

**City of Palo Alto Utilities  
Renewable Feed-in Tariff Program  
2012 Program Year Program Summary**

The City of Palo Alto Utilities (CPAU) Renewable Feed-in Tariff program enables you to obtain a fixed price, long-term contract to pay for locally generated solar electricity delivered to the utility. These guidelines are for the first year of the program, 2012.

**Eligibility:**

The program is open to any developer of a new solar electric system in Palo Alto who is able to comply with the rules listed below. The developer may be a utility customer, a building owner, or even a third party leasing space.

**Program Rules**

The program rules are as follows:

- Up to 4 MW of solar projects are eligible for the 2012 program year.
- Projects must be located in the City of Palo Alto Utilities' territory (which correspond to the Palo Alto city limits).
- Each project must be 100 kW or larger, based on the total AC rated capacity of the system as listed on the California Energy Commission's (CEC) list of eligible [modules](#) and [inverters](#) (PV USA Test Conditions multiplied by the inverter efficiency).
- Projects over 1 MW that require participation in ISO markets are subject to additional scheduling and forecasting requirements.
- No limitations on how many FIT projects any single developer or customer may develop in Palo Alto for the 2012 program year.
- Developers are responsible for obtaining CEC Certification. CPAU will register each generator in the regional certification organization, WREGIS, under its own account.
- **Project developers may not seek other CPAU ratepayer-funded rebates for the project.** Any projects that have already received rebates are not eligible for the program.
- All energy must be delivered to CPAU. None may be used to offset a CPAU customer's electric load.
- CPAU will install its own revenue-grade meter for each project and pay for the generator output based on those meters.

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## How to Apply

To apply, you will be required to submit the following:

- Site owner and project developer information
- Site diagram
- One-line diagram
- Evidence of site control (In the case of a site subject to a ground lease with Stanford University, acknowledgement of the project by the University is required in addition to the permission of the ground leaseholder)
- System capacity and expected energy
- Form W-9
- Signed "Power Purchase Agreement – Eligible Renewable Energy Resource"
- Signed WREGIS "Notice of Assignment of Registration and Account Management Rights"
- Reservation deposit (\$20 per kW)

### Reservation Deposit:

A reservation deposit of \$20 per kilowatt of the proposed system is required. Payment for the deposit may be by check or certificate of deposit.

The reservation deposit will be returned in full if the project is completed within one year of the PPA signature date. CPAU will return a percentage of the deposit if the project is completed after the deadline, or if the developer withdraws the project prior to commercial operation. The developer will also have the option to terminate the contract and have the entire reservation deposit returned upon notification of the costs associated with interconnection.

### Application and Contract Process:

When an application is accepted, CPAU will provide the project developer with a signed Power Purchase Agreement (PPA). Once the PPA is signed, the project developer will have one year to complete the project.

The CPAU draft proposal includes a bid-based system for allocating capacity in case there are more applications than can be accommodated under the 4 MW program cap in 2012. Each month, CPAU will award PPAs to any developer who submitted an application that conforms to the program rules. If, at the end of any month, CPAU has more applications than it can accommodate under the 4 MW program cap, a bid-based method for allocating the remaining capacity will come into effect. All applicants will be asked to submit a bid at which they would be paid for the output from their project. CPAU will accept bids in order from lowest to highest. The last bid to be accepted will

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be the first one that causes CPAU to exceed the 4 MW cap. The bid process is illustrated in the following example:

- In this example, the 20-year contract price is 14 ¢/kWh
- July: City receives two applications totaling 1 MW of capacity. Both are accepted at 14 ¢/kWh
- August: City receives six applications totaling 2.5 MW of capacity. All are accepted at 14 ¢/kWh. Program capacity remaining is 0.5 MW.
- September: City receives three applications, each for 400 kW. CPAU asks all three applicants to provide bids. The applicant with the lowest bid is accepted first, which puts remaining program capacity at 0.1 MW. The applicant with the next lowest bid would cause the program capacity to be exceeded, and so is the last bid accepted for the year. Total capacity acquired for the year is 4.3 MW.

### **Interconnection and Building Permit Process:**

As a municipal utility, the CPAU interconnection process is integrated with its Building Permit process. The process of project review begins when a project developer submits a permit application to the Building Division, at which point a copy of the application will be sent to the Utilities Engineering Division for review. If you are considering a solar project for this program, you may find it helpful to review the building inspection pre-submittal and inspection checklists for solar photovoltaic projects:

- [Photovoltaic Electric Load Sheet](#)
- [Commercial Pre-Submittal Checklist for Permit](#)
- [Commercial PV Inspection Checklist](#)

The interconnection process includes two processes: a simplified review process and a supplemental review process. Projects that go through the simplified review processes are expected to have minimal impact on CPAU's distribution system. If a generating facility fails any of the screening criteria below, it will require supplemental review.

A project requires supplemental review if:

- Output from the Generating Facility at any time will be equal to or greater than 15% of the load on the distribution line section.
- The aggregate distributed generation on the distribution line section exceeds 80% of the real-time peak load kW.
- Startup, shutdown or other operating characteristics of the Generating Facility will cause voltage drop or flicker to exceed CPAU's allowable limits (see Section D of Rule 27).

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- The Generating Facility is connected to a 4kV distribution feeder which has line-to-neutral connected load and the Generating Facility nameplate rating exceeds 10% of the line section peak load.
- The Generating Facility, in aggregate with other generation, contributes more than 10% to the circuit's maximum fault current.

For further information on interconnection, please refer to:

- Utility Rule and Regulation 27 (Generator Interconnection)
- Sample Interconnection Agreement

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