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CALIFORNIA SOLAR INCENTIVE PROGRAM EXPANDED

Dispelling concerns that state incentives for public agency solar electricity projects might evaporate, the governor has signed legislation increasing the amount the California Public Utilities Commission (CPUC) can allocate to that purpose. Senate Bill (SB) 585, signed by Governor Brown on September 22, 2011 at an elementary school in Fowler Unified School District, increases the size of the California Solar Initiative (CSI) by \$200 million. Created in 2007, CSI is a state program that offers financial incentives to commercial, residential, nonprofit and government solar energy projects. For public agencies, CSI offers a performance-based incentive that reimburses a significant portion of the agency's costs of installing solar photovoltaic facilities over the first five years after such a project's completion.

CSI is funded by charges on the ratepayers of California's three investor-owned utilities. The law sets a cap on the total size of the program, available incentive amounts for the different classes of eligible payees. As Lozano Smith reported last year in our [Client News Brief No. 63, December 2010](#), the CPUC briefly suspended CSI payments for non-residential applicants in July 2010 because the cap was within reach. With the enactment of SB 585, the CPUC will be able to apply additional funds to the payment of incentives for public agency projects.

Indeed, the availability of CSI funds has been one of the primary factors driving a recent surge in such public agency solar photovoltaic projects statewide, and in recent months public agencies have expressed concern that incentive funds may not be available for projects still in the planning stages. With the increase in the size of CSI, public agencies considering solar photovoltaic projects can expect that the incentive will remain available in the near term.

Lozano Smith attorneys have substantial experience evaluating, structuring and negotiating solar electricity and other energy conservation projects for public agencies. If you have questions about your agency's options for such projects, or for more information about available incentives, please contact one of our [eight offices](#) located statewide or consult our [website](#).

Written by:

[Devon Lincoln](#)
Senior Counsel
Monterey Office
dlincoln@lozanosmith.com



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