

2007 California Solar Initiative

SUNSHINE TO ELECTRICITY FOR CALIFORNIA

Southern California Edison offers cash incentives for installing on-site photovoltaic systems

- Keeping California green
- Clean air for our State's future
- Diversifying our supply of electricity

2007 CALIFORNIA SOLAR INITIATIVE (CSI)

Southern California Edison (SCE) offers qualifying SCE customers and system owners cash incentives for buying and installing tracking and fixed photovoltaic (PV) systems.

Cash Incentives for Qualifying Customers

To qualify, the installation site must be located in SCE's service territory, and you must be an SCE electric distribution customer. Customers and system owners may jointly consent to have incentives paid to third-party contractors, energy service companies and equipment suppliers.

The CSI pays two types of incentives to solar customers:

- Performance-based incentives (PBI), a flat cents-per-kWh monthly payment for all metered output from eligible solar systems equal to or greater than 100 kilowatts (kW) over the initial 5 years of operation (starting in 2007 at \$0.39 per kWh for Residential and Commercial installations; \$0.50 per kWh for Government and Non-Profit installations).
- Expected performance-based buydown (EPBB) for solar projects less than 100 kW through an up-front incentive based on an estimate of the system's future performance (maximum of \$2.50 per watt for Residential and Commercial installations, \$3.25 per watt for Government and Non-Profit installations). You can calculate the EPBB incentive by entering your system specifications into the online EPBB Design Factor calculator at <http://www.csi-epbb.com>.

EQUIPMENT ELIGIBILITY

The CSI's incentives focus on photovoltaic systems, but other technologies such as non-PV solar thermal may be eligible if they displace electric usage and meet the CSI program requirements. Program details for eligible non-PV technologies are under development.

CSI Incentive Structures

Type of CSI Incentive	Size Category	Payment Structure	Customers Eligible	Notes
Performance Based Incentive (PBI)	≥ 100 kW ¹	Payments based on \$/kWh produced over 5 year term	Residential, Commercial, Government and Nonprofit	<ul style="list-style-type: none"> • Smaller systems may opt into PBI • PBI is required for Building Integrated PV (BIPV) Systems
Expected Performance Based Buydown (EPBB)	< 100 kW	1 lump sum \$/watt payment based on expected performance	Residential, Commercial, Government and Nonprofit	<ul style="list-style-type: none"> • Residential New Construction projects are funded through the Energy Commission's New Solar Homes Partnership (not CSI)

Type of CSI Incentive by Customer Sector

Type of CSI Incentive	Size Category	Residential ²	Commercial	Government and Nonprofit
Performance Based Incentive (PBI)	≥ 100 kW ³	✓	✓	✓
Expected Performance Based Buydown (EPBB)	< 100 kW	✓	✓	✓

WARRANTY REQUIREMENTS

All systems must have a minimum 10-year warranty to protect you against system or component breakdown.

For the 2007 program year, meters must have a one-year warranty. On or before January 1, 2008, the warranty requirements will be increased to a minimum of 5 years for meters, unless the California Energy Commission (CEC) establishes alternate requirements.

¹ Customers with solar energy systems up to 5 MW may participate in the CSI, but incentives will only be for system sizes 1 MW.
² Residential installations on existing structures. New residential construction projects will be funded through the Energy Commission's New Solar Homes Partnership.
³ Smaller systems may opt-in to receive a PBI incentive rather than the EPBB incentive.





METERING AND RATES

For both the installation owners and SCE's ratepayers to get the best value from the systems installed under CSI, it is essential that solar output be measured accurately. For installations with a system rating of less than 10 kW, an internal inverter meter with accuracy of $\pm 5\%$ is required. Installations with a system rating of 10 kW and greater will need to be equipped with a standalone interval data meter accurate to $\pm 2\%$. Performance monitoring and reporting may also be required as specified in the CSI Handbook. The California Energy Commission's list of qualifying performance monitoring system providers can be found at www.energy.ca.gov.

Billing Rate Schedule

Participating customers will be placed on an applicable Time-of-Use rate, under which energy rates are highest during yearly peak season and daily peak hours. Participating customers may also qualify for Net Energy Metering, which allows customers to receive credits on their bill for energy produced by their solar energy system that is not used.

CALCULATING YOUR INCENTIVE LEVELS

This table illustrates maximum incentive levels for the Expected Performance-Based Buydown (EPBB) and Performance-Based Incentives (PBI). Incentive levels are subject to change.

Sector	Maximum EPBB Incentive (per kWh) for projects below 100 kW	Maximum PBI Payment (per kWh) for projects 100 kW and larger
Residential	\$2.50	\$0.39
Commercial	\$2.50	\$0.39
Government / Non-Profit	\$3.25	\$0.50

APPLICATION FEE

The CSI application fee is 1% of the unadjusted requested CSI program incentive amount. Application fees are rounded to the nearest dollar amount. However, application fees are not required for residential projects or systems that are smaller than 10 kW.

Southern California Edison intends this fact sheet to be an overview and introduction to the California Solar Initiative (CSI). It is not intended to replace the CSI Program Handbook. If there are differences between the Handbook and this fact sheet, the Handbook shall prevail. Please see the Handbook and Interim Changes for the most up-to-date information.

HOW DO I APPLY, AND HOW WILL I RECEIVE MY INCENTIVE PAYMENT?

Both the EPBB application process and the PBI application process begin when you submit an initial reservation request application, and end with SCE's receipt of your incentive claim documentation. The necessary documentation includes all application forms, proof of service, worksheets, energy audit documentation, executed purchase agreements, and proofs of project milestones, including the fulfillment of all inspection requirements as described in the CSI Handbook. Once the documentation requirements are fulfilled, you receive your incentive.

STREAMLINING THE PROCESS FOR CSI PARTICIPANTS

SCE is ready to help CSI participants make informed decisions about solar and PV, with education about the options available; directions to third party (CPUC, CEC) calculation and information tools; and an effective, timely incentive process. You can gain even more knowledge about the CSI through our printed materials and on www.sce.com.

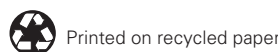
ADDITIONAL INFORMATION

For additional information or to request an application, go to www.sce.com and click on *Rebates & Savings/California Solar Initiative* or call us at **(800) 799-4177**.

Can solar work for you? Use the **Expected Performance Based Buydown Calculator** on the CSI Web site at www.csi-epbb.com to make a preliminary evaluation of your site's potential for solar. Just enter your Zip Code, site specifications, and choose from the system specifications to get an idea of your site's suitability for turning sunshine to electricity.

Please note that the EPBB calculator is a tool available to the public and participants of the CSI program to calculate an appropriate EPBB incentive based on a reasonable expectation of performance for an individual system. The results of the calculator should not be interpreted as a guarantee of system performance. Actual performance of an installed PV system is based on numerous factors, and may differ with the results summarized in the EPBB calculator.

Terms and conditions apply. Program is funded by the California investor owned utility customers and administered by Southern California Edison under the auspices of the California Public Utilities Commission. California customers are not obligated to purchase any full fee service or other services not funded by this program. Program is subject to change without prior notice. ©2007 Southern California Edison. All rights reserved.



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