



**FILED**

07-29-10

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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues.

Rulemaking 10-05-004  
(Filed May 6, 2010)

**ASSIGNED COMMISSIONER'S RULING LIFTING TEMPORARY  
POSTPONEMENT ON ISSUANCE OF CERTAIN RESERVATION NOTICES  
UNDER THE CALIFORNIA SOLAR INITIATIVE**

This ruling lifts the temporary postponement on the issuance of confirmed reservations to new applicants seeking government/non-profit incentives and PBI payments through the California Solar Initiative (CSI).

On July 9, 2010, Commissioner Peevey issued an Assigned Commissioner Ruling (ACR) seeking comment on three proposals to address a projected budget shortfall in the CSI General Market Program. Specifically, the ACR sought parties' comments on the following: 1) removal of the 8% discount rate embedded in the calculation of performance based incentive (PBI) payments; 2) reduction in the incentive rate offered for government and non-profit applicants; and 3) shifting of \$20 million from the program administration budget to the incentive budget. In addition to seeking comment on these proposed modifications, the ACR directed the CSI Program Administrators (PA), namely Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and the California Center for Sustainable Energy (CCSE), to temporarily postpone issuance of confirmed reservations for new applications, defined as those submitted after the date of the ruling, seeking

government/non-profit incentives and performance based incentives (PBI). This temporary postponement was deemed necessary to address a potential increase in applications that might otherwise occur as potential developers seek to obtain the higher, existing incentive levels while the Commission considers reducing incentives for PBI and government/non-profit applicants. Such an influx would likely exacerbate the budgetary concern the proposed modifications contained in the July 9, 2010 ACR are intended to address.

Comments on the ACR were received on July 22, 2010 and replies were submitted on July 28, 2010. Among other issues raised in comments, a number of parties expressed concerns about the impact of the postponement on market development. I find these concerns have merit and that the temporary postponement of CSI application processing creates an unacceptable level of market disruption. Therefore, I am issuing this ACR to lift the temporary postponement directed in the July 9, 2010 ACR. This ruling directs the CSI PAs to resume processing and issuing confirmed reservations for all applications, including those impacted by the temporary postponement and held in queue in the order received, subject to the existing rules and processes of the program. The Commission will continue to consider the three proposed modifications proposed in the July 9<sup>th</sup> ACR. If the Commission adopts either of the proposed incentive modifications, my intention would be that such changes would apply only on a going forward basis, applicable to new applications seeking incentives after the date of any such decision.

Therefore, **IT IS RULED** that:

1. The temporary postponement on the issuance of confirmed reservations to applications seeking government/non-profit incentives and performance-based incentives, as directed by the July 9, 2010 ACR, is lifted.

2. The California Solar Initiative Program Administrators, namely PG&E, SCE, and CCSE, are directed to resume processing all applications, including those held in queue in the order received during the temporary postponement, pursuant to existing program rules and guidelines.

3. The California Solar Initiative Program Administrator shall ensure that all applicants are notified that the temporary postponement on the issuance of confirmed reservations contained in the July 9, 2010 ACR, is lifted.

4. This ruling shall be served on the service list for Rulemaking (R.) 08-03-008 in addition to any temporary service list available for R.10-05-004.

Dated July 29, 2010, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey  
Assigned Commissioner

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Dated July 29, 2010, at San Francisco, California.

/s/ CRISTINE FERNANDEZ  
Cristine Fernandez

**N O T I C E**

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