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CPUC BROADENS AND MODIFIES SOLAR THERMAL INCENTIVE PROGRAM

SAN FRANCISCO, February 28, 2013 - The California Public Utilities Commission (CPUC) today expanded and modified the California Solar Initiative (CSI)-Thermal Program to provide incentives to process heat applications, solar cooling technologies, space heating technologies, and systems that combine multiple applications. The CPUC also modified the way rebates are paid to certain systems under the program by creating a performance-based incentive system that will pay rebates based on actual metered energy delivered to the facility.

Under today's decision:

- Performance-based incentives will replace the current 70/30 incentive. Rebates will be paid based on metered energy delivered to the end use from the solar thermal system, with payments made quarterly over a two-year time period. Process heat, solar cooling, combination systems, and very large systems will be required to take the performance-based incentive.
- Incentives will be provided to process heat applications via a performance-based incentive system that pays the incentive based on metered energy delivered to the facility.
- Incentives will be provided for solar-assisted absorption chillers as a limited pilot program to test this technology's performance, durability, and economics. Incentives will be limited to no more than \$10 million across the service territories of Pacific Gas and Electric Company, Southern California Edison, San Diego Gas & Electric, and Southern California Gas Company, and will be paid on a performance-based incentive basis.
- The CSI-Thermal Program will offer an incentive to the space heating portion of an OG-300



rated combination system, in addition to the water heating incentive, once these systems are certified by a qualified standards body.

The CPUC established the CSI in 2006 to provide nearly \$2 billion in incentives and other support for solar photovoltaic systems with the goal of installing 3,000 megawatts in the service territories of California's three large investor-owned electric utilities. The CPUC subsequently modified the CSI to be consistent with Senate Bill 1 (Murray, 2006). In January 2010, the CPUC created the CSI-Thermal Program, which combines \$250 million authorized for natural gas displacing solar water heating with \$100.8 million allowed for electric displacing solar water heating systems. The incentive budget for the natural gas-displacing portion of the program is available until all the funds have been awarded or until December 31, 2017. The incentive budget for the electric-displacing portion of the program is available until the CSI general market program budget has been exhausted or January 1, 2017, whichever occurs first.

The proposal voted on today is available at http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M052/K737/52737992.PDF.

For more information on the CPUC, please visit <u>www.cpuc.ca.gov</u>.

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