

LADWP SOLAR PROGRAM

Net Energy Metering and Solar Photovoltaic Incentive Program



GUIDELINES

Effective: December 4, 2015

LADWP Net Energy Metering and Solar Photovoltaic Incentive Program Guidelines

TABLE OF CONTENTS

NET ENERGY METERING (NEM) GUIDELINES	4
1.0 NEM Eligibility and Limitations	4
1.1. NEM Equipment Leasing	5
1.2. NEM Eligibility for Tenant Customers	6
1.3. NEM Application process	7
2.0 Installation & Interconnection Requirements	9
2.1. Interconnection Agreement	10
2.2. Metering	10
SOLAR PV INCENTIVE PROGRAM (SIP) GUIDELINES	12
3.0 Introduction to SIP	12
4.0 Program Funding and Requirements.....	14
4.1. Program Requirements	14
4.2. SIP Provisions for Tenant Customers	14
4.3. SIP Provisions for Apartment and Building Owners	14
4.4. Renewable Energy Credit Option	15
4.5. Funding Categories and Funding Triggers.....	15
4.6. Affordable Housing Projects Incentive.....	17
4.7. How are incentive payments calculated?	17
4.8. Funding Sources.....	19
4.8.1. System Size Incentive Limitation.....	19
4.9. Do Incentives from Other Outside Funding Sources Affect the Amount I Can Receive?	21
4.10. Who Can Reserve the Incentive Payment?	21
4.11. Customer Exclusions from SIP	23
4.12. Suspension of New Reservations	24
4.13. Equipment Leasing	24
5.0 Eligible Systems and Materials	27
5.1. Eligible Costs	27
5.2. Costs NOT Eligible	28
5.3. Permanent Installations	28
5.4. System Sizing	29
5.5. Certified Components or Systems.....	29
5.6. Contractors and Installation Codes and Standards.....	30
5.7. Warranties	30
6.0 Energy Efficiency Requirements.....	32
6.1. Newly Constructed Buildings.....	32
6.2. Existing Buildings.....	35
6.3. Commitment Agreement.....	36
6.4. Exceptions	37
7.0 Solar Incentive Program (SIP) Process	39
7.1. PowerClerk Submission Process	39
7.2. New Construction/Major Renovation Projects.....	40
7.3. Reservation Expiration/Cancellation/Rejection	40
7.3.1. Reservation Expiration	40
7.3.2. Reservation Cancellation	42
7.3.3. Reservation Rejection	42
7.4. Supporting Documentation	42
7.4.1. Submitting Supporting Documents.....	44
7.5. Claiming the Solar Power Incentive.....	45
7.5.1. Incentive Payment (IP) Claim Form	45
8.0 SIP Adders	48
8.1. Los Angeles Manufacturing Credit (LAMC).....	48
8.1.1. Introduction and Background	48
8.1.2. Unqualified Technologies	48

8.1.3.	Minimum Requirements to Qualify for LAMC.....	48
8.1.4.	LAMC Adder Value.....	49
8.1.5.	LAMC Payment of Funds	49
8.2.	Building Integrated Photovoltaic (BIPV)	50
9.0	Signatures.....	52
10.0	Indemnification, Limitation of Liability, and Damages and Third Party Beneficiaries	53
10.1.	Indemnification.....	53
10.2.	Third Party Beneficiaries.....	54
10.3.	Limitation of Liability and Damages	54
11.0	Definitions.....	56
Appendix 1 – Estimated Performance Base Buydown (EPBB) Calculation		
Appendix 2 – Forms and Supporting Documentation		

NET ENERGY METERING (NEM) GUIDELINES

Net Energy Metering (NEM) measures the difference between the electricity supplied from the electric grid and the electricity generated on the Customer's premises and delivered back to the electric grid or net energy recorded at the service point.

Customers may choose whether or not they also apply for the Solar Incentive Program (SIP) from LADWP. However, all grid-tied solar photovoltaic (PV) systems in the LADWP service territory shall comply with LADWP interconnection requirements.

NEM participation is governed by the NEM Service Rider. If electricity supplied by LADWP is more than or equal to the electricity generated by the customer over the billing period, the customer shall be billed for the net energy supplied under the customer's current applicable rate. As applicable, customers may choose to participate in the standard rate or time-of-use rate.

If electricity supplied by LADWP is less than the electricity generated by the customer's solar PV system over the billing period, a credit for the excess energy will be applied to a customer's balance. Credit balances will only be applied to the bill associated with the meter that measured the excess energy. LADWP will apply any credit balance to charges under each subsequent bill except taxes and minimum charges until no further adjustment is due to the customer. If a credit balance remains at the time when the customer terminates service, the balance will automatically be adjusted to zero and the customer shall be owed no further compensation for excess generation. Information on LADWP's rate ordinances and service riders are available at www.ladwp.com/electricrates.

1.0 NEM Eligibility and Limitations

Systems must meet the following requirements to be considered for eligibility:

- **System Size – Net Energy Metering (NEM) is limited to solar PV systems less than or equal to 1 MW- AC^{CEC}. Systems outside of this range are NOT eligible for NEM** and will be placed on the appropriate Parallel Generation electric rate, either Schedule CG-2 or CG-3.

- Customer owns and operates a permanent solar PV system that is located on the customer's premises and is operating in parallel to LADWP's distribution system to offset part or all of the customer's own electricity requirements. The final determination of the applicability of the NEM Service Rider resides solely with LADWP.
- Any energy generated by the solar PV system must be either utilized on site by the customer or delivered to LADWP in exchange for a credit on the customer's bill in accordance with the NEM Service Rider. Energy cannot be sold to any other entities.
- Customers with the following service rates are eligible for the NEM Service Rider: Schedule R-1; Schedule A-1; Schedule A-2; and Schedule A-3.
- Customers on any rate other than the R-1A Residential rate are urged to request a rate analysis to make sure they understand that installation of the solar PV system may result in a rate change. This change may have financial impacts that require consideration prior to installation. Customers may request a rate analysis from their Account Manager or by contacting the rates hotline at rates@ladwp.com or 213-367-4718.

1.1. NEM Equipment Leasing

Leasing a solar PV system can be comparable to system ownership in some cases, allowing the customer to participate in NEM. If the customer owns the premises or is a long-term Tenant Customer, they may lease the system from a third-party provided that lease follows these Guidelines. Certain long-term Tenant Customers may also participate in SIP as set forth in Section 4.2 of these Guidelines.

The equipment lease shall provide for the following:

1. A minimum lease term of at least 10 years.
2. The equipment lease provides lessee with an ownership option by the end of the lease term.

3. The equipment lease payments may not be based on energy production from the equipment, which could be interpreted as the sale of electricity. The lease may include escalator or reduction clauses unrelated to energy production. The sale of energy by anyone other than LADWP is prohibited.

To participate in the NEM with a leased solar PV system, the lessor and the lessee must complete and submit the Solar Lease Compliance Form (SLCF) along with the equipment lease. The SLCF will serve as an attestation that the lessor and the lessee will comply with these Guidelines. If the equipment lease is modified or amended, the parties shall submit a copy of the lease to the LADWP Solar Program Manager along with a newly executed SLCF.

NEM customers seeking to apply for SIP will have additional equipment lease requirements. (See Section 4.10 of these Guidelines.)

LADWP reserves the right to audit and review executed equipment leases held between lessor and lessee who have applied to NEM. The determination of acceptability of the equipment lease agreement is at the sole discretion of LADWP. Any review will determine if the lease complies with the NEM Guidelines. If the executed lease is not in compliance with the NEM Guidelines as attested in the SLCF, LADWP may take the following actions:

1. Not allow interconnection to LADWP's grid by locking out the solar system's AC disconnect switch.
2. Remove customer from the NEM Service Rider.
3. Charge \$300.00 for disconnect/reconnect fee as applicable.

1.2. NEM Eligibility for Tenant Customers

Tenant Customers may be eligible for NEM provided that they have an electrically distinct solar PV system connected to their electric meter. The property owner and Tenant Customer shall sign the applicable Interconnection Agreement. In cases where all costs associated with the LADWP's interconnection of the solar PV system have not

previously been paid, the Tenant Customer shall be responsible for the interconnection cost.

Tenant Customer must provide LADWP with rental agreement (or property lease.) To be eligible for NEM, the rental agreement must provide Tenant Customer with all rights to receive energy from the solar PV system; and, rent payments may not be based on energy production from the solar PV equipment, which could be interpreted as the sale of electricity. The sale of energy by anyone other than LADWP is prohibited.

To participate in SIP or NEM, Tenant Customers and property owner must complete and submit the Tenant Customer Compliance Form (TENCF) along with the rental agreement (or amended rental agreement if the original rental agreement is amended). The TENCF will serve as an attestation that the Tenant Customer and property owner will comply with these Guidelines.

1.3. NEM Interconnection Process

LADWP has separated their solar interconnection process from the solar incentive process. Customers must first complete the application on the Solar Automated Meter Spot website at www.ladwp.com/nem to obtain an Interconnection Work Request Number (WR#). Solar projects less than 10 kW that do not involve a service upgrade or battery backup may be eligible to receive the fast tracked solar process as set forth on the Solar Automated Meter Spot website.

1.3.1. Request for Inspection

Once the solar PV system is constructed and the permit has been finalized, LADBS will release the project to LADWP for solar inspection and meter installation. The solar inspection and meter installation is coordinated by the Connection Center. Customers may contact the Connection Center with questions on the interconnection process or to inquire about the status of their project interconnection.

1.3.2. PV System Inspections

The separate inspections that are required before the PV generating system can be *placed in service* are:

1. LADBS Permit Inspection
2. LADWP ESR Inspection (for systems greater than 10 kW-AC^{CEC} and some special cases less than or equal to 10 kW-AC^{CEC})
3. LADWP Solar Inspection

PV systems may not be operated and may be locked until all inspections are completed, the customer signs an interconnection agreement, and a net meter has been installed. A locked system shall only be unlocked by the LADWP net meter installer, at which time the system can be placed in service and operated.

Systems that are not in compliance with the LADWP Electric Service Requirements, local ordinances, or applicable electrical codes and standards will fail the LADWP solar inspection.

1.3.3. Interconnection Contact Information

LADWP Connection Center

Call (213) EMPOWER or (213) 367-6937

LADWP Electrical Service Representative (ESR) Inspection

Customers can locate the ESR for their region by calling the LADWP Customer Connection Center or by using the **Find the Right Person** tool:

www.ladwp.com/findtherightperson.

LADWP Solar Inspection Desk

Call (818) 771-4244

2.0 Installation & Interconnection Requirements

- All systems must be installed and operated in conformance with the system manufacturer's specifications, applicable electrical codes and standards, LADWP Electric Service Requirements and the Interconnection Agreement. LADWP's Electric Service Requirements Manual can be found online at www.ladwp.com/codes. Systems may be self-installed by the customer, or a licensed contractor/installer.
- All systems must have any necessary permits from LADBS.
- All solar PV systems must be equipped with a disconnect device as required by the LADWP Electric Service Requirements.
- Solar PV systems (including the meter and disconnecting device) greater than 100 kW-AC^{CEC} are required to be readily accessible to LADWP at all times. If a solar PV system greater than 100 kW-AC^{CEC} is not readily accessible to LADWP, the system will be physically locked out until access is provided. Please see LADWP's Electric Service Requirements for more details on this requirement.
- Every solar installation is subject to inspection by the LADWP Solar Inspector, while more complex solar installations will require additional review and inspection by the LADWP Distribution Engineer and/or ESR to ensure compliance with the LADWP Electric Service Requirements.
- Upon submission of a completed and signed Interconnection Agreement, an LADWP Distribution Engineer will be assigned to *projects* greater than 30 kW-AC^{CEC}, to work with the customer to ensure proper interconnection to the LADWP grid. It is imperative that applicants and their contractors work closely with their assigned Engineer and Electric Service Representatives (ESR) to ensure the efficient, safe, and successful installation of their solar projects.
- All grid-interconnected battery back-up systems will require preliminary review and inspection by an LADWP Distribution Engineer and ESR. Contact the Connection Center at (213) 367-6937 for more information.

2.1. Interconnection Agreement

Customers are required to complete an Interconnection Agreement with LADWP before the facility may be interconnected to LADWP's electric system. Only the LADWP customer of record may sign the Interconnection Agreement.

Customers with systems less than or equal to 30 kW-AC^{CEC} must complete, sign and submit a Short-Form Solar-Powered Customer Generation Interconnection Agreement (Short-Form IA). The Short-Form IA can be found at LADWP's solar website.

Customers with systems greater than 30 kW-AC^{CEC} must complete the Long-Form Solar-Powered Customer Generation Interconnection Agreement (Long-Form IA). The Long-Form IA can be obtained by calling the ESD Distribution Systems Engineering Cogeneration Coordinator at **213-367-2726**. A single line electrical diagram must be submitted with the Long-Form IA, in order for a LADWP Distribution Engineer to be assigned to assist in this more detailed interconnection process. In addition, an engineer must be assigned and the single line diagram approved before an Electrical Service Representative can assist with meter and disconnect spotting.

2.2. Metering

NEM measures the flow of electricity in two directions. LADWP provides the necessary net meter. In the event a customer installation provides atypical metering requirements, however, the customer shall be responsible for LADWP's expense of purchasing and installing a meter that is able to measure electricity flow in two directions. If an additional meter or meters are installed, the net meter configuration shall yield a result identical to that of a single meter.

The solar equipment must be connected to the customer's billing meter, which will be the only meter that is converted to a net meter. Net meters are digital and capable of wireless communication with LADWP to accommodate billing. (Systems larger than 10 kW-AC^{CEC} also require the installation of a digital performance meter. Therefore, any system larger than 10 kW-AC^{CEC} will have two digital meters, capable of wireless

communication with LADWP.) Customers may not opt-out of the use of digital meters with wireless communication capabilities.

Meters are the property of LADWP and may NOT be moved to another site. They are registered to a specific parcel of property. Refer to the Electric Service Requirements Manual for additional metering requirements.

SOLAR PV INCENTIVE PROGRAM (SIP) GUIDELINES

3.0 Introduction to SIP

The California Solar Initiative (CSI), outlined in Senate Bill One (SB1), mandates that all California electric utilities implement a solar incentive program. The goal of the CSI is 3,000 megawatts (MW) of net-metered solar energy systems by December 31, 2017 with expenditures not to exceed \$3,350,800,000. Expenditures for local publicly-owned electric utilities shall be \$784,000,000. The LADWP cap amount is \$313,000,000 based on its serving 39.9% of California's municipal load, representing 280MW.

The SIP provides an estimated performance-based incentive to LADWP *customers* who purchase or lease, and install *solar PV systems*. The incentive is a one-time payment calculated by multiplying the proposed system output by the incentive level and the ratio of the proposed solar system's expected solar production over the simulated solar production of an optimal reference system in optimal conditions. (See Section 4.5 for incentive levels and Section 4.7 for a detailed explanation of the incentive formula.)

To receive an incentive payment from LADWP, customers must apply for and receive a Confirmed Reservation from LADWP. **Individual solar PV systems must meet the requirements and system-level specifications contained in these Guidelines, as well as all applicable Electric Service Requirements in order to be eligible for an incentive.** Additional information about the SIP is available at www.ladwp.com/solar.

The goal of SIP is to reduce the net cost to the end user of such systems, thereby stimulating the installation of reliable, well-designed generating systems located throughout the City, and assisting in the establishment of a commercially viable solar *PV* industry. LADWP will also periodically review the results of the SIP to determine if modifications or changes to the level of incentives or other program terms and conditions are necessary to achieve the overall program goals.

The SIP is subject to annual funding availability beginning each July. LADWP reserves the right to modify or discontinue the SIP at any time at the discretion of the LADWP Board of Water and Power Commissioners (Board).

The payment order is determined based upon the date the completed Incentive Payment (IP) Claim Form and supporting documentation are uploaded to PowerClerk. If current-year funds are not available, payments will be made in the next fiscal year for which funds are made available, based on the date the IP Claim is submitted. Appropriation of funds beyond the current fiscal year is at the discretion of the Board.

Throughout the document, certain terms are shown in *italic* typeface when first presented in these Guidelines. These terms are defined in Section 11.0 Definitions.

4.0 Program Funding and Requirements

SIP provides financial incentives to LADWP customers installing solar PV systems in accordance with these Guidelines and is only available to LADWP electric customers.

4.1. Program Requirements

In addition to requirements detailed throughout these Guidelines, Customers must also meet all of the requirements listed below in order to be eligible for the SIP:

1. Customer must qualify for NEM and meet all requirements specified in these Guidelines (Sections 1.0 and 2.0 above).
2. The solar system is owned (or leased) by the building owner who is also the owner of the roof space or a customer who demonstrates their rights to the roof space for the duration of the incentivized period in writing.
3. The electric bill is paid by the owner or lessee of the solar PV system.
4. The total of any submetered charges to tenants may not exceed the amount of the owner's electric bill.
5. Solar PV system must be new with less than 10 hours of operation prior to inspection and approval from the LADWP solar inspector.
6. Customer must submit an Online Incentive Payment Claim Form within 90 days of LADWP solar inspection and meter installation.

4.2. SIP Provisions for Tenant Customers

Tenant Customers must demonstrate site control for a term of at least 10 years or for the length that the incentive is based upon. The incentive payment will be pro-rated for if the term of the site control is less than 20 years.

4.3. SIP Provisions for Apartment and Building Owners

Apartment and Building Owners applying for SIP will be responsible for compliance with the incentive process. Apartment and Building Owners applying for SIP shall guarantee

the solar PV system is operational and operated at the expected generation capacity for the length that the incentive is based upon. Tenant Customer eligibility for NEM is described in Section 1.2 of these Guidelines.

4.4. Renewable Energy Credit Option

The applicant may elect to retain ownership of the Renewable Energy Credits (RECs). If the applicant chooses to retain ownership of the RECs, the applicant will receive the incentive at the lower REC ownership level. By accepting the higher incentive payment from LADWP, the customer sells the REC to LADWP. Furthermore, LADWP may count 100% of the renewable energy and associated renewable attributes generated by the PV system for reporting purposes, including *Environmental Attributes*. (See Tables 2 and 3 of Section 4.5 for incentive levels and REC ownership options).

4.5. Funding Categories and Funding Triggers

The available funding for SIP will be allocated among the following categories in Table 1 below.

Table 1: Board Approved Funding by Customer Category

Category	Funding Allocation	Funding Amount (\$ Millions)
Residential	46%	144
Non-Residential	46%	144
Administration and Outreach	8%	25
Total	100%	313

If funding from the non-residential category is fully utilized, non-residential applications can draw up to \$12 million from the residential category. Non-residential applications that are funded by such reallocation will be at the Step 8 incentive level.

Incentive payment levels will automatically be reduced over the duration of SIP when the funding triggers are reached. A solar application is considered allocated towards a step once a reservation of funds is issued. Refer to Table 2 and Table 3 for funding

triggers and incentive levels by step. Unused funding from previous steps will be reallocated to the step in effect at the time of the reallocation.

Table 2: Incentive Levels (LADWP owns RECs)

Step	\$ Trigger in Step (M)	\$ Trigger Residential (M)**	\$ Trigger Non-Residential (M)	Residential Incentive (\$/W)	Taxable Non-Residential Incentive (\$/W)	Government & Non-Profit Incentive (\$/W)
7	\$15	n/a	\$15	n/a	\$0.70	\$1.45
8	\$12	\$12	n/a	\$0.40	\$0.40	\$1.15
9	\$12	\$12	n/a	\$0.30	\$0.30	\$0.95
10	\$12	\$12	n/a	\$0.25	\$0.25	\$0.75

As of the time of this revision, Residential customers are on Step 9 and Non-Residential customers are on Step 7.

*** The residential funding triggers for Steps 9 & 10 are estimated.*

Table 3: Base Incentive Levels (Customer owns RECs)

Step	Residential Base Incentive (\$/W)	Taxable Non-Residential Base Incentive (\$/W)	Government & Non-Profit Base Incentive (\$/W)
7	n/a	\$0.65	\$1.40
8	\$0.35	\$0.35	\$1.10
9	\$0.25	\$0.25	\$0.90
10	\$0.20	\$0.20	\$0.70

The purpose of establishing these categories is to equitably distribute incentive payment funding and to encourage utilization of solar PV technology across all customer segments. Within each category, funds will be available on a first-come first-serve basis, unless otherwise approved by the Board. If less than 50% of the funds in a category have been reserved by issuance of a Confirmed Reservation by December 31, of any fiscal year, the unreserved funds may be reallocated to another category during the remainder of that fiscal year.

LADWP reserves the right to change the incentive schedule at a later date with LADWP Board approval.

Systems using solar modules qualifying for the Los Angeles Manufacturing Credit (LAMC) or BIPV *adder* will receive an additional incentive. Program maximums apply.

Refer to Section 8.0 for BIPV and LAMC qualifications and incentive levels. See Section 4.8.1 for incentive limitations.

4.6. Affordable Housing Projects Incentive

As part of the residential funding listed in Section 4.5, incentive funding of \$1,000,000 per fiscal year will also be available for incentive payments for qualifying *Affordable Housing* projects consistent with all other provisions of these Guidelines.

Qualifying affordable housing projects can include single and multi-family housing, including single-room occupancy projects, and must be owned or rented in accordance with policies in use by the Los Angeles Housing Department. Refer to Section 11.0 (Definitions) for specific requirements to qualify for a solar incentive under this category.

Upon the closing of the non-residential SIP, incentives for affordable housing eligible systems will be reserved at the residential step in effect at the time of reservation confirmation, and at the incentive level of the appropriate customer sector. For example, if residential incentives are being offered at step 9, an application for a system on a *non-profit* affordable housing building were to be submitted, and the non-residential SIP has been closed, then the application would be reserved at step 9 and paid at the non-profit incentive level.

4.7. How are incentive payments calculated?

The incentive payment will be calculated using the Estimated Performance Based Buydown (EPBB) incentive formula (rounded to the nearest dollar), which allows for a lump sum upfront incentive payment. EPBB bases the incentive payment on the system's expected performance.

The EPBB incentive calculation is automated in PowerClerk. As applicants enter their system information into PowerClerk, the anticipated incentive amount will be calculated automatically. The EPBB incentive will be calculated using the following formula:

$$\text{Incentive Amount} = \text{Incentive Rate} \times \text{System Rating (kW}^{\text{CEC-AC}}) \times \text{Design Factor}$$

- The Incentive Rate as set forth in Table 2 is the (\$/Watt) pay-rate that will be used to calculate the incentive amount.
- The CEC-AC System Rating is the capacity of the system adjusted to consider inverter and module losses. To calculate the System Rating simply multiply the module quantity by the module *PTC Rating* (kW) and the *inverter efficiency* rating.
- The Design Factor is a product of three ratios comparing the estimated output of the proposed system to the simulated output of an optimal reference system. This captures the effect of the orientation, shading, mounting method, and location of the proposed solar system.

In order to eliminate the possibility of PV systems being shaded and thus to maximize the amount of electricity produced by such systems, LADWP requires a shading analysis through use of a Suneye™ (a device that displays the impact of shading throughout the year) or any equivalent technology as part of the SIP reservation process, thus assuring maximum PV system production or output. **Be aware that the incentive amount will change based on the shading percentage as determined by the Suneye™ shading analysis or equivalent instrument.** A shading analysis must be done for each separate solar array by placing the instrument at the center of where the array will be located and taking a reading. The monthly shading percentages must then be entered into PowerClerk when completing the application process.

Refer to Appendix 1 for a detailed explanation on the EPBB incentive formula.

1. Incentives from other sources such as rebates, grants, legal settlements, etc. will be subtracted from the total cost to determine the eligible amount, except as noted in Section 4.9.
2. Field verification of the system's tilt, orientation, mounting method, and location will be conducted in accordance with Section 7.5 prior to approval of the incentive payment. The LADWP Solar Inspectors will verify tilt, orientation, shading, mounting method, or equipment used. **Those systems that deviate from the information provided in the application will have the incentive**

payment adjusted, reduced or denied.

3. LADWP may conduct periodic or ongoing monitoring of PV systems receiving incentive payments.
4. Customers are allowed one free reinspection for systems that fail the initial inspection. The incentive amount will be reduced by \$300 for each subsequent reinspection.
5. The final incentive payment is determined by, and is solely within, LADWP's discretion.
6. Customers who fail to maintain a valid interconnection agreement for the operating life of the system may be required to reimburse LADWP for all or part of the incentive received.

4.8. Funding Sources

LADWP will budget an average of \$30M per fiscal year to fund SIP for direct incentive payments and approximately \$2.6M for administration of and outreach for the program. These funds come entirely from the Public Benefits Program.

4.8.1. System Size Incentive Limitation

LADWP will allow incentive payments for up to 1 MW- AC^{CEC} per billing meter, per fiscal year (except as noted in this Section) although actual system size may be larger based on historic annual usage (systems larger than 1 MW- AC^{CEC} will be placed on the appropriate Parallel Generation electric rate. **In no case will LADWP provide an incentive of more than 75% for residential systems and government/non-profit systems, or 50% for commercial systems, of the gross installed system cost, regardless of system size or incentive level.**

All otherwise eligible generating systems installed during the term of this SIP must be interconnected to a particular billing meter that serves the electrical needs of all real and personal property located at a *site*. Each billing meter requires a separate application and a separate interconnection agreement.

Incentive amounts for customers who are billed on a **bimonthly basis** will be limited to

100% of the annual historical consumption as shown on the LADWP billing record for the **two years** previous to the issuance of the Confirmed Reservation. Incentive amounts for customers billed on a **monthly basis** will be limited to 100% of the annual consumption as shown on the LADWP billing record for the **year** previous to the issuance of the Confirmed Reservation. If the customer's account does not contain adequate consumption history, the LADWP program administrator will prorate and base their review on available data. (Also see Section 5.4 System Sizing.) Customers can view their consumption history by accessing their online LADWP account at <https://www.ladwp.com>. **There is a minimum monthly charge for customers that is not offset by the solar production.**

The above-mentioned *One MW-AC^{CEC}* incentive cap may be raised up to *Two MW-AC^{CEC}* if funding is available as shown in the table below. However, the incentive funds for installed capacity beyond *One MW-AC^{CEC}* to *Two MW-AC^{CEC}* will be paid at the next lower step, regardless of whether there is MW capacity remaining in the higher step. For information on steps see Table 2, Section 4.5 of these Guidelines. Please refer to Section 1.0 of these Guidelines for details on Net Energy Metering Limitations.

The maximum reservation eligibility for any customer shall be \$7 million per fiscal year. However, actual payments in any fiscal year may exceed \$7 million based on accumulated eligibility from prior fiscal years. Incentive eligibility to corporations and institutions, including Corporate and Government Parents, school systems, and other similar types of organizations, are limited to \$7 million per fiscal year.

Furthermore, the \$7 million fiscal year cap can be accumulated over multiple fiscal years retroactive to Fiscal Year 2007-08. For example, if a customer was paid \$3 million in a prior fiscal year, that customer will be eligible for up to \$11 million in the subsequent fiscal year. This \$11 million eligibility represents \$4 million from the prior fiscal year and \$7 million for the subsequent fiscal year. Only prior fiscal years in which payments of less than \$7 million are received can be accumulated. Reservations will only be granted for up to \$7 million per fiscal year. Any amounts exceeding the \$7 million per fiscal year cap must be applied for during the next fiscal year and if approved, such amount will be paid at the current step that LADWP is in during the time the reservation application is

approved. LADWP will only provide a reservation during the current fiscal year and does not guarantee payments for future fiscal years.

LADWP reserves the right to further limit the amount of incentive payments available to systems larger than 10 kW-AC^{CEC}. The maximum solar system size allowed to be installed is 5 MW regardless of incentive amount.

4.9. Do Incentives from Other Outside Funding Sources Affect the Amount I Can Receive?

LADWP will pay a customer an incentive that is the lesser of either the incentive calculated by the formula set forth in Section 4.7 or the net installed cost of the system after any tax benefits and *other outside funding sources* are subtracted from the gross cost of the system.

For purposes of this section, other outside funding sources are defined as grants, rebates, incentives, legal settlements, cost-sharing program funds, or any cost reductions a customer receives towards its installed system costs from a source other than LADWP's SIP. Tax benefits are defined as any Federal, State or local government income tax incentives or credits. A list of Federal Tax Credits for consumer energy efficiency products can be viewed at

www.energystar.gov/index.cfm?c=tax_credits.tx_index.

4.10. Who Can Reserve the Incentive Payment?

Incentive payments are reserved for LADWP customers. The customer may designate a contractor, manufacturer, or installer of the customer's solar PV system to complete and submit the Incentive Application signed by the customer. If a customer changes its contractor or installer, a new application for reservation is required. The reservation priority will be based on the new application date.

The incentive payments due to the customer will be made to the customer. However, at the request of the customer, LADWP may elect, in its sole discretion, to forward the customer's incentive payment to the contractor, manufacturer, or installer of the customer's solar PV system. The customer is required to make such request by signing

and providing to LADWP a completed "Request to Forward Reservation Payment" (form LADWP-PF ([07-2013])) (referred to as the "Request") prior to submitting the completed IP Claim Form. If LADWP receives a properly executed Request and elects to forward the customer's incentive payment: (1) LADWP is under no obligation to forward the incentive payment to the manufacturer, contractor or installer of the customer's solar equipment and the incentive payment will be forwarded by LADWP only as a convenience to the customer, (2) the customer has not assigned the incentive payment or any rights or obligations in, to or under the incentive payment or the SIP by signing the Request and (3) the customer, the manufacturer, contractor and installer of the customer's solar equipment and the Request are subject to the provisions of the SIP and these Guidelines. The SIP is for the benefit of LADWP's customer and nothing in the SIP, these Guidelines, the Request or the forwarding of the incentive payment by LADWP gives to or creates in any other person or entity any rights, remedies or claims in respect of the incentive payment, the SIP or these Guidelines as a third party beneficiary, secured party or otherwise. LADWP or the Customer may revoke the Request at any time for any reason prior to LADWP's processing of the Payment. The customer remains responsible for complying with the requirements of the SIP and remains liable for any tax consequences associated with the incentive payment. NONE OF THE CITY OF LOS ANGELES, THE DEPARTMENT OF WATER AND POWER, THE BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES, OR THEIR RESPECTIVE BOARDS, OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, ASSIGNS AND SUCCESSORS IN INTEREST SHALL BE LIABLE, RESPONSIBLE, ANSWERABLE OR ACCOUNTABLE TO ANY PERSON OR ENTITY UNDER ANY CIRCUMSTANCES IN CONNECTION WITH ITS REVOCATION OF A REQUEST OR THE FORWARDING OF THE INCENTIVE PAYMENT, INCLUDING, WITHOUT LIMITATION, FOR DELAYS IN FORWARDING THE INCENTIVE PAYMENT OR INACCURACIES IN THE AMOUNT FORWARDED, EXCEPT THAT SUCH LIMITATION SHALL NOT LIMIT THE LIABILITY, IF ANY, OF THE CITY OF LOS ANGELES OR LADWP TO THE CUSTOMER FOR THE FAILURE OF LADWP TO USE ORDINARY CARE IN FORWARDING THE INCENTIVE PAYMENT IN ACCORDANCE WITH THE COMPLETED REQUEST SUBMITTED TO LADWP BY THE CUSTOMER; PROVIDED THAT, IN CONNECTION WITH,

RELATING TO OR ARISING OUT OF A REQUEST OR THE FORWARDING OF THE INCENTIVE PAYMENT BY LADWP, IN NO EVENT SHALL LADWP BE RESPONSIBLE OR LIABLE UNDER ANY CIRCUMSTANCES FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS, LOSS OF USE OR OTHER COSTS OF BUSINESS INTERRUPTION, WHETHER BASED ON STATUTE, TORT, CONTRACT, OR UNDER ANY OTHER THEORY OF LIABILITY. THIS LIMITATION IS WITHOUT REGARD TO THE CAUSE OR CAUSES OF SUCH DAMAGES OR COSTS, INCLUDING NEGLIGENCE, BE IT SOLE, JOINT, CONTRIBUTORY, OR CONCURRENT, ACTIVE OR PASSIVE. THE LIABILITY OF LADWP SHALL BE LIMITED TO ACTUAL DIRECT DAMAGES, AND SUCH ACTUAL DIRECT DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY PROVIDED FOR IN THESE GUIDELINES.

4.11. Customer Exclusions from SIP

The SIP is not applicable to any service other than those expressly set forth above in these SIP Guidelines. Applicants who submit incomplete applications will be notified and provided corrective guidance. Those who submit three deficient applications will be given a three month exclusion from submitting additional applications for any solar installation project. Omission of the following from the Incentive Application will constitute a deficient application:

- Purchase agreement and/or Solar Lease Compliance Form (SLCF).
- Energy Audit (required for applications for existing buildings only).
- Documentation demonstrating 15% above Title 24 Standards signed by a Certified Energy Plans Examiner (required for applications for newly constructed buildings).
- Deposit Check made out to LADWP for 0.5% of the anticipated incentive amount (required for non-residential projects 30 kW-AC^{CEC} and greater).

In addition, any system found with more than 10 hours of operation prior to inspection and approval from the LADWP solar inspector, will be excluded from receiving any incentive, but may still qualify for NEM.

Customer locations that are covered under a long-term energy service contract or special rate with LADWP may not be eligible to participate in the SIP and should review the terms of the existing contract prior to making commitments.

4.12. Suspension of New Reservations

If at any time during the term of the SIP, the amount of confirmed reservations exceeds the expected availability of program funds to honor these reservations in a timely manner, the SIP will be suspended until additional funds are available.

4.13. Equipment Leasing

As an alternative to customer ownership of a PV system, the customer may choose to lease a new PV system on the customer's property from a third party. This option is also available to long-term tenants who can demonstrate site control for the entire period upon which the incentive is based. Customers will receive incentives based on a 20-year lease (pro-rated if term is less than 20 years).

If the customer chooses a higher incentive that includes the sale of Renewable Energy Credits (RECs) to LADWP, the Lease shall indicate that LADWP owns the RECs. Otherwise the lease shall explicitly state who is acquiring ownership of the RECs and the lower incentive rate will apply.

The incentive payment will be paid directly to the customer. However, subject to the provisions of Section 4.10 above and these Guidelines, the customer may request that LADWP forward the customer's incentive payment directly to the customer's contractor or the manufacturer, installer, or owner of the solar PV system; and LADWP may forward the incentive payment, provided that the contractor, manufacturer, installer, or system owner is identified on a properly completed and submitted "Request to Forward Reservation Payment" (form LADWP-PF [07-2013]) as provided in Section 4.10 above.

The lease shall also provide for the following:

1. The lessor guarantees the PV system is operational and operated at the expected generation capacity for at least the term of the lease. The minimum term of any lease is 10 years.
2. The lease includes terms requiring incentive recipients who fail to keep the system operational and in place for the entire duration that the expected performance based incentive was paid to promptly return to LADWP (on a pro-rated basis) the portion of the incentive payment that relates to the time the system was not operational.
3. The lease provides customer with an ownership option by the end of the lease term. Leases with early buyout provisions that reduce the operating life of the system to less than the amount of time the incentive was based upon must provide provisions to reimburse LADWP for the incentive amount paid over the time that the operating life of the system was reduced by.
4. The lease payments may not be based on energy production from the equipment, which could be interpreted as the sale of electricity. The lease may include escalator or reduction clauses unrelated to energy production. The sale of energy by anyone other than LADWP is prohibited.

To participate in the SIP with a leased PV system, the lessor and the lessee must complete and submit the Solar Lease Compliance Form (SLCF) along with the lease. The SLCF will serve as an attestation that the lessor and the lessee will comply with these Guidelines. If the lease is modified or amended, the parties shall submit a copy of the lease to the LADWP SIP Program manager along with a newly executed SLCF.

All incentives for government and non-profit leased solar systems will be paid at the “Taxable Non-Residential” incentive rebate level, based on the non-residential step in effect at the time of confirmation. Incentive funding for leased solar systems will be based on the respective customer funding allocation.

LADWP reserves the right to audit and review executed leases held between lessor and lessee who have applied to the SIP. The determination of acceptability of the lease agreement for incentive payment is at the sole discretion of LADWP. Any review will

determine if the lease complies with the SIP Guidelines. If the executed lease is not in compliance with the SIP Guidelines as attested in the SLCF, LADWP may take the following actions:

1. Not allow interconnection to LADWP's grid by locking out the solar system's AC disconnect switch.
2. Remove customer from the Net Energy Meter rate.
3. Charge \$300.00 for disconnect/reconnect fee as applicable.
4. Require the pro-rated Solar Incentive amount to be returned back to LADWP.

5.0 Eligible Systems and Materials

The SIP is only open to LADWP customers. The solar PV systems must be connected to the LADWP's electrical grid.

Systems must meet the requirements specified in the NEM Guidelines above to be considered eligible for an incentive. Additionally:

- All components in the solar system must be new and unused. Any solar PV system found with more than 10 hours of operation on the inverter prior to inspection and approval from the LADWP solar inspector will not be eligible for an incentive.
- **Residential installations greater than 10 kWAC^{CEC} are required to have a separate 4-pin meter socket.** The meter socket must be installed outdoors in close proximity to the LADWP billing meter and the required **AC disconnect device**. The meter socket shall be located so that the centerline is at a height of between 4 feet and 6 feet 3 inches. Like net meters, performance meters are also digital meters, capable of wireless communication with LADWP.

Residential installations less than 10 kWAC^{CEC} are not required to have a separate 4-pin meter socket, but must include an inverter(s) with a built-in performance meter so that the customer can monitor and measure the system's performance and the quantity of electricity generated by the system.

5.1. Eligible Costs

Those portions of a PV generating system that convert the energy source to electricity and the related power conditioning and control systems are eligible to be covered by the SIP, including:

- The costs of contractor installation and any applicable licenses, permits, fees and sales taxes.
- Engineering and design costs, not to exceed ten percent of total system cost.
- The following specific components and equipment are eligible: PV modules,

mounting or tracking structures, wiring, inverters, performance meter, foundation (for free-standing systems), and utility-required interconnection equipment.

5.2. Costs NOT Eligible

Some of the system costs included in the sales or installation may not be eligible. The purchaser or retailer must provide details to separate these costs from eligible costs. These ineligible costs include, but are not limited to the following:

- Equipment for the storage of the electricity produced such as batteries.
- Cost of capital.
- Cost of tools.
- Tree trimming or other landscaping.
- Roofing, re-roofing, roof repairs or reinforcement.
- Relocating vent pipes, HVAC or other equipment.
- Customer's labor on self-install. Only invoiced labor paid to other parties are eligible costs.

5.3. Permanent Installations

Equipment that receives an incentive payment must be permanently installed and must remain in operation for 10 to 20 years or the term of the lease, and the period upon which the incentive payment is based. Only permanently installed systems are eligible for incentives. This means that the equipment must have electrical connections in accordance with industry practice for permanently installed equipment and be secured to a permanent surface.

PV system owners or lessors who fail to keep their system operational for the entire duration that the expected performance based incentive was paid from this SIP will be required to reimburse LADWP (on a pro-rated basis) for the portion of the incentive received during which time the system was not operational.

5.4. System Sizing

When determining maximum or minimum system size, the *nameplate rating* in Watts-AC^{CEC} shall be used to define system capacity.

To be eligible for an incentive under SIP the minimum size is one kW-AC^{CEC}. For maximum size, refer to Section 4.8.1 of these Guidelines.

If a home, building, or facility is under construction or renovation, an expected kilowatt-hour (kWh) load profile must be submitted with the application. The anticipated load must be verifiable at the time of application. The maximum system size may be calculated at two Watts per square foot of the conditioned floor area of the building, as an alternative to doing a projected kWh load calculation. Square footage must be verified with an LADBS permit, Certificate of Occupancy, or other official City, County, or State issued document. **Existing buildings may NOT apply this standard.**

Existing buildings must adhere to the system size limitations specified in Section 4.8.1 of these guidelines.

A confirmed reservation number will not be issued until the projected load growth has been adequately demonstrated. The incentive payment will be limited to 100% of the historical annual usage if the projected load growth conditions have not been provided at the time the application is submitted.

5.5. Certified Components or Systems

In order to be eligible for an incentive, all system components and the entire system must meet national standards, including UL 1703 for all PV modules and UL 1741 for all inverters. The California Energy Commission (CEC) maintains a list of certified modules which can be obtained from the CEC's website at:

www.gosolarcalifornia.ca.gov/links/equipment_links.php.

For custom modules not certified by UL 1703, parties may seek certification by the Los Angeles Department of Building and Safety Materials Test Lab. Incentive payments will not be approved until proof of certification is received by LADWP.

LADWP reserves the right to adopt additional codes, standards and conditions, at any time, at its sole discretion.

5.6. Contractors and Installation Codes and Standards

In all cases, PV systems must be installed in conformance with the manufacturer's specifications and conform to all applicable electrical and other codes and standards. If the system is installed by anyone other than the customer, the installer shall be a properly licensed California contractor. An active "C-10" or "A" license is required for solar projects 20 kW-AC^{CEC} or greater. For all other solar projects, valid "A," "B", "C-10" or "C-46" licenses are acceptable. **All systems must be installed in conformance with the LADWP Electric Service Requirements (ladwp.com/codes) and be inspected in accordance with Section Error! Reference source not found. of these Guidelines.**

5.7. Warranties

All systems must have a minimum 10-year *warranty* provided in combination by the manufacturer and installer to protect the purchaser against system or component breakdown and to protect against defects and undue degradation of electrical generation output. Warranty must provide for no-cost repair or replacement of the system or system components, including any associated labor during the warranty period. Systems eligible for incentive payments under the SIP shall be warranted with the following conditions:

- A minimum of a twenty-year warranty on modules against failure, at industry standards, and a ten-year warranty to the customer against breakdown on balance of system components.
- The warranty must cover all of the components of the PV generating system against breakdown or degradation in electrical output of more than ten percent from their minimum power specified at time of delivery.
- The warranty shall cover the full cost of repair or replacement of defective components or systems.
- Where the system is professionally assembled and installed, the warranty shall

also include the labor to remove and reinstall defective components or systems.

Copies of the warranties noted above (10 year labor warranty, 10 year inverter warranty, and 20 year module warranty) must be provided in the Incentive Application.

LADWP does not install, maintain, or repair customer-installed *PV* systems.

Furthermore, LADWP does not endorse or recommend *PV* installers, contractors, or manufacturers. The CEC maintains a database of Solar Retailers, Installers and Contractors which can be found at

www.gosolarcalifornia.ca.gov/database/search-new.php.

6.0 Energy Efficiency Requirements

All residential and commercial buildings, whether existing or new, are required to adhere to the following energy efficiency requirements. Applications that fail to comply with the following requirements will be ineligible for a solar incentive.

6.1. Newly Constructed Buildings

Newly constructed buildings shall achieve higher energy efficiency levels than the requirements of the Building Energy Efficiency Standards (California Code of Regulations Title 24, Part 6) in effect at the time the application for a building permit is submitted. For evaluation of the building's energy efficiency, an energy model of the building shall be submitted using one of the software programs approved by the CEC. For evaluation of one of the higher tiers of energy efficiency, the Performance Method shall be used.

Newly constructed buildings are ones for which the building permit for the solar energy system is approved prior to the original occupancy of the newly constructed structure.

Residential Buildings

Newly constructed residential buildings shall achieve higher energy efficiency levels than the requirements of the Building Energy Efficiency Standards (Title 24, Part 6) in effect at the time the application for a building permit is submitted.

For building permit applications submitted on or after January 1, 2010 and prior to July 1, 2014, the applicant is required to meet either of the following two tiers of energy efficiency:

- Tier I - 15 percent reduction in the residential building's combined space heating, space cooling, and water heating energy compared to the 2008 Title 24 Standards.
- Tier II - 30 percent reduction in the residential building's combined space heating, space cooling, and water heating energy and 30 percent reduction in the residential building's space cooling energy compared to the 2008 Title 24 Standards.

For building permit applications submitted on or after July 1, 2014, the applicant is required to meet either one the following tiers of energy efficiency:

- Code Compliant: The building must comply with the 2013 Standards prior to claiming the solar compliance credit for the 2013 Standards.
- Tier I: A total compliance margin of 15% better than the standard as indicated on CF-1R.
- Tier II: A total compliance margin of 30% better than the standard as indicated on CF-1R and a space-cooling compliance margin of 30% or better.

For either Tier I or Tier II, each appliance provided by the builder shall be ENERGY STAR® labeled if this designation is applicable for that appliance.

LADWP offers several rebates to residential and *non-residential customers* who purchase qualifying energy efficient appliances or equipment. These rebates were created to educate and encourage the installation of energy efficient appliances in both homes and businesses. More information on energy efficiency rebates and incentives can be found at www.ladwp.com/energyefficiency.

For newly constructed residential buildings, a complete CF-1R form demonstrating Title 24 compliance with the current Building Energy Efficiency Standards for either of the two tiers of energy efficiency shall be required before an Incentive Application can be accepted and must be signed by a California Association of Building Energy Consultants (CABEC) Certified Energy Plans Examiner (CEPE) or Certified Energy Analyst (CEA). The documentation author of the Title 24 report must be a CEPE or CEA with an active license. A roster of approved CEPEs and CEAs can be found on the CABEC website at www.cabec.org/ceperosterall.php.

Non-Residential

Newly constructed non-residential buildings shall achieve higher energy efficiency levels than the requirements of the Building Energy Efficiency Standards (Title 24, Part 6) in effect at the time the application for a building permit is submitted.

For building permit applications submitted on or after January 1, 2010 and prior to July 1, 2014, the applicant is required to meet either of the following two tiers of energy efficiency:

- Tier I- 15 percent reduction in the non-residential building's combined space heating, space cooling, lighting, and water heating energy compared to the 2008 Title 24 Standards.
- Tier II- 30 percent reduction in the non-residential building's combined space heating, space cooling, lighting, and water heating energy compared to the 2008 Title 24 Standards.

For building permit applications submitted on or after July 1, 2014, the applicant is required to meet either one the following tiers of energy efficiency:

- Code Compliant: The building must comply as indicated on PERF-1 compared to the 2013 Title 24 Standards.
- Tier I: A total compliance margin of 10% better than the standard as indicated on the Performance Certificate of Compliance (PERF-1).
- Tier II: A total compliance margin of 15% better than the standard as indicated on the Performance Certificate of Compliance (PERF-1) and a space-cooling compliance margin of 15% or better.

For either Tier I or Tier II, each appliance provided by the builder shall be ENERGY STAR® labeled if this designation is applicable for that appliance.

Solar water heating may be used to assist in meeting the ENERGY EFFICIENCY requirements of either Tier I or Tier II for either newly constructed residential and non-residential buildings. Solar water heating does not qualify for a solar incentive.

For newly constructed non-residential buildings, a completed PERF-1 form demonstrating compliance with either of the two tiers of energy efficiency shall be required before the Incentive Application can be accepted. The PERF-1 form is used to demonstrate Title 24 compliance with the current Building Energy Efficiency Standards and must be completed and signed by a qualified CEPE or CEA by the CABEC. The

documentation author of the Title 24 report must be a CEPE or CEA with an active license. A roster of approved CEPEs and CEAs can be found on the CABEC website at www.cabec.org/ceperosterall.php.

For non-residential buildings that are constructed in phases with the shell built first and further energy systems installed in later phases as tenant improvements, an agreement shall be made between the building owner and the tenant. This agreement shall obligate future tenant improvements to install lighting, HVAC, and water heating equipment necessary to meet the overall building tier level that was committed to by the building owner. A copy of the agreement shall be included with the solar energy system Incentive Application.

6.2. Existing Buildings

The LADWP website provides ratepayers of residential and non-residential buildings with information on energy efficiency measures that will allow them to make well-informed decisions on their energy efficiency investments and energy consumption. The website includes information on rebates for purchase of qualifying energy efficient appliances or equipment. These rebates were created to educate and encourage the installation of energy efficient appliances in both homes and businesses. This information can be found at www.ladwp.com/energyefficiency. The energy efficiency section of the Reservation Request Form requires the customer to review this information, and obtain and review their 12 month billing history from LADWP. This section must be completed and initialed by the host customer.

For both existing residential and non-residential buildings, an **energy efficiency audit** shall be conducted. It is vital for applicants to carefully review and understand the results from these audits as simple changes in energy usage and appliance upgrades can result in savings on their electric bill.

The residential energy audit can be accessed at <http://hes.lbl.gov/consumer/>. Residential applicants must use the online Home Energy Saver tool to complete their audit. A copy of the upgrade summary from this audit must be submitted with the application or it will not be accepted.

Non-Residential

Non-Residential applicants must use or hire a third party to conduct an on-site energy efficiency assessment. The report for the assessment must list at a minimum applicable energy efficient upgrades and energy savings from the upgrades. The report shall be included in the Incentive Application. In addition, ratepayers of existing non-residential buildings are required to benchmark their building's energy efficiency before they can be eligible for solar incentives. The energy use intensity (EUI) shall be benchmarked using the online tool Portfolio Manager, which can be found at

www.energystar.gov/istar/pmpam/. **All non-residential customers applying for solar incentives must use Portfolio Manager to benchmark their building's energy efficiency. Electricity consumption data entered into Portfolio Manager must come from the most recent 12 month history of the building's energy consumption from LADWP.** A copy of the Statement of Energy Performance (benchmark report) from the benchmarking analysis must be provided with the Incentive Application before a reservation confirmation is issued. The printed name and signature of the authority/individual conducting the analysis must be provided on the Statement of Energy Performance. Buildings unable to receive an energy performance rating using Portfolio Manager shall be benchmarked using the equivalent performance rating system located at www.gosolarcalifornia.ca.gov/tools/cepbenchmarking/index.php. **Only building types that are unable to receive a rating using Portfolio Manager may use this website to rate their building.** A copy of the benchmark report shall be submitted with the Incentive Application before a reservation confirmation is issued.

6.3. Commitment Agreement

For buildings 100,000 square feet or greater and with a benchmark or equivalent energy performance rating of less than 75, retrocommissioning shall be conducted either before or concurrently with the installation of the solar energy system through a signed commitment agreement. The agreement will state when retrocommissioning will begin and end, and commit the customer to perform equipment/appliance modifications or cost-effective energy efficiency improvements identified in the retrocommissioning assessment. The agreement shall be submitted with the Incentive Application.

Retrocommissioning shall begin no later than one year after the completion of the installation of the PV system. A copy of a retrocommissioning report detailing the list of measures taken to improve the building's benchmark rating past 75 shall be submitted before incentives are issued. Systems to be retrocommissioned include but are not limited to:

- Heating, ventilation, and air conditioning systems and controls.
- Lighting systems and controls.
- Daylighting systems and controls.
- Domestic hot water systems and controls.
- Renewable energy systems and associated equipment and controls.
- Process equipment and appliances specific to hospital, restaurant, and hotel/motel operations.
- Refrigeration in supermarket and refrigerated warehouses.

If equipment/appliance replacement is recommended during the retrocommissioning process, the replacement equipment or appliances shall either be **ENERGY STAR®** certified or qualify for LADWP energy efficiency incentives, whichever is more efficient.

A copy of the Retrocommissioning report, detailing energy efficiency measures taken to increase the building's benchmark rating to a minimum of 75, shall be submitted to LADWP Program Administrators before incentives are issued.

6.4. Exceptions

Exceptions for Existing Non-Residential Buildings

The energy efficiency requirements shown in these Guidelines are not required for the following:

- Agricultural and industrial facilities which are not covered by Portfolio Manager or the CEC's equivalent benchmark rating are not required to be benchmarked.
- Solar energy systems not delivering electricity to a building.

- Existing buildings that have complied with Title 24 requirements for newly constructed buildings during the last 12 months prior to applying for the solar energy incentive (proof of Title 24 compliance shall be included with the Incentive Application), except for existing buildings constructed within the last three years that meet the enhanced Title 24 energy efficiency requirements defined in these Guidelines based on the date of the original building permit application.
- Existing non-residential buildings that have a current ENERGY STAR® label.

Exceptions for Existing Residential Buildings

An energy audit is not required for:

- Older existing buildings that have complied with Title 24 requirements for newly constructed residential buildings in the past three years prior to applying for the solar energy incentive.
- Existing buildings constructed within the last three years that meet the enhanced Title 24 energy efficiency requirements specified in these Guidelines in accordance with the date of the original building permit application. Proof of Title 24 compliance shall be included with the solar energy system Incentive Application. (There is no exception for the other information and disclosure requirements). Title 24 compliance reports for existing buildings with alterations or additions shall demonstrate compliance for the complete building.

7.0 Solar Incentive Program (SIP) Process

To begin the SIP process, Applicants must complete the Solar Automated Meter Spot (AMS) to obtain an Interconnection Work Request Number (WR#). This WR# is required to complete the SIP Reservation Request in PowerClerk. Once the solar system is constructed and the permit has been finalized, contact the Connection Center to request the solar inspection and meter installation. Upon completion of the solar inspection and meter installation, submit the Online Incentive Payment Claim Request (Online IP). Your solar incentive payment will be processed after the Online IP is received. The application and installation process flow chart is available at www.ladwp.com/solar.

7.1. PowerClerk Submission Process

Customers or their designated installers shall apply for a solar incentive by completing and submitting the Reservation Request Form and supporting documentation to LADWP through PowerClerk. Applicants must include their Interconnection Work Request Number (WR#) received from the Solar AMS website to receive an incentive payment reservation. (Alternatively, applicants who wish to apply via USPS mail may send applications to the address shown in Section 7.4.1. However, these applications are subject to delays associated with manual processing and will not feature status tracking.) PowerClerk is an online application interface that allows applicants to complete, submit, and monitor their applications online. It provides immediate status updates to applicants and can be accessed at ladwp.powerclerk.com.

Prior to beginning the application process, applicants must obtain a PowerClerk user account. The PowerClerk user account request form as well as supplemental instructions and guidelines, including a video demonstrating how to use PowerClerk can be obtained from www.ladwp.com/solar.

Residential applicants will receive a conditional reservation upon their submittal of the completed Reservation Request Form and supporting documentation to PowerClerk. This conditional reservation is conditioned upon the project meeting all program eligibility criteria and submitting all the necessary documentation. Applicants are not guaranteed to receive an incentive payment if the application is found to be ineligible or

incomplete during the Payment Review process.

Non-residential applicants will receive a confirmed reservation after LADWP validates the Reservation Request Form and supporting documentation.

7.2. New Construction/Major Renovation Projects

Applicants applying for SIP with a *New Construction/Major Renovation* project must indicate this status on the Reservation Request Form and submit the LADBS permit clearly showing the square footage being built. A Major Renovation is defined as the permitted addition of at least 399 square feet. This will allow 3 years to complete construction and installation while maintaining the Confirmed Reservation status. The construction or renovation must be completed prior to the expiration date of the reservation. Applications in this category may be required to submit a project status update showing progress annually to maintain a valid Confirmed Reservation. The anticipated load must be verifiable to claim the total confirmed incentive amount. Section 5.4 contains information on acceptable documentation for system sizing. As an alternative to doing a projected kWh energy load calculation, the maximum system size for new construction and major renovation projects may be calculated at two Watts per square foot of the building's conditioned floor area. **Existing buildings must adhere to the system size limitations specified in Section 4.8.1 of these guidelines.**

7.3. Reservation Expiration/Cancellation/Rejection

Expired, Cancelled and Rejected Applications will not be reinstated, but applicants may reapply for the SIP.

7.3.1. Reservation Expiration

The Confirmed Reservation will also show the expiration date for each *project*. Customers must complete their projects, including meter installation, unless they have applied for and been approved for an extension by completing the Time Extension (TE) Form found in Appendix 2 of these Guidelines or online at www.ladwp.com/solar. Applicants that can provide evidence of extraordinary project delays beyond their control (e.g. permit delays despite all required items having been submitted or

procurement/delivery delays when purchase order(s) having been submitted to the vendor in a timely manner), may request an extension by completing and emailing the TE Form prior to the expiration date. The Confirmed Reservation expiration and extension periods are shown below:

- **Residential customers** have 6 months from Confirmed Reservation date to complete solar PV system installation, but are eligible for one 6-month extension (for a total of 12 months to complete installation) with an approved TE Form.
- **Commercial and non-profit entities**, due to the complexity of larger projects, have 12 months from the Confirmed Reservation date to complete the solar PV system installation. However, they may receive up to 3 additional months from the reservation start date, for a total of 15 months to complete the installation with an approved TE Form.
- **Government entities and school systems** have 36 months from the Confirmed Reservation date to complete the solar PV system installation. Board proposals or an official request for proposals pertaining to the purchase or lease, and installation of a solar system may be submitted in lieu of the agreement to purchase and install the solar system. The applicant has up to 12 months to submit evidence of an agreement to purchase or lease, and install the solar PV system. However, this agreement must be submitted prior to submitting the IP Claim Form in all cases. Government entities and school systems are not eligible for a time extension.
- **New Construction/Major Renovation** projects have 36 months from the Confirmed Reservation date to complete the solar PV system installation. LADWP may require customers to show project progress every 12 months, with a maximum of three years to complete the installation. If progress is not demonstrated, the confirmed reservation will be cancelled. If a home, building, or facility is under construction or major renovation, an expected kWh load profile must be submitted with the application. New construction or major renovation projects are not eligible for a time extension.

7.3.2. Reservation Cancellation

When additional documentation or clarification is needed regarding a pending application or reservation, the solar group will request the missing documents or additional clarification from the applicant via email. If the requested information or items are not received by the solar group by the deadline stated in the request, the application/reservation will be cancelled.

7.3.3. Reservation Rejection

If an application or applicant is ineligible for an incentive, the application will be rejected. In the event the SIP is suspended, unconfirmed applications (pending the circumstances of the suspension) and subsequently submitted applications will be rejected.

7.4. Supporting Documentation

A Confirmed Reservation will not be sent until LADWP receives all information and documentation required for the incentive. Confirmed Reservations will be calculated as set forth in the version of the Guidelines in effect at the time of submission.

For more information on how to apply for an incentive reservation, please see the solar website at www.ladwp.com/solar, email solar@ladwp.com, or call the solar hotline at **(866) 484-0433**.

The following **supporting documents** must be submitted with the Incentive Application:

1. Reservation Request Form (Must be signed and initialed by the host customer, applicant, system owner, and installer.) Host customer name on the application **MUST** match the customer name on the LADWP bill for the site.
2. Documentation of an Energy Efficiency Audit (Required for customers with existing buildings).
3. LADBS Building Permit (Required for new construction or major renovation projects. Permit must identify square footage being added or built.)

4. Kilowatt-hour Load Calculation (Required for new construction or major renovation projects).
5. For non-residential systems 30 kW-AC^{CEC} or larger, deposit check for 0.5% of the anticipated incentive dollar amount. Check must be made out to LADWP. The applicant has 2 weeks from the application submission date to submit the deposit check. The application will not be deemed complete until LADWP receives the deposit check and completed Incentive Application. This deposit will be returned upon project completion at the same time the incentive amount is paid. If the applicant does not meet required deadlines and the reservation is canceled, the deposit will be forfeited.
6. Portfolio Manager Benchmarking Report (Required for existing non-residential buildings).
7. Signed Commitment Agreement (Required for existing non-residential buildings with a conditioned floor area equal to or greater than 100,000 square feet and a benchmark rating less than 75).
8. A CF-1R completed and signed by a certified CEPE or CEA meeting one of the two tiers of energy efficiency for all newly constructed residential buildings.
9. A PERF-1 completed and signed by a certified CEPE or CEA meeting one of the two tiers of energy efficiency for all newly constructed non-residential buildings.
Single Line Electrical Diagram (required for systems greater than 10 kW-AC^{CEC})

Table 3 summarizes which documents are necessary with each type of application.

Table 3: Summary of Incentive Application Supporting Document Requirements

	Residential	Commercial		>30 kW CEC-AC	New Construction	Major Renovation	Benchmark Rating <75 & Area >100k sq. ft.
Initialed and Signed Reservation Request Form	x	x					
Compliance Form	x	x					
Energy Audit from Home Energy Saver Tool (Upgrade Summary)	x						
Energy Audit from third party contractor		x					
Major Renovation/New Construction Building Permit (Must show sq. ft.)					x	x	
kWh load calculation					x	x	
Check for 0.5% of anticipated incentive payment (non-residential only)				x			
Portfolio Manager Benchmark Report		x					
Commitment Agreement (Form is included in the RR)							x
CF-1R from CEPE or CEA showing 15% above Title 24 Standards (Residential Only)					x		
PERF-1 from CEPE or CEA showing 15% above Title 24 Standards (non-residential only)					x		
	Base Documentation						

7.4.1. Submitting Supporting Documents

Any supporting documents, along with a copy of the most recent utility statement, should be submitted in electronic form online via PowerClerk.

For non-residential systems greater than 30kWAC^{CEC} deposit checks should be mailed to:

**Los Angeles Department of Water and Power
Solar Incentive Program
111 North Hope Street, Room 1019
Los Angeles, CA 90012**

Please note: Courier service or walk-in submissions of application documents are not allowed and will not be accepted.

7.5. Claiming the Solar Power Incentive

Upon completion of the solar inspection and meter installation, Applicants must submit the Online Incentive Payment (IP) Claim Request Form in PowerClerk. Your solar incentive payment will be processed after the Online IP is received with all supporting documents. Applicants **MUST** include their Interconnection Work Request Number (WR#) received from the Solar Automated Meter Spot website.

7.5.1. Online Incentive Payment (IP) Claim Request Form

The Online IP Claim Request Form and supporting documents (IP Package) is used to request payment for a completely installed and approved solar PV system. The form specifies information about the solar PV system that was installed. It also serves as a means of documenting what changes occurred from the time the Incentive Application was processed until the time the system was installed. The Online IP Claim Request Form must be initialed and signed by the host customer, applicant, and system owner. The Online IP Claim Request Form and supporting documents must be submitted before the reservation expires.

Supporting Documents:

Several supporting documents must be submitted with IP Package including:

- A copy of the signed Online IP Claim Request Form.
- A copy of the final purchase and itemized installation invoices confirming equipment and amount paid. The invoice must clearly identify the work that was done and the amount paid for the solar system, as well as the quantity, make and model of major system equipment installed and the labor charge for installation. LADWP staff may also request copies of bank statements, cancelled checks, or credit card statements to verify amount paid.
 - A purchased system can meet this requirement by submitting a copy of the

final invoice(s) or a copy of the final contract(s) showing a zero balance or the amount paid by the purchaser. If a zero balance is unavailable, the invoice must indicate that an amount of zero dollars is due to the contractor, and the only outstanding balance is in anticipation of the LADWP incentive. The invoice or equivalent must show the actual price paid for the installed solar system. The final system price paid by the purchaser should match the price shown on any contract or invoice previously submitted. Differences must be explained.

- A leased system can meet this requirement by submitting a copy of the invoice that shows the installation address, all monies received from the customer, outstanding balance (if any), and the lessor's signature. The invoice or equivalent must show the actual price paid for the installed system.
- Evidence of an agreement(s) to purchase or lease, and install the system. This can consist of a signed copy of the system or equipment purchase agreement(s) and/or a signed copy of the lease and/or installation contract. The information on the purchase or lease agreement must be consistent with information entered in the Reservation Request.
- Warranty Documentation (i.e., 10 year warranty for labor, 10 year warranty for inverter, and 20 year warranty for *PV* modules)
- Retrocommissioning Report (Required for buildings larger than 100,000 square feet with a benchmark rating less than 75).
- Documentation of Non-taxable Status (Required for non-residential customers claiming the non-taxable incentive level. Acceptable documentation includes IRS letter confirming tax exempt status.)
- Signed Payment Forwarding Form (Required if payment is being forwarded to an individual/entity other than the LADWP host customer).
- W-9 form (Required for non-residential payees. The company name and address on the payment forwarding form must match the company name and address displayed on the W-9 form. LADWP may request additional documentation if the information on the W-9 form does not match the payment forwarding form).

These documents may be uploaded to PowerClerk applications during the "Confirmed Reservation" and "Suspended – Payment Review" statuses.

Table 4 summarizes the supporting documents required in the IP Package.

Table 4: Summary of IP Claim Form Supporting Document Requirements

	Residential	Commercial		Non-Taxable	Payment directed to third party	Non-Residential Payees	Benchmark < 75 and sq. ft. > 100,000
Signed Incentive Payment Claim Form	x	x					
Final Invoice	x	x					
System purchase agreement(s) and/or installation contract(s)	x	x					
10/20 Year Labor and Equipment Warranty	x	x					
Copy of the Retro commissioning Report							x
IRS Letter Confirming Non-Tax Status				x			
Payment Forwarding Form					x		
W-9 Form						x	
	Base Documentation			Additional Documentation			

LADWP will verify that systems are installed in accordance with the information provided on the Online IP Claim Request Form, functionally and properly connect to the LADWP distribution system before and after incentive payments are made. LADWP will process a check for the incentive payment amount when the IP Package is approved and funds are available. If current-year funds are not available when the IP Package is received, payments will be made in the next fiscal year for which funds are available, based on the order of passed solar inspections.

8.0 SIP Adders

8.1. Los Angeles Manufacturing Credit (LAMC)

8.1.1. Introduction and Background

LADWP currently provides an additional incentive payment for qualifying and approved PV equipment manufactured in the City of Los Angeles that has a confirmed LADWP SIP reservation. The goal of LAMC is to promote local economic development through manufacturing and job creation within the City of Los Angeles and to reduce costs through increased volume and competition.

8.1.2. Unqualified Technologies

The simple bolting together of modules, whether manufactured inside or outside of Los Angeles, to rails and inter-module wiring, commonly called “panelization” shall not qualify for the LAMC.

8.1.3. Minimum Requirements to Qualify for LAMC

1. To qualifying for the LAMC, PV modules and solar power equipment must be manufactured within the limits of the City of Los Angeles. The manufacturer must have received written approval from LADWP as qualifying for the LAMC.
2. For installations that use this product, the manufacturer must certify to LADWP by means of documentation, inventory control summaries, physical plant visits, and other means necessary, as determined by LADWP, sufficient to document local manufacturing before any LAMC payment will be made. LADWP reserves the right to audit the records and inspect the premises of manufacturers requesting the LAMC.
3. To qualify for the LAMC and be considered locally manufactured, a minimum of 50% of the components of the finished PV modules or qualifying equipment must have been manufactured and/or assembled within the City of Los Angeles.
4. Alternatively, LAMC status may be obtained through the submission of and

acceptance of the manufacturer's local business plan by LADWP. Such local business plan should clearly demonstrate and document the use of local workforce, locally-manufactured components, or other local economic resources such that 50% or more of the manufactured product's wholesale value is derived from the aforementioned local resources. Business plans submitted shall be current, and must be renewed annually. Quarterly financial and labor business reports may be required.

LADWP retains sole discretion to determine if a manufacturing process or manufactured equipment qualifies for the LAMC and only those that receive written approval from LADWP may receive the LAMC.

All material manufactured must meet codes and standards required for installation in Los Angeles.

8.1.4. LAMC Adder Value

Systems using solar modules qualifying for the LAMC will receive the supplemental incentives shown below in Table 5.

Table 5: LAMC Adder

Step	Residential LAMC (\$/W)	Taxable Non-Residential LAMC (\$/W)	Government & Non-Profit LAMC (\$/W)
7	n/a	\$0.14	\$0.29
8	\$0.08	\$0.08	\$0.23
9	\$0.06	\$0.06	\$0.19
10	\$0.05	\$0.05	\$0.15

8.1.5. LAMC Payment of Funds

Upon approval of an IP Claim Form, LADWP will review the qualification for LAMC on the claim. Once LAMC qualified status is verified, payment will be released to the customer, or their designated payee.

8.2. Building Integrated Photovoltaic (BIPV)

BIPV must meet the following requirements, to be eligible for the SIP and receive the BIPV supplemental incentive shown in Table 6:

1. Any type of PV technology regardless of where it was manufactured is eligible for the BIPV Incentive, provided that it meets the standards for quality and performance as determined by LADWP, and bears applicable UL rating(s) or acceptance and approval of the LADBS tests, and meets the current applicable LABC, UBC, and local ordinances as determined by the LADBS.
2. BIPV systems shall have no less than 70% of their surface area composed of active PV material.
3. BIPV material shall be used as either the ultimate weather membrane of the building/structure or as an integral component of its architectural aesthetic. The PV material should be installed in such a way that its removal would cause a building or architectural assembly to lose its weather-tightness or seriously alter its appearance. Most common BIPV uses in buildings include: roofing materials, curtain wall, façade screens, awnings, shade screens, window skylights, etc.
4. Rooftop PV that is not part of the weather membrane is not considered BIPV.

Customers installing solar systems with PV material meeting the above requirements, but not classified as BIPV on the CEC's list of Eligible SB1 Guidelines Compliant PV Modules may request the supplemental BIPV incentive by emailing solar@ladwp.com. The request should include the project address, Incentive Application submittal date, and documentation demonstrating compliance with the above requirements.

Table 6: Supplemental BIPV Incentive Levels

Step	Residential BIPV (\$/W)	Taxable Non-Residential BIPV (\$/W)	Government & Non-Profit BIPV (\$/W)
7	n/a	\$0.14	\$0.29
8	\$0.08	\$0.08	\$0.23
9	\$0.06	\$0.06	\$0.19
10	\$0.05	\$0.05	\$0.15

Alternative designs may be considered and reviewed by the LADWP's engineering staff. LADWP retains the final determination whether such alternative technologies are acceptable under this program.

9.0 Signatures

By signing the Reservation Request Form, the Customer and Applicant declare that:

- 1) the information provided in this form is true and correct to the best of their knowledge;
- 2) the described solar PV system will be solely owned or leased by the Customer and is intended to offset part or all of the Customer's electrical needs at the site of the installation;
- 3) the Customer has received a copy of the completed Reservation Request Form;
- 4) the Customer understands their electric rate may change;
- 5) the Customer understands that by participating in this Net Energy Metering program, the Customer is transferring ownership of the Renewable Energy Credits associated with the renewable energy generated by the solar PV system to LADWP;
- 6) the Customer has read, understands, and agrees to be bound by the SIP Guidelines;
- 7) the Customer agrees to comply with all provisions of the Net Energy Metering Ordinance and Interconnection Agreement;
- 8) the Customer understands that acceptance of this incentive offer will not exceed LADWP's annual program customer limits as defined in Section 4.8 of the Solar Incentive Guidelines, including any previously received funds for corporate or government parents, holding companies or other business entities.

10.0 Indemnification, Limitation of Liability, and Damages and Third Party Beneficiaries

10.1. Indemnification

To the fullest extent permitted by applicable law the Customer and Applicant undertake and agree to indemnify and hold harmless the City of Los Angeles, the Department of Water and Power, the Board of Water and Power Commissioners of the City of Los Angeles, and all of their officers and employees, and, at the option of the Department, defend the Department, and any and all of their Boards, officers, agents, representatives, employees, assigns and successors in interest from and against any and all suits and causes of action, claims, charges, damages (including indirect, consequential, or incidental), demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever (including for the death, bodily injury or personal injury to any person, including Customer's or Applicant's employees and agents), or damage or destruction or loss of use to any property that in any manner arises by reason of, or is incident to participation in, or is connected in any manner with the SIP, or these Guidelines or results directly or indirectly from the acts, errors, omissions or willful misconduct of Customer or Applicant, or any of their officers, designees, agents, employees, contractors, or sub-contractors/sub-vendors of any tier, except to the extent caused by the sole negligence or willful misconduct of the City of Los Angeles or LADWP, and either of their Boards, officers, agents, representatives and employees. The provisions of this Section shall be in addition to, and not exclusive of, any other rights or remedies which any indemnified person under this Section may have at law or in equity. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section may be unenforceable in whole or in part because they are violative of any law or public policy, the Customer and Applicant shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all amounts otherwise due under this Section.

10.2. Third Party Beneficiaries

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NONE OF THE CITY OF LOS ANGELES, THE DEPARTMENT OF WATER AND POWER, THE BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES, OR THEIR RESPECTIVE BOARDS, OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, ASSIGNS AND SUCCESSORS IN INTEREST SHALL BE LIABLE, ANSWERABLE OR ACCOUNTABLE TO ANY PERSON OR ENTITY UNDER ANY CIRCUMSTANCES (i) WITH RESPECT TO THE INCENTIVE PROGRAM OR THESE GUIDELINES, EXCEPT THAT SUCH LIMITATION SHALL NOT LIMIT THE LIABILITY, IF ANY, OF THE CITY OF LOS ANGELES OR LADWP FOR THEIR RESPECTIVE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OR (ii) FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS, LOSS OF USE OR OTHER COSTS OF BUSINESS INTERRUPTION IN CONNECTION WITH, RELATING TO OR ARISING OUT OF THE INCENTIVE PROGRAM OR THESE GUIDELINES, WHETHER BASED ON STATUTE, TORT, CONTRACT, OR UNDER ANY OTHER THEORY OF LIABILITY. THIS LIMITATION IS WITHOUT REGARD TO THE CAUSE OR CAUSES OF SUCH DAMAGES OR COSTS, INCLUDING NEGLIGENCE, BE IT SOLE, JOINT, CONTRIBUTORY, OR CONCURRENT, ACTIVE OR PASSIVE. THE LIABILITY OF THE CITY OF LOS ANGELES OR LADWP SHALL BE LIMITED TO ACTUAL DIRECT DAMAGES, AND SUCH ACTUAL DIRECT DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY PROVIDED FOR IN THESE GUIDELINES

10.3. Limitation of Liability and Damages

The provisions of these Guidelines are solely for the benefit of the City of Los Angeles, the Department of Water and Power, the Board of Water and Power Commissioners of the City of Los Angeles, all of their Boards, officers, agents, representatives, employees, assigns and successors in interest, and LADWP customers that apply for and receive a Confirmed Reservation from LADWP prior to installing their solar system.

Nothing in these Guidelines, whether express or implied, shall be construed to give to, or be deemed to create in, any other person or entity, whether as a third party beneficiary, secured party or otherwise, any legal or equitable right, remedy or claim in respect of the SIP or these Guidelines or any condition, provision, duty, obligation or undertaking contained or established in these Guidelines.

11.0 Definitions

Affordable Housing: A minimum of 50% of the units in either ownership or rental multi-family housing projects must be reserved as affordable. For ownership units, affordability is defined as reserved for families earning 120% or less of the Area Median Income (AMI). For rental units, affordability is defined as reserved for families earning less than 80% of Area Median Income and with rents not exceeding 30% of 60% of the area median income as set forth on a rent schedule prepared by the Los Angeles Housing Department. Long-term affordability of qualifying affordable housing units must be maintained through deed restrictions or other covenants for a period of not less than ten years.

BIPV: Building Integrated Photovoltaics – PV Installations where the PV material constitutes the ultimate weatherproof membrane of any building or structure or any portion or element thereof, including architectural projections as defined by the current version of the National Electrical Code (NEC). See Section 8.2 of these Guidelines.

Corporate Parent: For private sector entities, the holding company of the utility customer of record. In addition, other business relations such as franchises or building associations will be handled as Corporate Parents and will be held to the same limitations and caps as Corporate Parents.

Customer: The LADWP customer of record whose electric service account is associated with the billing meter interconnected to the solar PV system. The *Customer* is also referred to as the host customer.

Disconnect Device: All systems must be installed with a disconnect device on the alternating current side of the *PV* system. Disconnect devices shall provide for a visually verifiable air gap to assure circuit disconnect, and shall be lockable in the open position. Locking provisions shall have a 3/8-inch minimum hole for a LADWP standard padlock having a 1-inch locking clearance. Devices used to disconnect the *PV* system shall be accessible under all conditions and at all times to LADWP personnel for systems greater than 10 kW-AC^{CEC}.

Existing Building: A building for which a certificate of occupancy has been issued.

Environmental Attributes: Any and all current or future fuel, emissions, air quality, or other environmental characteristics, credits, benefits, reductions, offsets, or allowances, howsoever entitled, named, registered, created, measured, allocated, or validated, that are at any time recognized or deemed of value (or both) by LADWP, applicable law, or any voluntary or mandatory program of any Governmental Authority or other Person that are attributable to Facility Energy and the emissions or other environmental characteristics of such generation or its displacement of conventional fossil fuel Energy generation, including the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water. Environmental Attributes include:

- a. any REC or Renewable Energy Certificate;
- b. any environmental attributes arising out of legislation or regulation concerned with oxides of nitrogen, sulfur, carbon, or any other greenhouse gas or chemical compound, with particulate matter, soot, or mercury;
- c. any environmental attributes arising out of legislation or regulation implementing the United Nations Framework Convention on Climate Change (the “UNFCCC”), or the Kyoto Protocol to the UNFCCC; - 5 - V5.0.123114
- d. any environmental attributes arising out of California’s greenhouse gas legislation and regulations, including California Assembly Bill 32 (Global Warming Solutions Act of 2006) and the regulations implemented pursuant to that act, including compliance instruments accepted under the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms regulation (or any successors thereto);
- e. any environmental attributes arising out of any similar international, federal, state or local program;
- f. any environmental attributes arising out of laws or regulations involving or administered by the CAMD, any successor agency and any similar state, regional or federal or intergovernmental entity or Person; and
- g. all rights to report to any Person, and claim ownership of, the Environmental Attributes, including all evidences (if any) thereof such as RECs. Environmental Attributes do not include any federal or state production tax credits.

Environmental Attributes for purposes of this definition are separate from the Energy produced from the Facility.

Government Parent: A Government parent is divided into federal, state, and local government parents. Federal government parents include the Air Force, Army, Navy, Marines, Postal Service, General Services Administration, and all other Federal agencies or departments. State government parents include the University of California, California State University, Department of Corrections, Department of General Services, the combination of the Department of Development Services and CalTrans, the combination of the California Youth Authority and the Department of Mental Health, and the combination of the CA Department of Food and Agriculture, The California Construction Authority (CCA) and the CA State Fairgrounds, all other state agencies and departments. Local government parents include cities, counties, school districts, and other regional government entities.

Historic Usage: Energy consumption for a particular site, as recorded in the LADWP billing records.

Inverter Efficiency: LADWP accepts and will use weighted inverter efficiencies established by the California Energy Commission.

KiloWatt (kW): One thousand Watts. A unit of measure for the amount of electricity needed to operate given equipment. A typical home using central air conditioning and other equipment might have a demand of 4-6 kW on a hot summer afternoon.

KiloWatt hour (kWh): The most commonly used unit of measure of electricity consumed over time. It means one kiloWatt of electricity supplied for one hour. A typical Los Angeles household consumes about 500 kWh in an average month.

Major Renovation: The permitted addition of more than 399 square feet of living space.

Mounting Method: This is the “average standoff” between the mounting surface and bottom of the *PV* module frame or mounting rack, whichever is closer to the mounting surface. “Average standoff” (SAVG) is the sum of the minimum and maximum standoff divided by two. Standoff is the distance perpendicular from the mounting surface to the

bottom of the PV module frame. One minimum standoff distance must be established per array.

$$SAVG = (S_{max} + S_{min})/2$$

The applicable standoffs that can be inputted into the EPBB PowerClerk calculator are:

- 0" average standoff (flush mount or BIPV) – Where the PV mounting rack is in direct contact with the mounting surface or the PV modules lack outdoor air ventilation.
- 0" to 1" average standoff – The average standoff is 1" or less
- 1" to 3" average standoff – The average standoff is 3" or less, but greater than 1"
- 3" to 6" average standoff – The average standoff is 6" or less, but greater than 3"
- >6" average standoff – The average standoff is greater than 6"

Nameplate Rating: The direct current (DC) capacity of a solar photovoltaic module in Watts as shown on back of the module under Standard Test Conditions (STC).

Non-Profit Organization: Any organization recognized as Non-Profit or Charitable under IRS Section 501 or State Tax Section 23701d. (Refer to <http://finance.lacity.org/content/NonProfitCharitableOrganizationExemptions.htm>)

Non-Residential Building: A building that is required to comply with the non-residential, high-rise residential, and hotel/motel occupancy requirements of Building Energy Efficiency Standards (California Code of Regulations Title 24, Part 6).

Non-Residential Customer: All eligible LADWP customers on an eligible electric rate schedule other than R-1.

Performance meter: A meter capable of measuring the total energy produced by the system in *kWh* (or Watt-hours). The socket for the performance meter must be installed outdoors in close proximity to the LADWP billing meter and the required AC disconnect device. The meter socket shall be located so that the centerline of the meter is at a height of between 4 feet and 6 feet 3 inches.

Installations greater than 10kWAC^{CEC} require a separate 4-pin meter socket so that LADWP can install a digital performance meter.

Installations less than 10kWAC^{CEC} is required to install a electromechanical meter having either an analog or liquid crystal display if they do not have performance metering built into their inverter. The meter must be rated for outdoor use.

Photovoltaic (PV): A technology using a semiconductor that converts light directly into electricity.

Placed In Service: A photovoltaic system, having passed all inspections, with a net meter installed, authorized to produce electricity.

Project: All eligible generating systems installed during the term of this program at one site and serving the electrical needs of all real and personal property located at the site.

PTC Rating: PTC is an acronym for "PV USA Test Conditions" which were developed at the PV USA test site at the University of California, Davis. The PTC rating represents a more real life condition of 1,000 Watts per square meter solar irradiance, 1.5 Air Mass, and 20 degrees C ambient temperature at 10 meters above ground level and wind speed of 1 meter per second. The PTC rating is generally 10% less than the STC rating. Multiplying the PTC Watts of a system by the inverter efficiency will give you the AC-CEC Watts as defined by the California Energy Commission ($W_{ptc} \times \text{Inverter efficiency} = W_{AC}^{CEC}$).

Purchase Order: A document signed by a purchaser and seller which describes the generating equipment to be purchased or leased, including the make and model, the location at which the equipment is to be installed, and the cost of the equipment to the purchaser or lessee.

Residential Building: Within the context of these Guidelines, a residential building is a building that is required to comply with the low-rise residential requirements of the Building Energy Efficiency Standards (California Code of Regulations Title 24, Part 6).

Residential Customer: LADWP customer on an R-1 or R-3 electric rate.

Site: One physical address encompassing the locations of all solar PV system installations serving the electrical needs of all real and personal property located at that

physical address, where a site is a single parcel of real property plus any improvements located at that physical address.

Solar Power Project: All eligible solar power generating systems installed at one site.

Solar Photovoltaic (PV) system: All PV equipment furnished and installed to create a complete, working electrical generating system, including solar PV modules, associated electrical conduit and wiring, electrical sub panels and controls, electrical equipment and meters, structural mounting and supports, and all other components considered to be Balance of System (BOS) to the PV generating facility. The complete system will be from the PV modules to the performance meter.

Standard Test Conditions (STC): Solar modules produce Direct Current (DC) electricity. The DC output of solar modules is rated by manufacturers under Standard Test Conditions (STC). These conditions are easily recreated in a factory, and allow for consistent comparisons of products, but need to be modified to estimate output under common outdoor operating conditions. STC conditions are: solar cell temperature = 25° C; solar irradiance (intensity) = 1000 W/m² (often referred to as peak sunlight intensity, comparable to clear summer noon time intensity); and solar spectrum as filtered by passing through 1.5 thickness of atmosphere (ASTM Standard Spectrum). Citation: California Energy Commission, A Guide to Photovoltaic (PV) System Design and Installation.

Tenant Customer: LADWP's customer of record at a leased or rented service address.

Warranty: A written warranty given by the seller, retailer or manufacturer of eligible equipment to the purchaser of such equipment, and which complies with the conditions and definitions of 15 U.S.C. Sections 2301 et seq., and which shall be transferable to any subsequent purchaser during the duration, and which must include and provide for the labor to remove and replace any defective components, except where the warrantor did not provide for the original installation of the equipment as part of the original purchase transaction.

Appendix 1 Estimated Performance Base Buydown (EPBB) Calculations

EPBB Incentive Structure

The EPBB incentive is based on the expected performance of the solar system and is dependent on the tilt, azimuth, location, mounting method, and shading around the proposed solar system. The following calculation shall be used to calculate the EPBB incentive:

$$\text{Incentive Amount} = \text{System Rating} \times \text{Incentive Rate} \times \text{Design Factor}$$

System Rating = Quantity of Modules x PTC Rating of Module x Inverter Efficiency.

Incentive Rate = The customer classification dependent dollar per watt payrate used to calculate the incentive.

Design Factor = Design Correction x Geographic Correction x Installation Correction.

Design Factor

The EPBB Design Factor consists of ratios comparing the estimated performance of the proposed system to the performance of an optimal reference system. The design factor is the product of the following ratios:

$$\text{Design Correction} = S_{s,p,p} / S_{s,p,o}$$

$S_{s,p,p}$ = The system's estimated summer kiloWatthour output at the proposed location, with proposed tilt and azimuth.

$S_{s,p,o}$ = The system's estimated summer kiloWatthour output at the proposed location with summer optimized tilt and azimuth allowing for equal treatment of proposed systems oriented from South to West. (i.e., the optimized system's orientations shall be the same as the proposed system for orientations due south to due west. See table below for reference azimuths relative to the proposed azimuth).

Proposed System Azimuth	Reference System Azimuth
180° to 270°	Proposed System Azimuth
270° to 45°	270°
45° to 180°	180°

Reference system tilt is optimized for summer production at the reference azimuth

Geographic Correction = $A_{s,p,o} / A_{s,r,o}$

$A_{s,p,o}$ = The system's annual kiloWatt-hour output at the proposed location with summer optimized tilt and south azimuth.

$A_{s,r,o}$ = The system's annual kiloWatt-hour output at the reference location with summer optimized tilt and south azimuth.

Installation Correction = PTC_{adj} / PTC

PTC_{adj} = The adjusted PTC DC rating accounting for mounting method, nominal operating cell temperature and power temperature coefficient for that specific module.

PTC = The DC rating of the panels at PVUSA Test Conditions

The PowerClerk EPBB calculator has the following characteristics and features:

- The Summer Period is defined as May 1 through October 31.
- All estimated kiloWatt-hour outputs are calculated and obtained from the PV Simulator performance model.
- Geographic Correction is capped at 1.0
- All systems oriented between 180° degrees and 270 ° are treated equally.
- The “optimal reference orientation tilt” is optimized for summer production corresponding to the different acceptable compass directions for 180 ° to 270 °.
- Location-specific criteria which account for weather variation and varying degrees of solar insolation, based on local climate and geography.
- An “optimal reference latitude tilt” that relates to local latitude.

Formula for Adjusted PTC Rating

$$PTC_{adj} = STC * (1 + PwrTempCoeff/100 * (T_{mod} - 25))$$

$$T_{mod} = 20 + 1.389 * (NOCT - 20) * (0.9 - n)$$

$$n = STC / (1000W/m^2) / Area$$

“PTC_{adj}” is the adjusted module DC Power rating at the installed NOCT.

“STC” is the module DC power rating at Standard Test Conditions

“PwrTempCoeff” is the power temperature coefficient of the module.

“T_{mod}” is the module temperature at PVUSA Test Conditions

“NOCT” is the Nominal Operating Cell Temperature for BIPV installations

n is the panel solar to DC electric conversion efficiency

“Area” is the panel cell area in square meters.

Appendix 2 Net Energy Metering and Solar Incentive Program Supporting Documents

1. Payment Forwarding Form
2. Time Extension Request Form
3. Commitment Agreement
4. Compliance Form

PF**REQUEST TO FORWARD RESERVATION PAYMENT**
**Los Angeles
Department of
Water and Power**
Reservation Number _____
Reservation Information

Customer Name: _____

Customer Address: _____

Customer Contact: _____

Customer Phone #: _____

 Customer is (Check one) ☐ Owner of Solar System ☐ Lessee of Solar System

As the Customer of LADWP referenced above, I hereby request that Los Angeles Department of Water and Power (referred to as LADWP) forward the payment (referred to as the Payment) for the above noted reservation due under the LADWP's Solar Photovoltaic Incentive Program (referred to as the Program) to me as the Customer of LADWP directly to the following individual or entity (referred to as the Provider) at the following address, and that proof of forwarding be sent to me at my address above:

Name: _____

Address: _____

Phone #: _____

Federal Tax ID: _____

As the Customer: I represent that the Provider is the contractor, manufacturer or installer for the solar equipment that entitles me to receive the Payment. I acknowledge and accept that, before and after the Payment is forwarded by LADWP, I remain responsible for complying with the requirements of the Program and remain liable for any tax consequences associated with the Payment. I further acknowledge and accept that (1) LADWP is under no obligation to forward the Payment to the Provider and the Payment will be forwarded by LADWP to the Provider only as a convenience to me as the Customer, (2) I have not assigned the Payment or any rights or obligations in, to or under the Payment or the Program by signing this Request, (3) I, the Provider and this Request are subject to the provisions of the Incentive Program and the Program Guidelines (including the provisions limiting the liability of LADWP and requiring the Customer to indemnify LADWP and other persons under certain circumstances, such as those in Program Guidelines Sections 2.7 [Who Can Reserve the Incentive Payment?], 2.11 [Equipment Leasing] and 9.0 [Indemnification, Limitation of Liability and Damages and Third Party Beneficiaries]) and (4) the Program is for my benefit as the Customer of LADWP and that nothing in the Program Guidelines, this Request or the forwarding of the Payment by LADWP gives to or creates in the Provider or any other person or entity any rights, remedies or claims in respect of the Payment or the Program Guidelines as a third party beneficiary, secured party or otherwise. I further acknowledge and accept that LADWP may revoke this Request at any time for any reason prior to LADWP's processing of the Payment. If LADWP revokes this Request, it will notify the Customer. I may revoke this Request by providing written notice prior to LADWP's processing of the Payment to the LADWP's Solar Incentive Program Office at:

 Solar Incentive Program
 LADWP
 111 N. Hope St., Room 1021
 Los Angeles, CA 90012

Signature: _____

Name: _____

Title: _____

Executed on: _____

This completed form may be submitted with Incentive Payment Claim Form (LADWP - IP).

CA**NON-RESIDENTIAL COMMITMENT AGREEMENT**

**Los Angeles
Department of
Water and Power**

Please upload to PowerClerk or submit by mail or courier to:
Solar Incentive Program
LADWP
111 N. Hope St., Room 1021
Los Angeles, CA 90012

Contact Information

Host Customer Name/Company _____ Physical Address of System _____ Mailing Address _____

Telephone _____ Fax _____ Email _____

Please initial on each line and sign at the bottom. Submit this form with your Incentive Application.

_____ I certify that I am the owner of the building located at the above address, and I am applying for an LADWP solar incentive payment.

_____ I certify that the equipment upgrades and energy efficiency improvements necessary to achieve a benchmark rating of at least 75 will be completed by the date below.

Retrocommissioning start date: _____
 Retrocommissioning completion date: _____

_____ I am aware that retrocommissioning shall begin no later than 1 year after the installation of the PV system and that retrocommissioning must be completed before an incentive payment is issued.

_____ I am aware that I must send LADWP a final copy of my updated benchmarking report once retrocommissioning has ended.

Host Customer Name: _____ Date: _____

Host Customer Signature: _____

SLCF**NET ENERGY METERING (NEM) & SOLAR INCENTIVE PROGRAM (SIP)
SOLAR LEASE COMPLIANCE FORM (SLCF)****Los Angeles
Department of
Water and Power**

Please upload to PowerClerk or submit by mail or
courier to:
Solar Incentive Program - LADWP
111 N. Hope St., Room 1019
Los Angeles, CA 90012

Customer Information

Name of DWP Customer of Record / Lessee
(Must match name on LADWP Account)

Service Address/Physical Address of System
(Must match address on LADWP Account)

Solar Equipment Lease Company

The undersigned is a duly appointed, qualified and acting representative or agent of the System Lessor/Owner and is authorized to cause the Lessor/Owner to make the certifications, representations and warranties contained herein by execution of this Compliance Form on behalf of the Lessor/Owner.

Name of Authorized Agent of Solar System Lessor/Owner

Name of Solar System Lease Company

Signature of Authorized Agent of Solar System Lessor/Owner

Signature of Authorized Agent of Solar System Lessor/Owner

Customer (Lessee) and Lessor/Owner Certification

We, the solar system Lessee and solar system Lessor, respectively, declare that the attached Lease for the solar system at the above referenced address is in compliance with the following lease requirements from the NEM & SIP Guidelines:

- The term of the Lease is for a period of _____ years (not less than 10 years). (Incentives shall only be paid based on the operation of the system during the Lease term up to 20 years. Lease terms that exceed 20 years will be paid at the 20-year level.)
- The Lease provides an option for the Lessee to purchase the installed system.
- Lease payments may not be based upon the expected amount of energy produced by the installed system, or in any way tied to the per kilowatt-hour rate LADWP charges its ratepayers, or established in any other manner that could be interpreted as sale of energy. The Lease may include escalator or reduction clauses unrelated to energy production. The sale of energy is prohibited.
- If the Lease is modified or amended, the parties shall submit a copy of the Lease to the LADWP SIP Program manager along with a newly executed Solar Lease Compliance Form (SLCF).
- If applying for an incentive, the installed photovoltaic system is guaranteed to perform at the expected generation capacity for the term of the period on which the incentive is based and the system has warranties as required by the SIP Guidelines.
- If applying for an incentive, the installed system shall remain in service and operational, at the physical address where the system is installed, for the entire term of the Lease. If operation of the system is discontinued, or the system is removed, including as a result of an early buyout, the Lessee may be required to reimburse the LADWP the unearned portion of the incentive on a pro-rated basis.

Lessee/Customer (Initial)

Lessor/Solar Company (Initial)

SLCF

NET ENERGY METERING (NEM) & SOLAR INCENTIVE PROGRAM (SIP)

SOLAR LEASE COMPLIANCE FORM (SLCF)

Additional Terms

1. We have received and read the LADWP NEM and SIP Guidelines and Forms referenced therein (collectively, the NEM & SIP Guidelines). To the extent any of the terms and conditions contained in the Equipment Lease and/or Rental Agreement are inconsistent with any of the terms and conditions in the NEM & SIP Guidelines, including this Solar Lease Compliance Form, the NEM & SIP Guidelines shall prevail.

2. Section 1 above amends and is hereby incorporated into the Equipment Lease and/or Rental Agreement as if fully set forth therein. Section 1 is for the benefit of the parties to the Lease, and for the benefit of the Los Angeles Department of Water and Power (LADWP). LADWP is an express and intended third-party beneficiary of Section 1 and may enforce Section 1 as if it were a party to the Lease solely with respect to Section 1. The foregoing creates only a permissive right on behalf of the LADWP, and LADWP shall not have any duty or obligation under, or any liability arising from, in connection with or with respect to, the Lease or any covenant, condition or provision contained therein. Nothing in this Section 2, whether express or implied, shall be construed to give to, or be deemed to create in, any other person or entity any legal or equitable right, remedy or claim in respect of the Lease or any covenant, condition or provision contained therein.

3. Section 1 above shall not be amended, supplemented or modified without the prior written consent of LADWP, which may be granted or withheld in its sole discretion.

Lessee/Customer (Initial)_____
Lessor/Solar Company (Initial)**Renewable Energy Credits (RECs)**

LADWP offers a higher solar incentive payment in exchange for the Renewable Energy Credits (REC)s and environmental attributes associated with the energy produced by the installed system. If the customer elects to retain ownership of the RECs, a lower incentive will be paid. The Customer and Lessor/Owner of the installed system elect to:

Please check the appropriate box below:

☐

Accept the higher incentive rate and hereby transfer to LADWP ownership of the RECs and environmental attributes associated with the energy produced by the system.

☐

Accept a lower incentive rate and retain ownership of the RECs and environmental attributes associated with the energy produced by the system.

Lessee/Customer (Initial)_____
Lessor/Solar Company (Initial)**Signatures**

We the undersigned declare that the information on this Solar Lease Compliance Form was provided by us and is true, correct and complete. We further understand that LADWP may audit and review the Lease at any time and if any of the foregoing is discovered to be untrue, all or any portion of the incentive may have to be repaid to LADWP and any prohibited conduct will be discontinued.

Lessee's Signature: _____

Date: _____

Lessor's Signature: _____

Date: _____

TENCf

NET ENERGY METERING (NEM) & SOLAR INCENTIVE PROGRAM (SIP)

TENANT CUSTOMER COMPLIANCE FORM (TENCf)



**Los Angeles
Department of
Water and Power**

Please upload to PowerClerk or submit by mail or
courier to:
Solar Incentive Program - LADWP
111 N. Hope St., Room 1019
Los Angeles, CA 90012

Property Lease or Rental Agreement Information

Name of DWP Customer of Record / Tenant
(Must match name on LADWP Account)

Service Address/Physical Address of System
(Must match address on LADWP Account)

Tenant and Owner Certification

We, the tenant and owner, respectively, of the above referenced address certify that the Property Lease or Rental Agreement is in compliance with the following requirements from the NEM & SIP Guidelines:

- Rent payments may not be based upon the amount of energy produced by the installed system, or in any way tied to the per kilowatt-hour rate LADWP charges its ratepayers, or established in any other manner that could be interpreted as sale of energy. The sale of energy by anyone other than LADWP is prohibited.
- If the Property Lease or Rental Agreement is modified or amended, the parties shall submit a copy of the Property Lease or Rental Agreement to the LADWP SIP manager along with a newly executed Tenant Customer Compliance Form (TENCf).

Additional Terms

1. We have received and read the LADWP NEM and SIP Guidelines and Forms referenced therein (collectively, the NEM & SIP Guidelines). To the extent any of the terms and conditions contained in the Property Lease or Rental Agreement are inconsistent with any of the terms and conditions in the NEM & SIP Guidelines, including this Tenant Customer Compliance Form, the NEM & SIP Guidelines shall prevail.
2. Section 1 above amends and is hereby incorporated into the Property Lease or Rental Agreement as if fully set forth therein. Section 1 is for the benefit of the parties to the Property Lease or Rental Agreement and for the benefit of the Los Angeles Department of Water and Power (LADWP). LADWP is an express and intended third-party beneficiary of Section 1 and may enforce Section 1 as if it were a party to the Property Lease or Rental Agreement solely with respect to Section 1. The foregoing creates only a permissive right on behalf of the LADWP, and LADWP shall not have any duty or obligation under, or any liability arising from, in connection with or with respect to, the Property Lease or Rental Agreement or any covenant, condition or provision contained therein. Nothing in this Section 2, whether express or implied, shall be construed to give to, or be deemed to create in, any other person or entity any legal or equitable right, remedy or claim in respect of the Property Lease or Rental Agreement or any covenant, condition or provision contained therein.
3. Section 1 above shall not be amended, supplemented or modified without the prior written consent of LADWP, which may be granted or withheld in its sole discretion.

Signatures

We the undersigned declare that the information on this Tenant Customer Compliance Form was provided by us and is true, correct and complete. We are authorized to make the certifications, representations and warranties contained herein by execution of this Tenant Customer Compliance Form. We further understand that LADWP may audit and review the Property Lease or Rental Agreement at any time and if any of the foregoing is discovered to be untrue, all or any portion of the incentive associated with the system may have to be repaid to LADWP and any prohibited conduct will be discontinued.

Name of Tenant

Signature of Tenant

Date

Name of Property Owner

Signature of Property Owner

Date