



**FILED**  
05-02-07  
10:54 AM

**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  
FINALIZING SECTION 3.2 OF CALIFORNIA SOLAR  
INITIATIVE PROGRAM HANDBOOK**

This ruling approves Section 3.2 of the California Solar Initiative (CSI) Program Handbook (Handbook) regarding the Expected Performance Based Buy-Down (EPBB) calculator. The revised handbook can be found at [www.gosolarcalifornia.ca.gov/documents/index.html](http://www.gosolarcalifornia.ca.gov/documents/index.html).

**EPBB Calculator**

In Decision (D.) 06-08-028, the Commission adopted incentives for smaller solar energy systems based on a methodology called the Expected Performance Based Buy-Down, or EPBB. The decision directed the program administrators<sup>1</sup> to hire a technical consultant to design an estimation tool, 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

---

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

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, Section 3.2 of the CSI Handbook contains language clarifying that the EPBB calculator may change periodically as necessary to correct errors affecting the calculation of incentives.

Parties were allowed an opportunity to comment on Section 3.2 of the CSI Handbook. Americans for Solar Power (ASPV), Californians for Renewable Energy (CARE), and the San Diego Regional Energy Office (SDREO) filed comments on Section 3.2. CARE supports the proposed language in Section 3.2.<sup>2</sup> Both ASPV and SDREO express concern that the handbook contains a burdensome process for applicants if the EPBB calculator changes before they receive a confirmed reservation letter from program administrators. They ask the Commission to limit what applicants must resubmit due to calculator changes. They also request grandfathering of all applications submitted prior to calculator changes. Their request to limit the burden on applicants is reasonable, and the handbook language has been amended to limit the amount of documents applicants must resubmit. However, it is not reasonable to grandfather applications that have not received a confirmation letter. If the EPBB calculator is modified prior to an applicant receiving a reservation confirmation, the applicant's incentive must conform to the corrected EPBB calculator or the application should be withdrawn.

---

<sup>2</sup> CARE also filed comments on another section of the CSI Handbook which are not addressed in this ruling because comments were intended to be limited to Section 3.2.

This ruling approves the following language for Section 3.2 of the Handbook:

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 only the application forms affected by the calculator change 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, the PA shall notify the applicant of the calculator change and how it impacts the incentive amount in the application. The notification letter shall contain a response portion wherein the applicant shall sign whether they accept the newly calculated incentive or wish to withdraw their application. The applicant *must* either:

(A) return the notification letter to the PA indicating they accept the recalculated incentive amount 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) return the notification letter to the PA indicating they wish to 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 by signing and returning the notification letter to the PA, within 30 days of the date of the PA notification letter. If the applicant does not accept the recalculated incentive as notified 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.

Therefore, **IT IS RULED** that Section 3.2 of the California Solar Initiative (CSI) Program Handbook is approved as set forth in this ruling. The CSI Program Administrators should ensure they operate under this handbook effective immediately.

Dated May 2, 2007, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey  
Assigned Commissioner

**INFORMATION REGARDING SERVICE**

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a copy of the Notice of Availability to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the copy of the Notice of Availability is current as of today's date.

Dated May 2, 2007, at San Francisco, California.

/s/ FANNIE SID

---

Fannie Sid