

SUNPOWER® | Equity SGIP Overview



Equity SGIP* Update at-a-glance



*Self-Generation Incentive Program

NEW

COM/CR6/jt2 Date of Issuance 9/18/2019

Decision 19-09-027 September 12, 2019

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues.	Rulemaking 12-11-005
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DECISION ESTABLISHING A SELF-GENERATION INCENTIVE PROGRAM EQUITY RESILIENCY BUDGET, MODIFYING EXISTING EQUITY BUDGET INCENTIVES, APPROVING CARRY-OVER OF ACCUMULATED UNSPENT FUNDS, AND APPROVING \$10 MILLION TO SUPPORT THE SAN JOAQUIN VALLEY DISADVANTAGED COMMUNITY PILOT PROJECTS

What is the update?

- Increases the Equity SGIP level for **tax-exempt** customers in **low-income** and **disadvantaged areas** up to **\$850/kWh**.
- Total budget of **\$63 Million** for non-residential customers
- Makes **PG&E** open equity SGIP to qualifying customers
- Updated Equity SGIP allows **4 hr duration** batteries at full incentive
- The intention of the increased equity SGIP is to cover the **full cost** or **near the full cost** of a storage system.

When does it start?

- The start date for applications to be accepted under these new rules will be **April 1, 2020**.

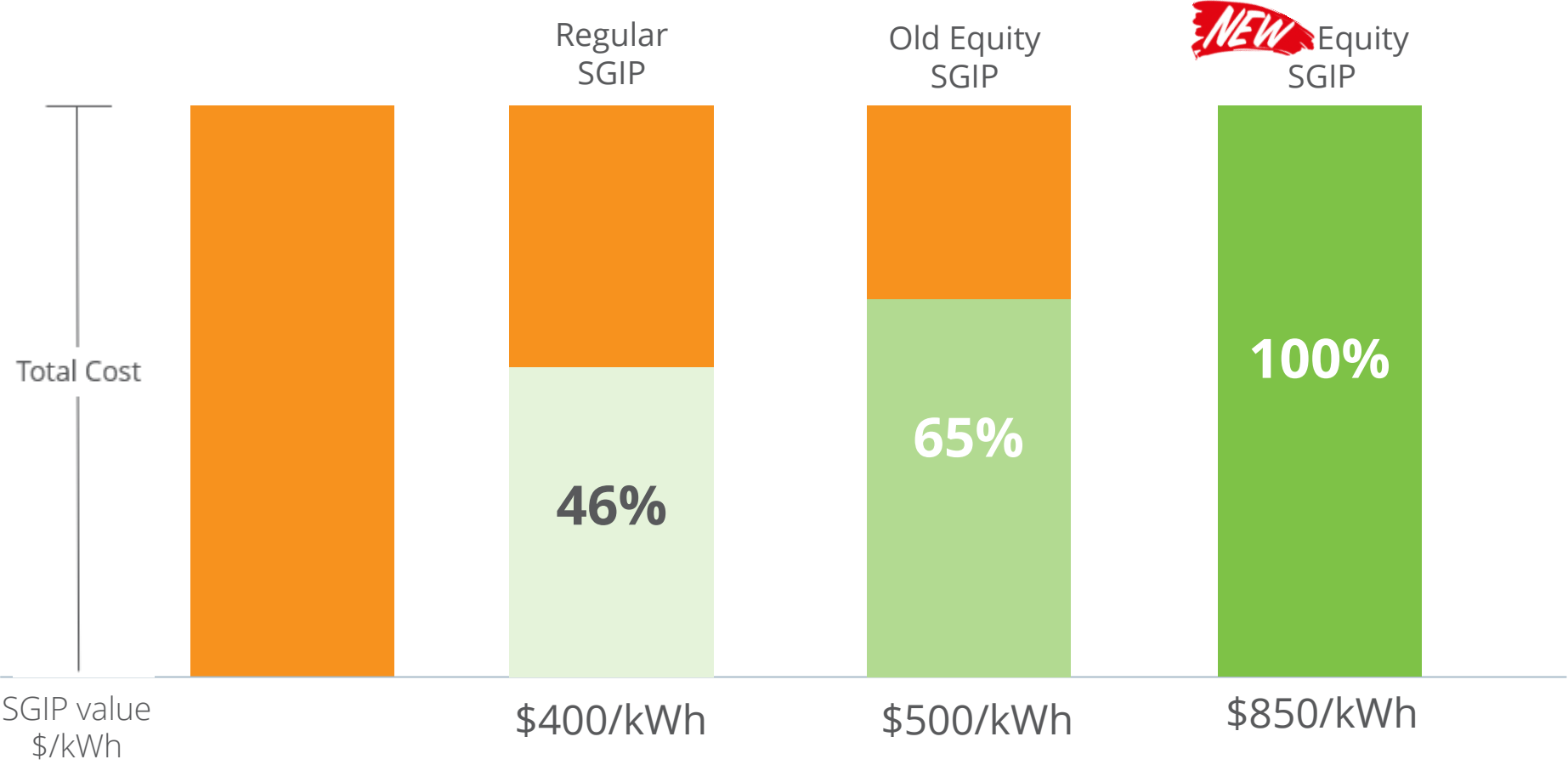


Likely will be oversubscribed and go to a lottery

The CPUC(California Public Utilities Commission) issued a decision on **September 18, 2019**

Equity SGIP will cover full cost

500kW/ 2MWh storage system example



Equity SGIP Opportunity for Contra Costa County

Site Economics

- SunPower is pleased to offer CCC battery storage systems at no additional costs for eligible Equity SGIP sites that get allocated incentive under the expected lottery process
 - Incentive covers upfront costs and 15 years of operational costs for existing contracted PV projects

Site	Storage Size (kW / kWh)	Year 1 Expected Savings (\$)	Guaranteed Savings (\$/Year)	15 Year Nominal Savings (\$)
1000 Ward	964 kWh increase	+\$7,700	+\$7,000	+\$132,800
1305 MacDonald Ave	182 kW / 928 kWh	\$7,100	\$7,000	\$123,000
4549 Delta Fair Blvd	184 kW / 928 kWh	\$8,800	\$8,500	\$152,000
4545 Delta Fair Blvd	163 kW / 928 kWh	\$13,700	\$7,574	\$238,000

- Amend existing PPA agreements to add storage if sites are allocated Equity SGIP incentive

*15 year nominal savings are base on a 2% degradation rate and 4% utility escalation rate

No cost storage system with increased savings!

Equity SGIP Opportunity for Contra Costa County

Site Economics

- SunPower is pleased to offer CCC battery storage systems at no additional costs for eligible Equity SGIP sites that get allocated incentive
 - Incentive covers upfront costs and 10 years of operational costs for battery only project

Site	Storage Size (kW / kWh)	Year 1 Expected Savings (\$)	Guaranteed Savings (\$/Year)	10 Year Nominal Savings (\$)
5555 Atlas	464kW / 1856kWh	\$74,000	\$43,600	\$805,200

- Execute concise (9 page) Battery Services Agreement if project is allocated Equity SGIP incentive under lottery process

*10 year nominal savings are base on a 2% degradation rate and 4% utility escalation rate

No cost storage system with increased savings!

Equity SGIP Opportunity for Contra Costa County

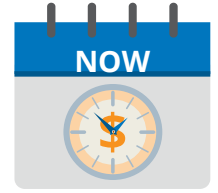
How to take advantage of Equity SGIP

- Need to apply for Equity SGIP by April 1st
 - Requires 5% deposit of incentive value with SGIP applications
 - SunPower can cover SGIP application fee/deposit but requires an Letter of Intent (LOI) to move forward with battery projects if incentive is secured
 - Target executing LOI in Feb / early March
 - Under LOI, CCC reimburses SunPower for SGIP deposit only if all three circumstances below apply
 1. Site is allocated incentive under the Equity SGIP lottery process
 2. SunPower and CCC are unable to execute a contract for the battery (amendment to existing PPA or a stand alone Battery Services Agreement (BSA)) within 3 months of SGIP allocation
 3. CCC does not cooperate with SunPower to secure a SGIP deposit refund in the event we do not able to execute a contract for the battery

Almost no financial risk for the County with large savings upside

Equity SGIP Timeline

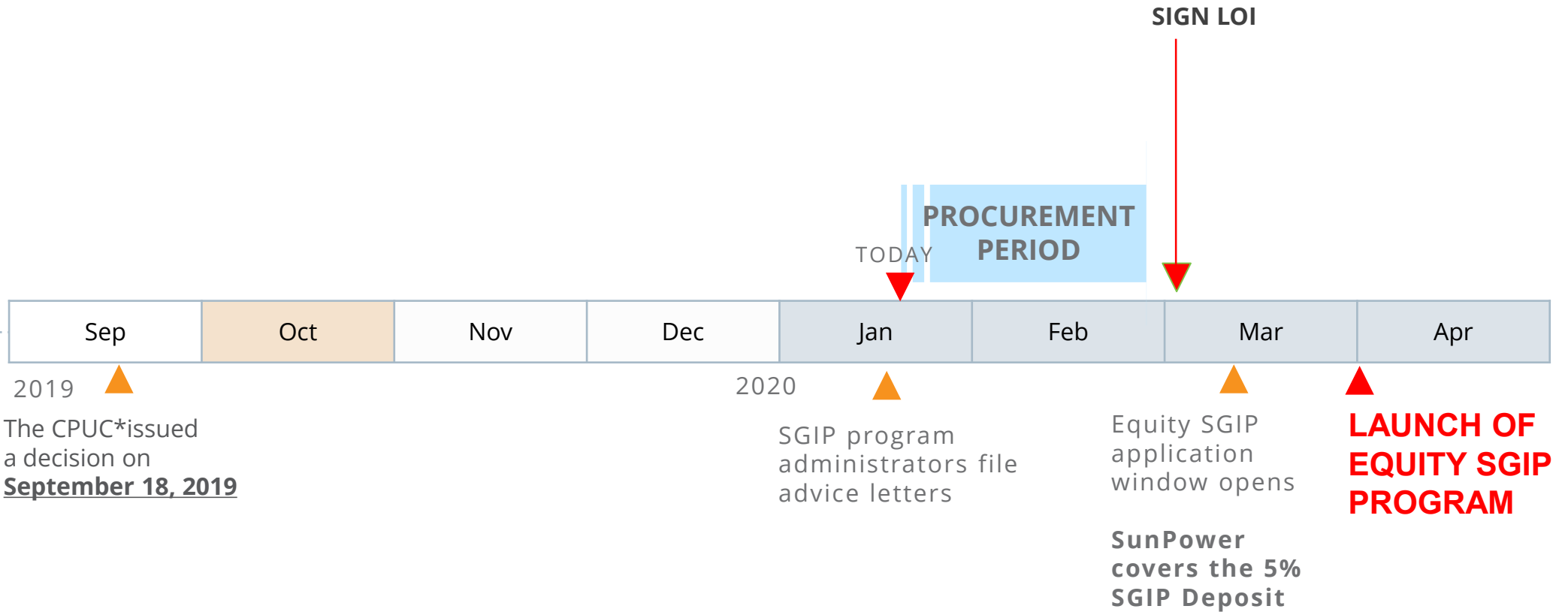
Start now to be in front line to get **“No Upfront Cost”** storage



Project Milestones



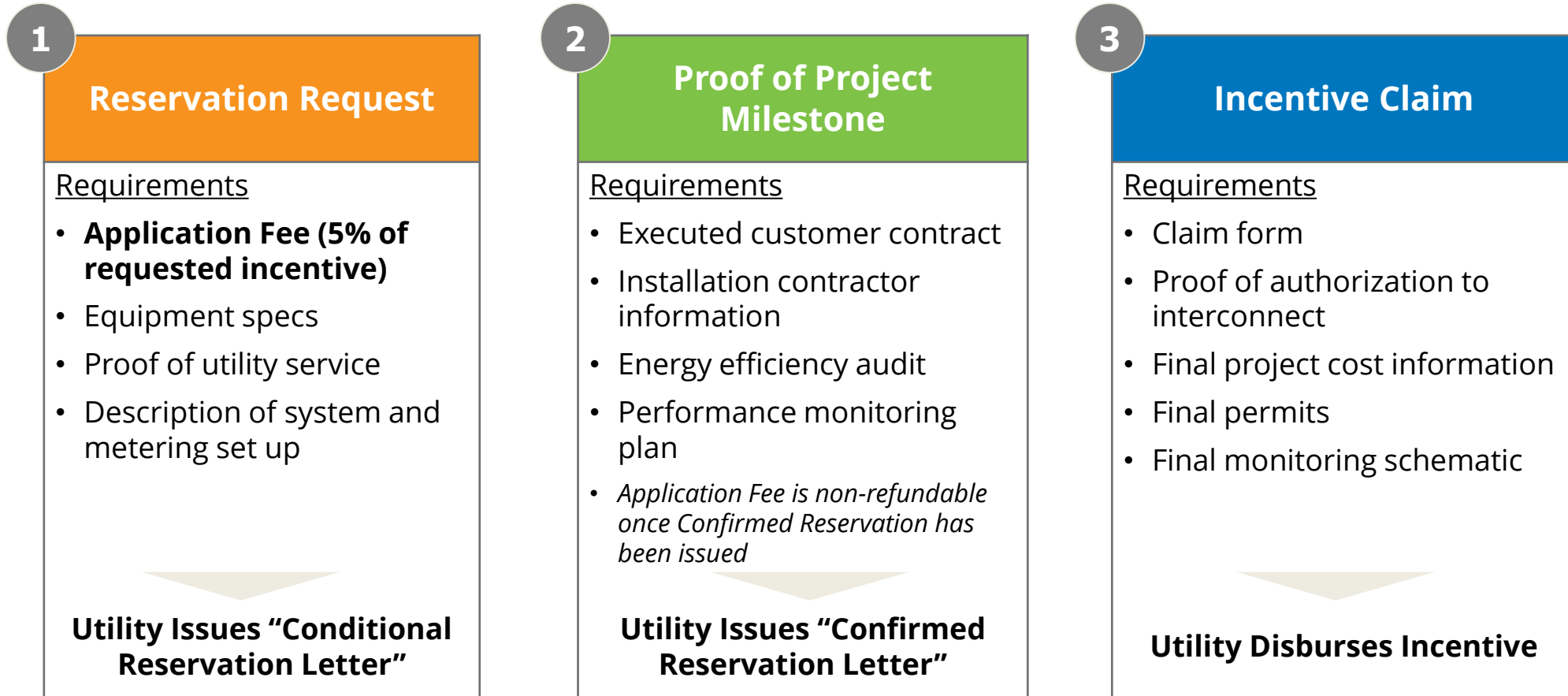
SGIP Milestones



*California Public Utilities Commission
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SGIP application process

SunPower will take the lead



- 90 days to complete Proof of Project Milestone
- Key items: customer contract, energy efficiency audit

- Project must be completed w/in 18 months of Conditional Reservation

An aerial photograph of a Whole Foods Market building. The building has a large, flat roof covered with numerous solar panels. The facade of the building is light-colored with a grid of vertical panels. The text "Thank You." is overlaid in white, centered on the roof. Below it is a thin white horizontal line, followed by the "SUNPOWER" logo in white, with the letter "O" in orange. The "WHOLE FOODS MARKET" logo is visible on the building's facade in green. The surrounding area includes other buildings, trees, and a parking lot.

Thank You.

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