



Solar Program Incentive Review



Electric Utility Commission & Resource Management Commission

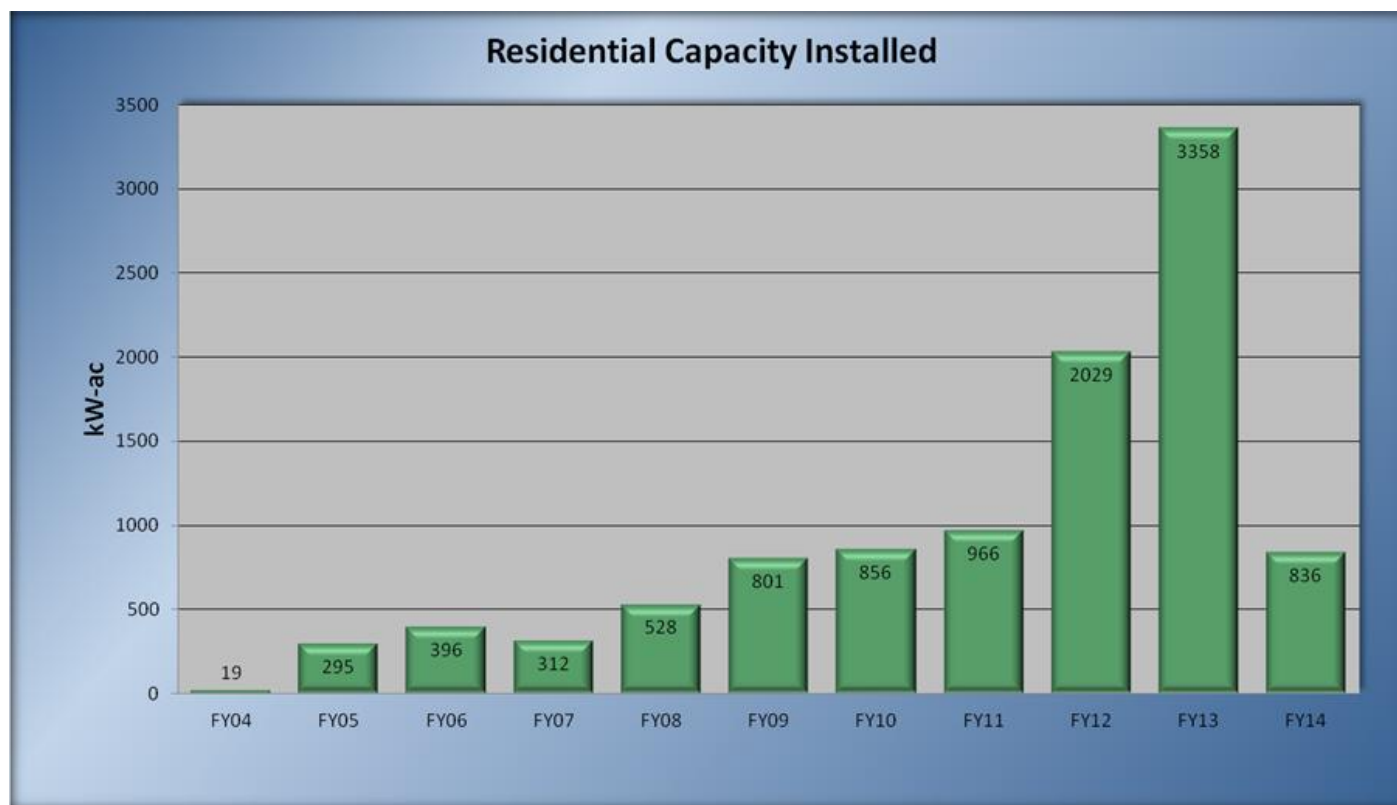
December 16 & 17, 2013

Debbie Kimberly, Vice President, Customer Energy Solutions

Residential Solar Growth



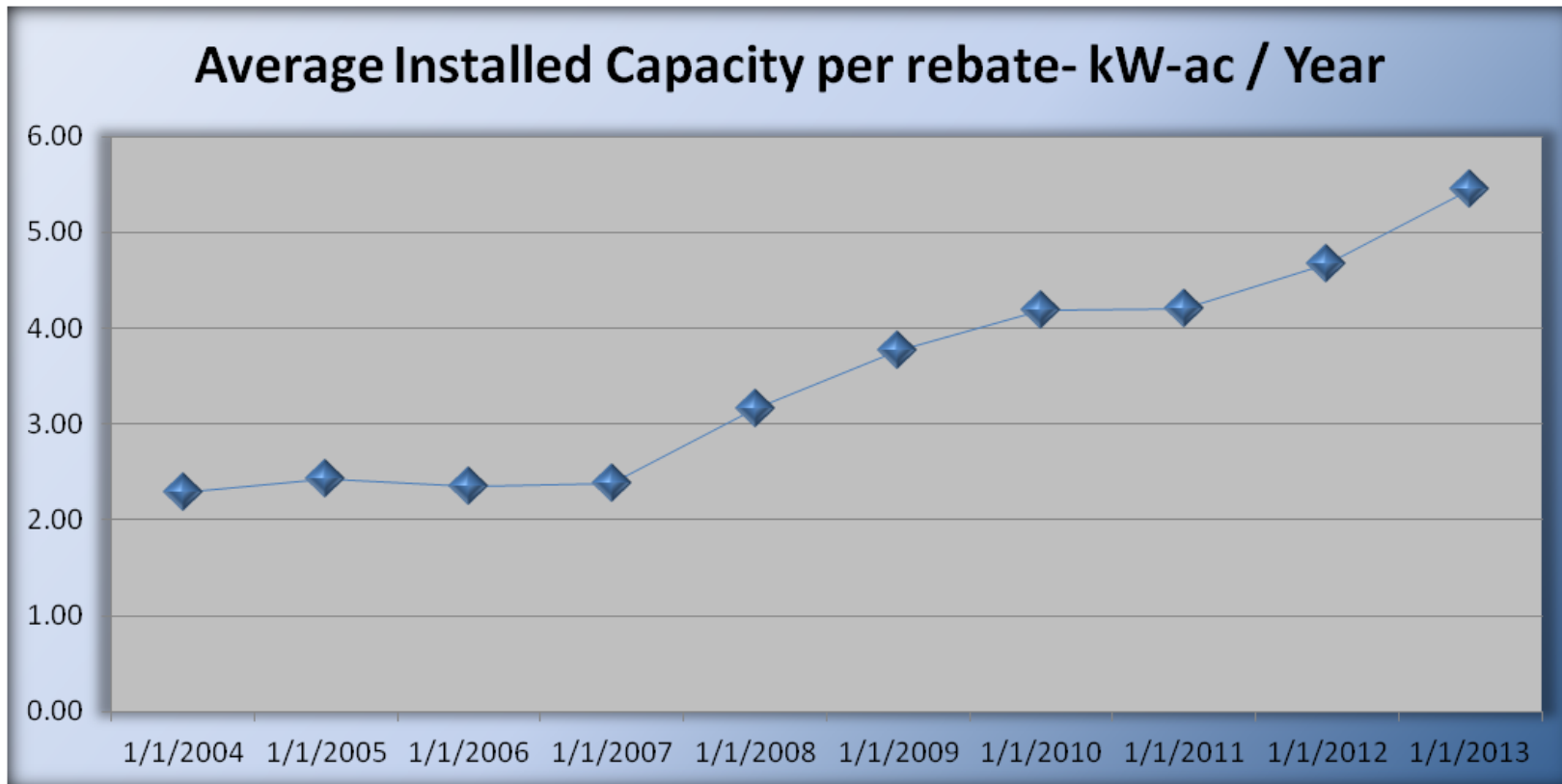
10.4 MW of PV Installed as of 12/13/13



Larger Residential Systems Being Rebated



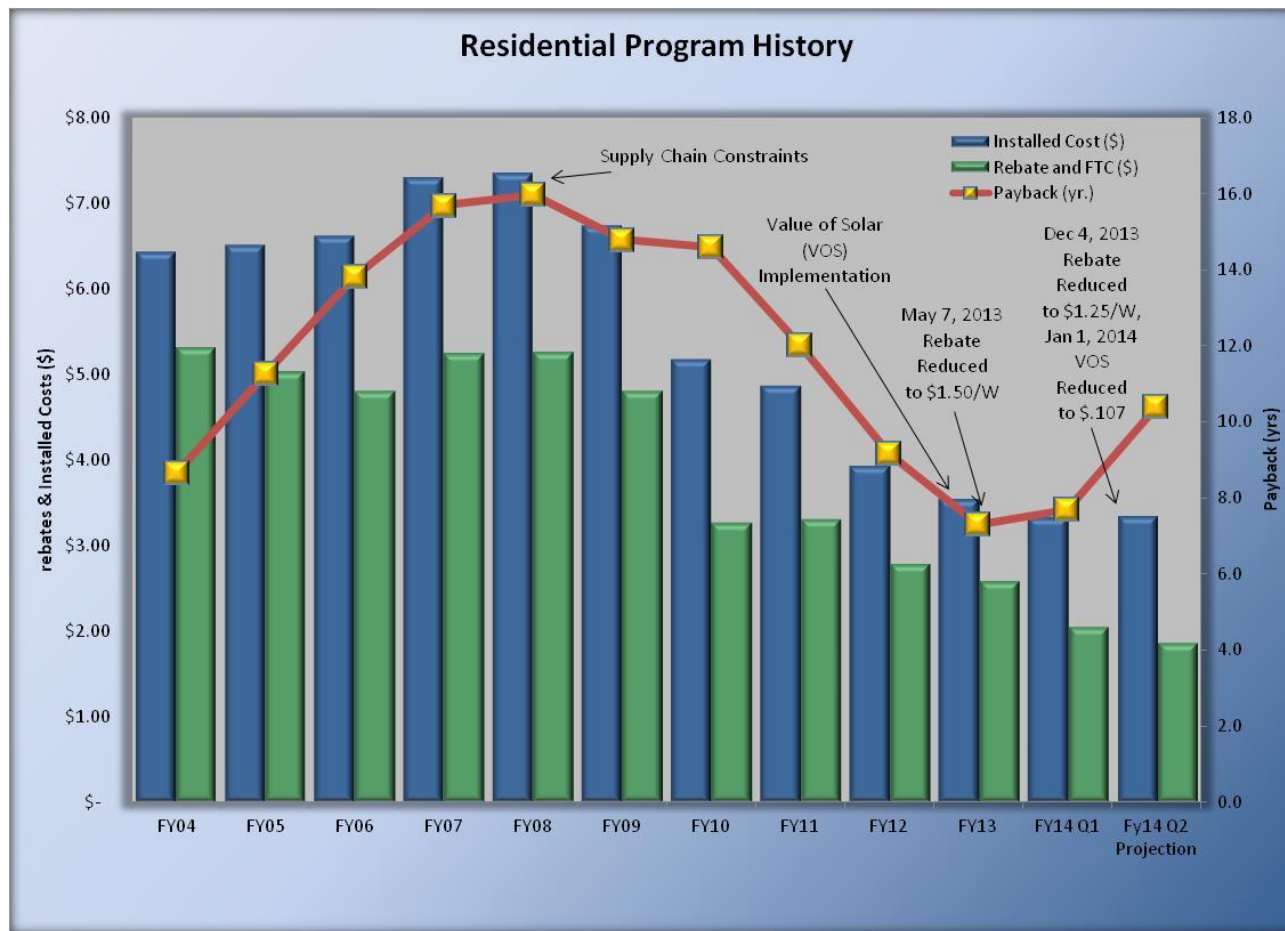
As the program has matured and prices have come down, progressively larger systems are being installed per rebate request



Installed Costs, Rebates and Payback



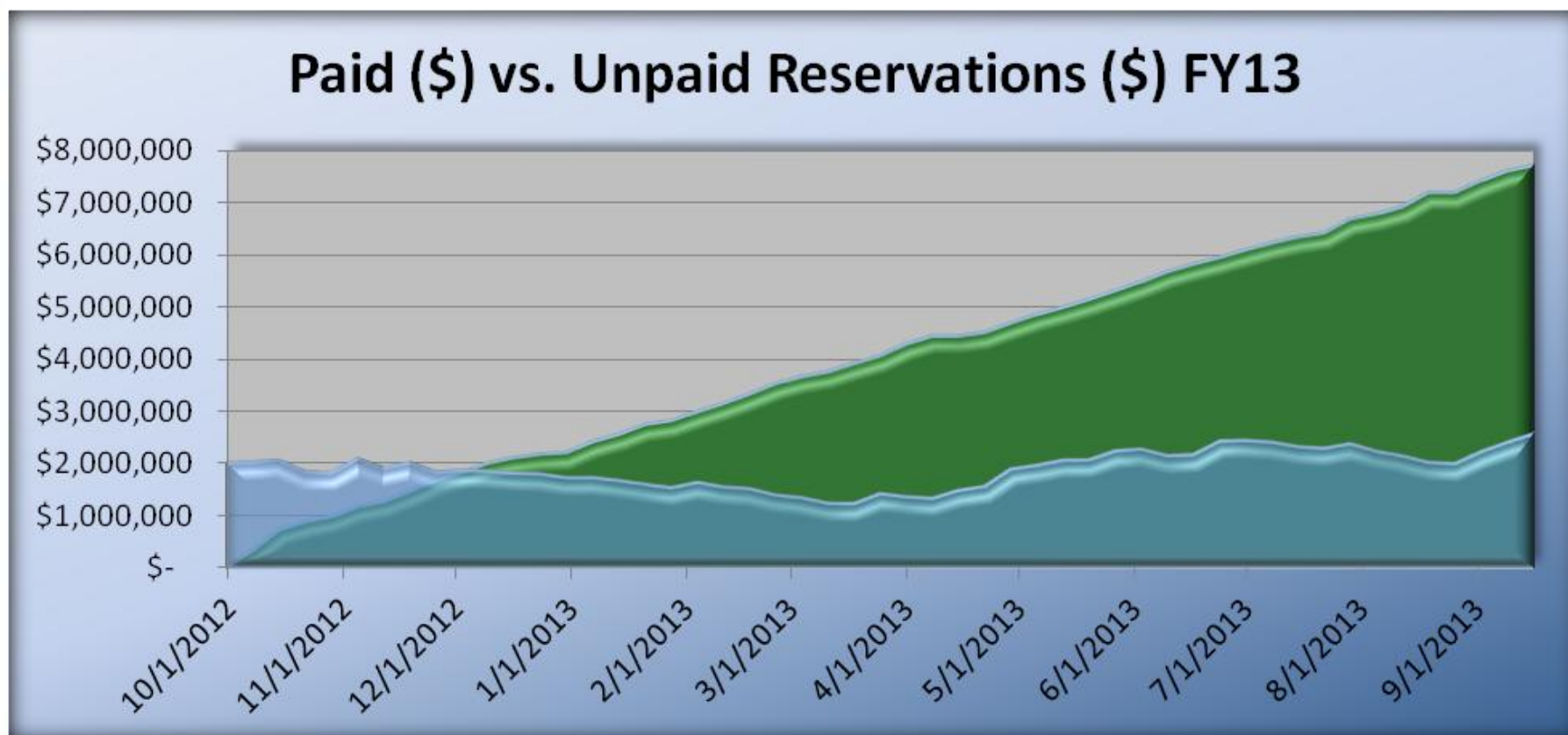
With the current rebate level of \$1.25 per W we have targeted a 10 year payback



Managing Residential Rebate Budget



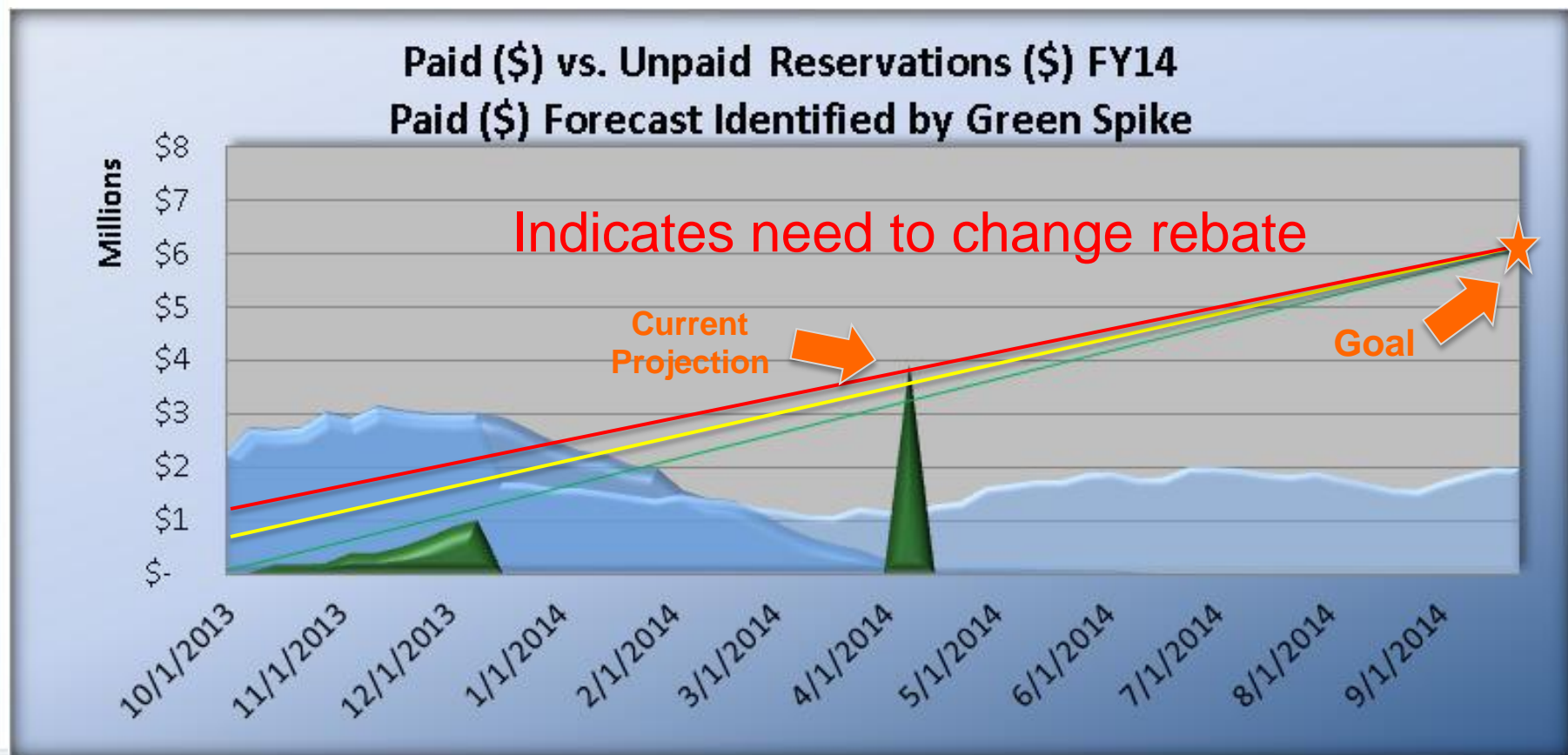
- Meeting annual budget goals requires balancing rebates paid, rebates pending and future rebate applications
- This graph from FY13 shows steady uptake of rebates over time.



Residential Rebate Status- YTD



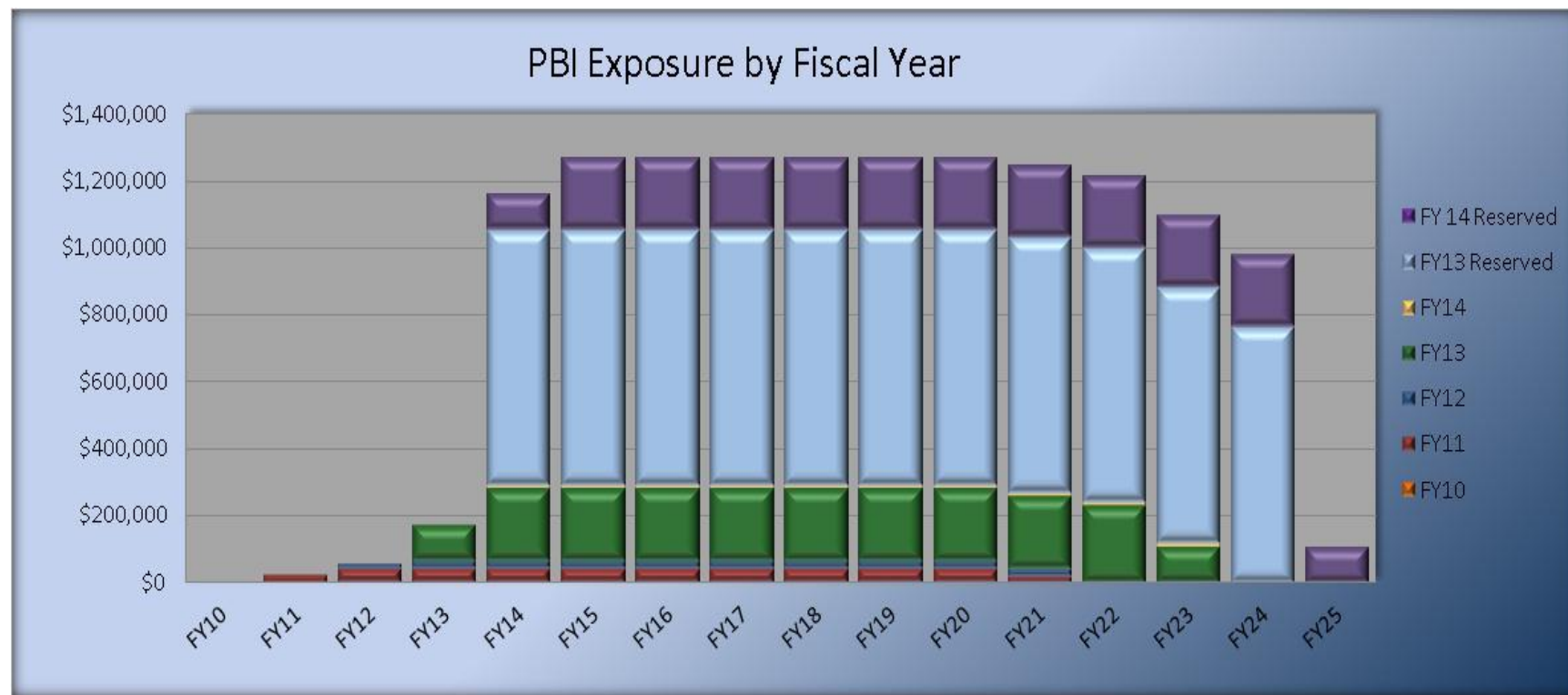
Rebate projections through the end of FY14



Performance Based Incentives (PBI)



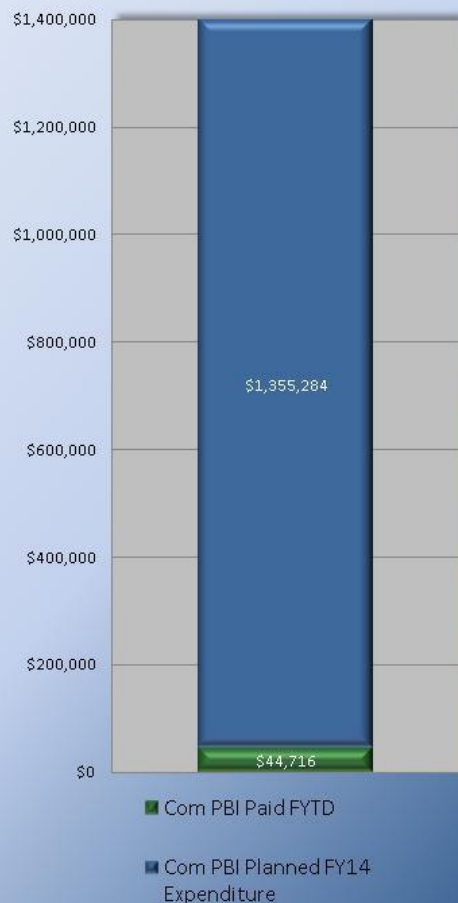
- PBIs run for 10 years, but due to longer construction lead times may not impact current budget year
- LOI's written now will only have a partial production-year budget impact for FY14



PBI's Looking Forward



FY14 Commercial Budget Expenditure



FY14 is nearly committed with completed and reserved projects



Need to manage PBI requests to avoid over-subscribing FY15

PBI applications submitted now will have a minimal impact to the FY14 budget due to project lead times



FY15 Commercial Budget Exposure



- Growth of residential program has been steady
- Consistent progress to goals provides stability and predictability for installers and customers alike
- Residential and commercial incentive levels were lowered to meet budget targets
 - Residential Rebates - \$1.50 to 1.25 per W
 - Commercial PBI - \$0.12 to \$0.10 per kWh
- Need to monitor and adjust incentives to avoid program disruptions and budget shortfalls

Questions?