



**CITY OF UKIAH SOLAR ENERGY SYSTEM INCENTIVE PROGRAM REQUIREMENTS
PURSUANT TO CALIFORNIA SENATE BILL 1 (SB 1)**

- **Solar Energy System Definition**
 - Solar energy systems eligible for financial incentives are those solar energy devices that have the primary purpose of providing for the collection and distribution of solar energy for the generation of electricity.
 - Solar energy systems must produce at least one kilowatt (kW), and not more than five MW; Alternating Current (AC) rated peak electricity, accounting for all system losses, and meets or exceeds eligibility criteria guidelines as listed in the California Energy Commission’s (CEC) Guidelines for California’s Solar Electric Incentive Programs Pursuant to SB 1.
 - Solar technologies that do not primarily generate electricity, including, but not limited to solar systems whose primary purpose is for water heating, solar space heating and cooling, are not eligible.

- **Solar Energy System Components**
 - All components in the solar energy system must be new and unused and have not previously been placed in service in any other location or for any other application.
 - All major solar energy system components (Photovoltaic (PV) and non-PV) eligible for ratepayer funding under SB 1 must be listed on the CEC’s Eligible Equipment List. This includes PV modules, inverters and meters. Information on solar system components can be found at: [www.gosolarcalifornia.ca.gov].

- **System Location and Grid Interconnection**
 - The location of the solar energy system installation must be served by the City of Ukiah’s Electric Utility.
 - The solar system must be located on the same premises where the consumer’s own electric demand is located.
 - The solar system must be connected to the City of Ukiah’s electrical distribution grid.
 - The solar system shall be installed such that the orientation, shading and tilt will maximize generating capability of the system.

- **Declining Incentives *NEW***
 Under SB 1, solar program incentives must decline to zero by the end of 2016 to achieve a self-sufficient solar electric industry within 10 years. The City presently offers a \$2.80 per Watt_{AC} incentive for the installation of solar systems.

Proposed City of Ukiah 10 year declining solar incentive schedule

Fiscal Yr	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2017
Incentive	\$2.80	\$2.52	\$2.24	\$1.96	\$1.68	\$1.40	\$1.12	\$0.84	\$0.56	\$0.28

- **Performance Meter *NEW***
 - All solar energy systems must be installed with a performance meter or an inverter with a built-in performance meter so that the customer can monitor and measure the system's performance and the quantity of electricity generated by the system.

SB 1 PROGRAM REQUIREMENTS (CONT.)

- System Sized to Offset On-Site Electricity Load
 - The solar energy system must be intended primarily to offset part or all of the consumer's own electricity demand.
 - The minimum size of an eligible system is 1 kW AC, accounting for all system losses.
 - Systems sized between 1 kW AC and 5 kW AC, inclusive, shall be assumed to primarily offset the customer's annual electricity needs.
- System Warranty **NEW**
 - All solar energy systems must have a minimum ten-year warranty to protect against defects and undue degradation of electrical generation output.
- Installation
 - The solar energy system must be installed in conformance with the manufacturer's specifications and in compliance with all applicable electrical and building code standards. The City requires the solar energy system be installed and working with necessary permits within one year from the receipt of their Project Approval Letter or funds will be made available to other customers.
- Energy Efficiency Requirements (mandated January 1, 2010) **NEW**
 - All solar energy systems are to be installed after applicable energy efficiency requirements have been met. Since these requirements have not been determined by the CEC as of the date of this public hearing the City encourages Energy Audits with recommended energy efficiency measures in place prior to operation of the solar installation.
 - Once energy efficiency requirements have been defined and approved by the CEC each solar energy system will be required to comply with energy efficiency requirements.
- Solar Performance Inspections (mandated January 1, 2010) **NEW**
 - Each solar energy system installed will be required to have a solar performance inspection by a third party certified solar inspector; this will be the customer's responsibility and the inspector will provide the City with the inspection report.
 - The incentive may be adjusted based on performance as a result of the solar inspection.

Other pertinent City of Ukiah Solar Energy System Incentive Program details:

- Solar incentives are available on a first come, first served basis to qualified City of Ukiah Electric Utility Customers.
- Solar incentives are available until available funds are exhausted each Fiscal Year.
- Unless pre-approved by the City Council, the solar incentive limit per individual City of Ukiah Electric Utility Residential Customer is \$6,000.
- Unless pre-approved by the City Council, the solar incentive limit per individual City of Ukiah Electric Utility Commercial Customer is \$15,000.
- Limit per individual City of Ukiah Electric Utility Customer for a solar incentive payment is one per address up to the maximum solar incentive limit.
- The City of Ukiah presently offers a net metering rate along with a required Interconnection Agreement that provides City of Ukiah Electric Utility Customers compensation for solar energy delivered into the City's electric distribution system based on the existing PV Rate Schedules previously adopted by City. The primary purpose of the net metering rate is to allow City customers to offset part of or all of their electric needs.