TO:    HONORABLE CITY COUNCIL
FROM:  CITY MANAGER    DEPARTMENT: UTILITIES
DATE:  SEPTEMBER 8, 2008  CMR: 285:08
SUBJECT: REPORT ON PROGRESS OF UTILITIES’ PHOTOVOLTAIC REBATE PROGRAM

This is an information report and no Council action is required.

BACKGROUND
The California State legislature enacted Senate Bill 1 (SB1, Murray, 2006) to encourage the installation of 3,000 megawatts of photovoltaic (PV) solar energy by the year 2017. SB1 requires all publicly owned utilities to adopt, finance, and implement a solar initiative program for the purpose of investing in, and encouraging the increased installation of residential and commercial solar energy systems.

The City of Palo Alto Utilities’ (CPAU) first SB1 report for the period of January 1, 2007 through March 31, 2008 is attached. The report will be submitted to the California Energy Commission and State legislature by the Northern California Power Agency on behalf of its member utilities.

For the past eight years, CPAU has offered incentives to customers who install PV systems, as part of the state-mandated Electric Public Benefits Program. SB1 requires all publicly-owned electric utilities to offer specified minimum incentives for PV systems, on or before January 1, 2008, for a ten-year period. The budget to meet CPAU’s share of the total California PV installation goal is projected to be $13 million, averaging $1.3 million per year for ten years from supply resources, in addition to Public Benefits Programs funding for efficiency and renewable programs. In 2007, CPAU increased the program budget and modified the terms and conditions of the incentive program to meet all requirements established by SB1.
ATTACHMENTS
A. City of Palo Alto Utilities SB1 Report for 2008
B. Total Palo Alto PV Installations, 1999 to 2008

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