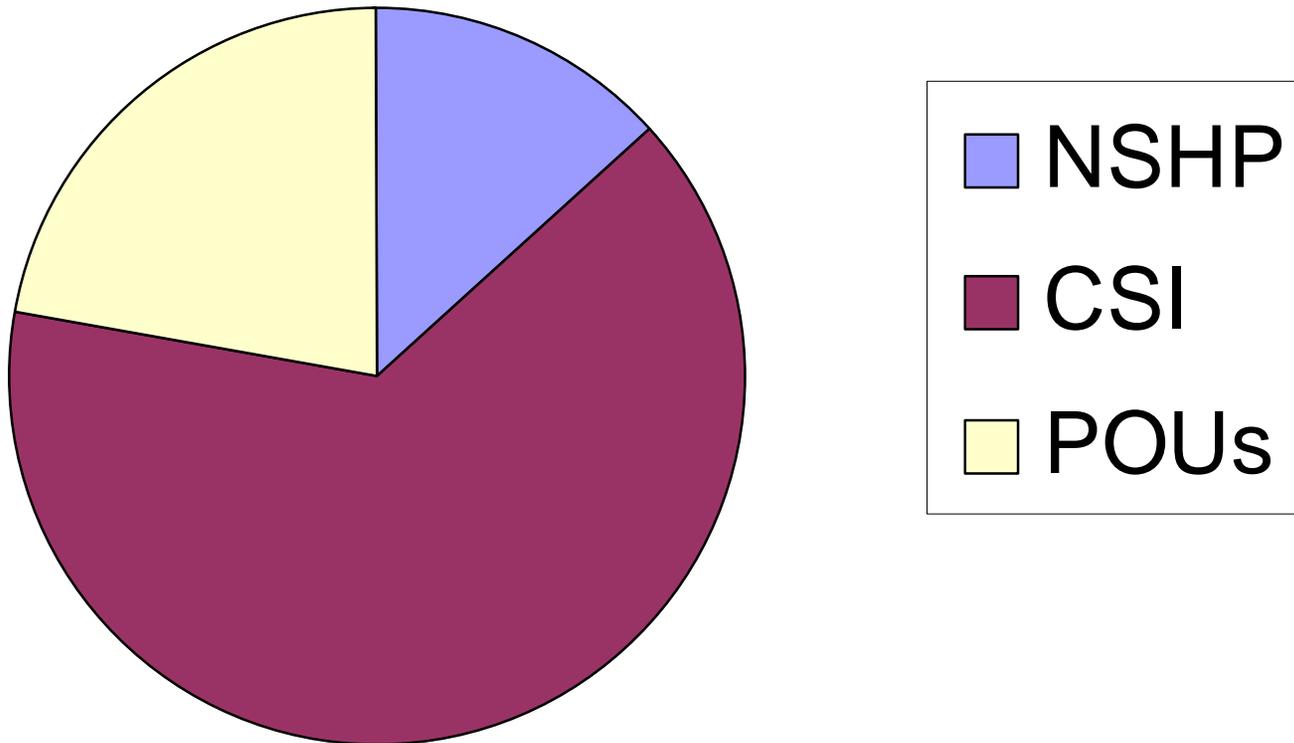
Senate Bill 1





What Programs are Affected?

3000 MW Breakdown





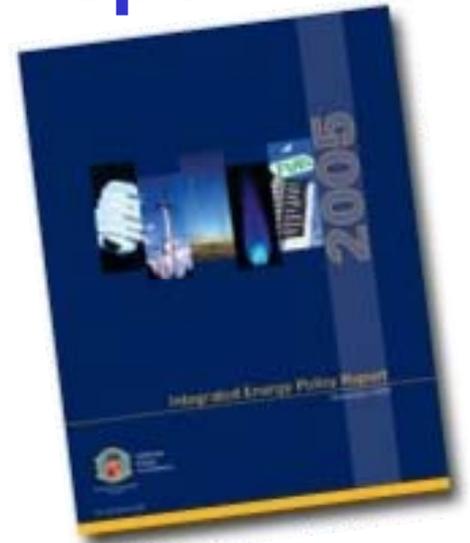
SB 1 Specific Expectations

- 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 new and existing home or commercial structure where solar energy system is installed



Integrated Energy Policy Report

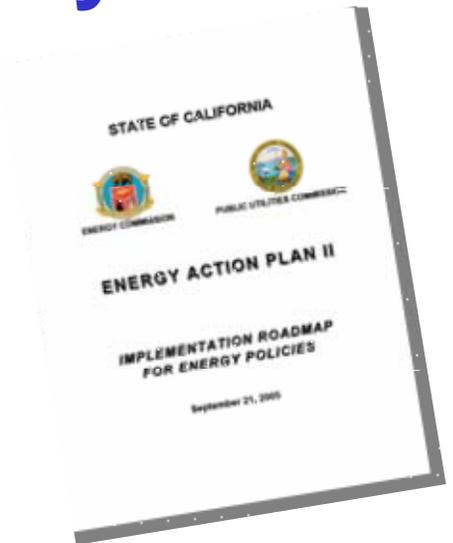
- Leveraging energy efficiency improvements should be primary consideration in deploying PVs
 - EE + PV will lead to proper sizing, contribute to state's efficiency goals, provide maximum benefits to PV purchasers and electricity customers
- Rational targeting of PV deployment to achieve greatest cost benefit
 - Target to climate zones with high peak demand for air conditioning
- Transitioning away from capacity-based incentives to performance-based incentives
- Integrating energy efficiency and Time-of-Use





Other California Energy Policy Goals

- Energy Action Plan – follow the "Loading Order" (energy eff. top)
- Climate Action Initiative and AB 32
 - GHG emissions drop to 1990 levels by 2020
- SB 1037 and AB 2021
 - IOUs and POUs first meet unmet resource needs via cost effective energy efficiency
- Ex. Order S-20-04 Green Building Initiative – 20% savings by 2015 for state buildings (encouraged for commercial buildings)





NSHP Policies and Approaches

- Goal: Create a self-sustaining market for solar homes where builders incorporate high levels of energy efficiency and high performing solar systems
- Expected Performance Based Incentive structure
- Independent testing and certification of performance characteristics of modules/inverters
- PV Calculator – hourly Time Dependent determination of module/inverter interaction with installation/climate
- Installer and third-party field verification protocols



NSHP Energy Efficiency Approaches

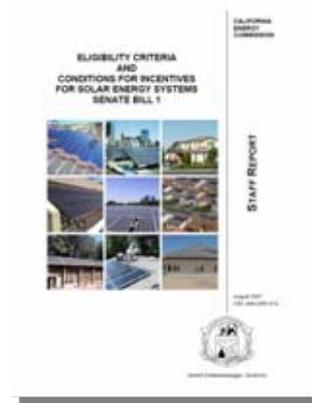
- Pursue PV and EE goals in concert
- "Co-Brand" NSHP and prominent EE programs
 - Take advantage of EE marketing and incentives
- Tier I – minimum level; = IOU New Construction level of 15% > Title 24
- Tier II – preferred level; = Building America level
- Energy Star appliances when builder installed
- “Co-Brand” philosophy used in development of SB 1 guidelines



What's the Difference?

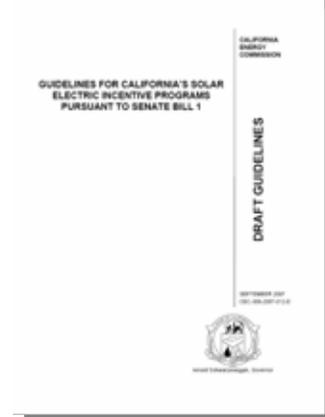
“Alpha Version”

Aug. 10th “Eligible Criteria and Conditions for Incentives ...”



“Beta Version”

Sept. 27th Draft Guidelines Report



“Version 1.0”

Final Guidelines Report (Nov. release)



How are the Two Reports Different?

- August 10 release of: *Eligibility Criteria and Conditions for Incentives for Solar Systems*, *Senate Bill 1* was a staff report with recommendations on establishing statewide guidelines.
- Latest draft report: *Guidelines for California's Solar Electric Incentive Programs Pursuant to Senate Bill 1* establishes draft guidelines for affected programs.



Guidelines Report Schedule

- ✓ Aug. 10, '07 "Eligibility Criteria" (1st report)
- ✓ Aug. 22, '07 Staff workshop
- ✓ Sept. 27, '07 Draft Guidelines (2nd Report)
- Oct. 4, '07 *Workshop*
- **Oct. 8, '07** **Written comments due**
- Nov. 19, '07 Proposed final Guidelines
- Dec. 19, '07 Business Meeting for approval
- Jan. 1, '08 Guidelines take effect



Implementation Schedule

January 1, 2008

- Effective date to meet minimum SB 1 requirements (chapter 2)

January 1, 2009

- Effective date to meet criteria, conditions and ratings developed by CEC (chapters 3-5)

June 1, 2008 *and each June thereafter*

- Reports from POUs due (chapter 6)



Changes from Previous Report

1. Implementation schedule

- a) Minimum program requirements included in SB 1 beginning January 1, 2008
- b) Rest of requirements





Changes (continued)

Full requirement beginning 1/1/09 include:

- a) installation standards
- b) system component standards
- c) design and installation standards
- d) EE requirements



Changes (continued)

2. Installation and design changes

- a) PBI payments over a minimum 5-year period – longer term is optional
- b) field verification – minimum sample size of 1 in 7 by a qualified HERS rater or PA
- c) peak load – POUs may either use TDV factors or weighting factors applicable for their service
- d) 5-year service contract with a PMRS for PBI approach, PMRS required if economically reasonable for EPBI approach
- e) maintenance plan for systems over 10 kW



Changes (continued)

3. PV component ratings and standards – n/a

4. Energy efficiency

- a) 3 EE exemptions for existing buildings
- b) information & disclosure required for all existing buildings
- c) commitment agreement from bldg. owners for existing commercial
- d) alternative portfolio energy savings



Changes (continued)

5. Reporting requirements (POUs only)

- a) Solar program information available to customers, Legislature and CEC by 6/1/08
- b) For 2008 reporting period only – 1/1/08 to 3/31/08
- c) Reporting period – April 1 of the previous year to Mar 31
- d) 5 copies of report & electronic version to CEC not later than 6/1 of each program year



Changes (continued)

- e) Report should include solar program goals, # of submitted applications, total incentives awarded, total # of systems installed, amount of added solar capacity installed & expected performance, solar system & EE implementation impacts, and contribution toward program goals



Chapter 6: Reporting Requirements for Publicly-owned utilities

- **When:**
 - June 1 of each year
- **For whom:**
 - Legislature, ratepayers, CEC



Chapter 6: Reporting Requirements for Publicly-owned utilities

What:

- Goals:
 - Outreach and marketing
 - Training builder assistance
 - Auditing
 - Installed systems per period



Chapter 6: Reporting Requirements for Publicly-owned utilities

- **Program Experience**
 - # applications
 - Incentives awarded
 - # systems installed
 - Installed capacity and expected performance
 - Solar system energy efficiency impacts
 - Contribution toward program goals



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