California Public Utilities Commission

California Solar Initiative

July 2009

Data Annex

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1 August 2009 California Solar Initiative (CSI) Data Annex

This Data Annex is identical in format to the Data Annex normally attached to the CSI Quarterly Report. In the second Quarter of 2009 (Q2), no stand-alone CSI Quarterly Report was issued because the CPUC released its 2009 Annual Program Assessment in June. This Data Annex contains program and administrative data through June 30th, 2009.

2 Program History and Structure

The original step allocations and megawatt goals were divided among the three investor-owned utility according to a relative proportion of electricity sales. Table 1 shows the original MW goals of the program allocated among PG&E, SCE, and CCSE, as well as between residential and non-residential categories. The goals (and budgets), which were divided by utility territory based on a relative percentage of electricity sales, are: PG&E - 43.7%; SCE - 46.0%; and SDG&E - 10.3%.

As each Program Administrator receives applications for solar incentives, it tracks the total MW reflected in the applications received. Table 1 also shows the actual MW available or used at each step. The "actual" MW amount is different than the "original" MW amount because the actual amount takes into account Program dropouts, and represents the actual number of MW that will be paid out at a given step.

Finally, Table 1 shows in highlight the current step for each Program administrator and each customer category, based on CSI Program demand as of June 2009. For example, PG&E is in Step 6 and SCE is in Step 5 for Non-Residential.

Table 1. Incentive MW Available by Step, by Program Administrator and Customer Class

Step	MW in Step	PG&E (MW)				SCE (MW)				CCSE in SDG&E Territory (MW)				SoCalGas (MW)			
		Residential		Non-Residential		Residential		Non-Residential		Residential		Non-Residential		Residential		Non-Res	
		Original	Actual	Original	Actual	Original	Actual	Original	Actual	Original	Actual	Original	Actual	Original	Actual	Original	Actual
1	50	0	0	27.8	27.8	0.07	0	12.4	12.4	0	0	6.4	6.4	0	0	3.3	3.3
2	70	10.1	13.1	20.5	32.9	10.6	10.6	21.6	26.4	2.4	2.5	4.8	10.0	SoCalGas was a Program Administrator in 2006 during the transition to CSI, but has no role in CSI projects that started since 1/1/2007.			
3	100	14.4	14.8	29.3	34.0	15.2	16.2	30.8	34.6	3.4	4.9	6.9	8.0				
4	130	18.7	20.5	38.1	49.6	19.7	1.1	40.1	43.7	4.4	5.8	9.0	12.6				
5	160	23.1	14.7	46.8	72.5	24.3		49.3	19.9	5.4	0.9	11.0	2.3				
6	190	27.4		55.6	12.8	28.8		58.6		6.5		13.1					
7	215	31.0		62.9		32.6		66.3		7.3		14.8					
8	250	36.1		73.2		38.0		77.1		8.5		17.3					
9	285	41.1		83.4		43.3		87.8		9.7		19.7					
10	350	50.5		102.5		53.1		107.9		11.9		24.2					
Subtotal		252.4		512.3		265.6		539.5		59.5		120.8					
Totals		764.7				805.1				180.3							
Percent		43.7%				46.0%				10.3%							

Source: CPUC data request to Program Administrators, dated June 10, 2009, and covering data through June 30, 2009.

Table Notes:

(1) Shading Denotes Current Step as of June 30, 2009.

(2) The "Actual" MW field in Table 1 denotes the actual amount of MW that are either actively reserved or completed in each step and will be paid out at the given incentive level. The "Actual" MW amounts are equal to the "Original" MW amounts in the step reduced by the amount of dropouts from that step and increased by the amount of dropouts from previous steps. The "Actual" amounts are current as of June 30, 2009. The "Original" MW amounts represent the original number of MWs allocated to the step in D.06-12-033, Appendix B, Table 13.

(3) In accordance with CPUC policy decisions that provided for a transition between the Self Generation Incentive Program and the California Solar Initiative, Step 1 was fully reserved in 2006 under the Self Generation Incentive Program, which was restricted to non-residential projects. The 50 MW in Step 1 were not allocated among the utilities and were instead reserved on a first come, first served basis. Although almost all Step 1 MW amounts were reserved by non-residential customers, Program Administrators later reallocated Step 1 dropouts into both residential and non-residential categories.

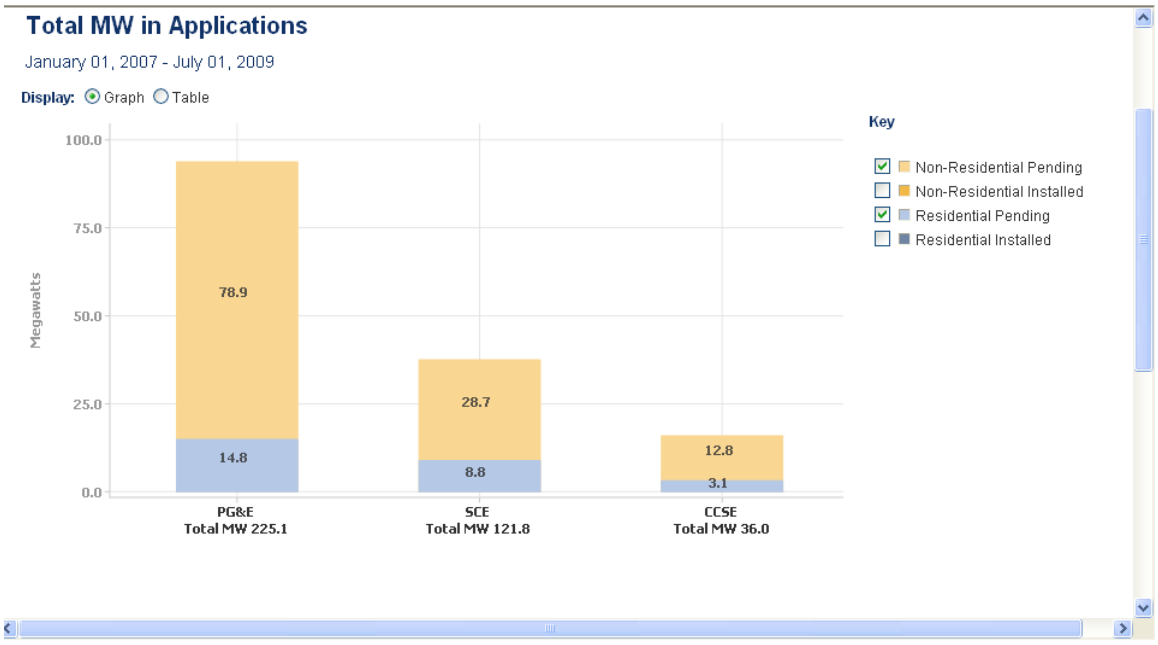
(4) SoCalGas is an SGIP administrator and therefore had MW amounts reserved in 2006 at the Step 1 incentive level, but SDG&E is not a CSI Program Administrator and has no CSI MW amounts reserved after 1/1/07.

3 Additional CSI Program Demand Statistics

All references to capacity are reported as CEC-AC ratings. Additional CSI Program data and information can be found in the data annex to this report, available online at www.GoSolarCalifornia.ca.gov.

3.1 Program application capacity by customer segment

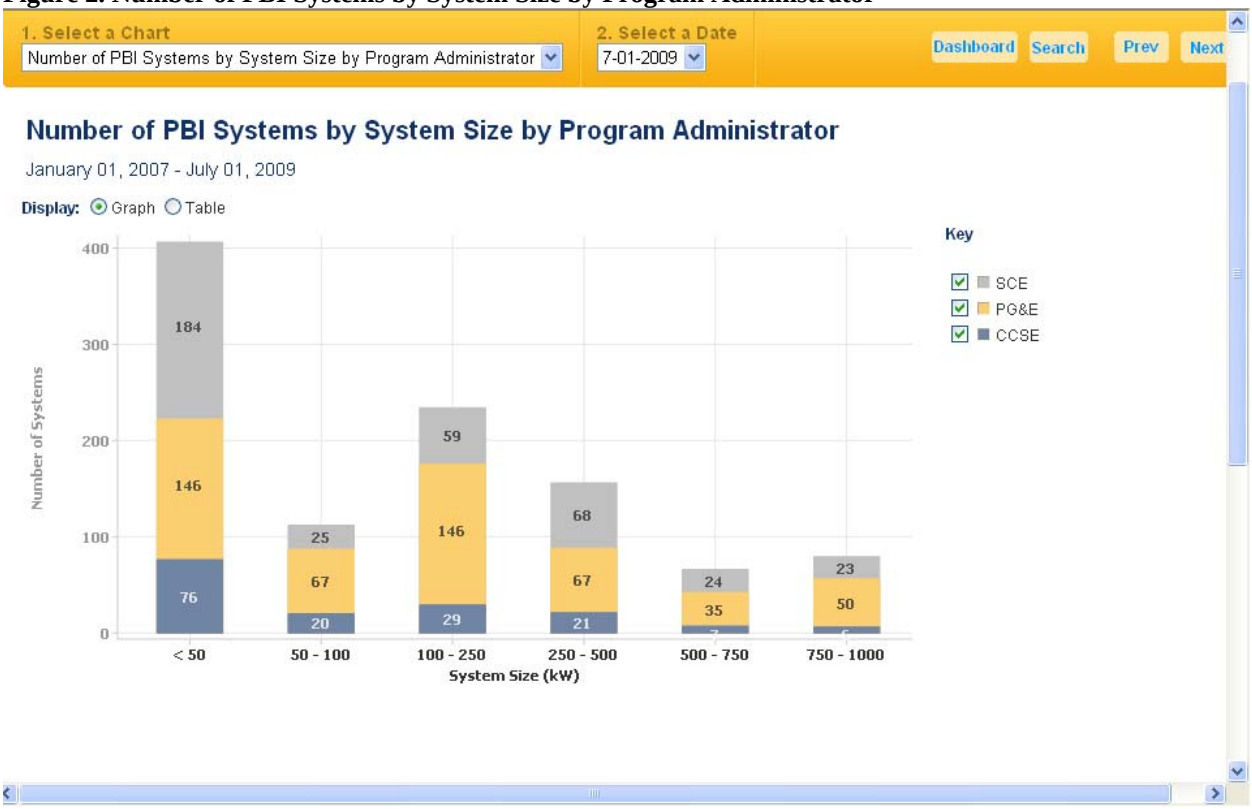
Figure 1. Total capacity of applications by customer segment
Source: californiasolarstatistics.ca.gov through June 30, 2009.



3.2 PBI Incentive Demand

The PBI incentive path is required of larger projects in the CSI Program. Currently, the Program has 840 PBI projects. Figure 2 shows the number of PBI systems by size and program administrator.

Figure 2. Number of PBI Systems by System Size by Program Administrator



Source: californiasolarstatistics.ca.gov through June 30, 2009.

4 Administrative Statistics

The CPUC continues to track a number of administrative metrics in order to monitor potential Program administrative issues. In particular, the CPUC is interested in application and payment processing times, including the amount of time from application to reservation, for project completion and interconnection and from incentive claim request to payment.

The data in this section is drawn from a CPUC data request to the Program Administrators dated June 10, 2009. The data presented is current through June 30, 2009, except where noted.

4.1 Application and incentive processing times

The Program Administrators strive to process reservation requests in 30 days or less for both residential and non-residential applications. Table 2 below shows the most recent application processing times, from the date the application paperwork is physically received and time-stamped by the Program

Administrator to the date that a reservation is approved (either "reservation reserved" status for non-residential applications or "confirmed reservation" status for residential applications). This time includes both Program Administrator application processing time and time that the host customer takes to respond to requests for more information or application corrections. Table 2 compares processing times from the most recent quarter to average processing times for the same quarter of the 2008 calendar year.

Applications for which it takes more than 60 days to approve a reservation typically have some sort of problem. Some of the more common problems encountered in processing these applications include:

- Listed equipment does not match EPBB printout
- Mailing address is different than project site address
- Missing signatures
- Other missing or incomplete documentation
- Slow customer response

Table 2. Time from application to reservation

Percentage of applications whose processing time between "Application Received" and "Confirmed Reservation" is:										
	15 days or less		30 days or less		60 days or less		Greater than 60 days		Not yet reserved	
	Q2 2009	Q2 2008	Q2 2009.	Q2 2008	Q2 2009	Q2 2008	Q2 2009	Q2 2008	Q2 2009	Q2 2008
RESIDENTIAL										
PG&E	92%	48%	95%	86%	96%	94%	0%	5%	4%	1%
SCE	56%	46%	72%	63%	80%	71%	0%	0%	20%	29%
CCSE	67%	79%	91%	92%	94%	98%	0%	0%	6%	1%
NON-RESIDENTIAL										
PG&E	58%	18%	61%	47%	67%	77%	1%	14%	32%	9%
SCE	14%	7%	24%	19%	39%	48%	0%	2%	61%	50%
CCSE	40%	7%	70%	18%	100%	57%	0%	32%	0%	11%

Source: CPUC data request to Program Administrators, dated June 10, 2009, and covering data through June 30, 2009.

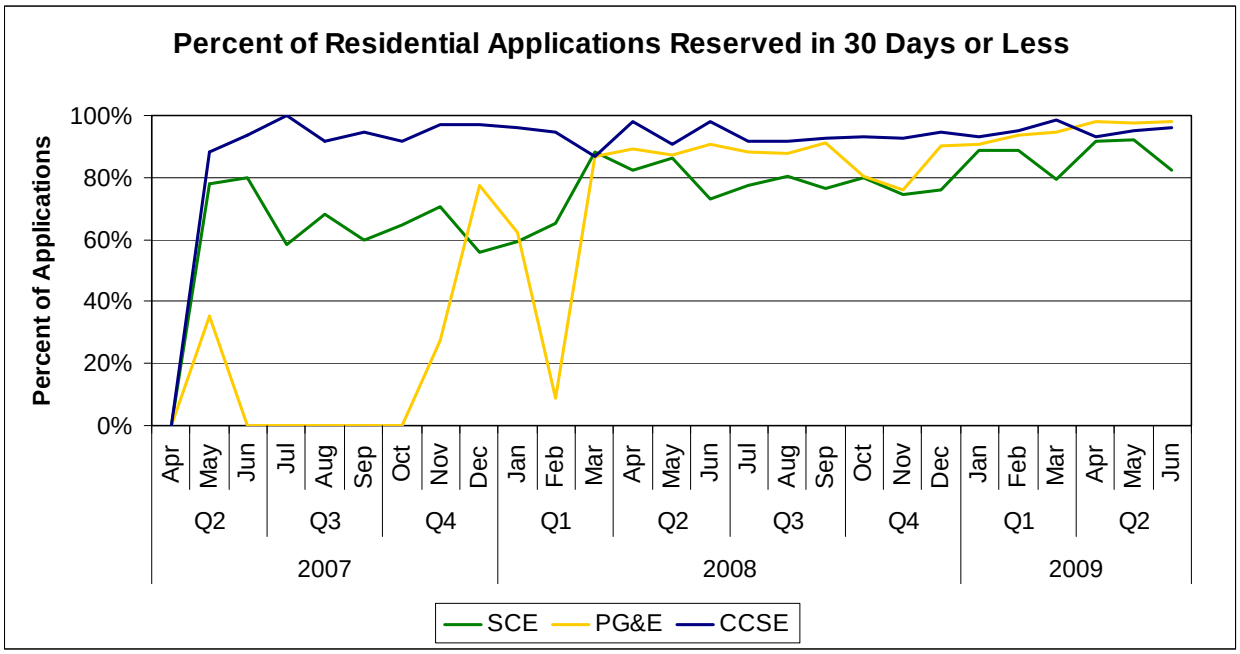
Table Notes:

- "Q2 2009" includes all applications received by the PAs between April 1, 2009, and June 30, 2009.
- "Q2 2008" includes all applications received by the PAs between April 1, 2008, and June 30, 2008.
- Columns are additive.

SCE Note: Due to changes in calculation methods to have similar reporting across all of the program administrators, SCE's percentages have decreased. This is primarily due to the inclusion of processing time during which the applicant is obtaining missing and/or correcting documentation in the original submittal, all of which are outside of SCE's control.

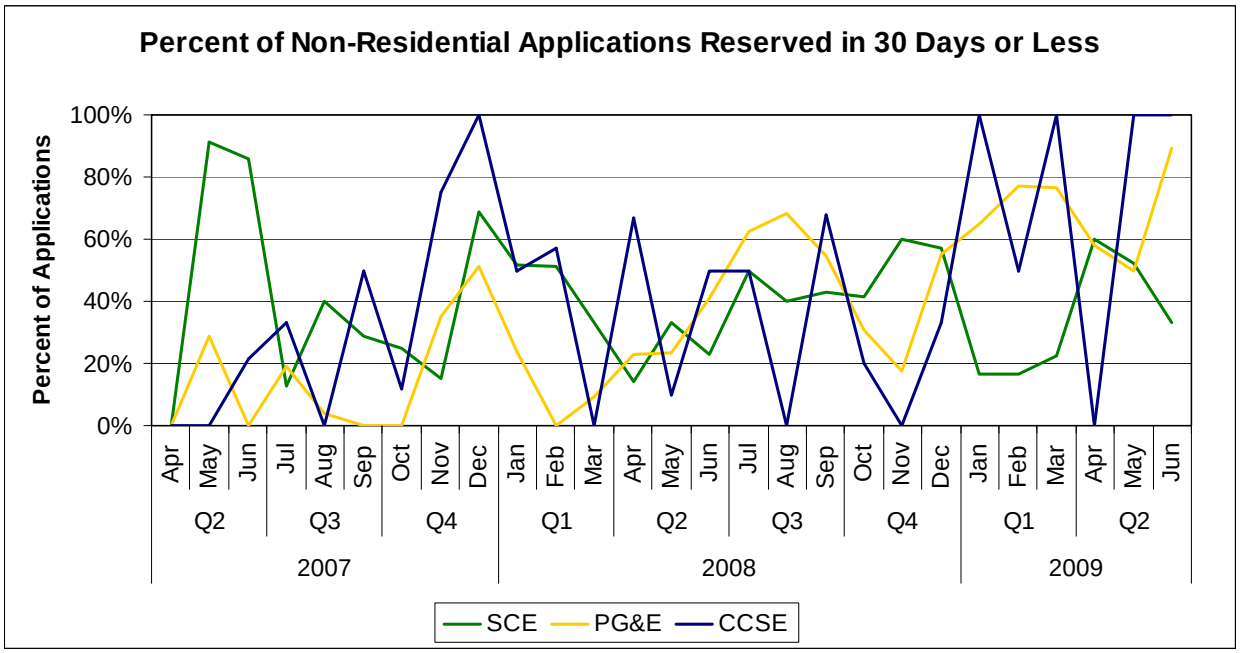
Figure 3 and 4 offer another look at our progress towards achieving administrative processing goals. These graphs show the percent of applications granted a reservation within 30 days for each month from April 2007 through June 2009. The data is identified separately by Program Administrator and by residential and non-residential categories. Since March 2008, the Program Administrators have consistently processed nearly 90 percent of residential reservations in 30 days or less. Data for non-residential applications is particularly challenging, since PAs have received fewer non-residential applications compared to residential applications, causing the percentages to appear erratic.

Figure 3. Residential Reservation Processing



Source: CPUC data request to Program Administrators, dated June 10, 2009, and covering data through June 30, 2009.

Figure 4. Non-Residential Reservation Processing



Source: CPUC data request to Program Administrators, dated June 10, 2009, and covering data through June 30, 2009.

4.2 Installation time

The average installation time is determined by the applicant, not the Program Administrator. Residential and commercial applicants have 12 months from the date of their confirmed reservation to submit an Incentive Claim Form (ICF). Installation times also vary between residential and non-residential projects. Typically, non-residential projects are larger and require longer installation times. Table 3 below shows the average number of calendar days between confirmed reservation date and the date that the Incentive Claim Form was received by the Program Administrator, for all applications where the ICF was received in the respective quarter (e.g. Q2 2009).

Table 3. Installation time

	Residential Q2 2009	Residential Q2 2008	Non-Residential Q2 2009	Non-Residential Q2 2008
PG & E	118.2	105.1	255.2	236.2
SCE	82.5	86.2	109.8	175.8
CCSE	90.9	100.8	265.7	252.1

Source: CPUC data request to Program Administrators, dated June 10, 2009, and covering data through June 30, 2009.
Table Notes: "Q2 2009" includes all applications that were received by the Program Administrators between April 1, 2009, and June 30, 2009. "Q2 2008" refers to all applications received by Program Administrators between April 1, 2008, and June 30, 2008. Please note that columns are additive.

4.3 Interconnection time

The time for interconnection is based upon the period between the date that the utility's interconnection department deems the application to be complete (final single line, final building permit, etc.) to the date that the interconnection inspection is performed and the permission to operate letter is issued. This period is generally under the utility's control and does not depend on additional inputs from cities, counties, etc. However, exogenous factors, such as the customer's availability or adverse weather conditions, may impact this process time. Table 4 shows the average number of calendar days for the interconnection of residential and non-residential projects by Program Administrator, for all projects that applied for interconnection in the second quarters of 2008 and 2009 respectively.

Table 4. Interconnection time

	Residential Q2 2009	Residential Q2 2008	Non-Residential Q2 2009	Non-Residential Q2 2008
PG & E	5.1	5.8	7.3	4.7
SCE	4.0	3.3	10.8	7.4
CCSE	2.9	3.4	3.1	3.2

Source: CPUC data request to Program Administrators, dated June 10, 2009, and covering data through June 30, 2009.
Table Notes: "Q2 2009" includes all applications that were received by the Program Administrators between April 1, 2009, and June 30, 2009. "Q2 2008" refers to all applications received by Program Administrators between April 1, 2008, and June 30, 2008.
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4.4 Incentive claim processing

For CSI Program participants, incentive claim processing is an extremely important part of the project timeline. Table 5 below shows how quickly incentive claims are processed for different types of projects, from the date that the Incentive Claim Form is physically received and time-stamped (often different than

the date the ICF is electronically submitted in PowerClerk) by the Program Administrator to the date that the application is changed to “pending payment” status. Normally, once the ICF is submitted, the Program Administrators select a random number of projects for onsite field inspection, where inspectors verify that the installed system matches the system identified in the paperwork. As scheduling and inspection times often vary, projects identified in Table 5 are sorted into groups that were or were not inspected. Table 5 compares data from those projects for which an Incentive Claim Form was received in Q2 2008 to those projects for which an ICF was received in Q2 2009.. The majority of residential incentive claims are processed in 60 days or less, but some were not processed at the time of this analysis, particularly those received late in Q2 2009.

Applications that take more than 90 days for incentive claim processing can be assumed to have some sort of problem. Some of the most frequent types of problems encountered with applications at the incentive claims stage include:

- System not interconnected
- Revised EPBB not submitted to reflect changes in installed equipment
- Missing PMRS documentation
- Missing 10-year warranty for equipment and/or installation
- Incomplete or missing data about Performance Data Provider (PDP)
- Host customer unaware of CSI inspection need
- Failed meter or system inspection
- Other missing or incomplete documentation

Table 5. Incentive claim processing

Percentage of applications whose processing time between "Incentive Claim Form Received" and "Pending Payment" stage is:										
	30 days or less		60 days or less		90 days or less		Greater than 90 days		Not yet in "Pending Payment" Stage	
	Q2 2009	Q2 2008	Q2 2009	Q2 2008	Q2 2009	Q2 2008	Q2 2009	Q2 2008	Q2 2009	Q2 2008
RESIDENTIAL with inspection										
PG&E	56%	18%	75%	68%	77%	81%	0%	19%	23%	0%
SCE	40%	8%	78%	29%	79%	35%	0%	0%	21%	65%
CCSE	16%	30%	46%	100%	49%	100%	0%	0%	51%	0%
RESIDENTIAL without inspection										
PG&E	88%	71%	91%	86%	91%	94%	0%	6%	9%	0%
SCE	51%	63%	57%	71%	58%	72%	0%	0%	42%	28%
CCSE	79%	84%	91%	92%	92%	94%	0%	6%	8%	0%
NON-RESIDENTIAL with inspection										
PG&E	44%	13%	74%	42%	78%	63%	0%	37%	22%	0%
SCE	0%	0%	50%	0%	50%	10%	0%	0%	50%	90%
CCSE	0%	0%	0%	33%	0%	33%	0%	67%	0%	0%
NON-RESIDENTIAL without inspection										
PG&E	72%	58%	77%	85%	78%	95%	0%	5%	22%	0%
SCE	25%	16%	30%	28%	30%	28%	0%	0%	70%	72%
CCSE	45%	64%	64%	64%	73%	82%	0%	9%	27%	9%

Source: CPUC data request to Program Administrators, dated June 10, 2009, and covering data through June 30, 2009.

Table Notes:

- "Q2 2009" includes all Incentive Claim Forms (ICF) received by the PAs between April 1, 2009, and June 30, 2009.
- "Q2 2008" includes all ICF received by the PAs between April 1, 2008, and June 30, 2008.
- Columns are additive.

SCE Note: Due to changes in calculation methods to have similar reporting across all of the program administrators SCE's percentages have decreased compared to earlier reporting. This is primarily due to the inclusion of processing time during which the applicant is obtaining missing and/or correcting documentation, as well as down time due to inspection scheduling and failed inspections, which are all outside of SCE's control.

Table 6 below shows the average number of calendar days for an application in "pending payment" status to reach "completed" status (EPBB payments) or "PBI in payment" status (PBI payments). The time from "pending payment" to "completed" status reflects the amount of time it takes for payment to be made to the applicant for EPBB payments and the time from "pending payment" to "PBI in payment" status reflects the amount of time it takes for the first payment to be made to the applicant for PBI payments. Timeframes vary according to residential and non-residential projects, but also depend upon whether the project is receiving an EPBB or PBI payment.

The Program Administrators have made relatively few PBI payments, so the average number of days for first payment on these projects is expected to decrease with increased volume and a larger universe of data.

Table 6. Payment time

	Residential		Non-Residential	
	Q2 2009	Q2 2008	Q2 2009	Q2 2008
PG&E				
EPBB Avg Days	7	13	13	20
EPBB Projects	1549	1424	70	68
PBI Avg Days	31	25	57	18
PBI Projects	14	13	98	16
SCE				
EPBB Avg Days	18	18	19	24
EPBB Projects	541	433	22	21
PBI Avg Days	48	54	36	41
PBI Projects	22	17	35	19
CCSE				
EPBB Avg Days	21	18	11	8
EPBB Projects	310	147	7	6
PBI Avg Days	70	33	23	52
PBI Projects	8	12	12	3

Source: CPUC data request to Program Administrators, dated June 10, 2009, and covering data through June 30, 2009.

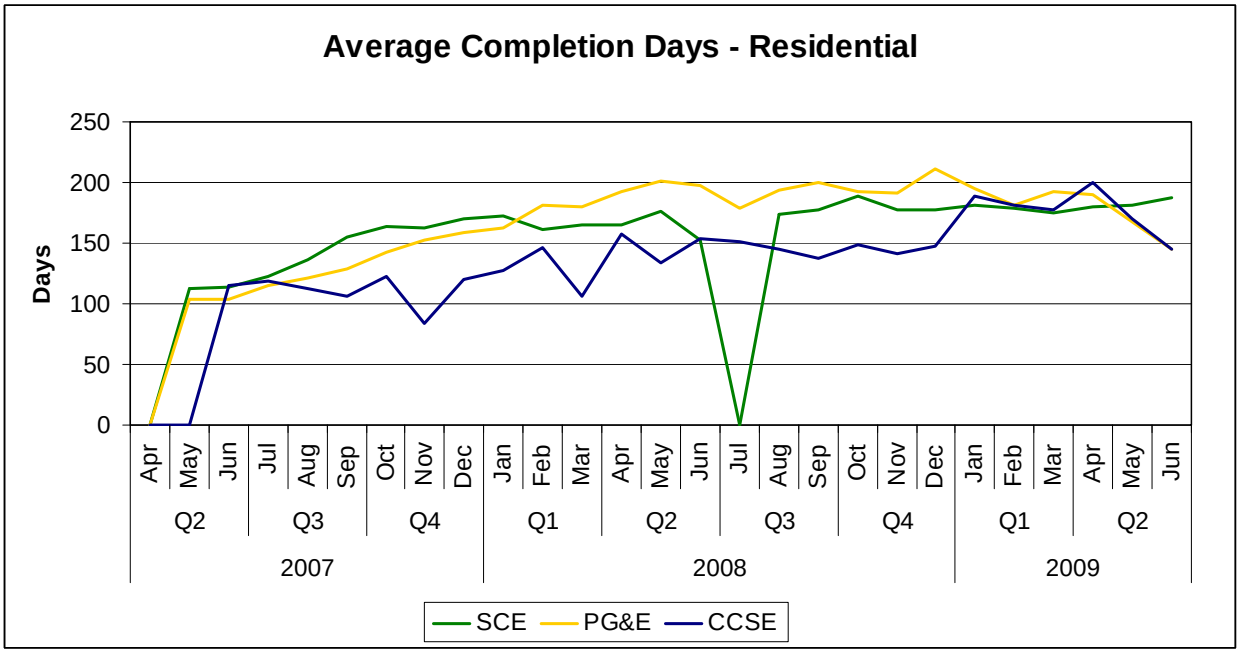
Table Notes:

- "Q2 2009" includes all applications for which a check was cut by the Program Administrators between April 1, 2009, and June 30, 2009.
- "Q2 2008" refers to all applications for which a check was cut by Program Administrators between April 1, 2008, and June 30, 2008.

4.5 End-to-end project completion times

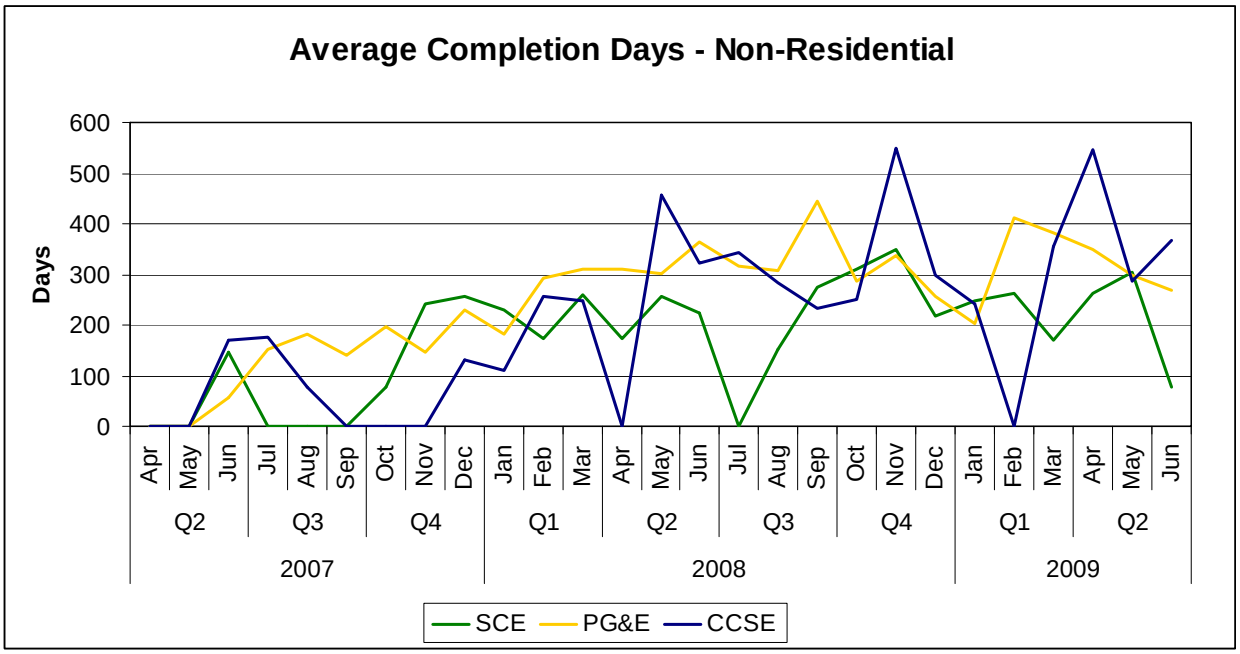
Figure 5 and Figure 6 show the end-to-end project completion times for the past year, in calendar days. It is important to note that these times reflect both the Program Administrator processing times and host customer installation times, responsiveness to inquiries, requests for additional data and inspection scheduling. The data in the figures below are separated by residential and non-residential projects completed in each given month, according to Program Administrator. As the CSI Program is relatively young and projects are given at least 12 months to complete, little data exists for early- and mid- 2007, particularly for non-residential projects. As we move through the second year of this ten-year program, we will continue to amass data on end-to-end completion times, and will monitor the progress of applications in the CSI Program.

Figure 5. Residential Project Completion Times



Source: CPUC data request to Program Administrators, dated June 10, 2009, and covering data through June 30, 2009.

Figure 6. Non-Residential Project Completion Times



Source: CPUC data request to Program Administrators, dated June 10, 2009, and covering data through June 30, 2009.

Table Notes: Data provided only for those months where non-residential projects were completed.

Installer trainings

Each of the Program Administrators regularly offers training for both customers and solar installers on the CSI Program and the benefits and technical details of solar generally. In the second quarter of 2009, the CSI Program Administrators held 83 trainings and trained at least 3,907 attendees.

Table 7. Installer trainings

	PGE			SCE			CCSE		
	Q2 2007	Q2 2008	Q2 2009	Q2 2007	Q2 2008	Q2 2009	Q2 2007	Q2 2008	Q2 2009
Number of attendees at installer trainings	1800*	600	1500	94*	298	1873	386	218	534
Number of CSI Program Trainings held	N/A	25	51	6*	7	22	10	7	10

Source: CPUC data request to Program Administrators, dated June 10, 2009, and covering data through June 30, 2009.
Table Notes: "Q2 2009" includes number of attendees and trainings held by the Program Administrators between April 1, 2009, and June 30, 2009. "Q2 2008" includes number of attendees and trainings held by the Program Administrators between April 1, 2008, and June 30, 2008. "Q2 2007" includes number of attendees and trainings held by the Program Administrators between April 1, 2007 and June 30, 2007.
Note PG&E: *2007 trainings held between January 1, 2007 and December 31, 2007. No class count recorded.
Note SCE: *Q2 2007 average based on total 2007 attendees and class count.

PG&E continues to provide a comprehensive set of educational offerings helping customers to make informed and judicious solar-related decisions. Via a combination of CSI Marketing & Outreach funds and other internal PG&E program budgets, PG&E's CSI team has reached over 2,300 customers through these efforts.

Since the CSI's inception, PG&E has offered over 100 classes to varied customer segments on the operations of the CSI program as well as on relevant subject matter related to the CSI and to the solar installation process in general. These include, but are not limited to, Solar System Sizing, Financial Analysis, and System Basics. In 2009, PG&E continued offering these consistently popular core workshops and also added additional subject matter based on trends in feedback received from our CSI customers.

On many levels, PG&E is working towards an integration of energy efficiency and solar. Of particular note this quarter, PG&E launched an "Integrating Energy Efficiency and Renewables" course, aimed at demonstrating the importance and value of being energy efficient before "going solar." Based on the overwhelming interest, PG&E will offer this course again in Q3 and Q4 of 2009.

To cast an increasingly wider net with the target audience, PG&E has begun to electronically archive all solar classes so that customers can participate at a time and place that works for them. Moving forward, PG&E plans to have an online version of all of the classes posted to the Web.

Lastly, PG&E's hour long webinar classes continue to attract an exceedingly large cadre of customers. In Q2 alone, PG&E trained over 700 customers via our webinars which offer curriculum on everything from Solar Integration to CSI Operations and Solar for the Entrepreneur.

Of particular note, in Q1 and Q2 2009, PG&E launched a webinar series allowing a convenient opportunity for customers to learn about specialized and relevant solar topics. Thus far, the webinars have provided a viable educational channel, arming almost 500 customers with applicable information related to the Go Solar process. For more information on PG&E trainings, call (415)973-2777 or visit www.pge.com/solar.

SCE continues to offer classes geared toward non-residential and residential customers, both of which attract the solar installer community as well. Since the program's inception, SCE has reached over 2,200 non-residential customers through 63 "Intro to CSI" classes, and more than 2,200 residential customers through 27 Homeowner Solar Information Sessions (HSIS). Since SCE began offering the "Intro to CSI" class via Webinar in 2008, it has had 165 attendees in 11 Webinars.

The "Intro to CSI" class is designed for solar contractors, self-installers, managers and PV owners, and features new and updated information on the CSI program. During the course discussion, information is given on how to participate in the program; system basics, including the different types of solar systems, metering, monitoring, site and equipment requirements; and PowerClerk, to name just a few topics. In addition, beginning in 2009, SCE enhanced the Interconnection information provided during this course.

SCE's HSIS (homeowner) classes are 90-minute, easy-to-understand sessions that provide basic information on how residential customers can "go solar" without the use of "techy" jargon that often confuses potential solar customers.

The subject matter SCE presents in both the "Intro" and "HSIS" classes is updated as program needs require. SCE also makes adjustments based on feedback received from attendees. For more information on SCE's solar programs, visit the SCE Web site at http://www.sce.com/solarleadership/gosolar/california-solar-initiative/Training/training.htm.

CCSE holds a quarterly workshop that focuses on the CSI application process and any changes to the program that may have occurred. CCSE also holds a bi-annual solar financing workshop that utilizes the expertise of Andy Black from OnGrid Solar as well as CCSE in-house solar financing expertise. On a monthly basis, CCSE holds a solar shading workshop that also incorporates the CSI inspection protocol, which CCSE strongly encourages all installers to attend. For the first time, CCSE had a representative from Solmetric Suneye, the makers of one of the industry's most popular solar analysis tools to give a workshop on shade and the use of their tool. Also on a monthly basis, CCSE performs a *Solar for Homeowner's* workshop that educates homeowners in the San Diego area on the financial and environmental benefits of going solar.

On an annual basis, CCSE puts on a workshop geared toward those seeking employment in the solar industry. By utilizing the industry knowledge of consultant Liz Merry from Verve Solar Consulting, CCSE aims to help increase the number of qualified workers that are available to California's growing solar market. For more information, visit www.EnergyCenter.org and click "Events & Workshops".

4.6 Transition from SGIP to CSI

In 2006, the CPUC provided a transition between SGIP and the CSI. The most important aspects of this transition was that the CPUC (1) funded the SGIP program to meet a sharp rise in the demand for solar incentives and (2) set declining incentive declines based on the CPUC-adopted CSI "step table" approved in advance of the actual program launch on January 1, 2007.

In 2006, nearly 97 MW of solar PV projects were reserved under the Self-Generation Incentive Program (SGIP). The first 50 MW of projects reserved in 2006 are considered "Step 1" of the CSI Trigger Tracker, and received incentive payments of $2.80 per watt for all customer classes. The Step 1 projects were based on "first come first serve" in all four SGIP Program Administrator territories. (SGIP has a fourth Program Administrator, Southern California Gas Company.) After these first 50 MW were reserved, the

incentive levels declined to Step 2. In May 2006, projects began receiving “Step 2” level incentives of $2.50 per watt for residential & commercial customers and $3.25 per watt for government & non-profit customers. Although we originally expected to fund all of the “Step 2” MW from the CSI budget, a portion of these MW- those that were reserved in 2006- were paid out of SGIP funds.

Any unspent funds in the 2006 SGIP solar budget were transferred to the CSI balancing accounts on December 31st, 2006. Starting on January 1, 2007, all funds committed under the CSI are subject to the statutory budget limits expressly set for solar incentives from January 1, 2007 through 2016, as well as the budgetary detailed guidance provided by the CPUC.

4.7 Program Dropouts

The CPUC hosted a workshop on CSI Program Dropouts and their effects on the CSI Budget in July 2008. Since that time, CPUC staff has continued to monitor and report on both the CSI Program dropout rate and the amount of incentive dollars unreserved when projects and their associated MW drop out of a higher incentive level and are added back in to the program after a step change, at a newer, lower incentive level.

The CSI dropout rate is currently about 27%. As of June 30, 2009, about 27% of reserved MW has dropped out of the Program, representing 4% of reserved incentive dollars. This average dropout rate was calculated from the Public Data Export, which draws on data from the June 30, 2009, PowerClerk data, and includes ***only those applications that have ever been granted a CSI reservation*** (non-blank "Reservation Reserved" or "Confirmed Reservation" or "Pending RFP" date for non-residential projects, and non-blank "Confirmed Reservation" date for residential projects).

CPUC staff also continues to monitor the potential for future dropouts, based on projects that have passed the normal implementation timeline without becoming complete. For residential and commercial projects, this normal implementation timeframe is 12 months after a reservation is granted, and for government and non-profit projects the normative timeframe is 18 months after a reservation is granted. According to the PowerClerk data, approximately 10% of total reserved MW, representing 11% of reserved incentive dollars, remain "active" and incomplete beyond their normal implementation time under the CSI Program, though it is important to note that the majority of these projects have demonstrated installation progress to the CSI PAs and have been granted extensions in accordance with the rules of the CSI Program Handbook. However, if we were to assume that all these incomplete projects will drop out, the percentage of incomplete projects beyond their normative timeframe plus the existing percentage of Program dropouts would yield an overall dropout rate of no more than 25% of reserved MW and 26% of reserved incentive dollars. Even this "worst case scenario" dropout rate is significantly less than the programmatic dropout rate of the CSI Program's predecessor, the Self Generation Incentive Program, which experienced dropout rates for solar projects at or above 50%.

There is $44.0 million in unreserved incentive associated with CSI Program dropouts. Additionally, when CSI projects drop out of the program and their associated MW are added in at a lower incentive rate, a small amount of incentive dollars become "unreserved". For example, if a 1 MW commercial project were to be reserved at incentive Step 4, its associated incentive would be $1.9 million (1 MW x $1.90/watt incentive). If that project was to drop out, and the MW was to be added back in at incentive Step 5, the associated incentive would be $1.55 million (1 MW x $1.55/watt incentive). That represents a difference of $350,000 in unreserved incentive. The CPUC requires Program Administrators to regularly report on the amounts of these unreserved incentives, and publishes the overall sum of these unreserved incentives in the quarterly Staff Progress Reports. Table 8 shows that as of June 30, 2009, the sum of all unreserved incentive dollars was approximately $44.0 million, as reported on June 30, 2009, by the Program Administrators in their responses to the CPUC Administration Snapshot Data Request dated June 10, 2009.

Table 8. CSI MW dropouts and dollar differentials

Step	PG&E			SCE			CCSE			Total		
	Res MW	NonRes MW	$million un-reserved	Res MW	NonRes MW	$million un-reserved	Res MW	NonRes MW	$million un-reserved	Res MW	NonRes MW	$million un-reserved
1	*3.314*	*13.425*	*$5,399,000*	*0.07*	*6.94*	*$2,637,279*	*0.0*	*6.159*	*$1,641,126*	*3.384*	*26.524*	*$9,677,405*
2a	*0.0*	*3.063*	*$0*	*0.06*	*0.13*	*$0*	*0.0*	*0.765*	*$459,009*	*0.06*	*3.958*	*$459,009*
2b	1.369	12.646	$10,154,650	1.14	5.20	$2,861,387	0.165	1.443	$1,255,088	2.674	19.289	$14,271,125
3	1.739	12.130	$7,804,350	0.30	9.16	$4,840,438	1.537	2.130	$984,634	3.576	23.420	$13,629,422
4	9.745	26.422	$6,639,450	0.0	23.35	$6,887,831	1.254	3.469	$570,075	10.999	53.241	$14,097,356
5	1.096	11.002	$2,009,250	0.0	1.58	$0	0.0	0.013	$0	1.096	12.595	$2,009,250
6	0.0	1.454	$0	0.0	0.0	$0	0.0	0.0	$0	0.0	1.454	$0
Totals	13.949	63.654	$26,607,700	1.44	39.29	$14,589,656	2.956	7.055	$2,809,797	18.345	109.999	$44,007,153

Source: CPUC data request to Program Administrators, dated June 10, 2009, and covering data through June 30, 2009.
Table Notes: (1) The "$ unreserved" figure is an estimate based on the assumption that all non-residential dropouts are commercial projects. The actual figures may differ slightly based on government & non-profit participation in the steps. The "$ unreserved" figure does not equal the total amount of incentive money associated with the dropped-out MW. (2) Steps 1 and 2a were fully reserved under the Self Generation Incentive Program in 2006, and these applications were subject to different programmatic rules. Therefore, Step 1 and 2a dropout rates are not directly comparable to the rates for Step 2 and beyond, and are not included in the totals row at the bottom of Table 8.