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) – Publicly 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.
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
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
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
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
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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