

LADWP

Solar Incentive Program



GUIDELINES

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LADWP Solar Incentive Program Guidelines

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SOLAR INCENTIVE PROGRAM (SIP) GUIDELINES

1.0 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, 2016 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 2.5 for incentive levels and Section 2.6 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.

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. Funding is limited to the un-obligated funds from LADWP's SB1 program. Once funds are no longer available or a new solar program is adopted by the board, no further incentives will be obligated under this program. In no event will funding be available after December 31, 2018.

Throughout the document, certain terms are shown in *italic* typeface when first presented in these Guidelines. These terms are defined in Section 8.0 Definitions.

2.0 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.

2.1. 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 meet all requirements specified in the Electric Service Requirements.
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 60 days of LADWP solar inspection and meter installation.
7. All 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.

2.2. 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.

2.3. 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.

2.4. Renewable Energy Credit

By accepting an 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*.

2.5. Funding Categories and Funding Triggers

The SIP will draw on funding remaining after 12/31/16 from the \$288M required by SB1.

Table 1: Incentive Levels

Residential Incentive (\$/W)	Commercial (\$/W)	Government, Non-Profit, Affordable Housing (\$/W)
\$0.25	\$0.30	\$0.95

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

2.6. 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. Incentives from other sources such as rebates, grants,

legal settlements, etc. will be subtracted from the total cost to determine the eligible amount.

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:

Incentive Amount = Incentive Rate x System Rating (kW^{CEC-AC}) x Design Factor

- The Incentive Rate as set forth in Table 1 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.
- **Refer to Appendix 1 for a detailed explanation on the EPBB incentive formula.**

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.

Field verification of the system's tilt, orientation, mounting method, and location will be conducted in accordance with Section 4.3 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.**

2.7. System Size and Incentive Payment Limits

Minimum system size under this program for all funding categories is 1.5 kW-AC^{CEC}. The maximum system size under this program for all funding categories is 1 MW-AC^{CEC}.

In no case will LADWP provide an incentive of more than 50% of the gross installed system cost, regardless of system size or incentive level. The final incentive payment is determined by, and is solely within, LADWP's discretion.

LADWP may conduct periodic or ongoing monitoring of PV systems receiving incentive payments. Customers who fail to keep the system operational and maintain a valid interconnection agreement for at least ten years will be required to reimburse LADWP for the prorated incentive.

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 1.1 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.**

2.8. Commercial Incentive Cap

Rebates for commercial sector systems will be capped at 150 kW CEC-AC. Commercial systems may exceed 150 kW, but the incentive will only be paid based on the first 150kW. This incentive cap does not apply to Residential, Non-Profit, Government, and Affordable Housing sectors.

2.9. 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 2.6 or the net installed cost of the system after any tax benefits and other outside funding sources will be 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.

2.10. 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 submitting to LADWP a completed "Request to Forward Reservation Payment" (form LADWP–PF ([04-2017])) (referred to as the "Request") along with 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.

2.11. Customer Exclusions from SIP

Any customer who has previously received an incentive payment from the SIP will not be eligible to apply for the SIP if they are adding on to an existing solar PV system that previously received a SIP incentive.

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.

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 customers should review the terms of the existing contract prior to making commitments.

2.12. Suspension of New Reservations

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

2.13. 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. The term of the lease must be at least ten years in order to receive an incentive. The Lease shall indicate that LADWP owns the RECs.

The incentive payment will be paid directly to the customer. However, subject to the provisions of Section 2.10 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 [04-2017]) as provided in Section 2.10 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 commercial 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.

3.0 Eligible Systems and Materials

The SIP is only open to LADWP electric customers. The solar PV systems must be connected to the LADWP's electrical grid. Eligible customer categories are described above in Section 2.0.

Systems must meet the requirements specified in the Electric Service Requirements to be considered eligible for an incentive. Solar PV systems installed under this program must be new systems—the equipment cannot have more than 10 hours of operation, and customers cannot receive the incentive if they have an existing PV system installed at the same meter.

Equipment that receives an incentive payment must be permanently installed and must remain in operation for at least ten years. 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.

3.1. 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.

3.2. 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.

3.3. 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.

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.

4.0 Solar Incentive Program (SIP) Process

To begin the SIP process, Applicants must complete the Solar Automated Meter Spot (AMS) at www.ladwp.com/nem 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.

4.1. PowerClerk Submission Process

Customers or their designated installers shall apply for a solar incentive by completing and submitting the signed Reservation Request Form 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. 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 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.

The Reservation Request Form must be signed and initialed by the host customer, applicant, system owner, and installer must be submitted with the PowerClerk Incentive Application. The host customer name on the application and all documentation must match the customer of record on the LADWP account. Nicknames, abbreviations, middles, and initials are relevant and required to match the name on the account.

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. Any supporting documents should be submitted in electronic form online via PowerClerk. Please note that courier service or walk-in submissions of application documents are not allowed and will not be accepted.

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

4.2. Reservation Expiration/Cancellation/Rejection

Expired, Cancelled and Rejected Applications will not be reinstated.

4.2.1. 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. Applicants will not be expired if they have obtained

a final LADBS permit and ESR release but are waiting for LADWP to install a meter. 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 3-month extension (for a total of 9 months to complete installation) with an approved TE Form.
- **Non-residential customers**, 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.

4.2.2. 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.

4.2.3. 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.

4.3. 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.

4.3.1. 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.
- Documentation of Non-taxable Status (Required for non-residential customers claiming the non-taxable incentive level. Acceptable documentation includes an IRS letter confirming tax exempt status.)
- Documentation of Affordable Housing Status (Required for customers applying as Affordable Housing projects. Applicants will be required to submit a copy of the government-issued documentation demonstrating that they meet the definition of Affordable Housing set forth in Section 8.0 of these Guidelines.
- 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 2 summarizes the supporting documents required in the IP Package (“X” indicates that the document is always required for that sector, and “O” indicates that document is only required in some cases for that sector).

Table 2: Summary of IP Claim Form Supporting Document Requirements

	Residential	Commercial	Government	Non-Profit	Affordable Housing
Signed Incentive Payment Claim Form	X	X	X	X	X
Final Invoice	X	X	X	X	X
System Purchase Agreement(s) and/or Installation Contract(s)	X	X	X	X	X
IRS Letter Confirming Non-Taxable Status			X	X	O
Documentation of Affordable Housing Status					X
W-9 Form		X	X	X	X
Payment Forwarding Form	O	O	O	O	O

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.

5.0 Incentive Adder for Areas of Low Solar Penetration

An incentive adder will be provided to residential customers if their service address is located in one of the zip codes listed below, which have been identified as areas of low solar penetration due to low historical participation in the SIP. The adder will be \$0.15/watt. Eligibility for this incentive adder will be determined entirely by the customer's zip code and no other documentation is required. The adder is not available to non-residential customers.

90002, 90003, 90005, 90006, 90007, 90010, 90011, 90012, 90013, 90014, 90015, 90016, 90017, 90018, 90020, 90021, 90023, 90024, 90025, 90028, 90029, 90031, 90033, 90036, 90037, 90038, 90044, 90057, 90058, 90061, 90062, 90063, 90067, 90212, 90232, 90275, 90292, 90405, 90501, 91105, 91205, 91330, 91504, 91505

6.0 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;

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

7.1. 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.

7.2. 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

7.3. 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.

8.0 Definitions

Affordable Housing: In order to demonstrate eligibility for the Affordable Housing incentive level, the applicant must submit government-issued documentation for the property demonstrating at least 80% of the units are or will be affordable to households earning at or below 60% of the Area Medium Income (AMI). Affordable Housing properties with affordability restrictions imposed by a recorded covenant (regulatory agreements and land use covenants) with a federal, state, or local government agency and recorded with the Los Angeles County Recorder must submit:

- a) A copy of the recorded covenant demonstrating at least ten (10) years remaining on the term, or
- b) If the recorded covenant has less than ten (10) years remaining on the term, provided copy of the recorded covenant and a self-certification, under penalty of perjury, that the property will continue to comply with the affordability requirement of the LADWP Affordable Housing incentive for a term equal to ten (10) total years, or
- c) If a new recorded covenant with a government agency will be imposed on the property concurrently with the solar PV project, provide:
 - a. A self-certification, under penalty of perjury, that as part of the solar PV project the property will enter into a government regulatory agreement to make at least 80% of the units affordable to households earning at or below 60 percent of AMI for at least 55 years, and
 - b. A recorded regulatory agreement within six months of the filing of the tax exemption demonstrating at least 80% of the units are affordable to households earning at or below 60 percent of AMI for at least 55 years.

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.

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.

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.

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”

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 Customer: All eligible LADWP customers on an eligible electric rate

schedule other than R-1.

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 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.

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 kiloWatt-hour output at the proposed location, with proposed tilt and azimuth.

$S_{s,p,o}$ = The system's estimated summer kiloWatt-hour 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 Solar Incentive Program Supporting Documents

1. Payment Forwarding Form
2. Time Extension Request Form

PF**REQUEST TO FORWARD RESERVATION PAYMENT**
**Los Angeles
Department of
Water and Power**
Application Number LADWP-_____
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 940
 Los Angeles, CA 90012

Signature: _____
 Name: _____
 Title: _____
 Executed on: _____

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

