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# San Francisco Solar Energy Incentive Pilot Program

## Application Package



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## Program Summary

San Francisco's new Solar Energy Incentive Pilot Program is established to increase the number of solar installations within the city by providing incentive payments to residents and local businesses. Incentives will be awarded on a first-come-first-served basis until the incentive budget is exhausted. During 2008, the program will be funded with \$3 million from annual net operating revenues of the San Francisco Public Utilities Commission (SFPUC), the agency administering the program. Any unspent funds will roll over into 2009.

### Incentive Definitions

The program offers a one-time incentive payment to local solar electric projects to reduce the cost of installation. Payment is made after interconnection to the grid. At present, only solar electric projects are eligible, although the program may be expanded in the future to include other technologies.

The program defines three distinct incentives for residential installations. These incentives are limits on assistance, meaning that the higher incentives are not adders to the lower ones but total incentives in their own right. The incentive for businesses is a simple capacity-based incentive, without the distinct amounts of the residential incentive.

	Residents	Businesses
Basic incentive	\$3000	\$1.50 per Watt a system is designed to generate, up to a cap of \$10,000.
City installer incentive	\$4000	
Environmental justice incentive	\$5000	

Incentive payments are tied to individual electric meters, meaning that buildings with more than one meter or applicants owning more than one property are eligible for more than one incentive payment, subject to the provisions below.

The basic incentive will be available to any resident installing solar generation on his/her own property located within San Francisco. One incentive per meter.

The city installer incentive exists to encourage the use of local installation businesses. It will be available to residents eligible for the basic incentive who contract with an installer holding a current San Francisco business registration certificate showing a San Francisco address as the place of business.

The environmental justice incentive is available to installations on property located within City-recognized environmental justice districts, as defined by Board of Supervisors Ordinance 124-01.<sup>1</sup> That ordinance describes Southeast San Francisco—specifically the Bayview, Hunters Point, Potrero Hill and Dogpatch neighborhoods—as a minority community entitled to environmental justice. So that there is no ambiguity, SFPUC applies the environmental justice incentive payments to installations on properties located within the zip codes 94107 and 94124. Installations eligible for the environmental justice incentive are not required to first meet the requirements of the city installer incentive.

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<sup>1</sup> All Ordinances, Resolutions and Motions of the Board of Supervisors can be found on the City's website, [www.sfgov.org](http://www.sfgov.org), by following the link on the home page to the Board of Supervisors and then the link to Resolutions/Ordinances/Motions. For ease of reference, Ordinances are numbered in sequence within a year, so Ordinance 124-01 was number 124 in 2001.

## Eligibility & Procedure

At present, only solar electric systems under installation on existing buildings are eligible for an incentive payment. New construction, as determined by the San Francisco Department of Building Inspection, is not eligible.<sup>2</sup> Installations must be a minimum of one kilowatt in capacity, CEC-AC.<sup>3</sup>

The San Francisco incentive is available only for installations on property physically located within San Francisco. Only one rebate per electric meter is allowed. Residents may apply for rebates only for installations on property they own, although they may apply for rebates on more than one meter. Businesses operating at more than one location within the city may apply for one solar incentive for each meter, subject to the \$10,000 limit above.

For ease of administration, and to minimize additional paperwork, applicants eligible for state rebates under the California Solar Initiative (CSI) may submit rebate approvals from that program as evidence they qualify for an incentive payment under the San Francisco program. The CSI Program Handbook is available for review at [www.gosolarcalifornia.ca.gov](http://www.gosolarcalifornia.ca.gov). The approval document for a CSI rebate must show a San Francisco address as the designated installation location.

Applicants ineligible for CSI rebates must demonstrate otherwise that they conform to the CSI requirements for a San Francisco incentive payment. Applicants taking this approach may be required to furnish additional documentation, such as to confirm an installation's physical location within San Francisco and the purchase of solar power equipment for it.

SFPUC operates a two-step procedure for securing an incentive, similar to the CSI. In the first step, an incentive may be reserved from the program budget in advance of completing an installation. In the second step, the reserved incentive is redeemed upon interconnection of the system to the local grid.

### Reserving an incentive

Reservation of an incentive will be contingent upon receipt of the following documents:

1. A completed incentive application form;
2. A copy of the most current CSI Confirmed Reservation Notice Letter from PG&E for the installation in question (CSI Handbook, section 4).

This letter must be dated on or after the original announcement date of the San Francisco program, which was December 11, 2007. The installation address on the letter must correspond to the installation address on the application form. An email version of the letter may be sent in advance to initiate a reservation; however, SFPUC also requires a copy of the paper version.

Accompanying the application form is a blank program agreement with the City & County of San Francisco, laying out the terms and conditions under which an incentive will be disbursed. It is not necessary to return a completed copy of the agreement at this stage, only to acknowledge receipt on the application form.

A reservation number will be assigned by SFPUC to applications meeting these criteria, provided sufficient budget remains. Reservation numbers, like the incentives they reserve, are meter-

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<sup>2</sup> New commercial construction, although eligible for a California Solar Initiative rebate, is not eligible under this pilot program (draft Board of Supervisors Ordinance, page 4). The Universal Building Code, which SF DBI follows, defines 'new construction' as buildings whose certificate of occupancy has not yet been issued. In any particular case, final determination will rest with DBI.

<sup>3</sup> The San Francisco program follows the capacity definition for solar PV systems created by the California Energy Commission and adopted by the California Solar Initiative. Capacity is defined as AC, net of inverted losses. See the CSI Program Handbook, January 2008, under System Size, pp. 17–18, available at [www.gosolarcalifornia.ca.gov](http://www.gosolarcalifornia.ca.gov).

specific. Incomplete or incorrect application documents will be returned for completion.

SFPUC will assign a *provisional* reservation number to applications received after the budget is exhausted, so that applications remain in a first-come-first-served order should authorization be given to renew the budget for subsequent years. Applicants will be notified accordingly.

SFPUC will contact an applicant by mail within ten business days of receipt of their materials either to provide a reservation number or to request additional information for verification. When a reservation number is assigned, SFPUC also will provide a blank W-9 tax form. It is an applicant's responsibility to pay federal taxes on the incentive payment.

An incentive reservation has a lifetime of twelve months from the date of acceptance. If a reservation expires, an applicant must submit a new application.

### **Receiving an incentive**

In order to receive an incentive payment from the San Francisco program, an applicant must provide SFPUC the following documents:

1. A completed W-9 tax form;
2. An initialed and signed copy of the program agreement;
3. Insurance documentation described in section 9 of the agreement;
4. A copy of a CSI Approval of Incentive Payment from PG&E showing authorization of a CSI rebate payment for the installation in question.

The agreement requires an applicant to provide a copy of insurance coverage showing the City as an insured up to an amount dependent on the size of the installation. Certain additional insurance documentation is required, as specified in the agreement. Coverage must continue for the term of the agreement, which is one year. These requirements are supplementary to the CSI insurance requirements.

As in the reservation step, SFPUC will respond within 10 business days to issue an incentive payment, or to request additional information, or to request a site inspection for certain projects selected at random. In the February following issuance of an incentive payment, SFPUC will forward a 1099-G tax form to the party receiving the check.

### **Provisions for different kinds of system ownership and financing**

SFPUC, like the California Solar Initiative, recognizes that a variety of means exist to own and finance solar electric projects. Although incentive payments are tied to individual meters, the customer of record associated with a meter in the electric utility's billing system is not, in many cases, the building owner, such as in rented apartment buildings or in leased commercial space.

In recognition of these situations, the CSI defines three distinct roles in a solar installation: the 'Host Customer', the 'System Owner' and the 'Applicant' (CSI Handbook, pp. 10–11). The San Francisco program follows the same distinctions, so bear them in mind when completing the application form. SFPUC needs to be able to verify the validity of an application, communicate with the correct installation representative, and mail a check to the correct recipient.

On the San Francisco form, the 'Incentive Applicant' is the individual or institution to whom the City will send an incentive payment. The form allows an Incentive Applicant to identify themselves as one of the three CSI parties.

For residential installations, the Incentive Applicant will be the building owner or the installer acting on the owner's behalf.

Commercial tenants, non-profits, government entities or solar financing companies may apply for the business incentive directly under the San Francisco program, just as they would under the

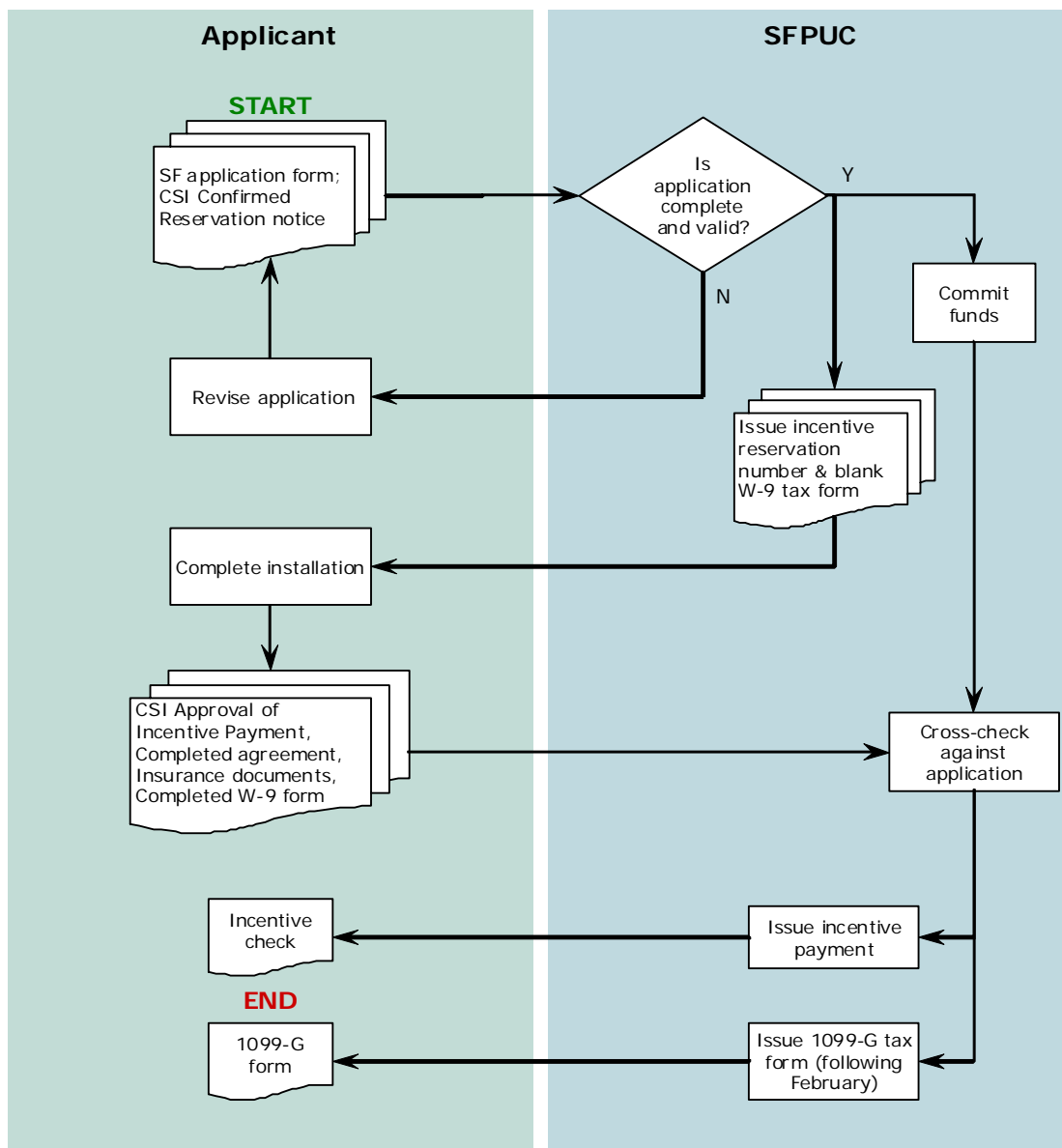
CSI. SFPUC is not concerned with parties' terms for a solar power project, only that the application information for the San Francisco incentive is true and correct.

### Provisions for renewable energy credits

The incentive program allows a system owner to transfer ownership of a system's renewable energy credits (RECs), to the City, if they so wish, by signing the application form. Assigning RECs to the City allows renewable power from the system to be accounted for at the whole-city level, thereby contributing to San Francisco's overall greenhouse-gas reduction goals.<sup>4</sup> Your system then will reduce not only your own carbon footprint but also those of your fellow San Franciscans.

### San Francisco Solar Incentive Flowchart

This flowchart describes the process for a CSI-eligible applicant. If your installation is not CSI-eligible, please contact SFPUC for a process description and list of required documentation.



<sup>4</sup> To learn more about RECs, visit [www.green-e.org](http://www.green-e.org).



SAN FRANCISCO PUBLIC UTILITIES COMMISSION

# San Francisco Solar Incentive Reservation Application

SFPUC USE ONLY										* Optional field							
Application no.			Reservation no.				Approval no.										
<b>Incentive Applicant</b>						<b>Type of installation</b> (check only one)											
Contact name							Residential		<input type="checkbox"/>								
Business name (if applicable)							Business (any non-residential)		<input type="checkbox"/>								
Mailing address			Street				<b>Incentive applied for</b> (complete one)										
			City, State, Zip				Residential – basic (\$3000)		<input type="checkbox"/>								
Telephone (primary)							Residential – city installer (\$4000)		<input type="checkbox"/>								
Telephone (alternate) *							Residential – environmental justice (\$5000)		<input type="checkbox"/>								
Email address *							Business: capacity (W) × \$1.50 / W		\$								
<b>Are you eligible for, or have you received, a CSI rebate?</b>						Yes <input type="checkbox"/>		No <input type="checkbox"/>									
<b>If yes, are you the</b>			CSI Host Customer? <input type="checkbox"/>		CSI System Owner? <input type="checkbox"/>		CSI Applicant? <input type="checkbox"/>										
<b>Physical address where solar installation will be located</b> (no PO box, please)																	
Street							San Francisco, CA		Zip								
Electric service account number								SFPUC water account no.									
Building owner			Host Customer <input type="checkbox"/>		System Owner <input type="checkbox"/>		Applicant <input type="checkbox"/>		Non-CSI <input type="checkbox"/>								
CSI: Check appropriate box. If different from Incentive Applicant or if Non-CSI: Enter name, mailing address, telephone, email address*.																	
<b>Installer information</b> (must be a business registered in California)																	
Name of firm																	
Contact name & position																	
Email address *																	
Business address		Street (no PO box, please)			City			CA		Zip		Tel.		Office			
												Cell					
San Francisco business registration certificate no.								CA CSLB no.									
<b>Installation details</b>						Capacity, kW (CEC-AC)											
San Francisco electrical permit no. (if available)						CSI Application no.											
<b>Signatures</b>																	
The signatories below hereby submit that all the foregoing information is true and correct, to the best of their knowledge.																	
<b>Incentive Applicant</b> (required) I hereby consent to an SFPUC audit and inspection of my solar installation, if requested. I hereby acknowledge that the San Francisco solar incentive is likely taxable income.						Sign & date:											
<b>Installer</b> (required)						Sign & date:											
<b>Electric account holder</b> (required) I hereby grant permission to SFPUC to request electrical consumption data from my electricity service provider for the account listed herein.						Sign & date:											
						Name & contact telephone, if different from Incentive Applicant:											
<b>Host Customer</b> (required) I hereby acknowledge that I have read the accompanying San Francisco Solar Energy Incentive Program Agreement, I will abide by the requirements therein, and I will submit an executed document prior to receipt of the incentive.						Sign & date:											
						Name & contact telephone, if different from Incentive Applicant:											
<b>System Owner</b> (optional) By signing at right, I voluntarily assign ownership of renewable energy credits for this installation to the City & County of San Francisco.						Sign & date:											
						Name & contact telephone, if different from Incentive Applicant:											

## Instructions for completing application form

Fields on the form marked with an asterisk (\*) are optional.

### Incentive Applicant

This is the individual or institution to whom the City & County of San Francisco will send an incentive payment. If applying based on eligibility for a California Solar Initiative rebate, please familiarize yourself with the roles and responsibilities in the CSI Handbook (at [www.gosolarcalifornia.ca.gov](http://www.gosolarcalifornia.ca.gov)) so that the correct individual or institution completes this form.

### Incentive applied for

Check the appropriate box for an installation on residential property. For business installations—*i.e.*, any non-residential—enter the amount of the incentive as the capacity in Watts × \$1.50 per Watt. The capacity should correspond to the amount entered under installation details below.

### Physical address where solar installation will be located

A separate application form must be completed for each meter for which incentives are sought. This is to enable reservations to be tracked and incentives disbursed individually.

Please check the appropriate box to denote the owner of the building on which the system will be installed as the Host Customer, the System Owner, the Applicant, or not part of the CSI process. If the building owner is different from the Incentive Applicant, or for non-CSI applications, please provide the building owner's contact information.

Building ownership will be checked against the Assessor-Recorder's records. If a discrepancy appears, the form will be returned to the Applicant for clarification. Applicants are encouraged to provide any additional documentation that may help the City to verify the relationship between a building owner and an Incentive Applicant, where they are different.

The water account number is required for SFPUC to verify location—such as for the environmental justice incentive—and to verify occupancy.

### Installer information

CA CSLB number is the California Contractors State License Bureau (CSLB) number. If your business operates under a different California license, please annotate the form accordingly.

### Installation details

The capacity in kilowatts entered on the form must be CEC-AC at the meter, as described in the CSI Handbook. Your installer will be able to provide the correct capacity measure.

If an electrical permit number already has been issued, please provide it.

### Signatures

All relevant signature boxes must be completed, even if the signatory in more than one of them is the same individual.

The electric account holder is the customer of record associated with the electric account number given on the form. Signature by the electric account holder authorizes SFPUC to request customer account data from the energy service provider (PG&E, in most cases). These data are sometimes needed for additional verification. SFPUC cannot request the data without prior customer authorization. SFPUC will notify applicants if it needs to review account data.

The signature box for the assignment of renewable energy credits (RECs) by the system owner is voluntary. An application is in no way compromised by not doing so.

### Questions?

We are here to help. For assistance in completing this application, or for any other inquiries, please call (415) 554-1536 or email [solarincentive@sfgwater.org](mailto:solarincentive@sfgwater.org).

### Did you remember...

<b>With this form:</b>	All required signatures?	<input type="checkbox"/>
	CSI Confirmed Reservation Notice?	<input type="checkbox"/>
<b>To claim your incentive upon completion:</b>	CSI Approval of Incentive Payment?	<input type="checkbox"/>
	Completed (signed & initialed) SEIP Agreement?	<input type="checkbox"/>
	Completed W-9 tax form?	<input type="checkbox"/>

### Where to send application materials

Applications may be sent by regular mail to SFPUC Power Enterprise, Attn. San Francisco Solar Incentive Program, 1155 Market Street, 4th Floor, San Francisco, CA 94103.

Applications also may be delivered by hand to SFPUC Customer Service, located off the first floor lobby of the same address.