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CPUC REPORTS SOLAR PROGRAM BREAKS RECORDS FOR INSTALLED CAPACITY, NEW DEMAND

SAN FRANCISCO, October 10, 2008 – The California Public Utilities Commission (CPUC) today issued a quarterly staff report regarding the California Solar Initiative (CSI), detailing how the program has installed more solar panels in the first nine months of 2008 than has been installed in California in any previous year, and how new demand for incentives under the program is higher than ever before.

According to the CPUC’s CSI Staff Progress Report, in the first nine months of 2008, the CSI program has installed 93 megawatts (MW) of grid-tied distributed solar photovoltaic (PV) capacity in the service territories of California’s three investor-owned utilities (IOUs) – far exceeding last year’s total statewide installed capacity of 81 MW. Including the 18 MW initiated under a previous incentive program and completed this year, California has installed 111 MW of new solar PV capacity in the IOU territories so far in 2008, an increase of 37 percent over last year’s statewide total.

From the program’s inception on January 1, 2007, through September 24, 2008, the CSI program has installed a total of 121 MW of distributed rooftop solar PV in California, driving growth in the California solar industry at a rate of 40 percent per year.

This growth appears to be accelerating despite a slowdown in the larger economy, according to the report. Demand for new incentives increased dramatically in the third quarter of 2008, breaking records for most applications in a single quarter and most applications in a single month. The CSI Program received more than 3,000 applications for new projects in the third quarter, more than in
any previous quarter. And the program received more than 1,200 applications in August alone, breaking the previous record for total applications in a single month by nearly 20 percent.

This remarkable growth has occurred in spite of fears in the marketplace that federal tax incentives for solar would expire at the end of 2008.

“Even as industry lobbied to extend tax credits, all three Program Administrators saw CSI applications jump by more than 25 percent in both residential and commercial solar sectors from second quarter,” said Molly Tirpak Sterkel, Distributed Generation/CSI Program Supervisor at the CPUC. “Demand for solar shows no signs of slowing, and California’s solar installations are reaching record levels.”

This high growth rate brings an unprecedented level of capital investment in solar technology in California - estimated at nearly $4 billion. Currently there is a total of $789 million in incentives reserved or paid under the CSI Program, including $317 million in incentives for systems already installed. Since CSI incentives currently represent about 20 percent of solar project costs, it is estimated that the CSI program is supporting nearly $4 billion in solar investments in California.

The CPUC’s CSI Staff Progress Report is available: www.cpuc.ca.gov/PUC/energy/solar/.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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