

Solar Incentive Program (SIP)

Handbook

August 2021



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Please consult the most recent version of this handbook by visiting the Liberty website at <https://libertyutilities.com/>. Choose your community, then find “Home/Business Solar” in the Renewable Energy menu.



1. Program Overview

- 1.1 The Liberty Solar Incentive Program (SIP) supports the development of solar-distributed generation systems residential, small business and school customers.
- 1.2 The SIP is authorized by the California Public Utilities Commission (CPUC), and participation rules are subject to changes made by Liberty or the CPUC.
- 1.3 The SIP is funded by the Liberty Public Purpose Program charges.
- 1.4 The SIP provides a one-time payment to help offset solar system installation costs.
- 1.5 Payments are based on the expected energy production and the incentive rate. The maximum incentive is \$11,000.
- 1.6 Applications are accepted online through [PowerClerk](#).
- 1.7 Incentives are reserved on a first-come, first-served basis.
- 1.8 The capacity of a solar system is measured in kilowatts (kW), alternating current (AC), using equipment specifications provide by the California Energy Commission (CEC).
- 1.9 Systems must be net metered according to [Liberty Net Metering Standards](#) and [Tariff Rule 21 \(Generating Facility Interconnections\)](#).
- 1.10 Qualified customers may participate in net metering aggregation. Customers must take service under Schedule NEM or NEMA, as appropriate.
- 1.11 Installations must provide a ring-type meter socket for installation of a Liberty-owned generation meter.
- 1.12 Proposals that include energy storage with a grid connected system require supplemental review by Liberty.
- 1.13 Participants must receive a reservation notice before beginning construction.

- 1.14 The reservation notice expires 12 months from the date of issue. Projects must be completed and approved by local building department, and the Applicant must submit the Interconnection Request *on or before* the reservation expiration date to remain eligible for incentive.
- 1.15 Installations must be permitted by the local building authority with interconnection completed by a licensed California electrical contractor.
- 1.16 Host Customers may install their own system but must provide a service invoice as evidence that the system interconnection was performed by a licensed California electrical contractor.
- 1.17 Completed systems must not be operated before Liberty approves the installation, exchanges the existing meter, and communicates permission to operate (PTO) to the customer. Systems operated before PTO may incur charges if exporting energy. Such charges cannot be refunded.
- 1.18 Incentives are issued to the Payee designated by the Host Customer. The Payee must complete IRS Form W-9 and will receive an IRS Form 1099 from Liberty for the incentive amount at the end of the tax year in which the incentive was paid.
- 1.19 Liberty is not responsible for changes in customer consumption or resulting impact to billing as a result of the installation of a solar system.
- 1.20 Liberty is not responsible for the operation, maintenance, or energy production of the solar system.

2. Budget and Incentive Rate

2.1 Budget

The SIP incentive budget is \$990,000 for applications approved between January 1, 2019 through December 31, 2021.

The SIP application pool will be closed when the total incentives of paid, reserved, and in-review applications reaches the budget limit. Liberty may, at its sole discretion, return funding from applications that have cancelled, forfeited, or withdrawn to the incentive budget. The remaining available budget for new applications is shown on the PowerClerk log in page.

2.2 Incentive Rate

The incentive rate is \$1.10 per watt (CEC-AC).

3. Eligibility

3.1 Participants

A participant in the SIP must be a Liberty customer from one of the following customer types:

- Residential. Customer on a Liberty domestic service rate.
- Small business. Company with 100 or fewer employees, less than \$750,000 in annual revenue, or that meets the Small Business Administration (SBA) definition (<https://www.sba.gov/size-standards>).
- School. Public school serving elementary or secondary level students, or a public institution of higher learning.

Other Liberty customer types may install net metered solar systems without participating in the SIP.

3.2 Equipment

The modules and inverters must be listed on the [California Energy Commission \(CEC\) lists of eligible equipment](#). All system equipment, including modules, inverters, racking and metering equipment, must be new and never previously installed.

Liberty will install a utility-owned generation meter for all SIP projects when the customer's existing meter is exchanged. A ring-type meter socket must be provided and installed by the customer or customer's Installer prior to interconnection. Liberty

will not exchange the customer's existing revenue meter for a bi-directional meter, nor grant PTO, unless a ring-type generation meter socket is properly installed.

4. Roles

4.1 Host Customer

The Host Customer is the customer of record as named on the Liberty electric bill at the meter where the solar system is installed. Host Customers have the right to designate an Applicant and a System Owner to act on their behalf.

4.2 Applicant

The Applicant is the individual or company that completes, submits, and manages the application for the solar project. The Applicant may be the Host Customer, Installer, System Owner, Payee or any other party designated by the Host Customer.

4.3 Installer

The Installer is the individual or company that installs the solar system. Installers must have an active A, B, C-10, or C-46 license with the California Contractors State License Board. Host Customers may install the system, but interconnection must be completed by an active C-10 or C-46 California licensed electrician.

If an Installer's license is suspended or otherwise inactive, applications submitted with the Installer are not eligible to receive a Reservation Notice. Likewise, incentive payments cannot be issued unless the system was completed and inspected by the local building authority while the Installer's license is active. Customers may select a different Installer during the application process. See the [Application Changes](#) section of this Handbook.

4.4 System Owner

The System Owner is the individual or entity that owns the solar system at the time the incentive payment is issued. The System Owner may be the Host Customer or a third party designated by the Host Customer.

4.5 Payee

The Payee is the individual or company that receives the incentive payment. The Payee is indicated by the Host Customer as part of the incentive request and may be the Host Customer or a third party.

5. Net Metering

All solar systems in the SIP must be net metered and will be interconnected on a net metering service (NEM or NEMA) rate schedule. Net metered systems may not have a generating capacity of more than 1,000 kW, and the rules of net metering are subject to change based on Liberty's progress toward a 5% net metering cap.

5.1 Construction and Interconnection Requirements

All solar installations must comply with current installation and interconnection standards and requirements:

[Electric Service Requirements for Net Metered Systems](#)

[Tariff Rule 21 \(Generating Facility Interconnections\)](#)

For information on the NEM and NEMA rate schedules, visit the Liberty [Electric Rates and Tariffs](#) page.

6. System Sizing

All net metered systems, including projects not installed with the Solar Incentive Program, must conform to the same sizing standard.

6.1 Maximum System Size

Net metered systems are intended to offset a customer's electrical usage. The expected annual production (kWh) of interconnected capacity, as calculated in the online application, *may not* be greater than the customer's approved annual requirements for energy.

Completed systems may exceed the size originally proposed, but systems *will not* be interconnected or eligible for net metering if the expected production of the completed system (and all other interconnected capacity) exceeds the customer's approved electricity requirements.

6.2 Annual Requirements for Electricity

A customer's annual requirements for electricity is determined by electricity consumed (kWh) at the installation location as recorded at the Liberty revenue meter.

Annual Requirements for Electricity = the greatest energy usage from 12 consecutive months out of the 24-month period prior to application.

A customer's annual requirements for electricity may be estimated, under certain circumstances, if billing history does not accurately reflect the customer's actual requirements for electricity. Estimates are permitted under the following circumstances:

- Customer has less than 12 months' billing history at the installation location:
 - New construction
 - Recently acquired property

- Customer anticipates increase in consumption due to:
 - Remodel or modification
 - Residential customer recently acquired (within last three months) an electric vehicle that will be charged at the installation location
 - Residential customer changing from secondary residence to primary residence
 - Requires completion of the [Declaration of Permanent Residence](#) form

The customer's estimated annual requirements for electricity must be calculated by a licensed California electrical contractor or engineer, and the calculation must be provided in the online application. Calculations must be expressed as kilowatt-hours consumed annually (load calculations are not accepted) and must be signed by *both* the contractor/engineer and the Host Customer, who assumes all responsibility for the accuracy of calculations. **Liberty reviews and reserves the right to accept or reject consumption calculations.**

6.3 Expected Annual System Production

The expected annual production of the proposed system is calculated by PowerClerk in the application. Expected production is determined by several factors: proposed installation location, system equipment, azimuth, tilt and shading of each array. No other system production calculations (e.g., from other system configuration software) are permitted for the purposes of system sizing.

6.4 System Additions

Customers may apply to add existing capacity to an existing system in the case that the annual energy production of the existing system is not meeting the customer's annual requirements for electricity. Additions are eligible for incentive. However, the maximum incentive that may be awarded for installations at any single service is \$11,000. Applications for system additions are submitted in PowerClerk in the same

manner as applications at locations without existing solar and are subject to the same review requirements.

6.5 Size Calculation

The system size in kilowatts is referenced as the CEC-AC capacity and is calculated using the following formula:

$$\text{CEC-AC capacity} = \text{number of modules} \times \text{CEC rating of modules} \\ \times \text{CEC efficiency rating of inverters}$$

7. Incentive

7.1 Calculation

The incentive is calculated using the Expected Performance Based Buyback (EPBB) incentive formula:

$$\text{Reserved Incentive (\$)} = \text{CEC-AC capacity (Watts)} \times \text{Incentive} \\ \text{Rate (\$1.10)} \times \text{Design Factor}$$

7.2 Expected Performance Based Buyback (EPBB) and Design Factor

The EPBB incentive calculation utilizes the expected production of the solar system, reducing the incentive for less than ideal system configurations.

The system configuration is represented by the Design Factor, which is the ratio (%) between the expected production of the proposed system and the production of the same equipment configured using ideal design parameters. The azimuth, tilt, and shading of each array of solar modules are the variables used to determine the Design Factor.

The PowerClerk system configuration tool enables users to calculate the system production and incentive before submitting the application.

7.3 Maximum Incentive

The maximum incentive is \$11,000. Participants may install systems as large as permitted by net metering standards, but the incentive may not exceed this maximum.

8. Application Process

8.1 Submission

Liberty accepts all solar applications, including non-incentive application, through the online portal, PowerClerk. Applications *may not* be submitted by mail, fax, or directly to Liberty. Every individual submitting or managing Liberty applications must log in with an individual PowerClerk user registration. Registrations established for groups of users *are not* accepted. Users registered with other PowerClerk utility programs can access Liberty' application by selecting "Change Program" from the dashboard of any utility's PowerClerk program. New users complete a no-cost registration on the [PowerClerk log in page](#).

PowerClerk tracks a project through all stages of review, approval, and interconnection. Participants receive regular email communications from Liberty through PowerClerk and may view the status of their application(s) at any time by logging in to PowerClerk.

The following documents must be uploaded and submitted with the application:

Copy of electric bill	Must be from within the last six months
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One line electrical drawing	Must show all system equipment, including generation meter socket and energy storage (if included)
Site plan	Must show layout of solar array(s) and location of all meters
Energy storage system specifications	Required when energy storage is proposed in application

One or more additional documents may be required if the customer's annual requirements for electricity cannot be determined by historical billing records, according to Section 6.3 above:

Consumption calculation	A calculation of customer's expected annual energy consumption, expressed in kilowatt-hours (kWh) and signed by both licensed electrical contractor or engineer <u>and</u> Liberty customer
Permanent residence change	Notarized Liberty form for customers changing residency status
EV purchase or lease	Dated bill of sale or lease agreement
Building permit	Copy of building permit demonstrating the planned construction that will impact energy consumption

8.2 Application Fee

Applicants for the solar incentive must pay a non-refundable \$100 application fee. There is no fee for non-incentive solar applications.

Fees are paid by credit card as part of the online application. Application fees are not refunded in any case.

8.3 Online Energy Audit

Residential customers participating in the SIP must complete a free online energy audit as part of their application. The audit is a self-assessment that encourages customers to consider cost-effective energy efficiency upgrades to complement installation of solar generation. The customer must provide their accurate account number for the audit to be recorded. The audit must be completed before the incentive payment will be paid. Access the audit at this [link](#).

8.4 Review

Liberty reviews the application for completeness, and, if further information or corrections are required, Liberty notifies the Applicant.

Systems larger than 30 kW and systems with energy storage are subject to supplemental review by Liberty prior to issuance of the Reservation Notice.

8.5 Application Corrections

When an application is incomplete or requires corrections, the Applicant, Host Customer, and Installer will receive an automated email indicating that corrections must be submitted for the application review to be completed. Corrections must be submitted through the online application. Corrections for SIP applications must be submitted within 10 business days of the corrections notice. Liberty will review the submitted corrections and process the application. If the corrections are insufficient or not accepted, notification of required corrections will be sent again, and the

Applicant will have 10 business days from this subsequent notice to make corrections.

SIP applications that are in review by Liberty or pending Applicant corrections during the 10-business day correction period remain eligible for incentive, pending Liberty approval of the application. If a SIP application is not corrected, it will be automatically cancelled after 10 business days. A new application may be submitted for the proposed installation, but the new application is subject to all program rules in force at the time of the new application, including SIP eligibility, available incentive funding, and the required application fee.

8.6 Incentive Reservation

Liberty sends a Reservation Notice when an application is approved, indicating the date of the reservation, the reserved capacity, the maximum incentive amount, and the expiration of the reservation. The actual incentive payment cannot exceed the maximum amount listed on the Reservation Notice. The Host Customer has the sole rights to the Reservation Notice.

8.7 Construction

After receiving the Reservation Notice from Liberty, the Applicant may begin construction of the project. Project construction must not begin before the Reservation Notice is issued. Projects that are in construction prior to receiving a Reservation Notice are not eligible for an incentive.

8.8 Project Completion

A solar energy system is considered completed when it is fully installed, the building permit is satisfied (*i.e.*, signed off by building inspector), and the system is capable of producing electricity in the manner and amounts for which it was designed.

8.9 Interconnection Request and Incentive Claim

When the project is completed, the Applicant requests interconnection and payment of the incentive by submitting the Interconnection Request in PowerClerk on or before the expiration date listed on the Reservation Notice. The Applicant provides details about the as-built system and a copy of the satisfied building permit as part of the Interconnection Request.

Satisfied building permit	Must clearly show site address and date of inspection
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The final incentive amount is based on the as-built system. The incentive amount will be less than the maximum amount listed on the Reservation Notice if the as-built system capacity is less than proposed in the application or if the as-built system configuration results in a [Design Factor](#) lower than calculated in the application. The incentive cannot exceed the maximum amount listed on the Reservation Notice, regardless of as-built system capacity.

8.10 Review

Liberty reviews the Interconnection Request for completeness. If further information or corrections are required, Liberty notifies the Applicant.

8.11 Required Documents

When the Interconnection Request review is complete Liberty emails the Host Customer (and/or Payee, if not the Host Customer) a request to eSign* required program documentation.

Incentive claim form	Host Customer confirms system info and incentive amount and designates incentive Payee
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Signed interconnection agreement	Host Customer acknowledges responsibilities as a customer-generator
IRS Form W-9	Payee confirms tax information

* Documents are securely signed using DocuSign. Applicants may request that required documentation be printed, signed, scanned, and uploaded (i.e., “wet signed”). However, the wet signature process increases processing and interconnection times.

8.12 Meter Exchange and Permission to Operate

Upon receipt and approval of required documents, Liberty schedules installation of the generation meter and exchange of the existing meter for a bi-directional meter. Meter exchanges are scheduled on or about the regular meter reading date for the service. Customers are notified when the meter exchange is pending but need not be present for the exchange. There is no charge for Liberty to install the generation meter and exchange the bi-directional meter.

Systems may not be energized until Liberty has exchanged the existing meter. Once Liberty has installed the new meters, the customer has permission to operate the system. Liberty *does not* start the solar system after meter exchange.

8.13 Incentive Payment

When interconnection is complete, Liberty authorizes incentive payment to the Payee. Incentive checks are sent via US mail to the Payee address provided in the Interconnection Request. Payments are typically issued 30 days after PTO.

9. Inspections

9.1 Pre-construction and Post-construction Inspections

Liberty may, at its sole discretion, inspect SIP project sites at any point after an application is approved. Inspections conducted prior to construction verify

information provided in the original application, including site location, potential system shading, and proposed equipment placement. Inspections conducted after construction is complete verify that information provided in the Interconnection Request matches the as-built system. Liberty will work with the Applicant to correct deviations from the approved application, as feasible. However, material deviations can result in adjustments to incentive amounts or forfeiture of the incentive.

Participants do not need to be present for inspections. The Applicant must notify Liberty in the Interconnection Request form of any special instructions for accessing the system site. Liberty will coordinate as needed to arrange site access.

10. Application Changes

10.1 Installation Location

Applicants and Host Customers may change the installation address of a reservation to another address with the same Host Customer. Changes must be requested in writing or by email to Liberty. The terms of the original Reservation Notice apply to the new installation location.

10.2 Capacities

Reserved capacities and incentives listed on the Reservation Notice cannot be changed. Applicants who intend to install a larger system than originally reserved and have yet to begin construction may withdraw the original application and reapply for the desired capacity. New applications are subject to incentive levels in effect, availability of incentive funds, and the non-refundable application fee.

10.3 Applicant, Installer and System Owner

Host Customers may change or rescind affiliation with any of the parties to the original application with written notice to Liberty.

10.4 Host Customer

The Host Customer name for an application may be changed only when the solar system is being installed on a new, not previously occupied home. A builder or developer that applies as a Host Customer may request to change the name on an application to the name of the new home buyer once the new homeowner becomes the Liberty account holder.

11. Cancellation, Withdrawal, Forfeiture

11.1 Cancellation

An application that has not yet been approved and/or issued a Reservation Notice may be cancelled by written or verbal request from the Applicant, Installer, System Owner, or Host Customer.

11.2 Withdrawal

An application that has been issued a Reservation Notice may be withdrawn from the Program by written request from the Host Customer.

11.3 Forfeiture

An application is forfeited if:

- The project is not completed according to program requirements and cannot be corrected.
- Project construction is determined to have started before the Reservation Notice was issued.
- The complete Interconnection Request is not submitted by the expiration date listed on the Reservation Notice.

Projects that forfeit the incentive are still eligible to interconnect if all Liberty net metering installation standards are met.

12. For More Information

We're here to help. If you have any questions, please contact Liberty directly.

LibertyUtilities.com	casolar@libertyutilites.com	530-536-0543
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