

APPENDIX

Table 1. 10 Year-CSI Budget and Estimated Current Status

	Program Component	Original Budget (\$ M)	Spent &/or Committed as of June 2010 (\$M)	Revised Budget (\$M)	Net Change from Original Budget
	General Market Program				
1	<i>General Market Program Incentives</i>	\$1,707.8	\$1,400	\$1,747.8	+ \$40.0
2	<i>Program Administration</i>	\$94.9	\$35	\$94.9	
3	<i>Measurement & Evaluation (M&E)</i>	\$47.6	\$7	\$27.3	- \$20.3
4	<i>Marketing and Outreach (M&O)</i>	\$15.0	\$4	\$15.0	
5	<i>Marketing and Outreach for CSI-Thermal</i>	\$12.5	\$0	12.5	
6	<i>Unallocated</i>	\$19.7	\$0	0	- \$19.7
7	Subtotal General Market Program	\$1,897.5	\$1,446	\$1,897.5	
8	RD&D Program	\$50.0	\$38	\$50.0	
9	Low Income Single-family (SASH) Program	\$108.3	\$5	\$108.3	
10	Low Income Multifamily (MASH) Program	\$108.3	\$80	\$108.3	
11	SWH Pilot Program (SWHPP) in San Diego	\$2.6	\$1.8	\$2.6	
12	Total CSI Electric Budget	\$2,166.7	\$1,570.8	\$2,166.7	

Notes on Table 1: See Next Page.

References for Table 1:

The RD&./SASH/MASH/and SWHPP programs each have budget breakdowns between admin and incentives not shown on this table.

Budgets established in the following decisions:

Original CSI Budget established in D. 06-12-033, Table 1, page 28.

Line 3: Total General Market Program Incentives Budget: D.06-12-033, Table 13. D. 10-01-022 allows a portion of these incentives to fund the CSI-Thermal electric displacing projects.

Line 2: Total Administration Budget was established as a budget of 10% of total general market program budget in D.06-12-033 (p.28). Further, the Program Administrators are limited to half of the Admin budget for administration, as per D.06-08-028 at p. 97.

Line 3: M&E budget was established via Assigned Commissioner Ruling (ACR) July 29, 2008 (Appendix A, p.8).

Line 4: M&O budget was established for CSI General Market Program: D. 07-05-047 (Appendix A, 3a) established a budget of \$500,000 per program administrator per year, or a total of \$15 M.

Line 5: D.10-01-022 ordered a portion of the CSI-Thermal program's M&O to be funded by general market program, since the electric-displacing portion of the CSI-Thermal program is funded through the CSI general market program.

Line 6: The difference between the total general market program budget and the allocations in Lines 1 thru 5.

Line 7: Total general market program budget, as established in D.06-12-033, Table 1, p. 28.

Line 8: RD&D budget established in D.06-12-033, affirmed in D.07-09-042.

Line 9: SASH budget established in D.06-12-033, affirmed in D. 07-11-045.

Line 10: MASH budget established in D.06-12-033, affirmed in 08-10-036.

Line 11: SWH PP in D.06-12-033, and subsequent Assigned Commissioner's Ruling, February 15, 2007.

Line 12: The CSI Electric budget is established per Public Utilities Code 2851 (e)(1).

Spent/Committed Sources:

Incentives based on all applications received as of 6/9/2010, as shown in CSI Annual Program Assessment, June 2010.

Program Administration spent based on all program spent as of 12/31/2009, Expense Reports.

M&E spent based on all contracts signed as of June 2010.

M&O spent based on all M&O spent as of 12/31/2009, Expense Reports.

CSI-Thermal M&O only starting expenditures now, so assumed to be 0.

RD&D spent or committed based on existing grants and grant solicitations, plus administration.

MASH spent based on figures in Annual Program Assessment, CSI Annual Program Assessment, June 2010.

SASH spent estimated based on \$2.5 M spent thru 2009, and a 2010 estimate.

SWHPP spent estimated based on Annual Program Assessment figures and Expense reports.

Table 2. Current Budget Status (\$Million), Estimates current as of June 2, 2010

row		PG&E			SCE			SDG&E/CCSE			Total
		Non-Res	Res	Total	Non-Res	Res	Total	Non-Res	Res	Total	
1	Estimated Total Incentives Needed if all 1,750 MWs paid	\$611.48	\$199.28	\$810.77	\$649.75	\$215.91	\$865.66	\$150.87	\$47.62	\$198.49	\$1,874.91
2	Original Program Budget	\$534.24	\$211.63	\$745.87	\$562.36	\$222.77	\$785.13	\$125.92	\$49.88	\$175.80	\$1,706.80
3	Estimated Shortfall/Extra funding	-\$77.24	\$12.34	-\$64.89	-\$87.39	\$6.86	-\$80.53	-\$24.95	\$2.26	-\$22.69	-\$168.11
4	Revised Program Budget	\$552.146	\$211.628	\$763.775	\$581.207	\$222.767	\$803.973	\$130.140	\$49.880	\$180.020	\$1,747.768
5	Estimated Shortfall/Extra funding	-\$59.34	\$12.34	-\$46.99	-\$68.54	\$6.86	-\$61.68	-\$20.73	\$2.26	-\$18.47	-\$127.15

Notes:

Row 1: Energy Division's estimate of the total cost of the program if all 1,750 MWs of the CSI step table are paid out at the current incentive levels. This budget status estimate uses actual project costs for all active projects that are pending or completed applicants in the CSI program, and the status estimate uses estimated project costs for all projects that have not yet applied. To estimate the cost of future projects, the Energy Division used program's current participation rates for (a) the breakdown between EPBB and PBI projects; and (b) the breakdown between non-taxable and taxable projects. The future estimate does not make any estimate of future drop-outs.

Row 2: The original program budget in D.06-12-033 was \$1,707 million, divided over 10 steps. The original budget in dollars did not include breakdowns between Non-Residential and Residential; however, the decision did adopt the step table. The budget in dollars in Row 2 is derived from both the step table and the other assumptions in the decision about program participation. The budget only adds up to \$1706.80 million, which is slightly less than \$1 million short of the original total incentive budget of \$1707.8 million.

Row 3: Row 1 – Row 2. An estimate of the difference between the amount of budget estimated to be needed to meet the step table goals under current conditions, and the amount of budget originally expected to meet the goals.

Row 4: Revised program budget, adding \$40 million to the total incentive budget.

Row 5: The estimated shortfall/extra funding per sector after the revised program budget goes into effect. The estimated shortfall does attempt to account for the future effect of future dropouts.

Table 3. Conversion of EPBB Rebate Levels to PBI Rebate Levels

		EPBB Incentive Levels (\$/Watt)					Monthly Incentive Payment Assuming 8% Annual Discount Rate (\$/watt/month)			Estimated Generation			PBI Incentive Levels (\$/month/kWh)			PBI Payment in Nominal Dollars (\$/watt)		
Step	MW in Step	Residential	Commercial	Non-Taxable	Discount Rate	# of Payment Periods (Monthly)	Residential	Commercial	Non-Taxable	Assumed Capacity Factor (%)	Hours per month (hours)	Expected generation per month per watt (kWh)	Residential	Commercial	Non-Taxable	Residential	Commercial	Non-Taxable
							Monthly Rebate Payment makes 60 monthly payments of the EPBB Payment rate + pays 8% annual interest				=8760/12	=cap factor * hours per month/1000	=Monthly Rebate Payment / Expected Generation Per Month			=PBI (\$/month/kWh) * 60 months * Expected Generation per month		
1	50	\$2.80	\$ 2.80	\$2.80														
2	70	\$2.50	\$ 2.50	\$3.25	8%	60	\$0.051	\$0.051	\$0.066	0.18	730	0.1314	\$0.39	\$0.39	\$0.50	\$3.07	\$3.07	\$3.94
3	100	\$2.20	\$ 2.20	\$2.95	8%	60	\$0.045	\$0.045	\$0.060	0.18	730	0.1314	\$0.34	\$0.34	\$0.46	\$2.68	\$2.68	\$3.63
4	130	\$1.90	\$ 1.90	\$2.65	8%	60	\$0.039	\$0.039	\$0.054	0.20	730	0.146	\$0.26	\$0.26	\$0.37	\$2.28	\$2.28	\$3.24
5	160	\$1.55	\$ 1.55	\$2.30	8%	60	\$0.031	\$0.031	\$0.047	0.20	730	0.146	\$0.22	\$0.22	\$0.32	\$1.93	\$1.93	\$2.80
6	190	\$1.10	\$ 1.10	\$1.85	8%	60	\$0.022	\$0.022	\$0.038	0.20	730	0.146	\$0.15	\$0.15	\$0.26	\$1.31	\$1.31	\$2.28
7	215	\$0.65	\$ 0.65	\$1.40	8%	60	\$0.013	\$0.013	\$0.028	0.20	730	0.146	\$0.09	\$0.09	\$0.19	\$0.79	\$0.79	\$1.66
8	250	\$0.35	\$ 0.35	\$1.10	8%	60	\$0.007	\$0.007	\$0.022	0.20	730	0.146	\$0.05	\$0.05	\$0.15	\$0.44	\$0.44	\$1.31
9	285	\$0.25	\$ 0.25	\$0.90	8%	60	\$0.005	\$0.005	\$0.018	0.20	730	0.146	\$0.03	\$0.03	\$0.12	\$0.26	\$0.26	\$1.05
10	350	\$0.20	\$ 0.20	\$0.70	8%	60	\$0.004	\$0.004	\$0.014	0.20	730	0.146	\$0.03	\$0.03	\$0.10	\$0.26	\$0.26	\$0.88

Table 4: Estimated Impact of Original Proposed Actions to Reduce Shortfall

	(\$M)
Total Incentives Budget	\$1,707
Current Incentives for all received applications, Pending and Completed (regardless of reservation status)	\$1,400
Estimated shortfall if no budget change is taken (difference between cost needed to attain 1,750 MW and budget available for incentives)	\$170
Proposal 1: Savings from reducing PBI discount rate to 0%	\$50
Proposal 2: Savings from reducing government/non-profit incentive premium by 50%	\$45
Proposal 3: Reduce administrative budget by \$20 million	\$20
Combined savings effect from proposal 1 and 2	\$90
Combined savings effect from proposals 1, 2, and 3	\$110

Note: the estimated shortfall is based on the program's current participation rates of government/non-profit entity participation, as well as the current split between EPBB and PBI projects continuing into the future. Neither the estimated shortfall, nor the subsequent savings estimates, account for the impact of future dropouts.