

Status of the California Solar Utility Market – A Snapshot

Utility Owned versus Third Party Owned Programs





Renewable Portfolio Standard (RPS)

On April 12, 2011 Governor Brown signed legislation requiring all Investor Owned Utilities (IOU) to procure renewable energy in the amount of thirty-three percent (33%) of retail sales by 2020.



In California there are two types of solar Utilities:

1. Investor Owned – Regulated by the California Public Utilities Commission (CPUC)

Pacific Gas & Electric

Southern California Edison – Owned by Edison International

San Diego Gas & Electric – Owned by Sempra

2. Public Owned (aka Municipals) – Publically elected boards not regulated by the CPUC

IID

LADWP

Pasadena

Anaheim

And many more

Municipals may follow the lead of the CPUC or do their own programs.

INVESTOR OWNED UTILITIES

There are two types of Programs

Utility Owned Generation (UOG) – where the project is owned by the utility

- The utility owns or leases the land or roof-top

- The utility owns all the equipment (modules, inverters, etc.)

- The utility is responsible for all operations and maintenance (O&M)

RFO – (Request for Offer) where the utility just buys the power

- The land is owned or leased by a third party

- The third party owns all the equipment

- The third party is responsible for all O&M

- The third party just sells the power to the utility

A close-up, perspective view of several rows of solar panels. The panels are dark blue with a grid of circular cells. The background is a bright blue sky with a gradient.

Pacific Gas & Electric

Program size – 500 megawatts (MW) over 5 years (50 MW a year)
250 MW UOG
250 MW RFO

Project size – 1-20 MW

Project type – Primarily ground-mount

Project frequency – At least one auction per year.



Southern California Edison

Program size – 500 megawatts (MW) over 5 years (50 MW a year)
250 MW UOG
250 MW RFO

Project size – 1-10 MW

Project type – Primarily roof-mounts with some larger ground-mounts

Project frequency – At least one auction per year.



San Diego Gas & Electric

Program size – 100 megawatts (MW)
26 MW UOG
74 MW RFO

Project size – 1-5 MW

Project type – Primarily ground-mounts

Project frequency – At least one auction per year

A close-up, perspective view of several rows of solar panels, showing the dark blue photovoltaic cells and the white grid lines. The panels are set against a bright blue sky background.

Utility Owned Generation

All bidders must be pre-approved to bid

30% diverse company (MWDVBE) requirement

Bidders are mainly Equipment Manufacturers and
Construction Companies

All work is performed under an IBEW PLA

Request for Offer (RFO)

Requirements vary by size of project

CREST Program - max 1.5 MW

Open RFO process - 1-20 MW submitted
(varies by utility)

Large systems can be separately negotiated

A close-up, low-angle shot of several rows of solar panels. The panels are dark blue with a grid of circular cells. The background is a clear blue sky.

California Renewable Energy Small Tariff (CREST)

Term: 10,15 or 20 years

Third Party is paid the existing Market Price Referent

Energy Price is fixed for contract term (no escalation)

No regulatory process – agreement has been pre-approved

Utility must accept the project

Standard RFO Projects

Term: 20 years

Third Party is paid the bid price

Energy Price is determined by the bid

All bids must be approved by the CPUC

Utility does NOT have to accept the project

A close-up, perspective view of several rows of solar panels. The panels are dark blue with a grid of circular cells. The background is a bright blue sky with a gradient.

Large Scale Projects

Large scale projects are a separate procurement process

You need to request an appointment to discuss these projects

Note: To get an appointment you need to show that you have a viable team that can finance and install what you are proposing

All projects must be approved by the CPUC

Utility does NOT have to accept the project



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