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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Rulemaking 06-03-004
(Filed March 2, 2006)

**ASSIGNED COMMISSIONER'S RULING
APPROVING REVISED CALIFORNIA SOLAR INITIATIVE PROGRAM
HANDBOOK AND REQUESTING FURTHER COMMENTS**

This ruling approves revisions to the California Solar Initiative (CSI) Program Handbook (Handbook). The revised handbook is attached to this ruling as Appendix A. Parties should note that this revised version of the Handbook incorporates changes to CSI from a recent Commission order, Decision (D.) 06-12-033, which conform the program to Senate Bill 1.

This ruling also requests comment on a process for handling refinements to the calculation of CSI incentives using the Expected Performance Based Buy-Down (EPBB) Calculator.

Expected EPBB Calculator

In D.06-08-028, the Commission adopted incentives for smaller solar energy systems based on EPBB. The decision directed the program administrators¹ to hire a technical consultant to design an estimation tool,

¹ The CSI program administrators are Pacific Gas and Electric Company, the San Diego Regional Energy Office, and Southern California Edison.

presumably software-based, for applicants to use in calculating their EPBB incentives. The program administrators completed this task and the resulting estimation tool, the “EPBB calculator,” is now in use by CSI applicants. Nevertheless, Energy Division Staff continues to work with the program administrators and their technical consultant to refine the EPBB calculator as it gains experience with it. The Commission reserves the right to modify the calculator at anytime without advance notice to applicants in order to correct calculator errors. Therefore, the revised handbook contains language clarifying that the EPBB calculator may change periodically as necessary to correct errors affecting the calculation of incentives. The language, in Section 3.2 of the Handbook, is as follows:

As it gains experience with the EPBB and the performance of the California Solar Initiative, the CPUC reserves the right to modify the calculator at any time without advance notice to applicants.

If the calculator is revised between the time an applicant submits an application and the Program Administrator's Pending Payment stage, the Program Administrator (PA) will notify the applicant by letter (PA notification letter).

If the Applicant received a Reservation Confirmation letter *before* such a calculator revision, s/he can either:

- (A) resubmit the application using the new calculator (If the applicant chooses to resubmit, s/he will not lose his/her place in the queue or application fee); or
- (B) notify the PA that s/he wishes to remain at the incentive level calculated in the existing application (even if the incentive would drop under the new calculator).

In both cases, the applicant must notify the PA of his/her intent, in writing, within 30 days of the date of the PA notification letter. If the applicant does not notify the PA of his/her intent within 30 days of the date of the PA notification letter, the application will remain

in the queue at the level projected under the calculator used in the initial application process.

If the applicant has *not* received a Reservation Confirmation letter before such a calculator revision, s/he:

(A) *must* resubmit the application using the new calculator (If the applicant chooses to resubmit, s/he will not lose his/her place in the queue or application fee); or

(B) may withdraw the application. (If the applicant chooses to withdraw the application, the PA will reimburse the application fee).

In both cases, the applicant must notify the PA of his/her intent, in writing, within 30 days of the date of the PA notification letter. If the applicant does not resubmit or withdraw his/her application within 30 days of the date of the PA notification letter, the Program Administrator will cancel the application, and the applicant will lose both his/her application fee and place in the queue.

Parties may comment on this language regarding the EPBB calculator by April 23, 2007. If there are no substantive objections, this language clarification regarding revisions to the EPBB calculator will take effect on May 2, 2007.

Therefore, **IT IS RULED** that:

1. The revised CSI Program Handbook is approved as attached to this ruling, in Appendix A, and the CSI Program Administrators should ensure they operate under this handbook effective immediately, except for Section 3.2 which is subject to further comment.

2. Parties may comment on the CSI Handbook language in Section 3.2 regarding future modifications to the EPBB calculator by April 23, 2007. If there are no comments on the EPBB calculator modification language in the handbook, it will take effect on May 2, 2007. If there are comments, Section 3.2 of the handbook will be the subject of a further ruling.

Dated April 12, 2007, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey
President