

OCTOBER 30, 2015  
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Licensing, Enforcement,  
Public Affairs, and Legislative  
Committee Meetings







# CONTRACTORS STATE LICENSE BOARD

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**Contractors State License Board Licensing, Enforcement, Public Affairs, and  
Legislative Committee Meetings  
October 30, 2015  
10:00 a.m.  
CSLB Headquarters, John C. Hall Hearing Room  
9821 Business Park Drive, Sacramento, CA 95827**

### Licensing Committee Meeting

- A. Call to Order
- B. Public Comment Session
- C. Licensing Program Update.....8
- D. Testing Program Update.....30
- E. Discussion and Possible Action to Recommend Initiation of a Rulemaking  
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- F. Adjournment

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Public Affairs Committee Meeting

- A. Call to Order
- B. Public Comment Session
- C. Public Affairs Program Update.....108
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- F. Adjournment

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- A. Call to Order
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- C. Settlement Reporting Stakeholder Meetings Update.....191
- D. Update on 2015 Legislation: AB 181 (Bonilla); AB 500 (Waldron);  
AB 750 (Low); AB 1545 (Irwin); SB 119 (Hill); SB 465 (Hill); SB 467 (Hill);  
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- E. Review, Discussion, and Possible Action on 2016 Legislative Proposals:  
.....Pages 196-206
  - 1. Amendments to Business and Professions Code Section 7000-7199.7 –  
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  - 2. Amendment to Business and Professions Code Section 7059 – Public  
Works Contracts
  - 3. Amendment to Business and Professions Code Section 7071.17 –  
Qualifier Responsibility
  - 4. Amendment to add Business and Professions Code Section 7074 –  
When Application Becomes Void: Testing
  - 5. Amendment to Business and Professions Code Section 7085.5 –  
Arbitration Program: Attorney’s Fees
  - 6. Amendment to Business and Professions Code Section 7124.6 –  
Complaint Disclosure
  - 7. Amendment to Business and Professions Code Sections 7137 –  
Fee Schedule



**CSLB**

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8. Amendment to Business and Professions Code Section 7159 – Rewrite of the Home Improvement Contract
9. Amendment to add Business and Professions Code Section 7159.15 – Home Improvement Contracts

F. Adjournment



OCTOBER 30, 2015  
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Licensing  
Committee Meeting





## AGENDA ITEM A

# Call to Order, Roll Call and Establishment of a Quorum – Chair’s Introductory Remarks

Roll is called by the Committee Chair.

LICENSING COMMITTEE MEMBERS:

LINDA CLIFFORD, CHAIR

KEVIN J. ALBANESE

DAVID DE LA TORRE

SUSAN GRANZELLA

FRANK SCHETTER

JOHNNY SIMPSON

Committee Chair Linda Clifford will review the scheduled Committee actions and make appropriate announcements.





## AGENDA ITEM B

# Public Comment Session for Items Not on the Agenda

(Note: Individuals may appear before the Committee to discuss items not on the agenda. However, the Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).





# AGENDA ITEM C

## Licensing Program Update





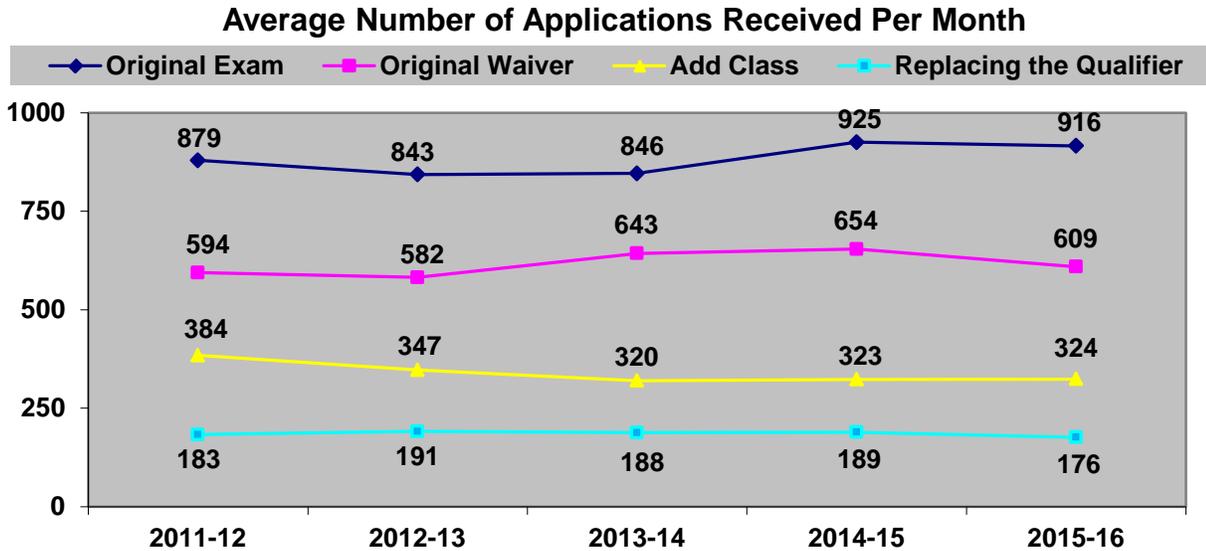
# CONTRACTORS STATE LICENSE BOARD

## LICENSING PROGRAM UPDATE

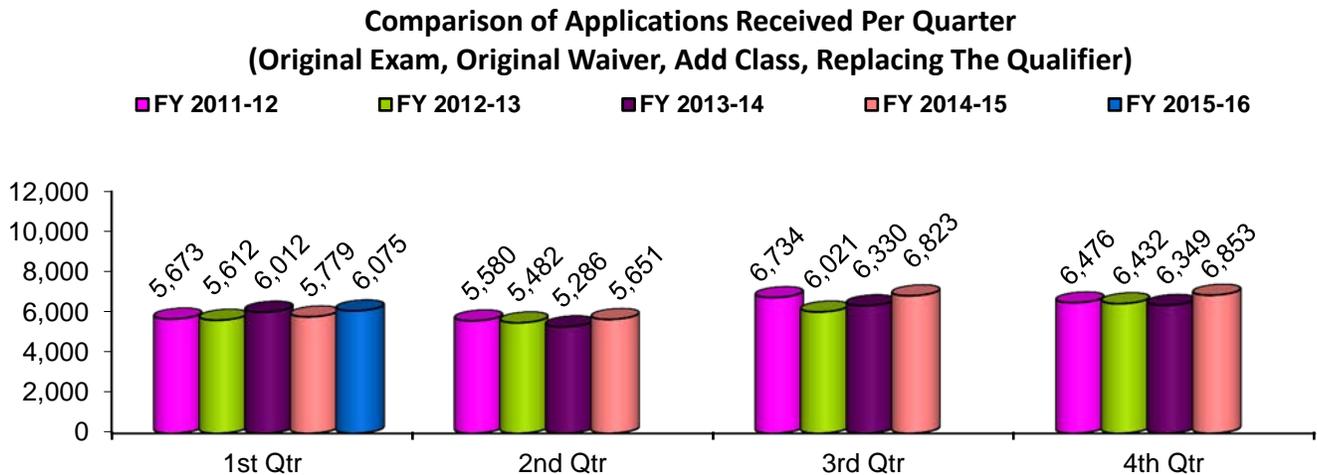
### LICENSE APPLICATION WORKLOAD

Beginning in fiscal year (FY) 2013-14, the number of applications CSLB received trended upward 2 percent from the previous year, reversing the decline in recent years because of the economic recession and housing downturn. This upward trend has continued.

The following chart provides the average number of applications received per month:



The total number of applications received by fiscal year quarter is shown below:

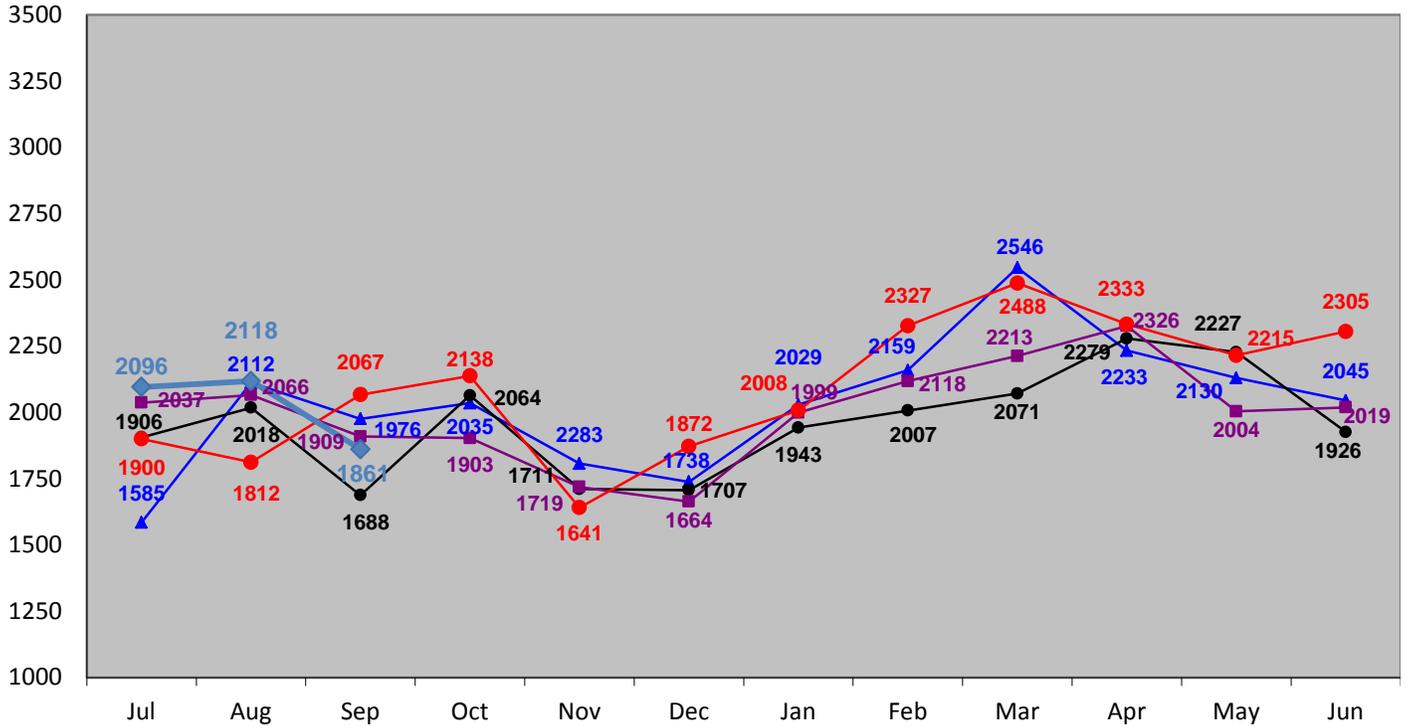


**Increase of 2 percent for total applications received for FY 2014-15  
Compared with FY 2013-14**



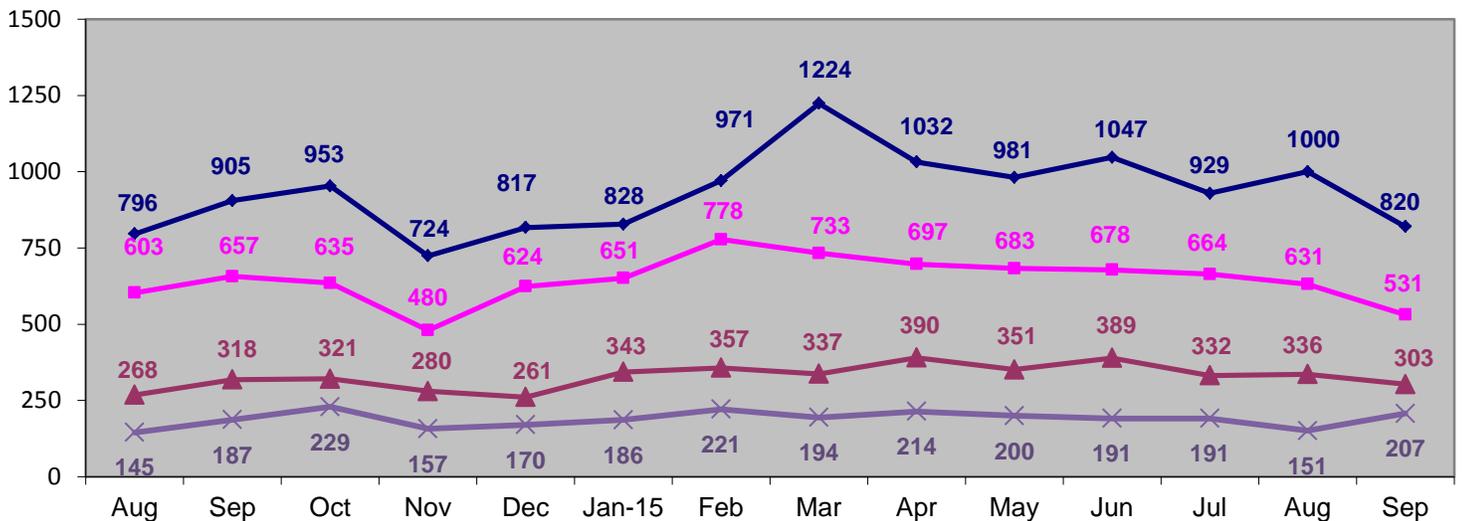
**Total Number of Applications Received Per Month for Fiscal Year  
(Original Exam, Original Waiver, Add Class, Replacing the Qualifier)**

—▲ 2011-12    —● 2012-13    —■ 2013-14    —● 2014-15    —◆ 2015-16



**Number of Applications Received**

—▲ Original Exam    —■ Original Waiver    —▲ Add Class    —× Replacing the Qualifier



**LIMITED LIABILITY COMPANIES (LLCs)**

CSLB has licensed LLCs since January 1, 2012, when a new law (SB 392) provided CSLB with the necessary authority.

Of the 2,724 original LLC applications received through October 1, 2015, CSLB issued 1,165 limited liability company contractor licenses. The most common reason for rejection continues to be staff's inability to match the name(s), title(s), and total count of LLC personnel on the application with the Statement of Information (SOI) provided in the records of the Office of Secretary of State. The SOI information is required to process the LLC application and provides staff with the total number and names of LLC personnel, which is crucial to determining the appropriate liability insurance requirement (between \$1 million and \$5 million) for the LLC.

**Most Common Reasons LLC Applications are Returned for Correction:**

1. The personnel listed on the application does not match the personnel listed on Secretary of State records.
2. LLC/SOS registration number and/or business name is missing or incorrect.
3. Personnel information needs clarification or is missing, i.e., DOB, middle name, title.
4. Questions section (page 3 of application, #10-15) is missing or incomplete.

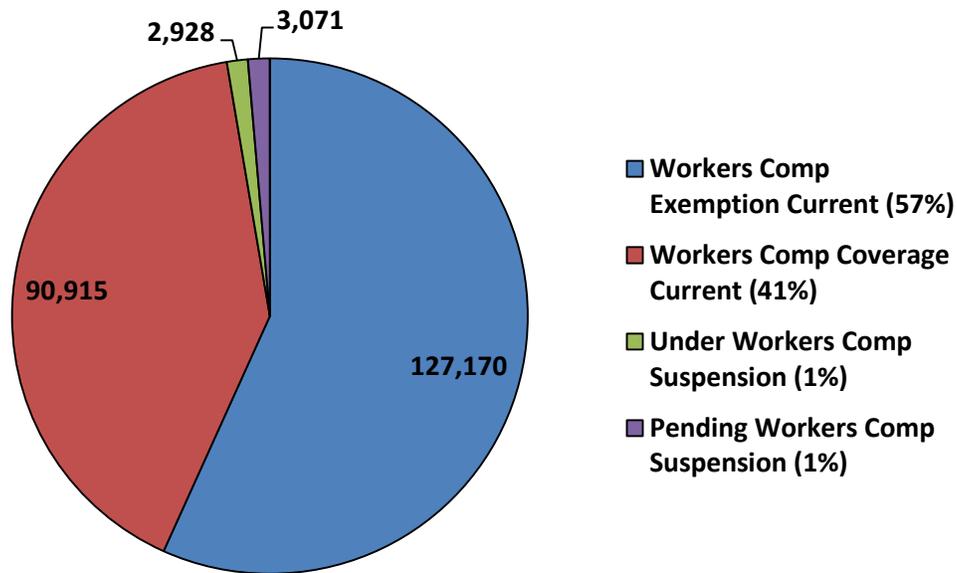
**WORKERS' COMPENSATION RECERTIFICATION**

Business and Professions Code §7125.5 (Assembly Bill 397) took effect on January 1, 2012. Licensing implemented the requirements of the new law in January 2013, effective for licenses expiring March 31, 2013. This law requires that, at the time of renewal, an active contractor with an exemption for workers' compensation insurance on file with CSLB either recertify the exemption or provide a current and valid Certificate of Workers' Compensation Insurance or Certificate of Self-Insurance. If, at the time of renewal, the licensee fails to recertify his or her exempt status or to provide a workers' compensation policy, the law allows for the retroactive renewal of the license if the licensee submits the required documentation within 30 days after notification by CSLB of the renewal rejection.



The following chart provides a snapshot of workers' compensation coverage for active licenses:

**Workers' Comp Coverage for Active Licenses - October 1, 2015**



**Total Number of Active Licenses: 224,084**

*Data obtained from Teale Program ACTLICWC*

The chart on the following page provides the current workers' compensation coverage status (policies and exemptions) on file for active licenses by classification, and the percentage of exemptions per classification.



Active License Classifications – Workers Comp Status

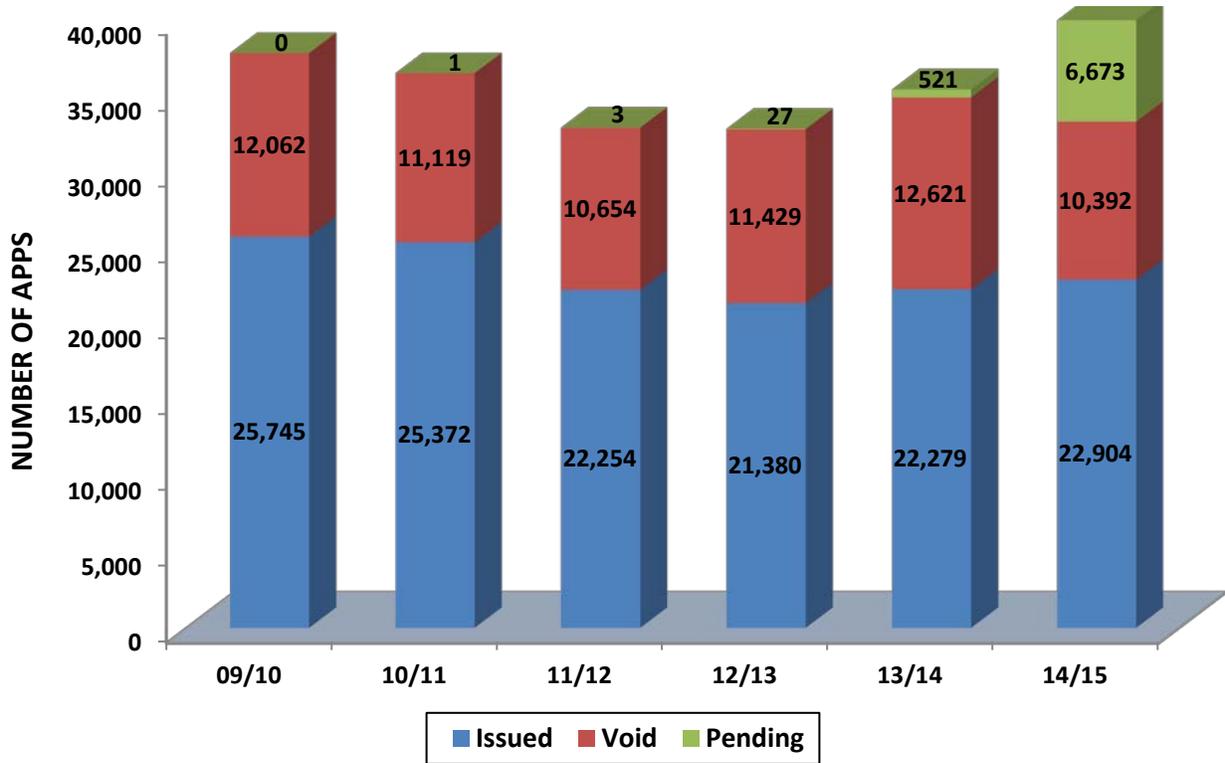
Classification	Total - Policies & Exemptions	Number of WC Policies on File	Number of Exempt on File	Percentage of Total with Exemptions
A General Engineering	14540	8789	5751	39
B General Building	100689	36528	64161	63
C-2 Insulation/Acoustic	1171	872	299	25
C-4 Boiler Hot Water	836	603	233	28
C-5 Framing/Rough Carp	760	287	473	62
C-6 Cabinet-Millwork	4687	1786	2901	62
C-7 Low Voltage	4799	2613	2186	45
C-8 Concrete	5842	3274	2568	44
C-9 Drywall	3029	1693	1336	44
C-10 Electrical	24438	10358	14080	58
C-11 Elevator	204	156	48	23
C-12 Earthwork & Paving	2310	1267	1043	45
C-13 Fencing	1440	773	667	46
C-15 Flooring	7009	3157	3852	55
C-16 Fire Protection	2102	1336	766	36
C-17 Glazing	2732	1619	1113	41
C-20 HVAC	11285	4986	6299	56
C-21 Bldg. Moving Demo	1491	1014	477	32
C-22 Asbestos Abatement	146	146	0	0
C-23 Ornamental Metal	983	542	441	45
C-27 Landscaping	10960	6137	4823	44
C-28 Lock & Security Equip	349	197	152	43
C-29 Masonry	2537	1402	1135	45
C-31 Construction Zone	224	191	33	15
C-32 Parking Highway	499	311	188	38
C-33 Painting	15328	6337	8991	59
C-34 Pipeline	478	317	161	34
C-35 Lath-Plaster	1796	1111	685	38
C-36 Plumbing	14887	6074	8813	59
C-38 Refrigeration	1950	946	1004	51
C-39 Roofing	4105	4105	0	0
C-42 Sanitation	978	570	408	42
C-43 Sheet Metal	1512	1028	484	32
C-45 Sign	834	449	385	46
C-46 Solar	1053	637	416	39
C-47 Gen Manufactured Housing	435	195	240	55
C-50 Reinforcing Steel	233	167	66	28
C-51 Structural Steel	1368	946	422	31
C-53 Swimming Pool	2338	1258	1080	46
C-54 Tile	6109	2527	3582	59
C-55 Water Conditioning	308	179	129	42
C-57 Well Drilling	851	499	352	41
C-60 Welding	966	394	572	59
C-61 Limited Specialty	16492	8952	7540	46
Asbestos	1170	813	357	30
Hazard	1939	1332	607	31



Data obtained from Teale Program WCCLSACT

**Disposition of Applications by Fiscal Year**  
**Teale Report S724: Run Date 10-01-2015**

(Includes: Original, Add Class, Replacing the Qualifier, Home Improvement Salesperson, Officer Changes)





**FINGERPRINTING/CRIMINAL BACKGROUND UNIT**

CSLB began fingerprinting applicants in January 2005. The California Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) conduct criminal background checks and provide Criminal Offender Record Information (CORI) to CSLB for in-state convictions and for out-of-state and federal convictions, respectively.

Since the fingerprint program began, CSLB has received 337,391 transmittals from DOJ. These include clear records and conviction information.

Of the applicants fingerprinted during that time, Criminal Background Unit (CBU) staff received CORI for 58,940 applicants, an indication that DOJ and/or the FBI had a criminal conviction(s) on record for that individual.

As a result of CORI files received through September 30, 2015, CBU denied 1,244 applications and issued 1,469 probationary licenses; 619 applicants appealed their denials.

DOJ and FBI typically provide responses to CSLB within a day or two of an applicant being fingerprinted, but occasionally the response is delayed in order for the agency to conduct further research based on the applicant's record. This does not necessarily indicate a conviction, as sometimes the results reveal a clear record. Recently, at any given time, an average of 300 applications are subject to DOJ/FBI delay. Most delays are resolved within 30 days; however, some continue for 60 or 90 days, or more. Since DOJ and FBI are independent agencies, CSLB has no control over these delays and must wait for the fingerprint results before issuing a license.

Below is a breakdown of CBU statistics by fiscal year.

<b>Criminal Background Unit Statistics</b>								
	<b>FY 04-05 thru FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>TOTALS</b>
<b>DOJ Records Received</b>	216,177	24,730	18,805	18,270	20,395	28,434	8,099	337,391
<b>CORI RAPP Received</b>	35,407	5,201	3,997	3,663	3,768	4,686	1,525	58,940
<b>Denials</b>	907	108	70	67	37	40	15	1,244
<b>Appeals</b>	435	62	39	36	23	21	3	619
<b>Probationary Licenses Issued</b>	825	243	146	71	76	97	11	1,469



## **EXPERIENCE VERIFICATION UNIT**

CSLB is required by law to investigate a minimum of 3 percent of applications received to review applicants' claims of work experience. Until 2005, application experience investigations were performed by the Licensing division. However, in early 2005, when the fingerprinting requirements were implemented, Licensing requested that the application experience investigation workload be transferred to the Enforcement division. This enabled Licensing staff, who had previously conducted application experience investigations, to review criminal histories. But, as of June 1, 2014, Licensing has reassumed the formal application investigation process. Licensing continues to follow the same procedures as Enforcement.

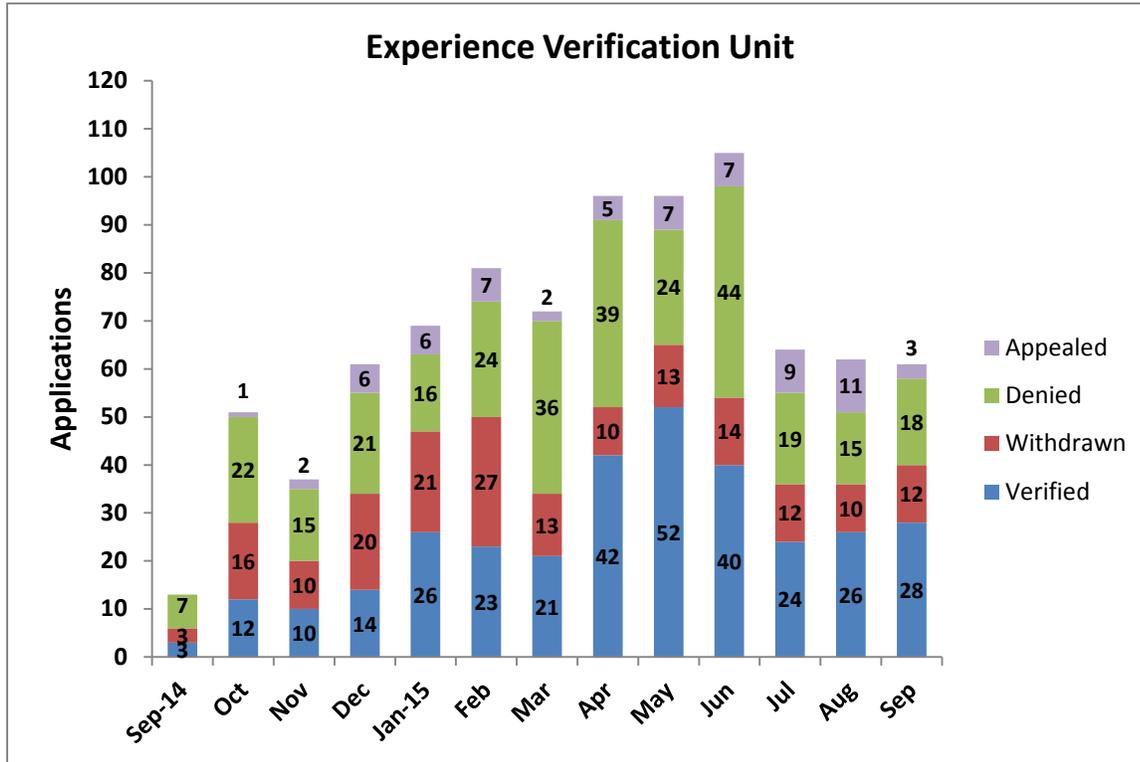
In January 2013, in order to streamline the application process, as well as to reduce the time and expense of formal investigations, Licensing combined the work experience verification process with the standard application review. The goal of the program is to assist qualified applicants in becoming licensed and to ensure that all licensed contractors meet minimum qualifications. While this process is not a formal investigation, it is intended to verify the work experience claimed by the applicant. Applicants are provided with a number of options for verifying their experience. In instances when CSLB is unable to confirm the experience, three options are offered to the applicant:

- Identify a new qualifier who possesses the required experience;
- Withdraw the application and reapply when the necessary experience has been gained; or
- Request a formal experience investigation.

In December 2013, CSLB conducted a seminar for contractor schools to review the experience verification process so they could better help clients provide CSLB the necessary verification information to become licensed. In June 2014, application processing staff underwent training on procedures to verify experience. Following the training, about 40 percent fewer applications were referred for formal investigation compared with the previous quarter. The Experience Verification Unit was transferred to the Licensing division on July 1, 2014, and fully staffed by November 20, 2014. Statistical reporting for the unit was in place September 1, 2014.



The following chart provides a monthly breakdown of the action taken for applications referred to the Experience Verification Unit.



Since implementation, the Experience Verification Unit staff has been assigned a total of 915 applications for experience verification. The number of applications referred to the unit each month meets the 3 percent minimum requirement (Business and Professions Code §7068(g) and California Code of Regulations 824).

The Experience Verification Unit denied 300 applications, 66 have been appealed and 321 verified for continued processing. One hundred eighty applications were withdrawn.

Currently, 118 applications are pending further review or awaiting additional supporting experience documentation from the applicant.



The chart below provides the classification breakdown for appeals, denials, withdrawals, and experience verifications from September 1, 2014 through September 30, 2015.

**Experience Verification By Classification**

<b>Classification</b>	<b>Appealed</b>	<b>Withdrawn</b>	<b>Verified</b>	<b>Denied</b>
A General Engineering	11	19	18	23
B General Building	44	120	162	193
C-2 Insulation/Acoustic			1	
C-4 Boiler Hot Water			1	
C-5 Framing/Rough Carp			1	1
C-6 Cabinet-Millwork			1	
C-7 Low Voltage			3	1
C-8 Concrete			4	3
C-9 Drywall	1			6
C-10 Electrical	1	10	32	10
C-12 Earthwork & Paving		1	2	3
C-13 Fencing				1
C-15 Flooring	1	1	5	4
C-16 Fire Protection			1	
C-17 Glazing		1	2	1
C-20 HVAC	2	4	13	13
C-21 Bldg. Moving Demo		1		2
C-22 Asbestos		1		
C-23 Ornamental Metal			1	
C-27 Landscaping	2	6	10	11
C-29 Masonry		1	1	
C-31 Construction Zone				1
C-32 Parking Highway		1		
C-33 Painting		1	10	2
C-35 Lath-Plaster	1		1	2
C-36 Plumbing	1	4	27	9
C-39 Roofing		1	1	2
C-42 Sanitation		1		
C-43 Sheet Metal		1		
C-46 Solar	1		3	3
C-51 Structural Steel			1	
C-53 Swimming Pool	1	1		1
C-54 Tile		1	8	2
C-57 Well Drilling		2	3	2
C-60 Welding		1	1	
C-61 Limited Specialty		1	8	4
<b>Totals</b>	<b>66</b>	<b>180</b>	<b>321</b>	<b>300</b>

**LICENSING INFORMATION CENTER (LIC)****LIC Workload**

LIC (call center) staff has continued to exceed Board goals. To date, for fiscal year 2015-2016, call center agents answer approximately 13,000 calls per month. Call wait times averaged only 4:07, with 98 percent of all incoming calls answered. The average length of each call was 1:13.

These improved statistics can be attributed to increased staffing levels and training. Employees hired in 2014 continue to benefit from comprehensive training and are becoming more seasoned each day.

**Staffing Update**

LIC currently has one vacancy, with 14 full-time Program Technician II's and two Retired Annuitants.

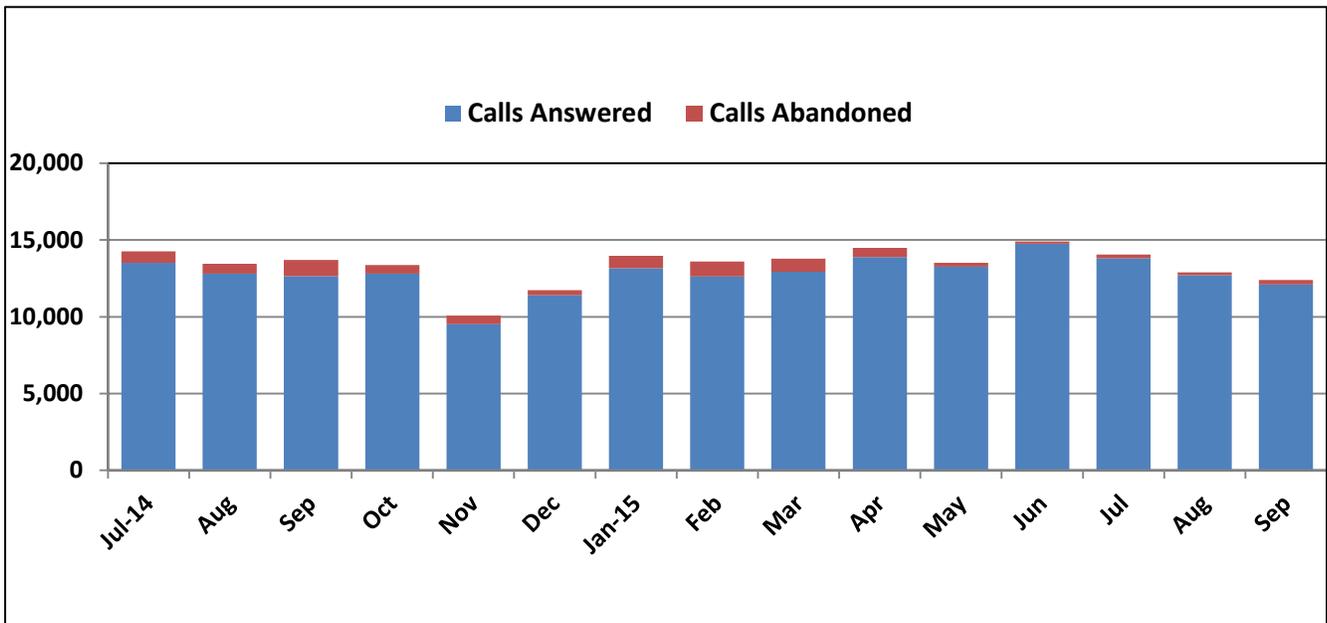
**Increased Training**

LIC continues to strive to provide timely, efficient, and professional services to its customers. New employees have spent significant time in one-on-one training with seasoned staff and supervisors. LIC meets bi-monthly with the CSLB Classification Deputy for updated classification changes, and keeps in constant contact with all licensing units to ensure that the public receives the most current information. LIC analyst Ellen Maier provided Board orientation for new employees in the Licensing division August 25-27, 2015, with similar training scheduled for the Enforcement division in October, 2015. The training is webcast via CSLB's intranet for staff in Southern California offices.



**Licensing Information Center Call Data**

	Jul 2014	Aug	Sep	Oct	Nov	Dec	Jan 2015	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Calls Received	14,271	13,467	13,759	13,397	10,090	11,735	13,984	13,595	13,788	14,490	13,514	14,906	14,060	12,899	12,392
Calls Answered	13,521	12,805	12,637	12,809	9,507	11,405	13,156	12,633	12,927	13,889	13,272	14,755	13,810	12,709	12,114
Calls Abandoned	747	657	1,067	567	566	327	823	958	854	599	242	151	250	189	278
Longest Wait Time	10:50	13:35	10:10	7:52	12:05	5:56	10:32	12:59	12:17	11:06	4:51	2:51	4:01	3:55	5:40
Shortest Wait Time	0:30	0:39	1:18	0:28	0:19	0:10	0:45	0:44	0:31	0:34	0:22	0:08	0:07	0:12	0:15
Average Wait Time	4:36	4:35	4:53	4:48	4:43	4:46	4:39	4:30	4:12	4:32	4:27	4:17	4:13	4:08	4:00





## **JUDGMENT UNIT**

Judgment Unit staff process all outstanding liabilities, judgments, and payment of claims reported to CSLB by licensees, consumers, attorneys, credit recovery firms, bonding companies, CSLB's Enforcement division, and other governmental agencies. In addition, the Judgment Unit processes all documentation and correspondence related to resolving issues such as, satisfactions, payment plans, bankruptcies, accords, motions to vacate, etc.

Outstanding liabilities are reported to CSLB by:

- Employment Development Department
- Department of Industrial Relations
  - Division of Occupational Safety and Health
  - Division of Labor Standards Enforcement
- Franchise Tax Board
- State Board of Equalization
- CSLB Cashiering Unit

Unsatisfied judgments are reported to CSLB by:

- Contractors
- Consumers
- Attorneys

Payments of claims are reported to CSLB by:

- Bonding companies

When CSLB receives timely notification of an outstanding liability, judgment, or payment of claim, an initial letter is sent to the licensee explaining options and the timeframe to comply, which is 90 days for judgments and payment of claims, and 60 days for outstanding liabilities.

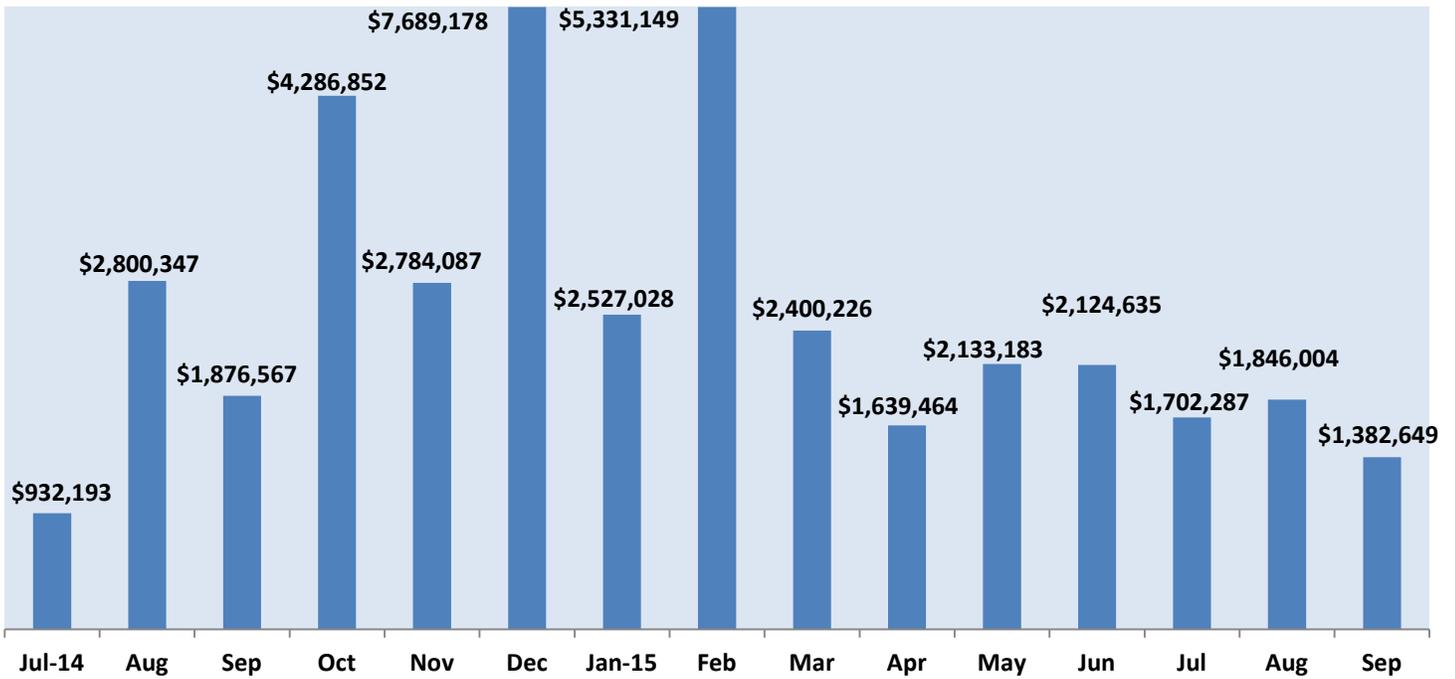
If the licensee fails to comply within the allotted timeframe, the license is suspended and CSLB sends a notice of suspension to the contractor. Upon compliance, CSLB sends a reinstatement letter to the licensee.



**Outstanding Liabilities**

	Jul 2014	Aug	Sep	Oct	Nov	Dec	Jan 2015	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Initial</b>	91	24	86	89	48	54	46	46	38	57	89	102	78	51	51
<b>Suspend</b>	41	31	72	22	63	88	42	40	42	36	32	51	80	91	64
<b>Reinstate</b>	36	31	61	83	63	173	63	100	42	43	25	40	41	52	42

**Savings to the Public**

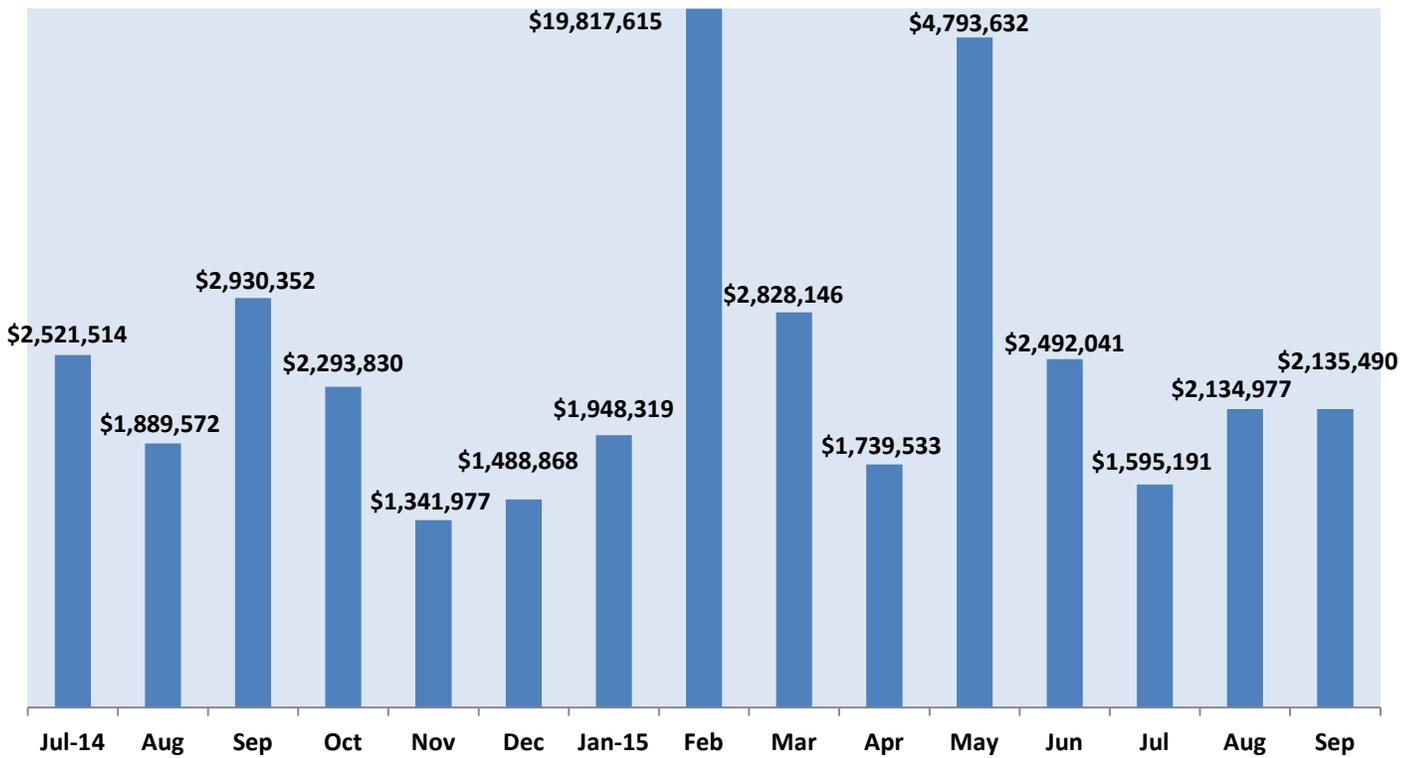




**Judgments**

	Jul 2014	Aug	Sep	Oct	Nov	Dec	Jan 2015	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Initial</b>	184	191	183	192	137	145	181	112	185	145	148	142	171	144	155
<b>Suspend</b>	86	57	117	95	100	103	96	53	68	54	48	84	81	67	54
<b>Reinstate</b>	118	109	123	117	97	116	109	132	134	121	93	117	111	102	111

**Savings to the Public**

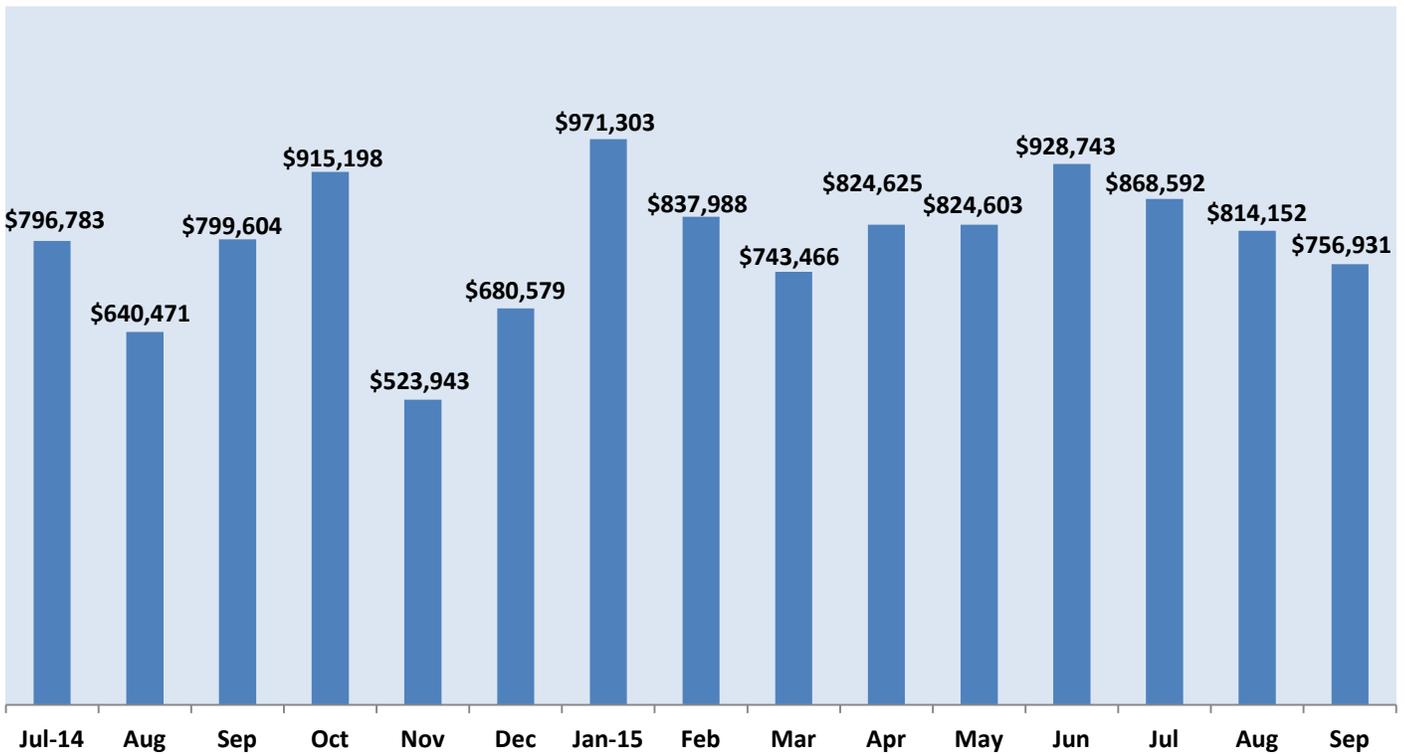




**Bond Payment of Claims**

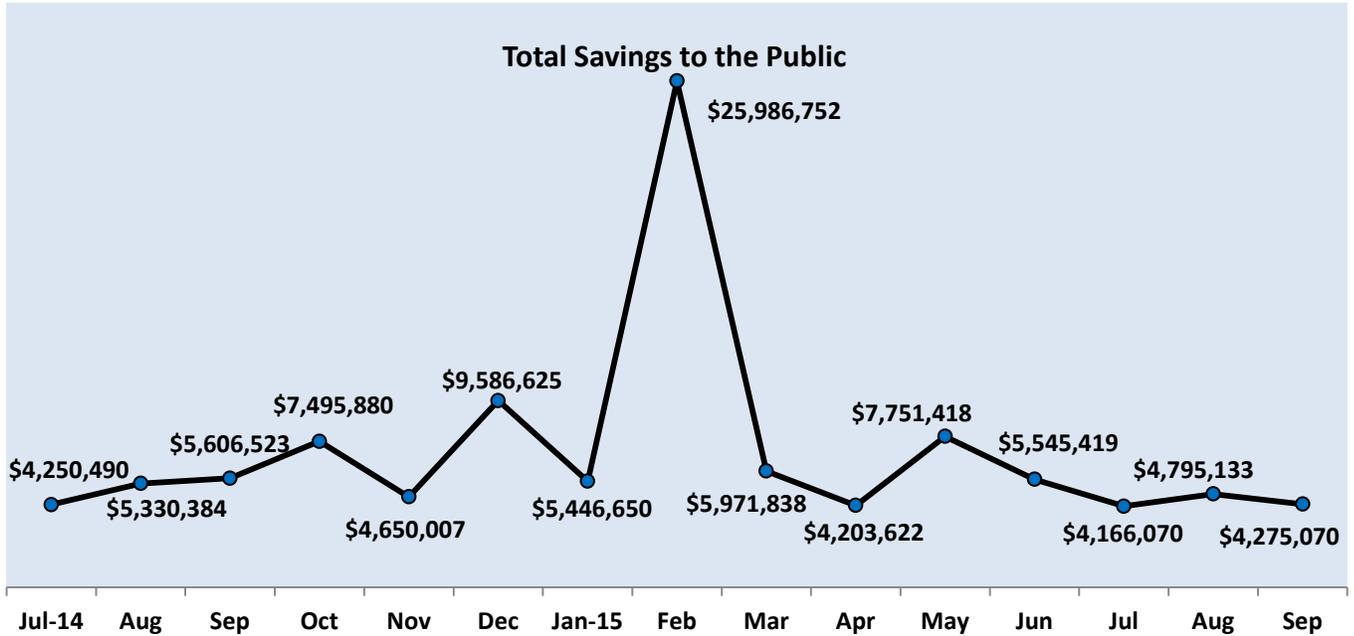
	Jul 2014	Aug	Sep	Oct	Nov	Dec	Jan 2015	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Initial</b>	183	124	219	271	93	150	253	153	122	207	178	218	166	154	182
<b>Suspend</b>	57	8	187	86	41	142	126	39	60	114	77	43	127	71	109
<b>Reinstate</b>	147	118	140	155	103	126	159	148	130	140	142	157	152	147	130

**Savings to the Public**





The chart below illustrates the combined total savings to the public by month for outstanding liabilities, judgments and payments of claim.



CSLB management continues to monitor processing times for the various licensing units on a weekly and monthly basis. The charts on the last four pages of this report track the “weeks to process” for the application and license maintenance/transaction units.

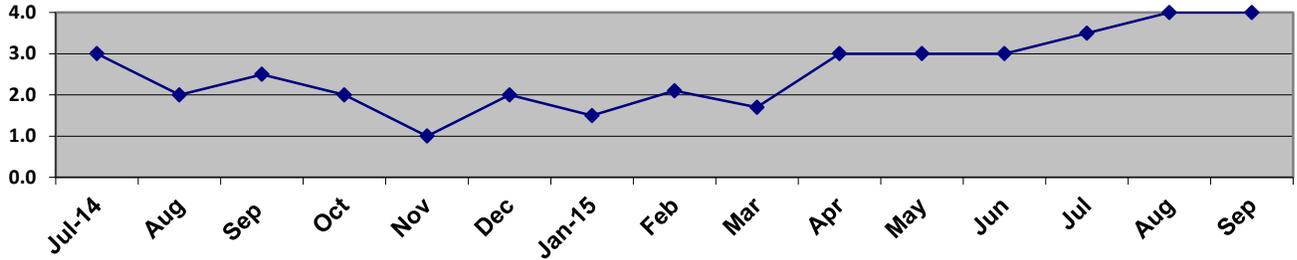
The charts indicate the average number of weeks to process for that particular month. Processing times, or “weeks to process,” refers to the average number of weeks before an application or document is initially pulled for processing by a technician after it arrives at CSLB.

The time-to-process timelines for applications and renewals include an approximate two-day backlog that accounts for the required cashiering and image-scanning tasks that must be completed before an application or document can be processed.

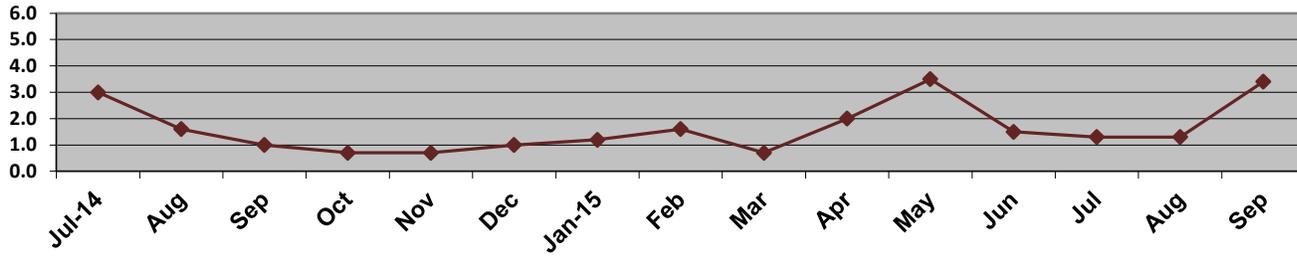


### Number of Weeks before Being Pulled for Processing

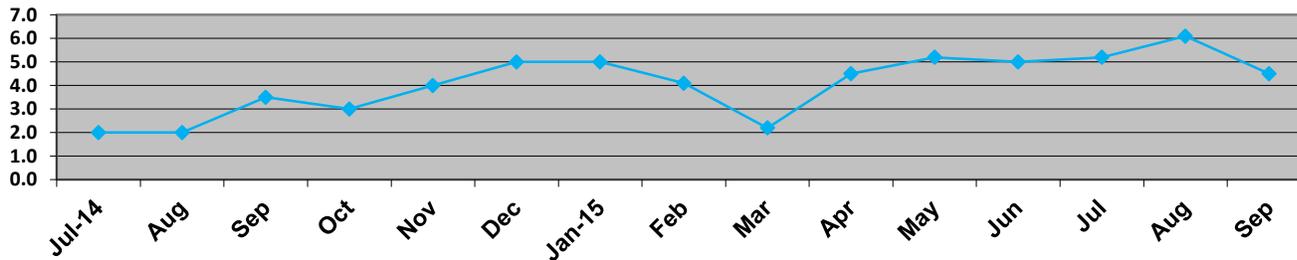
#### Application for Original License - Exam



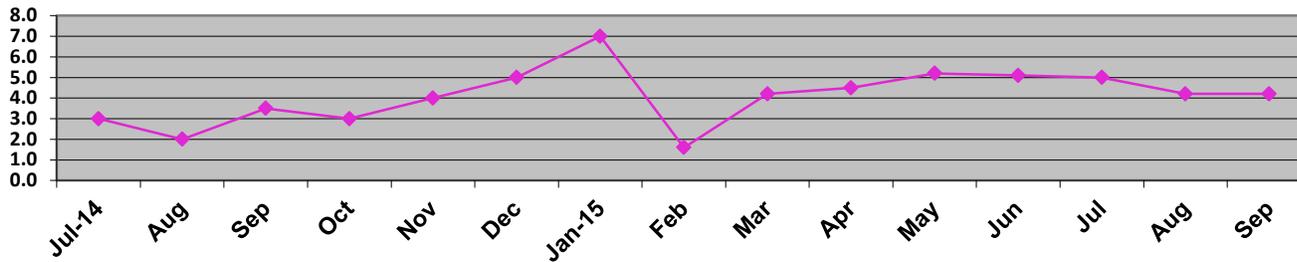
#### Application for Original License - Waiver



#### Application for Additional Classification



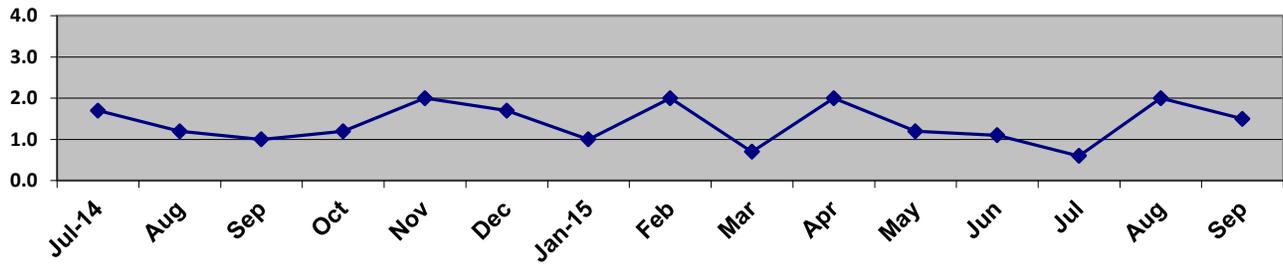
#### Application to Replace the Qualifier



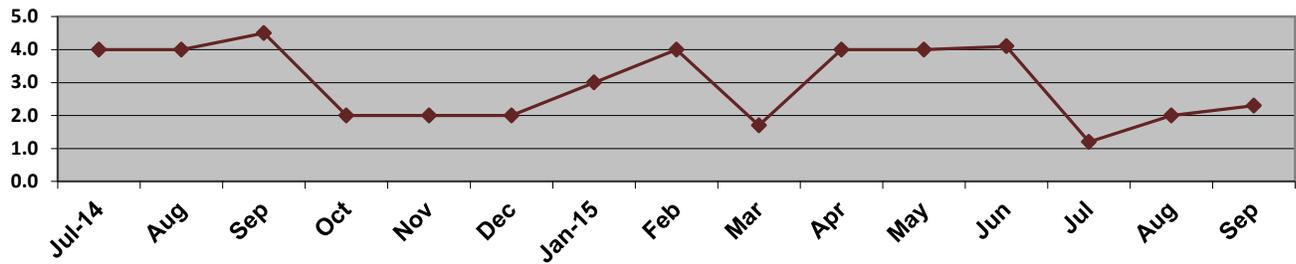


### Number of Weeks before Being Pulled for Processing

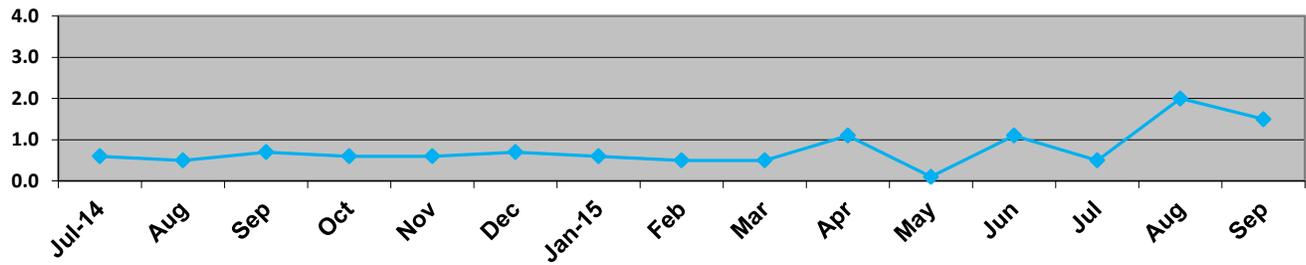
#### Application for Renewal



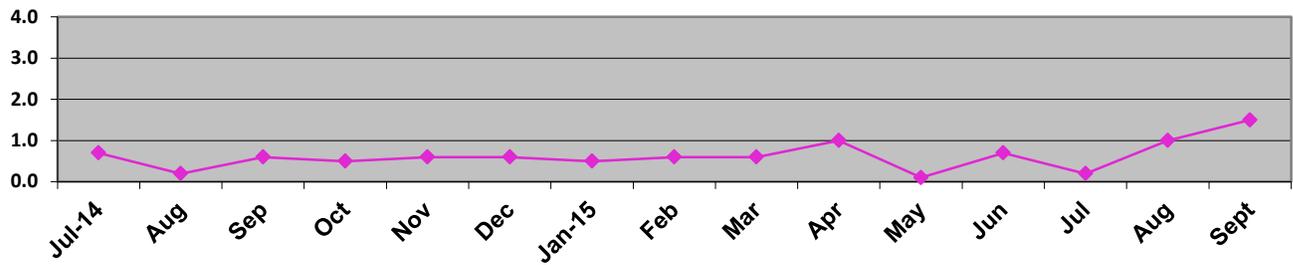
#### Home Improvement Salesperson (HIS) Application



#### Application to Add New Officer



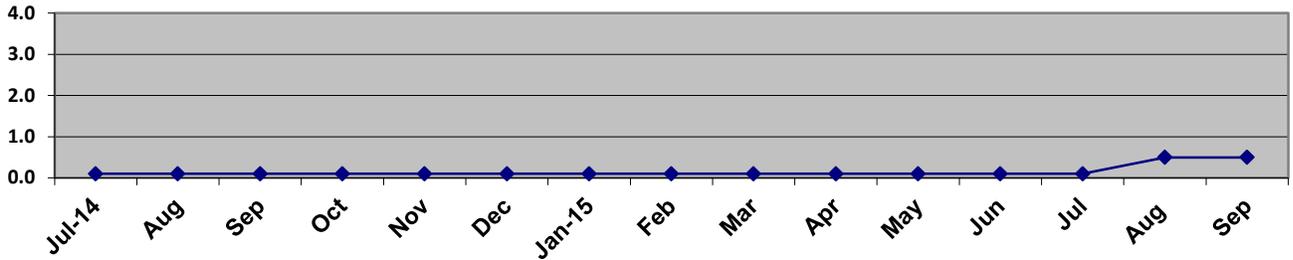
#### Application to Change Business Name or Address



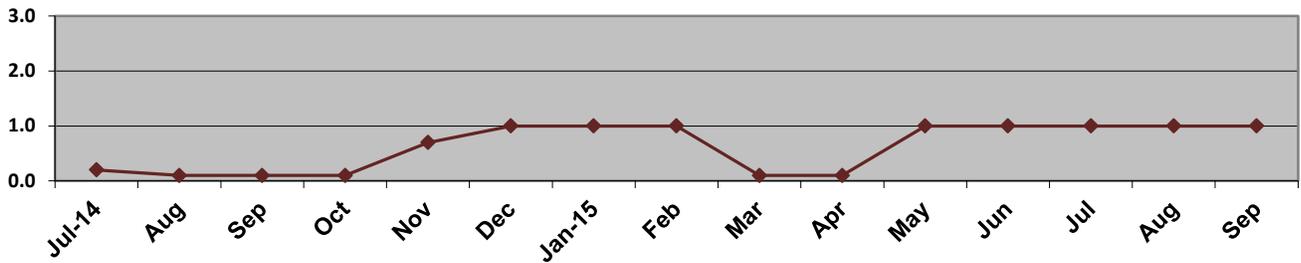


### Number of Weeks before Being Pulled for Processing

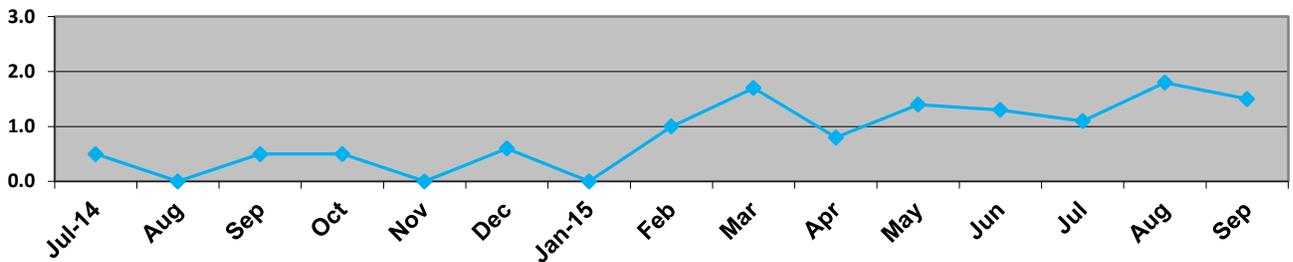
Contractors Bond, Bond of Qualifying Individual, LLC Worker Bond, Disciplinary Bond and Qualifier Exemptions



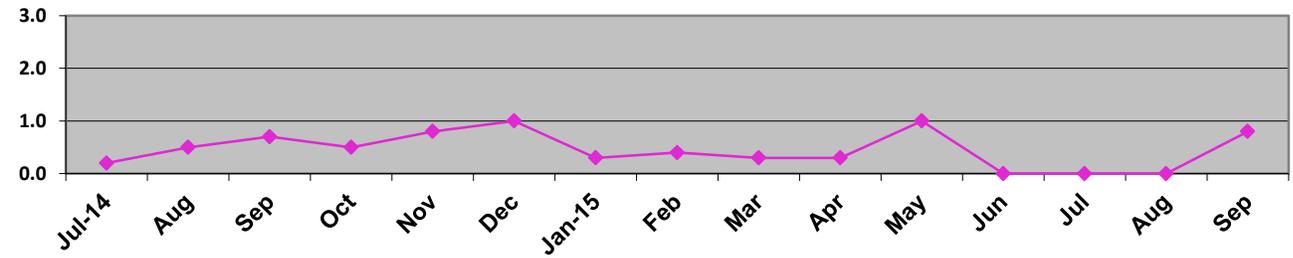
### Workers' Compensation Certificates and Exemptions



### Certified License History



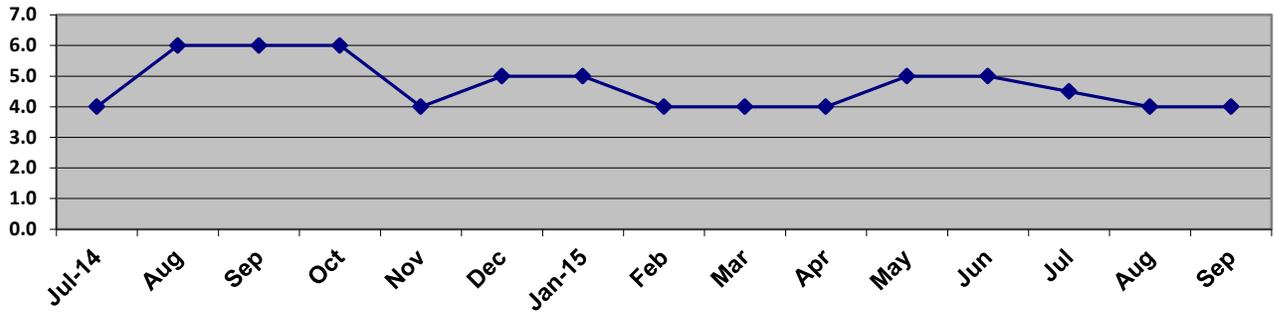
### Request for Copies of Documents





### Number of Weeks before Being Pulled for Processing

#### Criminal Background Unit – CORI Review



# AGENDA ITEM D

## Testing Program Update





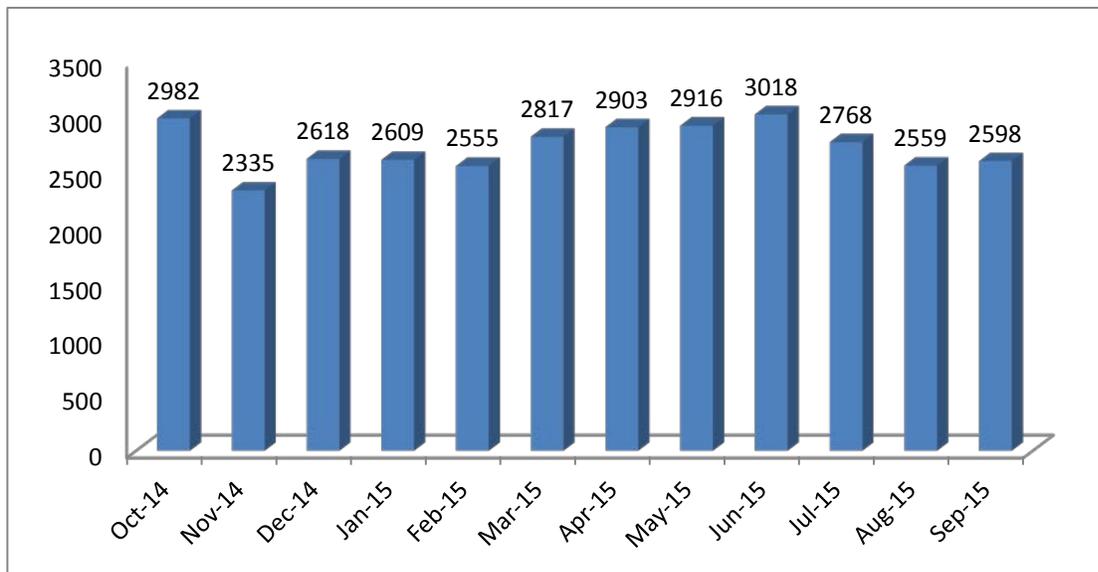
# CONTRACTORS STATE LICENSE BOARD

## TESTING PROGRAM UPDATE

### EXAMINATION ADMINISTRATION UNIT (EAU)

The Testing division's EAU administers CSLB's 46 examinations at eight computer-based test centers. Most test centers are allocated two full-time test monitor positions, with part-time proctors filling in as needed. Test monitors also respond to all interactive voice response (IVR) messages received by CSLB that are related to testing.

### Number of Examinations Scheduled October 2014 – September 2015



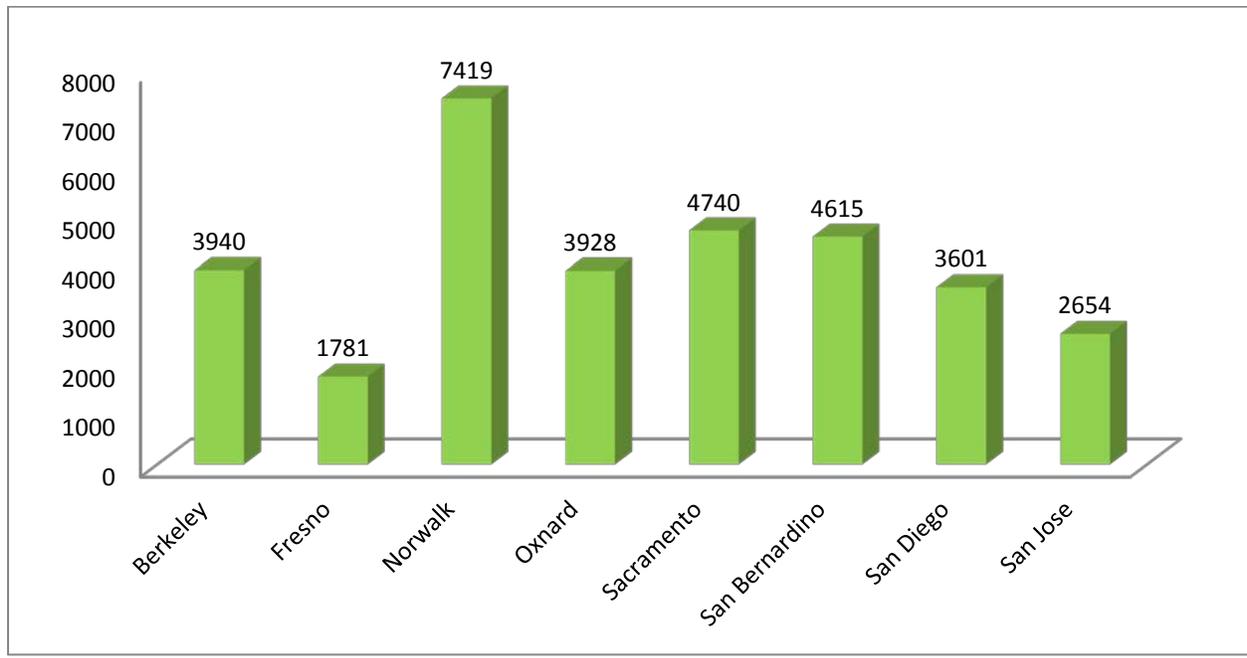
### Test Center Status

CSLB maintains test centers in the following locations:

- Sacramento
- Berkeley
- San Jose
- Fresno
- Oxnard
- Norwalk
- San Bernardino
- San Diego



**Number of Examinations Scheduled by Test Center October 2014 – September 2015**



**Examination Administration Staffing**

EAU has three vacant Office Technician positions, one each in Sacramento, Norwalk, and San Diego.

**EXAMINATION DEVELOPMENT UNIT (EDU)**

The Testing division’s EDU ensures that CSLB’s 46 examinations are written, maintained, and updated in accordance with testing standards, guidelines, and CSLB regulations.

**Occupational Analysis and Examination Development Workload**

Valid licensure examinations involve two ongoing phases: occupational analysis and examination development. This cycle must be completed every five to seven years for each of CSLB’s examinations.

The occupational analysis phase determines what information is relevant to each contractor classification, and in what proportion it should be tested. The cycle starts with interviews of a sample of active California licensees statewide. EDU staff then conducts two workshops with these Subject Matter Experts, along with online surveys about job tasks and relevant knowledge. The end product is a validation report that includes an examination outline, and which serves as a blueprint for constructing examination versions/forms.



The examination development phase involves numerous workshops to review and revise existing test questions, write and review new test questions, and determine the passing score for examinations from that point forward. In September 2015, EDU began paying Subject Matter Experts a per diem, in addition to travel costs and the \$150 daily rate.

EDU released two new examinations in September 2015: “B” General Building and C-20 Warm-Air Heating, Ventilating and Air Conditioning.

<b>Occupational Analyses in Progress</b>	<b>New Examinations in Progress</b>
C-17 Glazing	C-8 Concrete
C-32 Parking and Highway Improvement	C-9 Drywall
C-33 Painting and Decorating	C-15 Flooring and Floor Covering
C-39 Roofing	C-27 Landscaping
Law and Business	C-29 Masonry
	C-31 Construction Zone Traffic Control
	C-43 Sheet Metal
	ASB Asbestos Certification

**Examination Development Unit Staffing**

EDU has one Graduate Student Assistant vacancy.

**Ongoing Consumer Satisfaction Survey**

EDU conducts an ongoing survey of consumers whose complaint cases have been closed to assess overall satisfaction with the Enforcement division’s handling of complaints related to eight customer service topics. The survey is emailed to all consumers with closed complaints who provide CSLB with their email address during the complaint process. Consumers receive the survey in the first or second month after their complaint is closed. To improve the survey’s response rate, Testing incorporated a reminder email into the process so that non-responsive consumers now receive an email reminder one month after the initial request is sent.

**TESTING DIVISION**

**Civil Service Examinations**

In addition to licensure examinations, EDU develops, and EAU administers, examinations for civil service classifications for use by CSLB.

## AGENDA ITEM E

Discussion and Possible Action to Recommend Initiation of a Rulemaking to add Title 16, California Code of Regulations (CCR) Section 832.01 (C-1 Non- structural Residential Remodel Contractor) and Amend Title 16, CCR Section 832 (Specialty Contractors Classified)





### Issue

Should the Contractors State License Board initiate rulemaking to establish a new classification: ***Non-Structural Remodel/ Repair Contractor?***

### Background

As part of its 2015-16 strategic plan, the Board directed staff to determine if a secondary "B" classification is needed to address contractors who provide home improvement services that do not include structural changes. Staff established a task force to evaluate the issue.

The task force began by looking at the existing "B" General Building classification. In its current form, the General Building "B" classification includes a vast scope of work that requires expertise in framing/carpentry and two unrelated trades, e.g. plumbing, electrical, concrete, etc. The scope of work described under Business and Professions code section 7057 for the general building "B" contractor disqualifies from licensure many applicants who provide services involving non-structural remodel or repair work because of the requirement that the applicant document four years of "journey level" experience performing framing/carpentry and two unrelated trades. To qualify for licensure, the applicant must show he/she has experience in the building of structures, e.g. homes, or additions to existing structures. Remodel/repair contractors do not have this experience and do not intend to perform such work.

Individuals performing remodel/repair work are often cited in CSLB sting operations for contracting without a license; however, while there is a market demand for remodel/repair contractors, under the current statutory scheme no classification currently exists for which they can obtain licensure to legally perform such work. Excluding these individuals from licensure has left a gap in the marketplace. CSLB lacks a classification for this existing need, thereby fostering an underground economy. By excluding individuals from licensure, who may otherwise qualify for a limited part of the "B" classification, CSLB fails to fulfill its consumer protection mandate by not providing an opportunity for these individuals to operate legally. The proposed C1 – Non-Structural Remodel/Repair classification addresses those individuals who perform trade work in existing structures that does not include changes in the structural integrity of a building. This classification will allow skilled tradesmen to become licensed so they may legally provide these needed services to the public in a way that allows CSLB to regulate their contracting activities.



## Recommendation

Staff recommends that the Board adopt a regulation establishing a new C-1 Classification - ***Non-Structural Remodel/Repair Contractor***:

### *832.01 Non-Structural Remodel/Repair Contractor*

A non-structural remodeling and repair contractor remodels and repairs existing structures of three (3) stories or less, built for support, shelter and enclosure of persons, animals, chattels or movable property of any kind; provided that no load bearing portion of the existing structure is altered, added or moved; this includes footings, foundations, and weight bearing members.

This classification excludes C-16 Fire Protection and C-57 Well Drilling alterations and repairs.



# AGENDA ITEM F

Adjournment





OCTOBER 30, 2015  
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Enforcement  
Committee Meeting





## AGENDA ITEM A

# Call to Order, Roll Call and Establishment of a Quorum – Chair’s Introductory Remarks

Roll is called by the Committee Chair.

ENFORCEMENT COMMITTEE MEMBERS:

KEVIN J. ALBANESE, CHAIR

DAVID DIAS

ROBERT LAMB

MARLO RICHARDSON

FRANK SCHETTER

JOHNNY SIMPSON

NANCY SPRINGER

Committee Chair Kevin J. Albanese will review the scheduled  
Committee actions and make appropriate announcements.





## AGENDA ITEM B

# Public Comment Session for Items Not on the Agenda

(Note: Individuals may appear before the Committee to discuss items not on the agenda. However, the Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).





## AGENDA ITEM C

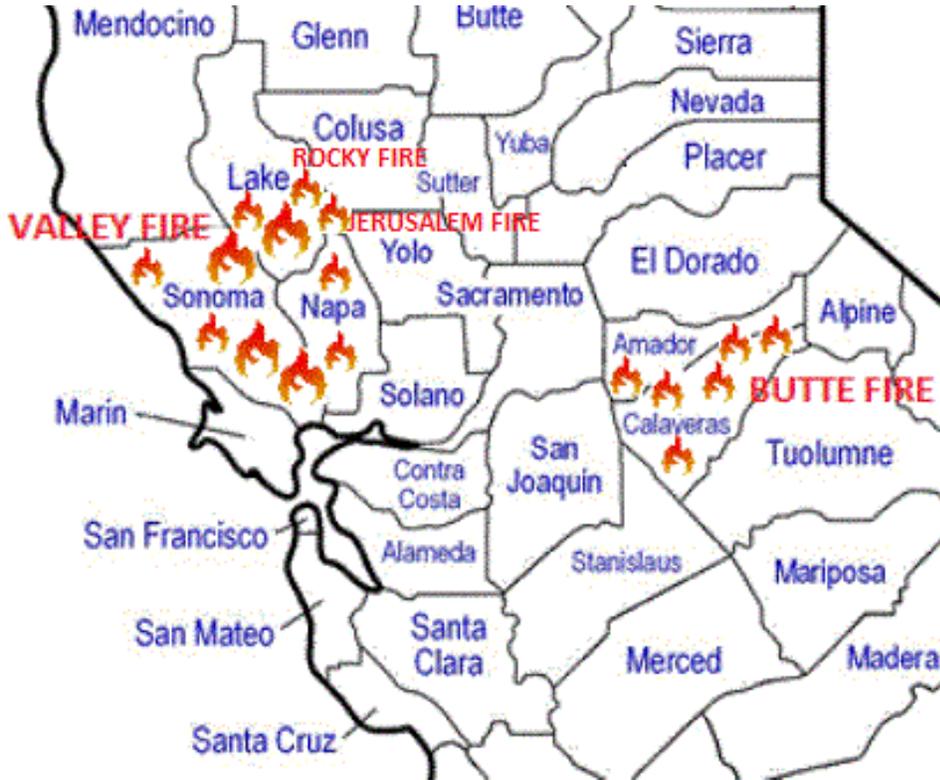
# Enforcement Program Update

1. Enforcement Activity and Investigation Highlights
2. Complaint Handling Statistics





**SPECIAL REPORT: THE CALIFORNIA WILDFIRES**



CSLB wildfire relief efforts began in late August 2015 with visits to the Rocky and Jerusalem fires. Although serious events, these fires were less devastating than the Valley and Butte fires that ripped a path of devastation through the northern part of the state in September. Each of these disasters has demanded an ongoing, multi-agency response.

Cal Fire reports the fires 100 percent contained and has calculated the damage:

	<b>ROCKY FIRE</b>	<b>JERUSALEM FIRE</b>	<b>BUTTE FIRE</b>	<b>VALLEY FIRE</b>
<b>Started</b>	July 29, 2015	August 9, 2015	September 9, 2015	September 12, 2015
<b>Ended</b>	August 13, 2015	August 24, 2015	October 1, 2015	October 6, 2015
<b>Size</b>	69,438 acres	25,118 acres	70,868 acres	76,067 acres
<b>Destroyed</b>	43 residences; 53 outbuildings	6 residences; 21 outbuildings	475 residences; 343 outbuildings	1,280 homes; 27 multi-family structures; 66 commercial properties; 585 minor structures
<b>Damaged</b>	8 structures	N/A	45 structures	93 structures
<b>Injuries</b>	N/A	N/A	2 civilian fatalities; 1 injury	4 civilian fatalities; 4 firefighter injuries



## THE NEED FOR AGENCY PRESENCE

Though the fires are contained, local assistance centers (LAC) in Lake County (Middletown and Clearlake) and Calaveras County (San Andreas) remain open, as there is much work yet to do. For any disaster, CSLB's first response is "boots on the ground." CSLB personnel in the disaster areas reported a general outpouring of support to displaced residents, as local hotels provided free rooms, churches provided gift cards and necessities, and local and state agencies provided everything from information to manual labor. But CSLB's responsibility extends beyond education and support, as the risks to consumers is great. Construction services offered to those in dire need are often suddenly in abundance after a disaster, and CSLB has already received reports about questionable persons approaching residents with business cards and offers to work on their homes.

## CSLB RESPONSE

CSLB representatives have reported to the disaster areas every day since September 18, 2015, staffing LACs and sweeping for unlicensed construction activity. Dozens of CSLB staff have volunteered to work in the disaster areas and, in addition to their daily duties, continue to work 10 hours or more a day and are scheduled to appear at LACs at least through the October 19th weekend. These hardworking CSLB employees have engaged over 100 local residents and will continue to staff LACs until a full day passes when not a single resident appears for assistance. The Northern California Investigation Centers have successfully coordinated these efforts and dedicated staff from throughout the Enforcement division have staffed the LACs.



## CDI RESPONSE

The California Department of Insurance (CDI) plays an essential role in the wildfire response, as displaced residents may have home or rental insurance that renders them eligible for additional living expenses or reimbursement pursuant to a mandatory evacuation. CDI recommends that homeowners consult their insurance agents and adjusters as soon as possible after an emergency. CSLB

has worked actively with CDI over the last few weeks as the agencies impart their equally important messages of warning, information, and education. (PHOTO: September 23, 2015: CSLB-SWIFT Enforcement Representatives form disaster response team with CDI.)



**STAFF AND PARTNER COMMENTS AND REPORTS ON RELIEF EFFORTS SO FAR**



*"I wanted to express my appreciation to the CSLB staff out at the Valley Fire outreach/education roll out today [9/23]. Everyone was fabulous. The staff was amazing! An absolutely great group of people to work with. They were absolutely professional, I cannot say enough about their efforts today. I look forward to continued efforts with CSLB. Thank you!"*

- J.A., Captain, CDI Regional Office, to CSLB Public Affairs Director Rick Lopes, on September 23, 2015

(PHOTO [left]: "Fraud Alert" signs placed by CSLB staff near Jerusalem Fire warn of risks of disaster area scams.)



*"Thanks for the good work you are doing in the disaster areas."*

- Tracy Rhine, Chief Director, DCA, to Registrar Cindi Christenson, on September 27, 2015

(PHOTO [left]: CSLB investigator manning an enforcement booth at a local assistance center.)

The quotes that follow come from CSLB investigators working in the disaster areas:

*"I was part of a team who went out in the neighborhoods of Middletown and spoke with homeowners who were sifting through the remains of their homes. Many shared stories of how they escaped the fire and how devastated they were. They all expressed their disdain for the looters and the unlicensed contractors who were roaming their town. They told us many times how grateful they were that CSLB was in their community sharing information and trying to protect the citizens from unscrupulous individuals who would try to take advantage of them when they were at their lowest. Every homeowner I spoke with was thrilled to hear CSLB was planning on conducting stings in the area and most offered their property for that purpose. I was very touched by the positive attitude that was so prevalent throughout the community."*

- D.W., Sacramento (North) Investigator, September 29, 2015

*"On September 18, 2015, I responded immediately to the Calistoga evacuation center to set up an information table and provide evacuees with literature in anticipation of their return home. Myself, \*\*\*, \*\*\*, and \*\*\* along with CDI conducted a sweep and outreach in the Middletown area on September 23, 2015. We spoke to several residents who had lost homes, provided outreach materials and posted signs warning unlicensed contractors. I am*



*currently planning an operation in \*\*\* along with the DA's office and CDI, which has not been formally announced yet."*

- E.S., Statewide Investigative Fraud Team, September 28, 2015

*"I've been up to the Butte Fire twice so far. The first time was on Wednesday, September 23, and we were able to attend a Town Hall style meeting in which citizens of the Mountain Ranch Community (in the middle of the burn zone) expressed their concern about pressing issues. Topics discussed included shelter, food, and resources available. CDI and CSLB were able to address the community, informing them of their rights as consumers as well as advice for hiring contractors, etc. They seemed very appreciative of the information as we also gave out bags full of pamphlets and information....My second trip was Saturday September 26 with ER \*\*\*. We met with the building official because he was in fear that we needed to get a jump on the enforcement efforts and perform surveillance of the area to see if any construction was beginning yet. He was in fear that once the construction started it would be difficult to control. We swept the area for 6 hours."*

- J.S., Statewide Investigative Fraud Team, September 28, 2015



## ENFORCEMENT ACTIVITY AND INVESTIGATION HIGHLIGHTS

### **CSLB Is Represented at Annual National Association of State Contractors Licensing Agencies Conference**



The National Association of State Contractors Licensing Agencies (NASCLA) held its annual conference in San Diego August 31 through September 3, 2015. Registrar Cindi Christenson and Chief of Enforcement David Fogt represented CSLB at the gathering. The event allows NASCLA members to meet and discuss their consumer protection goals, exchange information, and explore interstate partnering ideas. CSLB shared with attendees its best practices related to licensing and the development of enforcement strategies to combat multi-state predatory service and repair contractors that target the elderly. The event inspired officials from many

states to reconvene to share additional ideas, and the Western States Forum on Construction Enforcement, including representatives from Arizona, California, Oregon, and Washington plan to share ideas on the following issues:

- Residential Solar Construction
- Exploitation of Senior Citizens (California Case Study)
- Administrative Action versus Criminal Prosecution
- Use of Databases for Licensing/Investigations
- Fraud Investigations (Nevada Case Study)
- Criminal Trends
- Public Information Office support of Enforcement Operations
- Training for Criminal and Compliance Investigators
- Future Western States Forum

### **The First Event of Its Kind—Enforcement Division Kicks Off its District Attorney Training on the Prosecution of Unlicensed Contracting Cases**

The Enforcement division hosted a statewide Consumer District Attorney's Training at the Department of Consumer Affairs, on October 21, 2015. Prosecutors representing three county DAs offices served as the featured guest speakers and provided training on the investigation and referral of unlicensed contracting cases for successful prosecution, which allowed attendees to learn strategies from prosecutors who are experts in their fields. Consumer crime topics included: effective prosecution of unlicensed operators; achieving felony convictions for financial crimes; using the unfair business practice statutes to remove financial incentives from businesses that violate the law; and achieving injunctive relief as a means to prevent irreparable harm. The reservations filled fast for this event, at which CSLB also distributed its first-ever handbook for unlicensed contracting prosecution.



## INTAKE AND MEDIATION CENTERS (IMC)

### July 2015 an Historic Month for the Intake and Mediation Centers



The July 2015 statistics are in for the CSLB Intake and Mediation Centers (IMC), which stands as the “front line” for consumer complaints against contractors in California. The Intake Centers process nearly 18,000 complaints a year, and the Mediation Centers, with their 32 Consumer Services Representatives, painstakingly work each month to achieve one of the following three goals within 60 days: (1) mediate the

issue and seek either a “correction” (where a contractor fixes or finishes a job to the homeowner’s satisfaction) or “restitution” (where monies paid on the contract are refunded to the homeowner); (2) determine whether to close a complaint where there is lack of evidence to support a violation, and/or issue a warning letter for a minor violation of contractors’ law; or (3) refer complaints in need of further investigation or contractor discipline to one of the statewide Investigation Centers. In July 2015, the IMCs posted a highest-ever settlement figure of nearly 50 percent of incoming complaints (47 percent statewide). Such results free-up investigators to pursue more complex cases and task force duties, such as elder abuse and service and repair scams. (PHOTO: *The IMC pride in their numbers is posted for all to see in the Enforcement hallways.*)

### Sacramento IMC Consumer Services Representative (CSR) Working Reactive Complaint Tips SWIFT to Licensee with Employees and No Workers’ Compensation

During the investigation of a reactive complaint filed by an unhappy subcontractor who was not paid for a job, a Sacramento CSR realized that the licensee not only failed to pay this subcontractor, he employed workers at the same jobsite without carrying workers’ compensation. The CSR attempted to mediate the dispute between the two contractors, while alerting the Central Statewide Investigative Fraud Team (SWIFT) to possible illegal activity at the jobsite. On September 23, 2015, SWIFT caught the licensee on the site with employees and issued a citation for filing a false workers compensation exemption and issued a stop order on the job.

### General Contractor Pays Southern California Consumer for Damages Caused By Subcontractor

A homeowner entered into a \$11,533 written contract for tile and laminate flooring. The contractor (who received \$5,854) hired a subcontractor who completed the project, but



performed substandard work. Additionally, the subcontractor caused a huge water leak in the upstairs bathroom, which led to severe damage to the ceiling, and placed the trash can in the wrong area causing the homeowner's wife to back into the can, thus, damaging her car bumper. The respondent obtained an attorney; but after negotiating with a CSLB Norwalk Consumer Services Representative, agreed to let the complainants keep the remaining balance on the contract and to pay for the repair to the ceiling and car bumper. In total, the homeowners received \$10,700 in restitution.

### **Elderly Southern California Homeowner Gets Hefty Refund for Overpriced Plans**

A 72-year old senior citizen entered into a \$15,912 contract for design plans to remodel her existing home. After 10 change orders to the plans, soil and engineering fees, and other miscellaneous costs, the homeowner had paid the contractor \$34,500 – and the city had yet to approve the plans. The Norwalk Consumer Services Representative went back-and-forth with both parties, and finally reached a resolution. The contractor sent the homeowner a check for \$17,112.50 (including \$3,000 in attorney fees) and the homeowner also kept the plans.

### **Consumer Services Representative (CSR) Mediates Bay Area Complaint Filed Long After the Expiration of the Statute of Limitations**

Business and Professions Code §7091 provides that complaints against a licensee shall be filed within four years of the act or omission alleged in the complaint. There was thus a clear statute of limitations issue for a Martinez homeowner who contacted CSLB in July 2015 about a problem with his pool, remodeled by a licensee in June 2007. The complainant alleged the pool was never properly completed and has suffered with ongoing issues, such as stains and spots remaining on the surface since its construction. Despite the age of the contract, the CSR convinced the contractor that it benefited everyone to attempt to resolve the complaint. In September 2015, the contractor agreed to power-grind the surface and to apply a topcoat, which constituted a \$2,200 savings to the consumer for a nearly 10-year old contract.

### **IMC Special Program Update: Ensuring Licensee Permit Compliance**

The code and permit compliance history of the general contractor in the Berkeley balcony collapse case have prompted a renewed focus on permit compliance. At the June 2015 Board Meeting, the Board unanimously agreed to approve a March 2015 plan to share information regarding permit compliance violations. This effort should also improve general permit compliance. CSLB has worked county by county to improve information sharing and best practices, and IMC research reveals the success of these efforts. Below is a comparison of 2015 numbers-to-date with those from 2014:

- **16.7%** - percentage increase in the number of permit complaints received per month (**2014**: 258 total opened; as of **August 2015**, 201 opened)
- **30%** - percentage increase in the number of referrals from building departments per month (**2014**: 90 total all year; as of **August 2015**, 78 received)
- **25%** - percentage increase in the number of citations written for permit violations per month (**2014**: 46 total all year; as of **August 2015**, 38 received)



## INVESTIGATIVE CENTER UPDATES

### **Multiple Repeat Offender Faces Certain Revocation with New Criminal Charges**

Santa Clara-based “Home Pro Construction,” licensed in 2009, had its license for only six months when CSLB received its first complaint about the company. By August 2013, violations for workmanship, failing to pull permits, charging excessive down payments and for funds in excess of work value had landed Home Pro on a three-year probationary license. Terms included retaking license exams and repaying \$50,000 to injured parties. After passing the required exams again, the licensee returned to work and by October 2013 convinced a 92-year old World War II veteran to agree to a \$237,900 contract with Home Pro to remodel his home. The licensee had the elderly homeowner pay \$45,000 up front. The elderly homeowner later terminated Home Pro, after paying the company over \$165,000, or nearly 70 percent of the contract price. CSLB’s investigation concluded that the contract value was closer to \$50,000, and that the contract had completed only about 20 to 25 percent of the agreed-upon work. In September 2015, the CSLB San Francisco Investigation Center filed an accusation against the licensee and referred the investigation to the Santa Clara District Attorney’s office for criminal charges. The core violations for this excessive contract are identical to the August 2013 allegations that led to Home Pro’s probationary status, with the additional charges of theft by diversion of construction funds, grand theft, wage theft, and a financial elder abuse enhancement.

### **Felony Convictions for Two Unlicensed Contractors Who Ripped-Off an Active Duty Army Officer**

In March 2013, an active duty U.S. Army officer wanted to remodel his home. He entered into a \$32,000 contract for the work with two unlicensed contractors, Jorge Perez and Pablo Leon. The officer’s mother borrowed \$30,000 from her retirement fund to help her son pay for the work while he was stationed at Fort Irwin. Perez and Leon nearly demolished the house entirely and failed to complete the remodel. Further, those portions of the project they did complete suffered from serious workmanship issues. The officer returned to a home without a working furnace, with dangerous electrical problems, and absent most essential home electrical appliances. The CSLB West Covina Enforcement Representative referred the matter for criminal prosecution, and on September 25, 2015, Perez was convicted of misdemeanor contracting without a license and grand theft. He received a sentence of five years of probation and 90 days of community service, and must repay the officer \$37,000. Leon failed to appear for court, resulting in an outstanding warrant for his arrest. The court set bail at \$40,000.

**Unlicensed Contractor with Orange County Storefront Faces Criminal Charges**

In May 2012, Dean Dinh (left) operated a storefront business in Anaheim under the name “Tangowood Kitchen & Baths.” A Corona homeowner filed a consumer complaint with CSLB after Dinh agreed to install new kitchen cabinets and counters for \$8,995 in the consumer’s home. Dinh received an excessive down payment – \$5,495 – explaining that an as yet unnamed subcontractor would perform the work. The consumer became concerned and asked to cancel the contract. Dinh refused, explaining that he had already ordered the materials; yet he could not provide proof. He also refused to return the homeowner’s money because of a “restocking fee.” Dinh eventually closed the storefront and disappeared, leaving the homeowner with no hope of collecting the lost funds. The CSLB San Bernardino Investigative Center referred the case to the Riverside County District Attorney’s office, which issued an arrest warrant for Dinh for felony grand theft, unlicensed contracting,

misdemeanor advertising without a license, and misdemeanor excessive down payment on a contract. In August 2015, Dinh was located at a new storefront, where he was detained and arrested. Dinh’s arraignment date was September 18, 2015.

**Pair of Licensees Learn First-Hand the Risks of Attaching their Names to the Wrong Unlicensed Business Partner**

In the early 1990s, Percival Agoncillo, Jr. (Junior) and his brother Percival Agoncillo, III, AKA “Sonny,” worked for a licensed plumber, Daniel Griffin. In 2003, Junior, who has never possessed a contractor’s license, purchased Griffin’s Northern California client list and operations for \$3.3 million and registered a corporate DBA “Bell North” with the office of the Secretary of State. Junior applied for a CSLB contractor’s license, naming another licensed plumber, Norman Mallari, as the RMO, and naming his younger brother Sonny CEO and President. Because of child support obligations he did not wish to disclose Junior left himself completely off the CSLB application. In September 2012, Junior received a 120 day jail sentence and three years of probation for felony drug and firearm possession that resulted from a DUI stop. And in December 2012, a six-figure judgment was rendered against Bell North for hour and wage violations. Aside from paperwork that named Sonny and Norman as culpable parties, no evidence suggests that anyone but Junior knew about the lawsuit. Junior filed bankruptcy in August 2014, which Mallari learned of only when he stopped receiving Bell North checks. In November 2014, CSLB initiated its investigation into the application and license activities of Bell North, and in December 2014, Mallari dissociated from Bell North. In July 2015, Junior was again arrested, this time for carrying a loaded firearm at Disneyland. Released with a pending hearing date and subject to a probation check a few days later in the Bay Area, Junior was found with a weapon and methamphetamine.



Junior now sits in the San Mateo County jail, awaiting an October 27, 2015 court date, where he will answer to new criminal charges. The CSLB administrative investigation against Bell North includes allegations of neglect of duties of a qualifying individual, omission or misrepresentation of material facts by an applicant, failure to disclose principles, and aiding and abetting an unlicensed contractor. The CSLB criminal investigation against Junior will refer for prosecution charges of misrepresenting a license number, submitting false documents, forgery, theft by false pretenses, and failure to carry workers' compensation insurance for his employees.

### **Multi-Agency Effort to Take Down License-For-Rent Scheme**

In March 2014, the California Department of Insurance (CDI) and the San Diego District Attorney's Office (SDDA) notified the San Diego Investigative Center investigator about a non-licensed contractor, Tim Victor, suspected of employment tax and insurance fraud. The CDI and SDDA asked CSLB to help identify Victor, as well as a possible licensee who may have permitted the illegal use of his license. The joint investigation confirmed that licensee David Butts rented his license to Victor for \$500 per month over an extended period of time, and that Butts also changed his business name style with CSLB to Victor's name. CSLB opened an investigation against Butts and referred his case for an administrative action to revoke the license, as well as a criminal referral for lending a license to another person and conspiracy with a non-licensee. CSLB revoke Butts' license earlier this year. As for the criminal investigation, CSLB learned that Victor's violations of workers' compensation and employment tax laws allowed him to underbid roofing jobs. CSLB referred its criminal investigation against Victor to the SDDA, and has also recommended prosecution of Victor's wife for her role in related insurance and tax schemes. Butts pleaded guilty to fraudulent use of a license number and was fined \$10,000 and received five years' of summary probation. Victor faces sentencing on October 15, 2015.

### **Bay Area Revoked Licensee Undertakes New Contract While on Trial for Criminal Allegations**

CSLB revoked the license of Dean Poshard in August 2008 for failing to comply with a \$4,900 mandatory arbitration award. His attempt to reapply for licensure in 2010 was referred to formal application review, where the resulting investigation uncovered additional evidence that Poshard abandoned work and failed to complete a project for the agreed upon price in another consumer contract. Poshard's application went through the appeal process, and was formally denied by CSLB in October 2012. The underlying facts compelled the CSLB San Francisco Investigation Center (SFIC) to forward the case to the San Mateo County District Attorney's office for theft and diversion of construction funds. After a February 2014 preliminary hearing, the matter was set for criminal trial.

Apparently undeterred, while awaiting trial, Poshard entered into an unrelated contract to remodel a Los Gatos home in December 2014. Found guilty after the trial on the first contract, August 5, 2015, Poshard received a sentence of 720 hours of community service, five years of probation, and was ordered to pay \$70,000 to the consumer. He now faces another criminal action for his Los Gatos activity, as that case supports allegations of extortion, harassment, and a threat to commit great bodily injury to the



homeowner. The SFIC forwarded the Los Gatos investigation to the Santa Clara County District Attorney's Office in July 2015.

## PUBLIC WORKS UPDATE

### Multi-Agency Investigative Effort Ongoing in Berkeley Balcony Tragedy



On June 16, 2015, six lives were lost and seven people injured when the fifth floor balcony of a Berkeley apartment building broke loose from its stucco wall. The CSLB licensee who served as the general contractor during the construction of the complex has been identified. The Alameda District

Attorney's Office (DA) is heading a criminal investigation to identify what acts or omissions (if any), by whom, caused water intrusion into the balcony. This investigation necessitates forensic and "destructive testing" of the failed balcony, as well as the balconies that did not fail, all of which have been moved to a secure location. CSLB has taken a lead in the investigation. Alongside the California Architect's Board and the California Board for Professional Engineers, the agencies are coordinating the services of engineering and architectural experts as part of the DA's investigations. A CSLB Quality Assurance Enforcement Representative from the Public Works unit is the assigned investigator on this important case, and the team was onsite on October 6, 2015, for the first round of testing. The tragedy is at the center of proposed legislation to compel contractors to report civil settlements to CSLB (SB 465 – Monning). The accident has also fostered much discussion about holding a contractor criminally liable if work is found to be so insufficient as to be reckless. The tragedy and the combined government response are being watched worldwide, as five of the six student killed were visiting from Ireland.

(PHOTO [above]: *Onlookers watch destructive testing of a balcony segment at an undisclosed location.*)



**Wet Inked October 2015: Renewed Memorandum of Understanding Between CSLB and the Department of Labor Standards and Enforcement**

In October 2015, CSLB executed the newest memorandum of understanding (MOU) with the Department of Labor Standards Enforcement (DLSE). A highlight of this compact includes greatly expanded sharing of Civil Wage and Penalty Assessments (CWPA) filed against contractors, a Department of Industrial Relations sanction that penalizes licensees for skirting labor laws on public works projects. This new MOU will greatly improve CSLB's capacity to discipline contractors subject to CWPA with the creation of an "early warning system" for contractors subject to CWPA.

**CSLB Represented at a San Francisco Chapter of Housing & Urban Development (HUD) Office of Labor Standards and Enforcement Training Event**



In July 2015, an investigator from the CSLB Public Works unit spoke on state and federal labor standards at a San Francisco training session attended by local awarding agencies from throughout the state. The talk focused on issues and challenges posed by SB 854, the 2014 bill that changed how the Department of Industrial Relations monitors compliance with prevailing wage requirements on public works projects. CSLB's presentation clarified how that legislation relates to CSLB's Public Works unit. The session emphasized the importance of public works contractor "pre-qualification," public

works contracting requirements and public contract code issues, as well as the different responsibilities of DIR and CSLB on the issue. The Public Works unit remains dedicated to ensuring local agency compliance with public works mandates.

**Irvine Public Works Contractor Convicted of 37 Felony Counts after Trial Featuring Expert Testimony by CSLB Staff**

Between 2009 and 2012, licensee "AAA-HVAC," a heating and air conditioning business in Orange County, successfully bid on multiple Los Angeles County public works contracts. During that time, the licensee paid employees by cash or check at less than the prevailing wage, and retained the difference for himself. The investigation uncovered evidence of forgery and the falsification of bank records intended to show that the employees received the prevailing wages. Additionally, the licensee failed to pay premium insurance and other taxes to the Employment Development Department.

While not a CSLB case, the Orange County District attorney called on the expert testimony of a CSLB veteran investigator from the Norwalk Quality Assurance unit in the September 2015 trial. The CSLB witness testified about the difference between "employee" and "independent contractor," the definition of "subcontractor," explained a CWPA (Civil Wage and Penalty Assessment), discussed the nature of public works projects, and reviewed the qualifications, knowledge, and experience necessary to become a licensed contractor. In addition, the CSLB Record Certification Unit, under the Licensing division, acted as an invaluable resource in the outcome of this case, providing



over 40 certifications of record as to the license histories of multiple relevant parties to the case.

After all of the testimony and a lengthy trial, a jury found that the defendant had committed over \$120,000 in tax and insurance fraud. The defendant faces 26 years in prison at his January 2016 sentencing.

**SPECIAL INVESTIGATIONS UNIT (SIU) UPDATES**

**Unlicensed Contractor with Connection to A&E’s “Flip This House” Attempts to Capitalize in California**

282111107 NEW 01/08 8810004306

**MONEY ORDER**

CHASE 

Date 07/21/2015

Pay To The Order Of: Contractors State License Board      \$\*\* 100.00 \*\*

Pay: ONE HUNDRED DOLLARS AND 00 CENTS

Abel Rodriguez

SENDER/DRAWER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
JPMorgan Chase Bank, N.A.  
Phoenix, AZ

Do not write outside this box

Memo: case# MWV1403543

Note: For information only. Comment has no effect on bank's payment.

Security Features: Control on Back

Abel Rodriguez is related to Armando Montelongo, a member of the San Antonio team behind A&E’s successful television show “Flip this House,” and he is known to regularly solicit work during Montelongo’s seminars. Attempting to capitalize on that name, Rodriguez had once opened shops in Riverside and Chino, California, called “Flip This Kitchen.” Rodriguez regularly takes money for unfinished or substandard jobs and, between 2010 and 2014, CSLB referred eight investigations against him for criminal action. At least one of those referrals was successful in November 2014, when Rodriguez pled guilty for unlicensed contracting; he was ordered to spend time in jail, and will serve 60 months of probation following his release. Further, he must pay \$2,000 to the Contractors State License Board and the Department of Insurance Fraud at monthly rates set by the court. On August 11, 2015, CSLB received notification of the first restitution check from Rodriguez. It was only \$100, but will be the first of many payments toward full restitution.

**Unlicensed Tongan Couple Flee to Tonga after Indictment**

In 2010, a 96-year old homeowner entered into a written contract with Kali Afu and Maata Tafengatoto to replace a front driveway with pavers for \$20,000. Afu befriended the homeowner and suggested further work be done for an additional \$64,200. Eventually, the homeowner paid Afu and Tafengatoto a total of \$80,182. Afu hired his brother-in-law as a laborer, and failed to provide workers’ compensation coverage. The Special Investigation Unit Peace Officer (PO) on the complaint arranged for a CSLB Industry Expert to inspect the work. The investigation valued the work at approximately \$49,470. The PO forwarded the investigation to the Contra Costa District Attorney’s Office for criminal prosecution on charges of contracting without a license, failure to secure workers’ compensation insurance, conspiracy, felony burglary, grand theft, and theft by



false pretenses – all with elder abuse enhancements. Following a grand jury indictment, neither defendant appeared for any of the hearings. On September 15, 2015, the DA's office informed SIU that both defendants had fled to Tonga.

### **A Fire Protection Employee Caught in Cal Fire Undercover Sting**

In April 2013, a service technician for CSLB licensee "C F S Fire Protection, Inc.," Kenneth Boquist, entered a Clovis, California restaurant wearing a shirt remarkably similar to those worn by Cal Fire personnel and the local fire department during public fire inspections of commercial buildings. Boquist convinced the business owners that the restaurant required fire inspection to avoid code violations, and then proceeded to perform that service – though he neglected to mention there would be a charge for his efforts. In June 2013, an SIU Peace Officer (PO) conducted an investigation, and subsequently recommended the revocation of C F S Fire Protection, Inc.'s license. The investigation was referred to the Fresno County District Attorney's office for criminal charges of violating automatic fire extinguisher system requirements, theft by false pretenses, and second-degree burglary. Boquist recently entered a plea of "no contest" and received a sentence of two years' probation, restitution, and criminal penalty fines. The hearing to revoke C F S Fire Protection's license is scheduled for February 2016.

### **Danville Building Department Caught an Unlicensed Pool Contractor**

In March 2014, a Bay Area homeowner entered into a written contract with "Cesar's Pool and More Services" and Jose Cesar Hernandez-Heredia for a full pool demolition and the installation of a pool and spa, as well as a new kitchen counter. Unknown to the homeowner at the time (perhaps because Heredia listed a false license number on the contract), Heredia is an unlicensed contractor. The Danville building division stopped the project the next month, citing failure to obtain a permit. A CSLB SIU Peace Officer (PO) conducted an investigation, where Heredia admitted that three of his friends completed the work under his direction and control. Heredia agreed to return a check to the homeowner. The PO forwarded the investigation to the Contra Costa District Attorney's office for criminal prosecution for contracting without a license, illegal advertising, false use of a license number, misrepresentation, failure to secure workers' compensation, burglary, attempted grand theft, and theft by false pretense. The DA's office has issued a warrant for Heredia's arrest and a pre-trial hearing is scheduled for January 2016.

### **Previously Revoked Contractor Caught By Menlo Park Police Department**

In May 2013, a Bay Area homeowner entered into a \$94,000 contract with previously-revoked licensee Martin Cloherty for demolition and remodel work. Unbeknownst to the homeowner, Cloherty was conducting business under another license number without permission from that licensee. A CSLB SIU Peace Officer (PO) aided the Menlo Park Police Department with the applicable code section references and evidentiary requirements relevant to a case of this nature. With the inter-agency support, the Menlo Park detective showed that Cloherty misrepresented his license status and license number to the homeowner. Criminal charges were filed and an arrest warrant issued. Cloherty faced a trial hearing on October 5, 2015.



## STATEWIDE INVESTIGATIVE FRAUD TEAM UPDATES (SWIFT)

### **Update to Sentencing of Long-time Offender**

As a result of a SWIFT lead referral in October 2014, unlicensed contractor Rafael Tinoco received a sentence of three years' probation and a \$10,000 fine, and also was ordered to pay restitution to four elderly victims. In March 2015, Central Valley SWIFT nabbed Tinoco again for unlicensed contracting and advertising. Tinoco pleaded guilty in this most recent case, and was ordered to pay thousands of dollars in fines (\$500 of which dated back to a 1998 CSLB citation) and will serve 180 days in jail.

### **Merced County Sting Nabs Unlicensed Contractor on Parole for Attempted Murder**

On August 14, 2015, the Central Statewide Investigative Fraud Team (SWIFT) joined the Merced County District Attorney's Office and the California Highway Patrol for a single-day operation in Merced. Of the fifteen scheduled appointments, eight resulted in Notices to Appear (NTA) for contracting without a license. The total amount bid for illegal work neared \$30,000, for projects ranging from new tile, fencing, tree service, painting, and deck work. Included among those receiving an NTA was a suspect currently on parole for attempted murder and on probation for promoting prison contraband. Another had prior arrests with the Merced Sheriff's Department. And yet a third suspect possessed no license to drive in the State of California, despite appearing in a vehicle to bid. CHP stood by while that suspect's wife arrived to drive the vehicle home.

The team worked the next day, a Saturday, and issued an additional four NTAs, comprising nearly \$6,500 worth of unlicensed bids for just four solicited projects. One suspect was prevented from driving away on his suspended license by the California Highway Patrol (CHP), who provided law enforcement backup.

### **Ten Legal Actions in Fourteen Appointments in Nevada County Sting for Statewide Investigative Fraud Team**

The Statewide Investigative Fraud Team (SWIFT) staked-out a Grass Valley home September 15, 2015, east of Highway 49, and invited bids from questionable contractors based on local print and media ads. Discounting the four "no-shows," the team enjoyed 100 percent success that day, issuing seven misdemeanor Notices to Appear (NTAs) and three administrative citations for a total of 10 legal actions for unlicensed contracting out of 14 appointments. All this was notwithstanding one suspect loudly shouting warnings to incoming appointments about the nature of the operation, and yet another suspect refusing to leave the scene for nearly a half hour. Partnering with the Nevada County District Attorney's Office, SWIFT reports nearly \$12,000 in bids for fake jobs from the day, including tree removal, landscaping, concrete, and deck construction.



### **San Bernardino Sting Results in Jail Time for Contractor with \$50,000 Warrant**

Norwalk Statewide Investigative Fraud Team (SWIFT) conducted a two-day sting operation in the city of Yucaipa on September 23 and 24, 2015, in San Bernardino County. Twelve NTAs (Notices to Appear) were issued, and one administrative citation will be issued.



The arrest of suspect David Oliverii, who had provided an interior painting estimate for \$1,600.00 and received an NTA, proved a highlight of the operation. The San Bernardino Sheriff's Office transported and booked Oliverii for a pending \$50,000.00 warrant for a trespassing charge and a no-bail warrant for a parole violation on a drug charge. According to the San Bernardino Sheriff's Office arresting officer, Oliverii was under the influence of drugs while giving the estimate at the sting property.

**“Wow, you guys from CSLB are serious, I’ll never give you guys a hard time again; I’d really like to be licensed now”**

This surprising statement from an unlicensed contractor was recorded on October 2, 2015, by a Santa Rosa-based Enforcement Representative (ER) after following-up on a tip he had received from a Department of Occupational Safety and Health inspector in the city of Fortuna, Humboldt County. The lead uncovered two separate job sites with the same owner at which a licensed contractor arranged to provide the services of a non-licensed contractor with an uninsured labor force of seven workers working in multiple trades. A Humboldt County District Attorney Investigator had to physically detain the non-licensee and Fortuna Police transported another suspect, who refused to identify himself, to the station. When the ER later reported to the second site, he found the same individual previously detained by Fortuna Police working on a hotel roofing job. This visit resulted in the arrival of three code enforcement officers from different agencies in response to the ER's call for assistance. In all, the day resulted in a civil citation for unlicensed contracting, a criminal notice to appear for unlicensed contracting, the aiding and abetting of a non-licensee by a licensee, a stop order, a city red tag, and a license suspension for failure to maintain workers' compensation.



**GENERAL COMPLAINT-HANDLING STATISTICS (FY Jul-Sep 2015)**

It has been determined that a manageable level of pending complaints for all current CSLB Enforcement staff is 3,205. As of September 2015, the pending case load was 3,905.

To ensure timely mediation and screening of complaints, the optimal case load for Consumer Services Representatives (CSR) is 1,350. As of September 2015, 1,778 complaints were assigned to CSRs. High CSR caseloads are attributed to a large number of vacancies in the Intake Mediation Centers.

To ensure timely handling of complaints that warrant formal investigation, the optimal working caseload for Enforcement Representatives (ER) assigned to the Board's eight investigative centers (IC) is 35 cases per ER. CSLB has 53 IC ERs; therefore, the eight ICs have an optimal capacity for 1,855 open complaints. As of September 2015, 2,127 cases were assigned to ERs.

The following chart outlines how CSLB determines manageable caseloads:

<b>Job Classification</b>	<b>Current Number of Staff</b>	<b>Closure Goal per Month</b>	<b>Preferred Cycle Time (months)</b>	<b>Maximum Case load per ER/CSR</b>	<b>Maximum Number of Cases per Classification</b>
<b>ERs</b>	53	10	4	<b>35</b>	1,855
<b>CSRs</b>	27	20	2	<b>50</b>	1,350
<b>TOTAL</b>					<b>3,205</b>

Recognizing that a licensed contractor may have made a mistake or that a good faith dispute exists regarding the contracting activity, the Board provides training to CSRs and ERs to assist them in resolving construction-related disputes. For the first three months of FY 2015-16 (July through September 2015), Enforcement staff's settlement efforts have resulted in more than \$3 million in restitution to financially injured parties as shown in the following chart:

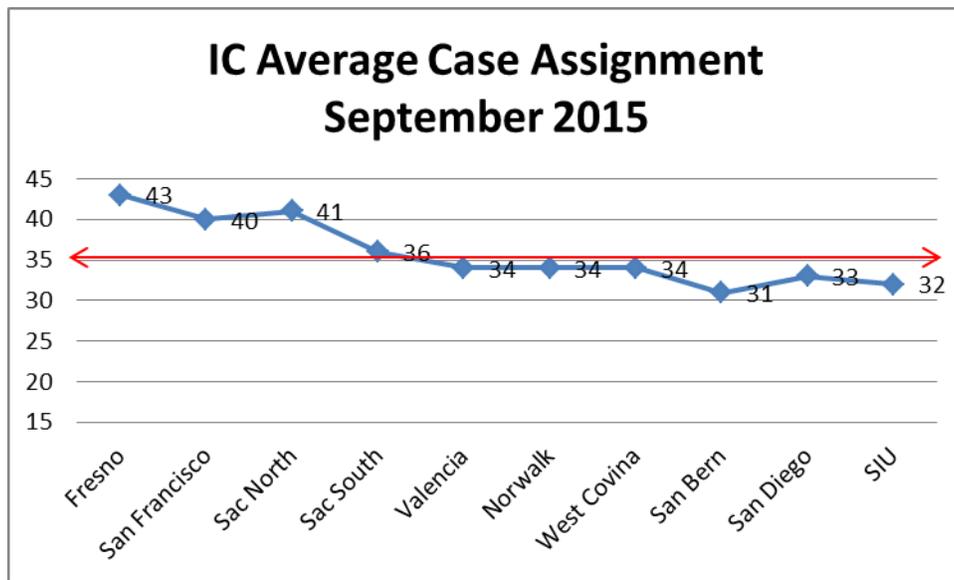
IC Financial Settlement Amount (FY 2015-16)	• \$983,251.94
IMC Financial Settlement Amount (FY 2015-16)	• \$2,059,954.29



### Investigation of Consumer Complaints

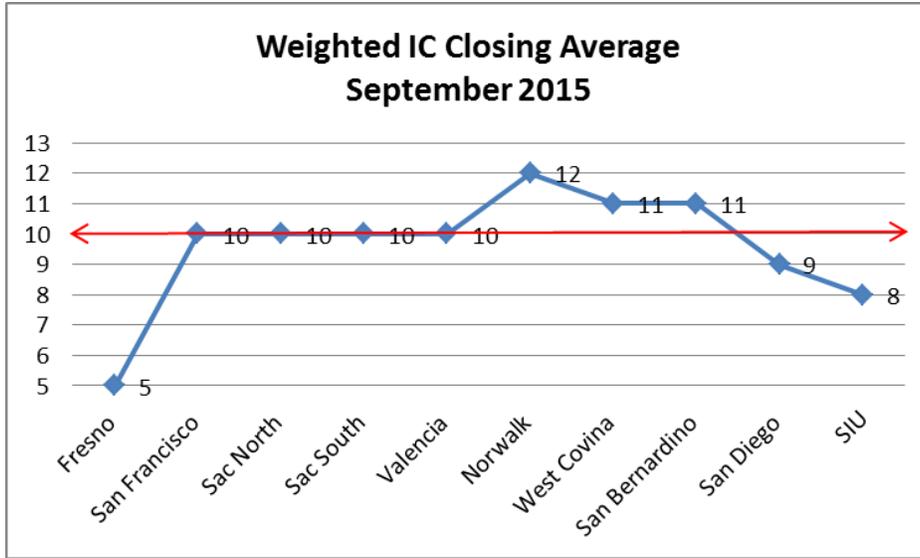
To ensure effective investigation of consumer complaints, the Enforcement division monitors Enforcement Representative (ER) production, pending case loads, and investigation-closing disposition. To date for FY 2015-16 (July through September 2015), Investigative Center (IC) ERs have consistently achieved the Board's goal of 10 complaint closures per month, and effective case distribution among the eight investigative centers has resulted in a manageable, ongoing case load of approximately 35 cases per ER. Of the 478 legal actions during this time, 22 percent were referred to local prosecutors.

The following chart tracks open IC investigations. The goal is for each IC ER to carry between 30 and 40 pending cases. At the end of September 2015, the statewide average was 36 cases.

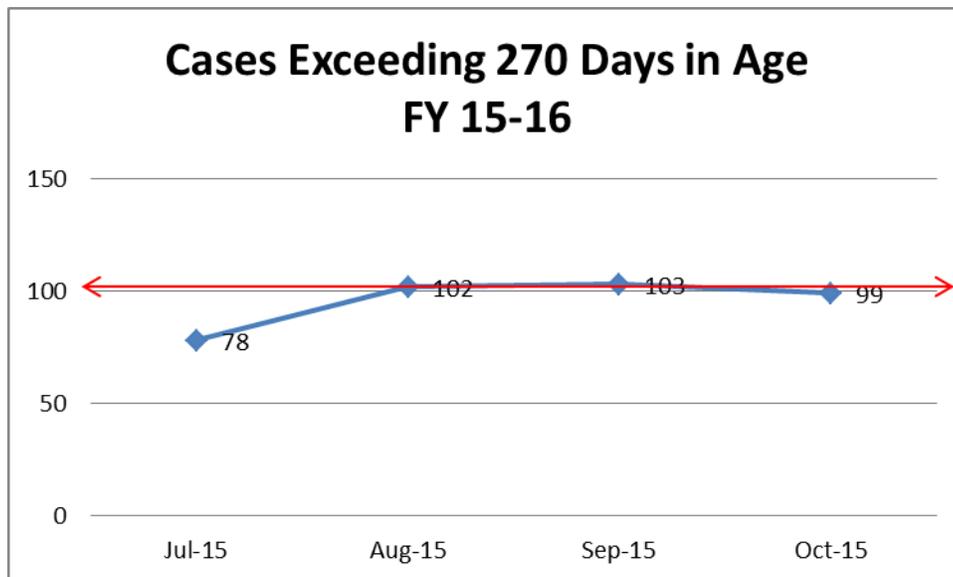




The following chart tracks the Board's target of each IC ER maintaining a weighted monthly closing average of 10 cases.



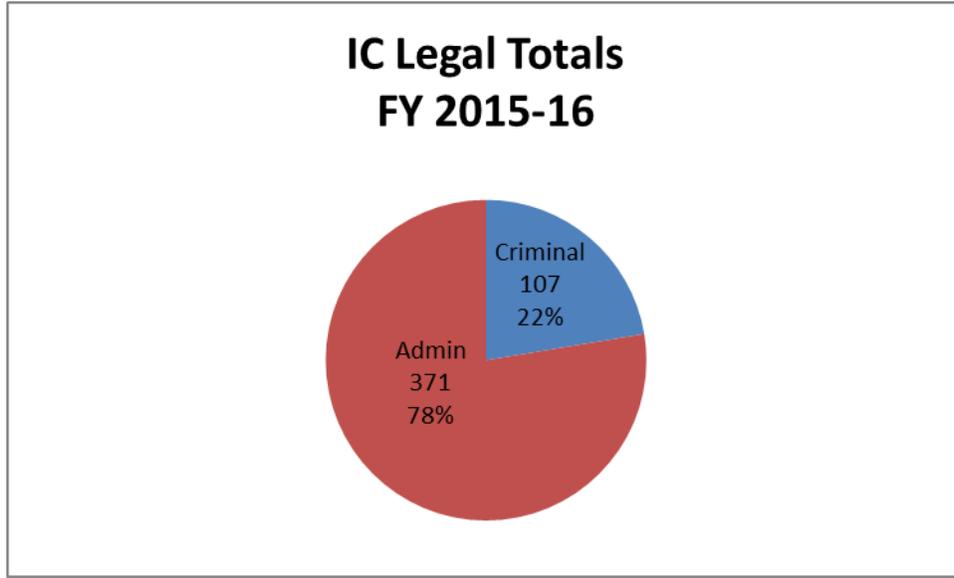
Historically, the Enforcement division has more than 3,000 consumer complaints under investigation at any given time. The Board's goal is to appropriately disposition all but 100 within 270 days of receipt. Staff's effective management of pending complaints has resulted in consistently meeting this goal. At the beginning of October 2015, there were 99 cases exceeding 270 days in age.





The following chart depicts the number of completed investigations that resulted in an administrative or criminal legal action.

For fiscal year 2015-16, the Enforcement division has referred 22 percent, or 107 investigations, to District Attorneys for criminal prosecution.

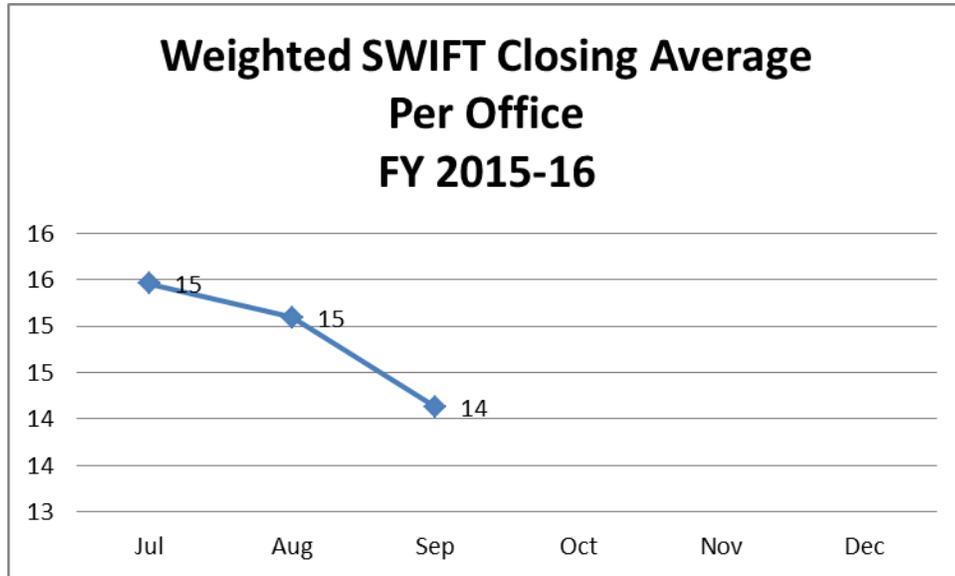


**Proactive Enforcement at Active Construction Sites**

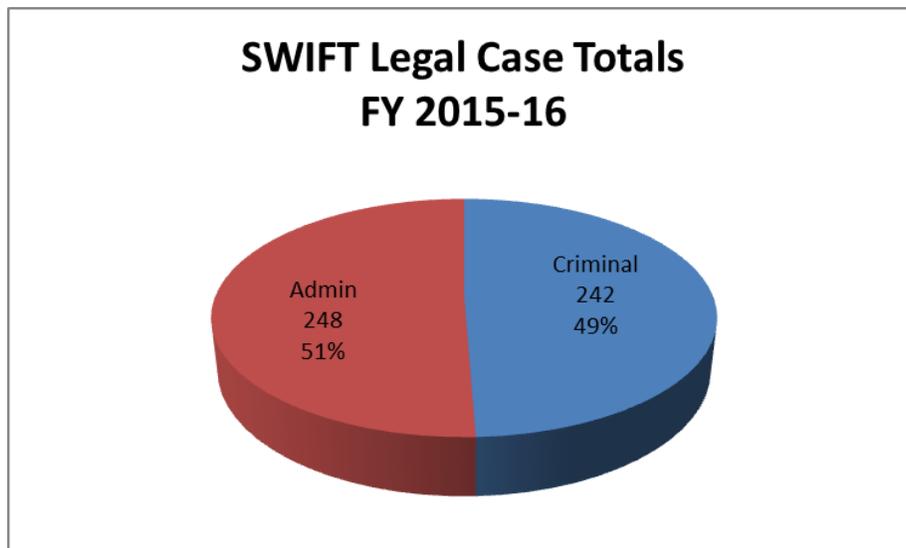
CSLB has established a Statewide Investigative Fraud Team (SWIFT) comprised of approximately 30 non-sworn Enforcement Representatives (ER). SWIFT primarily enforces license and workers' compensation insurance requirements at active job sites and performs undercover sting operations, targeting unlicensed persons who have active warrants or who solicit construction contracts. To date, for FY 2015-16 (July through September 2015), SWIFT ERs have consistently exceeded the Board's goal of performing more than 13 proactive investigations per month, with 46 percent of these investigations resulting in a legal action. Of the 960 legal actions during this time, 444 were referred to local prosecutors.



The following chart depicts the weighted monthly SWIFT closing average:



The following chart depicts the number of proactive SWIFT investigations that resulted in an administrative or criminal legal action. For FY 2015-16 (July through September 2015), SWIFT has referred 49 percent, or 242 investigations, to district attorneys for criminal prosecution:



**CASE MANAGEMENT FY 2015-16 (Jul – Sep)**

<b>CITATIONS ISSUED</b>		
	<b>Licensee</b>	<b>Non-Licensee</b>
<b>Citations Issued</b>	310	214
<b>Citations Appealed</b>	141	101
<b>Citation Compliance</b>	195	125
<b>MANDATORY SETTLEMENT CONFERENCES</b>		
<b>Scheduled</b>	109	
<b>Settled</b>	66	
<b>Civil Penalties Collected</b>	\$380,648	
<b>Legal Fee Savings</b>	\$598,131	
<b>ARBITRATION</b>		
<b>Arbitration Cases Initiated</b>	112	
<b>Arbitration Decisions Received</b>	90	
<b>Licenses Revoked for Non-Compliance</b>	8	
<b>Arbitration Savings to the Public – Restitution</b>	\$387,371	
<b>ACCUSATIONS/STATEMENT OF ISSUES</b>		
<b>Revocations by Accusation</b>	67	
<b>Accusation Restitution Paid to Injured Persons</b>	\$70,044	
<b>Statement of Issues (Applicants Formally Denied)</b>	8	
<b>Cost Recovery Received</b>	\$68,143	
<b>Number of Cases Opened</b>	146	
<b>Number of Accusations/Statement of Issues Filed</b>	86	
<b>Number of Proposed Decisions Received</b>	19	
<b>Number of Stipulations Received</b>	17	
<b>Number of Defaults Received</b>	33	
<b>Number of Decisions Mailed</b>	77	

**2015 ENFORCEMENT TRAINING ACCOMPLISHMENTS**

In response to identified needs and staff requests, the Enforcement division continues to expand the offerings in its highly successful training program. The Enforcement division's training coordinator has partnered with subject matter experts from within and outside CSLB to offer courses that have received uniformly positive reviews from attending staff. Following are 2015 Enforcement training highlights:

- Module 6 – Service & Repair, Negotiations, and Case Management

This new class was provided to Norwalk Intake-Mediation staff in July 2015. The training focused on the identification of service and repair contracts and how best to investigate complaints related to these unique contracts. The curriculum also included instruction on effective negotiation and mediation techniques, and useful case management tools. Chief of Enforcement introduced the training and guest instructors included Deputy Attorney General Mike Franklin and an HVAC Industry Expert. The training received excellent reviews from students and it will be offered to Sacramento Intake-Mediation staff in September 2015.

- Peace Officer Update Training

All of CSLB's peace officers gathered in Sacramento for this two-day class. After a welcome from Chief Fogt, CSLB's peace officers received updates on current laws regarding arrest, detention, and search and seizure. The course also included specialized training on identifying and investigating the diversion of funds. A guest instructor from the El Dorado County District Attorney's office provided additional instruction on identifying and investigating elder abuse.

- Laws of Arrest, Search, and Seizure

This course was presented in Norwalk in June 2015, and covered class covered the legal subjects named in the course title, and also provided training in such varied subjects as professionalism, leadership, community relations, expectations of privacy, presentation of evidence, and cultural diversity. Staff must complete this class for inclusion on the Department of Consumer Affairs delegation list to issue Notices to Appear.



## Enforcement Academy



On September 4, 2015, the Enforcement division concluded another successful session of the week-long CSLB Enforcement Academy, a rigorous curriculum authored and presented by long-time instructors Michael Franklin (Supervising Deputy Attorney General, Department of Justice) and Doug Galbraith (retired law enforcement Captain and Enforcement division Retired Annuitant). Topics included evidence law, report writing, testifying, interviewing techniques, prop 115 (admissibility of hearsay evidence in California), and code training. The course is supplemented by practical exercises and written exams. Designed for investigators, yet offered to any CSLB staff interested in enforcement, it is unlikely that a comparable curriculum is offered in-house to the investigators of any other state enforcement division. CSLB Board Chair, Ed Lang, honored the class with his introductory words of

appreciation for the attendees' hard work at the academy and in their daily duties, before presenting each graduate with his/her course completion diploma.



## AGENDA ITEM D

# Review and Discussion Regarding Strategies to Address Deceptive Solar Practices





### REVIEW AND DISCUSSION REGARDING STRATEGIES TO ADDRESS DECEPTIVE SOLAR PRACTICES

#### INTRODUCTION

At the September 3, 2015, Board Meeting in San Diego, the Enforcement division introduced the Solar Task Force, dedicated to identifying and combatting the issues consumers face in the growing solar industry. These issues include: a general lack of specificity in solar contracts; the exploitation of consumer confidence about solar savings when systems perform below expectations; and complex or often unlawful finance agreements.

Since the September meeting, the Enforcement division has completed extensive research into and analysis of the solar complaints reported to CSLB statewide. The following pages summarize this analysis and include examples of common scenarios. The task force utilized a three-tiered approach to address the issues in the solar industry:

- (1) Identify the sections of law continually violated in solar contracts;
- (2) Propose legislation to incorporate solar contracting requirements into the § 7159 home improvement contract requirements; and
- (3) Partner with the California Energy Commission, California Public Utilities Commission, and other states to develop education and consumer protection strategies.

#### SECTIONS OF LAW VIOLATED IN CONSUMER SOLAR COMPLAINTS

In researching solar complaints before the board, the task force identified trends in supportable allegations under the Business and Professions (B&P) Code and routinely identified the following violations of law:

- **B&P Code §7028: Engaging in the business or acting in the capacity of a contractor without a license.** In solar projects, the problem of unlicensed contracting is more dynamic than the unlicensed painter or landscaper completing work over \$500. The complaints are more likely to involve national or international companies, or large businesses engaging in transactions for solar services in California that require a contractor's license rather a sole practitioner without credentials.
- CSLB investigations are finding energy providers that are not licensed by CSLB to the extent required by the Public Utilities Commission that contract to sell electrical energy. They circumvent licensing laws by referring customers to a licensed solar contractor to install the system, at no charge to the consumer. In the contract with the energy provider, the homeowner is advised that the energy provider owns the



solar equipment, which is not subject to either a rental or lease agreement. Instead, the consumer is contractually obligated to pay the solar energy provider for all energy produced, used or not, and the energy rates are set to increase yearly. The consumer is locked into a 20-year energy contract with an unlicensed contractor that can affect title to the property if he/she fails to comply with the conditions in the contract.

● **B&P Code §7109: Departure from accepted trade standards for workmanlike construction and/or willful departure from or disregard of plans or specs.** Upon review of a solar project by an industry expert or the testimony of a correcting contractor, solar installations often fall below industry standards for a given consumer contract. To constitute a violation of §7109 the failures must be considered “material” to fulfillment of the contract performance (i.e., poor workmanship constitutes problems greater than cosmetic or easily repaired issues). This can include a contractor’s failure to install the solar system in a watertight manner, or to evaluate the integrity of the existing roof or its capacity to accommodate new panels.

- A homeowner entered into a contract with an unregistered salesperson to install a photovoltaic (PV) solar system unit for \$54,336. Work began, but the consumer paid the contract in full before the installation was complete, which took six months. Subsequently, leaks on the roof began to appear. The contractor reluctantly returned to make repairs, after which more leaks appeared. A roofer and B contractor inspected the system and both concluded that the flashing used to repair the roof was improperly installed, and that the PV solar system was inappropriately installed on the flat roof so it failed to mitigate any water collection. An accusation has been requested to revoke the license.
- CSLB has identified many solar contractors that do not obtain the required permits in a timely manner. Frequently, permits are acquired after systems are installed. Because of the time involved in securing permits from public utilities, energy providers, and building departments this results in delays before systems become operational and homeowners lose the benefits of power production in the short term.

● **B&P Code §7117.6: Act as a contractor in an unauthorized classification.** In the case of active licensees in good standing, this section is alleged when a contractor performs work outside of the classification(s) for which he/she is licensed. In the wake of an industry-wide push toward solar, violations of §7117.6 become more likely. In California, with specified restrictions, a number of licensees may enter into solar contracts, but only two – C-10 Electrical and C-46 Solar – may contract for a roof-top solar installation without restriction. Licensees authorized to perform “solar construction or installation” are as follows:

- **A-General Engineering:** if specialized engineering is required to complete a project (e.g. a solar farm);



- **B-General Building:** if performed in connection with a structure within the scope of B&P Code §7057 (description of B-General Contractor);
- **C-4 Boiler, Hot-Water, Heating and Steam Fitting:** may install solar heating equipment associated with systems authorized by this classification;
- **C-10 Electrical:** may install solar projects generating, transmitting, transforming, or utilizing electrical energy in any form for any purpose;
- **C-36 Plumbing:** may install any project using solar equipment to heat water or fluids to a suitable temperature;
- **C-46 Solar:** may install, modify, maintain, and repair thermal and photovoltaic (PV) solar energy systems (but cannot undertake other building trades or crafts except when required to install PV); and
- **C-53 Swimming Pool:** may include the installation of solar heating in swimming pool projects.

Between 2010 and October 2015 CSLB received 802 complaints against licensees connected to a contract for solar construction. While confirming the precise roles of the individual contractors in these complaints would require additional research, licensees in the following classifications have been connected either to the installation or construction of a solar project, or the business or sale of a solar project:

- Asbestos Certified only; C-2 Insulation; C-5 Framing; C-8 Concrete; C-17 Glazing; C-20 HVAC; C-33 Painting; C-39 Roofing; C-43 Sheet Metal; C-54 Tile; C-57 Well-Drilling; D-03 Awnings; D-24 Metal Products; D-34 Prefab Equipment; D-35 Pool/Spa Maintenance; D-52 Window Coverings.

● **B&P Code §7153: Operate as salesperson for one or more home improvement contractors without the required home improvement salesperson (HIS) registration.** Violations of §7153 often involve solicitation for home improvement contracts by door-to-door calls, leads generated from advertisements, telemarketing “boiler room” operations (commonly used by larger solar companies or national entities without a license in California), or consummating a solar contract in a place other than the contractor’s business establishment, when the consumer did not initiate negotiations.

There is a noticeable pattern of contractors simply handing off solar work to others for financial gain and in a manner that confuses consumers about who is ultimately responsible for the work. This frequently results in fraudulent activity, insufficient work, or no work at all.



- An Orange County homeowner entered into a contract with a C-10 electrical contractor for a \$38,000 solar upgrade, work completed in May 2015. Problems arose with the installation, and CSLB became involved. The investigation determined that following the initial homeowner contact with the prime contractor licensee another licensee, who operated as the prime contractor's unregistered home improvement salesperson, orchestrated all other contact, including contract negotiations, performance evaluation, promises about energy savings, and attempts to resolve the dispute with CSLB.
- The Special Investigation Unit received a complaint on August 25, 2015, related to an unlicensed contractor operating under the name "Solar Assist." Solar Assist entered into a contract with the consumer to install solar panels, and then hired a solar licensee to perform the work. Solar Assist collected \$14,800 from the consumer, an 84-year old, but failed to pay the licensee for the work he had begun on the home. Because of Solar Assist's failure to pay the licensee did not finish the work, leaving the complainant with an incomplete project and insufficient funds to complete the job.

● **B&P Code §7154: Discipline of the contractor who employs the persons described in §7153.** Under B&P Code §7154 any solar contractor employing an unregistered HIS to procure its solar installations is subject to discipline, including misdemeanor convictions. As the number of solar sellers and installers in the industry increases §7154 becomes increasingly important. SB 561, which requires HIS registrants to file only once with CSLB, will make it considerably easier to track and identify home improvement salespersons among CSLB's licensees.

- A Contra Costa County homeowner agreed to the installation of eight solar panels on her home with licensee "Smart Energy Consultants, Inc." (SEC), a company now with numerous license suspensions, which employed a revoked licensee as an unregistered salesperson. The consumer financed the project, under duress during negotiations, as the contractor apparently would not work until the homeowner presented signed bank documents. The consumer's bank paid the licensee the entire \$9,000 price up front, and while the contractor accepted payment work never began. A peace officer (PO) with the Special Investigation Unit obtained hundreds of SEC bank records and confirmed that the money went everywhere but toward the project. The investigation identified five additional consumer victims, each subject to a similar pattern where SEC accepted substantial sums of money up front that were then used to purchase products, run the business, pay consultants, and sell equipment to suppliers, but not to complete the work as contracted.
- The SEC investigation included five victims and ten cases, five of which were referred for criminal prosecution. The PO closed the matter in early September 2015, with the following administrative and criminal allegations: abandonment; diversion of construction funds causing a financial injury; failure to have direction and control of company; willful or fraudulent act causing a financial injury; personnel not listed on license; previously revoked person acting in a capacity



other than a non-supervising bonafide employee; employment of a previously revoked person; employment of an unregistered salesperson; and contract violations.

- **B&P Code §7159: Home improvement contract (HIC) requirements.** Solar contractors routinely fail to comply with HIC requirements designed to provide consumer protection.



Energy Solutions For Your Home

SOLAR JOB DETAIL SHEET

STEP CHECK  
DATE: 8-4-12  
TIME: 9-10am

REPRESENTATIVE: [Redacted]

CUSTOMER NAME: [Redacted] UTILITY PROVIDER: SCE

ROOF TYPE: Tile STORIES: 1 (2) 3 AZIMUTH: 270 TILT: 10

LOCATION OF ARRAY: (W) SW S SE E GROUND MOUNT

MODEL TYPE/NUMBER: NO. H235Q2

NUMBER OF MODULES: 18 MODULE DC WATTS: 235

*Add 14  
2-10am*

EXISTING SERVICE PANEL: 100 AMP 200 AMP OTHER:

PRIOR 12MO. AVG. KWH CONSUMPTION: 855<sup>847</sup> FREE ANNUAL KWH CONSUMPTION: 10260

MONTHLY KWH PRODUCTION (SOLAR SYSTEM): 592 ANNUAL KWH PRODUCTION (SOLAR SYSTEM): 7099

BEFORE MONTHLY AVG BILL: \$ 174 \* AFTER MONTHLY AVG BILL: \$ 151

BEFORE ANNUAL AVG BILL: \$ 2088 \* AFTER ANNUAL AVG BILL: \$ 190

- \* BASED ON 12 MONTHS TOU / SOLAR BILLING PLAN
- \* BASED ON 12 MONTHS NEM FROM UTILITY PROVIDER
- \* BASED ON NO INCREASE FROM PREVIOUS 12 MONTHS CONSUMPTION

[Redacted Signature] 8-1-12 [Redacted] 8/1/12

*Just call back and sign & only need  
16 to give me a 0-11-12 so I can add*



- The contract on the previous page, from a solar complaint, lacks contract specificity and consumer protection information that typically result in CSLB legal action. Most egregiously, it incorporates false and misleading statements regarding energy savings. It fails just about every provision of §7159, as follows:

§7159(d)10(c): No approximate start date.

§7159(d)(7): Failure to sufficiently describe the project, materials, scope of work, make, brand, type, model, or specification.

§7159 (d)11(b): No approximate completion date.

§7159.5 Contract amount and finance charges. (Concerns Include, financing companies paying the contractor in advance of work, misleading consumers about interest rates, and locking consumers into long term

lease agreements sometimes leaving questions about who owns the panel at time of home sale, etc.)

§7159.5(a)(e): Excessive down payment.

§7159(e)(5): No notice regarding attachments to contract.

§7159(e)(5): No notice regarding CSLB.

§7159(e)(6)(a) No notice regarding three-day right to cancel.

- **B&P Code §7161: Entering into a work of improvement transaction by use of false, misleading or deceptive advertising, substantial misrepresentation by false promise, and fraud in the execution of a document.** B&P Code Section 7161 applies when a consumer does not receive what a contractor or salesperson promised when entering into a solar contract. To the extent that a contractor, in regard to his/her knowledge, willfully misrepresents information to a consumer or intends to deceive a consumer in order to secure a sale, solar contractors are culpable. Contractors frequently make promises that depend on too many variables out of his/her control.

- A 90-year old Riverside County homeowner purchased solar energy from a local energy company. The company was not licensed to contract for solar but, instead, employed a sales scheme possibly designed to skirt CSLB licensing laws. As part of a contract for new panels, the agreement required the installation be subbed to a licensed contractor at “no cost” to the consumer. The licensee purchased the panels from the energy provider during the installation and then sold them back to the provider after the installation was



completed. The consumer never owned “his” panels, yet pays for the energy they produce, whether or not it is used. He is also locked into a 20-year purchase agreement for the solar system that includes an annual cost increase. Violations of contractor’s law include the lack of registered salespersons but, at the moment, the law provides little more. CSLB is investigating criminal inducement issues since the homeowner provided only a single signature – by finger onto an iPad held by an unregistered salesperson – but that signature somehow appeared on multiple hard copies of the contract. The homeowner has not seen energy bill savings.

- In some cases, the contractor failed to verify with the homeowner that the equipment specifications in the contract matched what he/she ultimately installed. Since the system sits on the roof, the homeowner cannot check to ensure that the equipment matches what he/she paid to have installed.
- The Norwalk Investigation Center received three recent complaints against a contractor who claimed that a consumer could expect significant solar savings on his/her next tax return. Such assertions cannot be based in fact since any such representation requires careful analysis on the part of the consumer, as a contractor will not know the consumer’s financial details.

## **PROPOSED LEGISLATION TO ADD SOLAR CONTRACTING REQUIREMENTS TO B&P CODE SECTION 7159**

The lack of common knowledge about solar systems and limited disclosure from the industry make it difficult for consumers to reasonably understand the terms of the contracts they enter into, as well as the basis from which the contractor determines the size of the apparatus being installed. In addition, as outline above, CSLB has received numerous reports of predatory sales tactics that accompany unscrupulous financing relationships.

The Legislative Chief will discuss further the proposed legislation, B&P Code §7159.10. The following points are issues of importance to consider for the proposal:

- Extend the three-day right to rescind to seven days. Three days does not allow consumers sufficient time to education themselves or to comparison shop.
- Disclose how much and with whom the financing is arranged, including possible interest rates.
- Clearly disclose calculations, including the panel square footage the homeowner needs.
- Disclose the name of the salesperson used or to be used.
- Disclose the home’s square footage and include if appliances are gas or electric.



- Clearly describe how much energy the panels will provide, and include ratings and relevant specifications.
- Include secondary disclosure language from the contractor regarding any additional monthly fees the homeowner's electric company may charge.
- Disclose any turn-on charges.
- If the contract guarantees a rebate, he/she must disclose the terms and conditions of the guarantee.
- Clear disclosure about the final pricing of the contract, excluding any potential rebates.
- Disclose maintenance conditions that may effect performance or projected savings, such as panel orientation, weather conditions, panel upkeep, and use patterns.

## **ESSENTIAL PARTNERSHIPS AND EDUCATION**

### **Essential Partnerships**

The Enforcement division will continue its ongoing discussions with the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC). Both entities are essential to the development of this burgeoning industry. The CEC educates and provides data to homeowners, and certifies solar installers. The Energy Commission has performed research and provided essential information on solar technology to CSLB. The CPUC critically affects the financial realities of consumers that undertake a solar contract to the extent that the public utilities CPUC regulates implement power tiers, which vary across the state, making pricing or savings estimates on a contract uncertain. The CPUC currently refers complaints to CSLB related to fraudulent or faulty solar projects.

### **Education**

With so many solar incentive programs, financial rebate offers, and financing schemes prospective solar consumers are likely to be confused. Below is an example of the misinformation CSLB investigators uncovered on the HERO Program (Home Energy Renovation Opportunity), which partners with local governments to make forms of renewable energy, including solar, more affordable for homeowners.



Beliefs (based on campaigns or media)	Reality
5-8% interest rates for secured loans for renewable energy systems	CSLB investigators rarely see low cost, fixed rates; they are usually closer to 9-11%
<ul style="list-style-type: none"> <li>• That HERO is entirely a government subsidized program with no need to repay; or</li> <li>• That HERO is a typical loan with a monthly payment; or</li> <li>• That HERO is repaid at the sale of one's home (similar to a reverse mortgage)</li> </ul>	<ul style="list-style-type: none"> <li>• Could potentially void original mortgage terms, making the full amount of the mortgage due and payable immediately; supersedes original mortgage</li> <li>• Payments on the loan are attached to property taxes, which can trigger a reappraisal of the home's value and a property tax reassessment</li> </ul>
Panels are transferrable at the sale of the home	May not be transferable, unless the HERO loan is paid off first
The HERO program is facilitated, organized, and funded by the government and is, therefore, risk free to the consumer	Funding sources for HERO are unclear to the public and involve private entities that may include Renovate America, which is affiliated with W.R. Cogg.

As part of its consumer protection mandate, CSLB's agency partnerships seek to increase the flow of information to consumers about the variables involved with all solar projects. CSLB does not intend to disparage financial programs, like HERO, or solar technology, which is an exciting and growing industry founded on a commendable objective to encourage consumers to use renewable energy. Rather, CSLB aims to warn consumers of the risks that arise from not being fully informed. In a statement Public Affairs Chief Rick Lopes provided to the *Orange County Register*, he noted that:

*The vast majority of solar contractors are doing a good job and the vast majority of consumers are happy with the solar systems they've purchased. But, when it comes to problems the effects on the consumers can be serious.*



## AGENDA ITEM E

# Review, Discussion, and Possible Recommendation Regarding Prioritizing Undercover Stings





### Review and Discussion Regarding Prioritizing Undercover Stings

#### **Statewide Investigative Fraud Team (SWIFT)**

Formed with the support of industry in 1989, SWIFT undertakes proactive investigations, per Business and Professions Code section 7011.4(b). Initially, SWIFT centered on combatting only unlicensed activity; today, however, its primary focus is ensuring that contractors are licensed and provide workers' compensation insurance for their employees. SWIFT has three offices statewide and is comprised of 28 investigators, assigned to either the Labor Enforcement Task Force (LETf) or the Joint Enforcement Strike Force (JESF). In addition, SWIFT's non-sworn Enforcement Representatives (ERs) have a unique authority to issue Notices to Appear (NTAs) for unlicensed activity. On September 30, 2015, the Governor signed SB 560 (Monning), which will allow SWIFT ERs, beginning January 1, 2016, to include workers' compensation violations (Business and Professions Code section 7011.4(a)) on an NTA.

SWIFT performs proactive enforcement three ways: 1) organizing and participating in undercover sting operations; 2) responding to leads, which are generally provided by industry; and 3) conducting sweeps, often with partnering state agencies.

#### **STINGS**

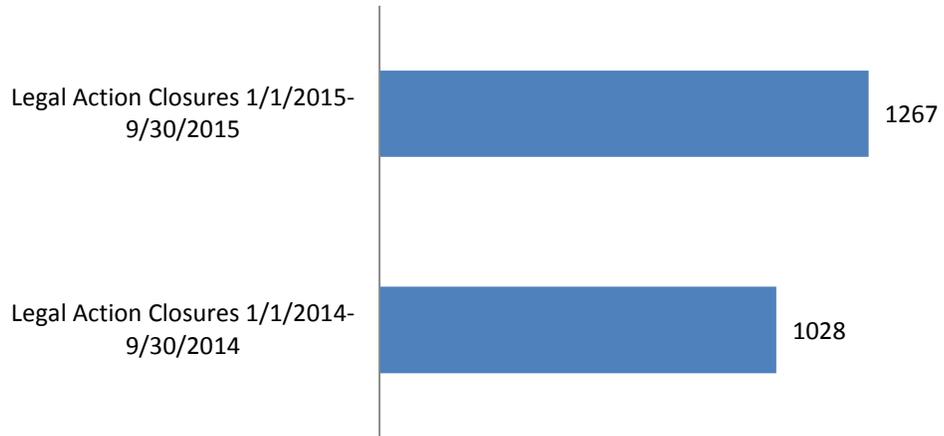
Undercover stings allow CSLB to effectively identify and support the prosecution of unlicensed individuals who act in the capacity of a contractor and commit other significant violations of Contractors' License Law, including advertising without a license, misrepresenting repair work, and employing workers without carrying workers' compensation insurance. Investigators partner with local law enforcement and other state agencies, such as the Employment Development Department (EDD), then pose as homeowners seeking bids for home or commercial property improvements (for example, roofing, HVAC, painting, landscaping, swimming pool construction, flooring, etc.).

#### **Sting Production**

In 2014, SWIFT conducted 74 sting days. As of January 1, 2015, SWIFT raised the sting day goal and to date for 2015 has conducted 71 sting days. SWIFT is on target to conduct 91 sting days by the end of 2015, representing a 23 percent increase from 2014. As a result, the number of legal action closures has increased 10 percent from 2014 to 2015.



### Legal Action Closures 2014 vs. 2015

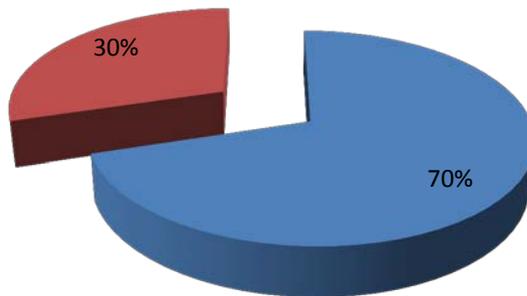


SWIFT staff identified most sting targets through illegal advertisements. Since January 1, 2015, seventy percent of the investigations from these efforts resulted in a legal action.

### Stings

January-September 2015

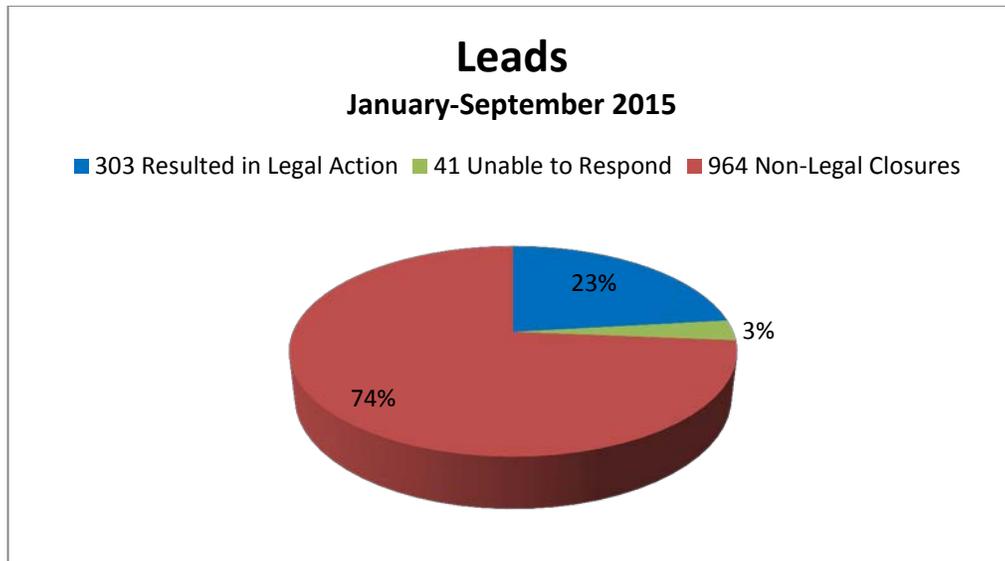
■ 536 Legal Action Closures    ■ 227 Non-Legal Action Closures





## LEADS

CSLB regularly receives tips about active, ongoing, unlicensed or illegal activity from confidential or other sources, which may lead SWIFT to perform a construction site inspection. Most leads come from either labor compliance investigators or licensees who lost a contract to an unlicensed operator. As of January 1, 2015, twenty-three percent (23%) of the 1,308 investigations opened because of a lead resulted in a legal action.



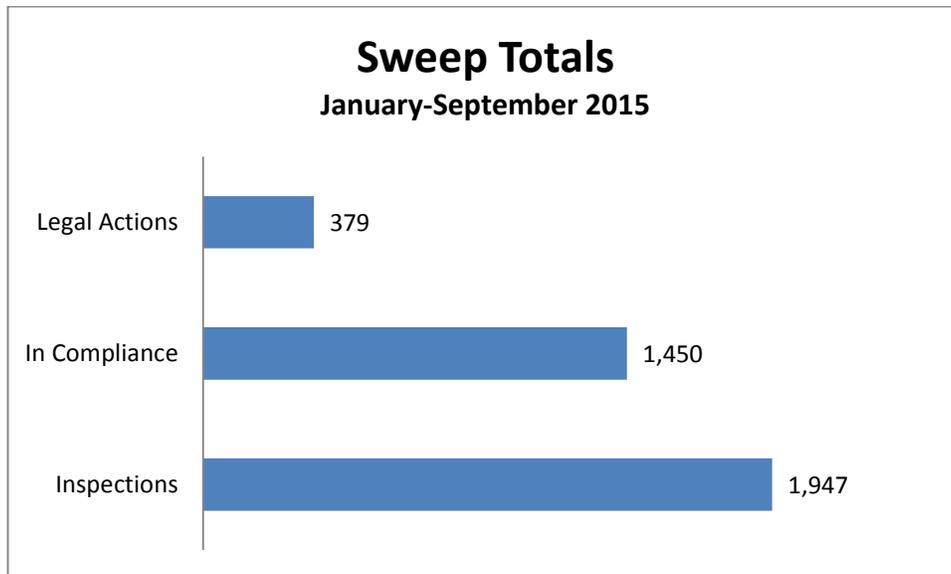
## SWEEPS

As mentioned previously, SWIFT routinely partners with other state and local agencies through LETF and JESF. LETF primarily conducts sweeps with partner state agencies at active job sites to verify employee wages and to ensure compliance with licensing, workers' compensation insurance, tax, and job safety requirements. Partners include the Department of Industrial Relations' Division of Safety and Health, Division of Labor Standards Enforcement, EDD, and Franchise Tax Board.

JESF primarily investigates complaints by conducting criminal tax audits and performing undercover sting operations. CSLB's JESF partners include EDD, the Division of Labor Standards Enforcement, and district attorney investigators. CSLB investigators assigned to JESF primarily pursue criminal charges against contractors who violate license, tax withholding, and/or workers' compensation insurance laws.



Out of 1,947 inspections, 379 contractors – or 19 percent – were found to have violated California Contractors’ License Law.





**PROACTIVE COMPLAINT MATRIX**

SWIFT receives a variety of tips and leads through many different sources. In determining which leads to pursue and how best to pursue them, SWIFT focuses on obtaining optimal results and apprehending egregious offenders who pose a threat to consumers, employees, businesses, and legitimate licensed contractors.

Below is an updated and revised Proactive Complaint Matrix that further prioritizes consumer complaints.

	<i>Disaster Response</i>	<i>Elder Abuse</i>	<i>Unlicensed</i>	<i>No Workers Compensation</i>	<i>Suspended/Expired</i>	<i>Out of Class</i>	<i>No Permit</i>	<i>Unlicensed Advertising</i>	<i>Outreach</i>
Elected Officials									
District Attorneys									
Consumers									
Board Members			High Priority						
Compliance Organizations									
Contractors									
Building Officials									
Industry Associations									
Media Referrals					Low Priority				
Anonymous Tips									



### PROACTIVE ENFORCEMENT SUMMARY

SWIFT primarily aims to identify and take enforcement action against contractors that violate contractor’s license law before a consumer complaint is filed and without disrupting law abiding contractors.

The chart below summarizes the percentage of time that a contractor is found to be in violation of contractors’ license law at a sting, in response to a lead, or when performing a sweep. The chart entries generally confirm the greater productivity of sting activities as compared to other SWIFT actions.



### STAFF RECOMMENDATION

Sweeps, leads, and stings all comprise essential components of SWIFT operations. However, as shown above, sting activities are significantly more effective than sweeps or leads. Staff recommends that the Enforcement Committee prioritize undercover sting operations over responding to leads and conducting sweeps by setting a goal of 12 sting days per Enforcement Representative in 2106. This represents an approximate increase of four sting days per Enforcement Representative.



## AGENDA ITEM F

# Review, Discussion, and Possible Action Regarding Strategies to Reduce the Number of Licensees Filing a False Exemption from Workers' Compensation Insurance Requirements





At the September 3, 2015 Board Meeting, license statistics were discussed that confirm more than 50 percent of contractors' licenses have an exemption from workers' compensation (WC) insurance on file with the Contractors State License Board (CSLB).

CSLB requires WC for issuance of an active license, the reactivation of an inactive license, and to renew an active license, unless the licensee does not employ anyone in a manner subject to California workers' compensation laws (Business and Professions Code section 7125). Licensees must either submit proof of workers' compensation insurance coverage or file an exemption from WC form with CSLB. It is commonly known in the construction field that most contractors do employ workers, which raises concerns about the high rate of WC exemptions.

At the September meeting, the Board recommended that the Enforcement Committee assume a lead role in establishing a policy to reduce the number of licensees with a fraudulent exemption from WC.

Enforcement staff has identified the following opportunities for committee consideration to gain greater compliance with WC requirements:

### **1. Public Works Contractors Registered with the Department of Industrial Relations (DIR)**

- A list of 17,800 contractors has been obtained from DIR;
- Staff will perform a random check of the registered contractors to confirm WC compliance;
- CSLB will send a letter to contractors with an exemption on file reminding them about the need to provide CSLB with proof of a WC policy if employing workers; and
- Contractors that receive a letter but do not submit a WC policy will be subject to further investigation.

### **2. Consumer Filed Complaints**

- Consumer Services Representatives (CSR) will prioritize a review of all incoming complaints for WC compliance;
- The two Intake and Mediation Center Enforcement Representatives (ER) dedicated to WC investigations and related license suspension will provide training to Investigative Center ERs.

### **3. Specific Classification WC Verification**

- The following license classifications are most likely to need employee labor to perform contracting work and are, therefore, most likely to require WC:



Classification	Total - Policies & Exemptions	Number of WC Policies on File	Number of Exempt on File	Percentage of Total with Exemptions
A General Engineering	14,540	8,789	5,751	39%
C-8 Concrete	5,842	3,274	2,568	44%
C-10 Electrical	24,438	10,358	14,080	58%
C-20 HVAC	11,285	4,986	6,299	56%
C-36 Plumbing	14,887	6,074	8,813	59%
C-46 Solar	1,053	637	416	39%

- Staff will randomly check licensees with a WC exemption on file to determine if they advertise online, have received a consumer complaint, or appear on on-line permit records.

**4. Research Construction Monitor Database**

- Enforcement staff will conduct a random check of permit activity in partnering counties to confirm that contractors obtaining permits for large projects have WC insurance;
- CSLB will send an educational letter to contractors performing large projects with a WC exemption, and consider an enforcement action if the contractor does not provide a WC policy.

**5. State Agency Partnering**

- Staff will coordinate a meeting with the California Department of Insurance and the Division of Labor Standards Enforcement to explore new strategies.

**Workers’ Compensation Suspensions on Consumer Complaints**

In 2011, the CSLB Enforcement division’s Intake and Mediation Center (IMC) began to notify the Licensing division when a complaint was received against a licensee with a WC insurance exemption on file but who acknowledged employing workers.

The IMC continues to investigate all consumer complaints for failure to carry WC insurance through a review of the complaint forms. A check box on the form indicates that a contractor used employee labor in the performance of the work. When the box is checked, the Consumer Services Representative reviews the contractor’s WC insurance history to determine if an exemption is on file and takes a statement from the consumer as to the number of employees, names (if known), and work completed. Subsequently, the contractor is contacted to confirm the list of employees and to obtain the admission required to start the suspension process with Licensing.



If suspension is warranted, the IMC notifies the programming unit in the Licensing division. The Licensing division then cancels the contractor’s WC exemption and informs him/her, via letter, that CSLB will suspend the license without further notice if proof of a valid WC policy is not submitted within 30 days. The contractor may file a second exemption, but is informed that doing so will subject the exemption to verification by CSLB and partnering agencies, such as the Employment Development Department (EDD) and Division of Labor Standards Enforcement (DLSE).

The following statistics from the current Intake and Mediation Center Workers’ Compensation compliance program show the number of canceled workers’ compensation exemptions on file with CSLB and the number of new policies obtained:

<b>Enforcement Data</b>	<b>FY 2011–12</b>	<b>FY 2012–13</b>	<b>FY 2013–14</b>	<b>FY 2014-15</b>
WC Exemption Cancellations	371	472	288	300
New WC Policies Obtained	136	174	123	119

## AGENDA ITEM G

# Recognition of Exceptional Service by CSLB Staff and Legal Counsel





# CONTRACTORS STATE LICENSE BOARD

## Recognition of Exceptional Service to CSLB



### **Mike Franklin, Deputy Attorney General, San Francisco Office**

A practicing trial lawyer for 27 years, Mike Franklin has worked for the Office of the Attorney General for the past 15 years. In that capacity he has prosecuted hundreds of Administrative Hearings. Mike has been a co-liasion for the Contractors State License Board for the past 12 years and has trained investigators and expert witnesses for the board. Mike also has provided investigator training for numerous other client agencies and currently teaches, along with Doug Galbraith, a class on the Art of Testifying for the Department of Consumer Affairs training department, SOLID.



### **Doug Galbraith, Retired Annuitant, CSLB, Sacramento**

Doug Galbraith is a retired annuitant in the CSLB Enforcement division and serves as training coordinator. A 30-year veteran of the California Highway Patrol, Doug retired as a Captain. Doug has many years of investigative experience, including five years in the CHP's Internal Affairs Unit conducting both administrative and criminal investigations. At the CHP, Doug instructed classes in leadership, supervision, internal investigations, and ethics. Additionally, he has taught PC 832 courses for several years as a POST certified instructor at American River College.

For the past five years, Mike and Doug have provided training for CSLB staff. The idea for a CSLB Enforcement Academy came about as a way to meld the various training modules that Mike and Doug had developed into a comprehensive five-day Academy.



### **Enforcement Representative Jeff Miller**

Jeff Miller has been with CSLB for 28 years, starting as an Investigator in Long Beach and Sacramento. "Uncle Jeff," AKA "Papa Smurf," has spent the past 19 years causing a ruckus in SWIFT and protecting consumer's one sting at a time. Jeff is also responsible for the development of the legislation that resulted in Senate Bill 560, signed by the governor on September 30, 2015, and which will allow Enforcement Representatives to issue a written notice to appear for workers' compensation insurance violations.



**Enforcement Representative Dawn Willis**

Dawn Willis started her career with CSLB in 2010 as a Consumer Service Representative. In 2013 she became an Enforcement Representative for the Sacramento Investigative Center. As the board’s designated liaison to national contractors, such as Home Depot and American Residential Services, she advises them about California contracting law requirements and provides dispute resolution tips. Dawn is the “go-to” person for staff training, always willing to volunteer for an assignment, and a true consumer protection advocate.



# AGENDA ITEM H

Adjournment





OCTOBER 30, 2015  
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Public Affairs  
Committee Meeting





## AGENDA ITEM A

# Call to Order, Roll Call and Establishment of a Quorum – Chair’s Introductory Remarks

Roll is called by the Committee Chair.

PUBLIC AFFAIRS COMMITTEE MEMBERS:

MARLO RICHARDSON, CHAIR

DAVID DIAS

JOAN HANCOCK

PASTOR HERRERA JR.

NANCY SPRINGER

Committee Chair Marlo Richardson will review the scheduled  
Committee actions and make appropriate announcements.





## AGENDA ITEM B

# Public Comment Session for Items Not on the Agenda

(Note: Individuals may appear before the Committee to discuss items not on the agenda. However, the Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).





## AGENDA ITEM C

# Public Affairs Program Update

1. Staffing Update
2. Online Highlights
3. Video/Digital Services
4. Media Relations Highlights
5. Industry, Licensee, and Community Outreach Highlights
6. Employee Relations





# CONTRACTORS STATE LICENSE BOARD

## PUBLIC AFFAIRS PROGRAM UPDATE

CSLB's Public Affairs Office (PAO) is responsible for media, industry, licensee, and consumer relations, and outreach. PAO provides a wide range of services, including proactive public relations; response to media inquiries; community outreach, featuring Senior Scam Stopper<sup>SM</sup> and Consumer Scam Stopper<sup>SM</sup> seminars, and speeches to service groups and organizations; publication and newsletter development and distribution; contractor education and outreach; social media outreach to consumers, the construction industry, and other government entities; and website and intranet content.

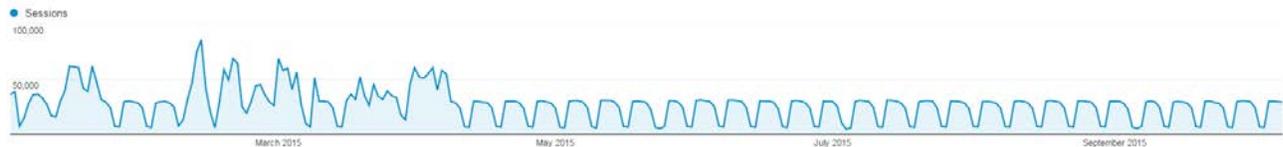
### STAFFING UPDATE

PAO is staffed with six full-time positions and one part-time Student Assistant. The office supervisor position (Information Officer II) is currently vacant.

### ONLINE HIGHLIGHTS

#### CSLB Website

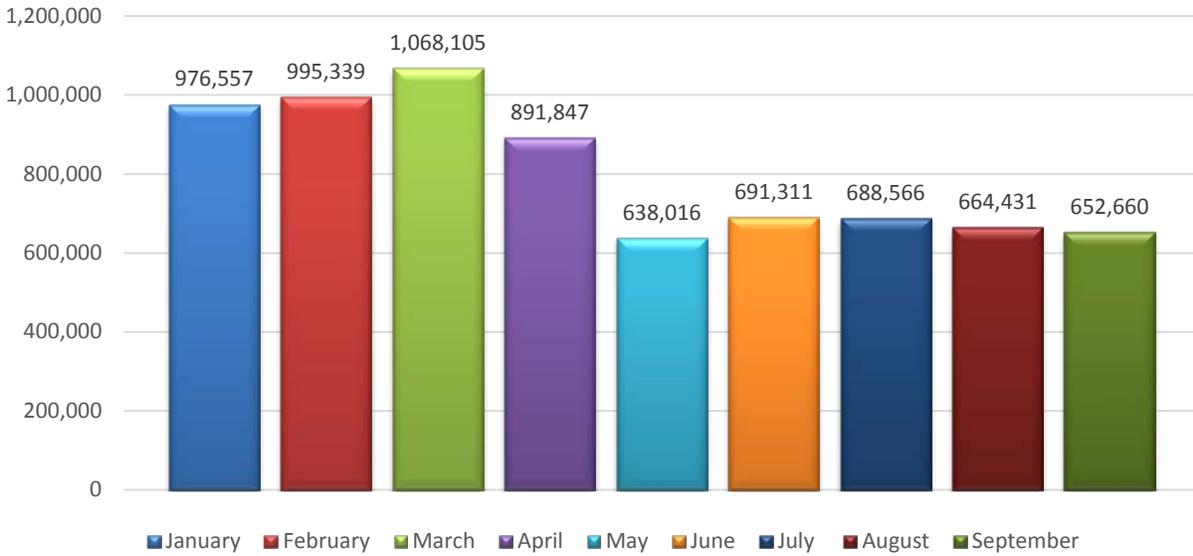
Website statistics for 2015 follow:



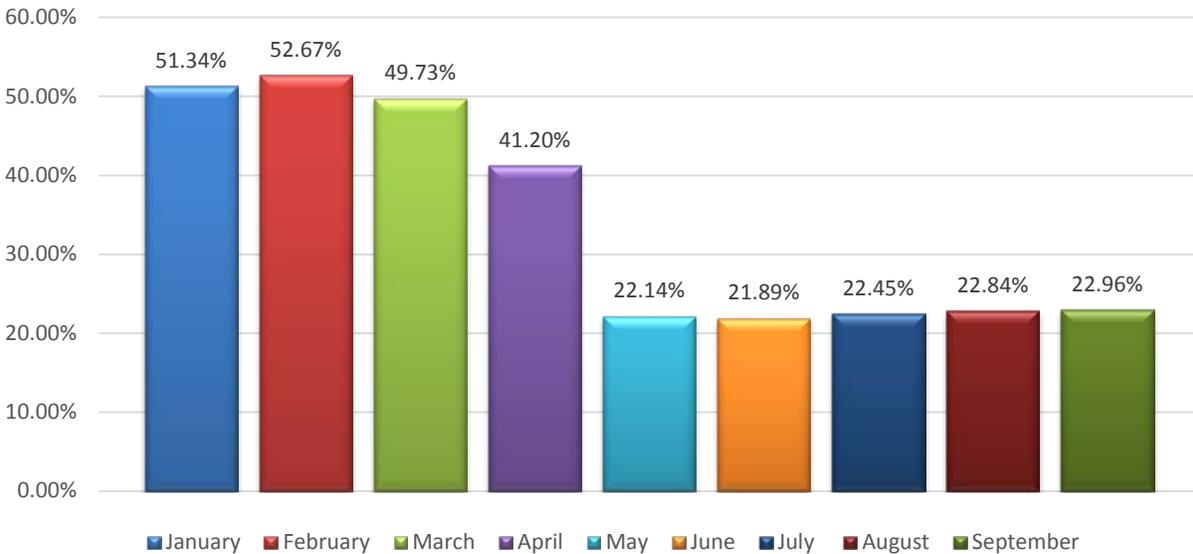
Month	Sessions	Users	Pageviews	Pages / Session	Ave. Session Duration	Bounce Rate	% New Sessions
January	976,557	606,653	5,360,226	5.49	4:08	45.31%	51.34%
February	995,339	630,213	5,321,283	5.35	3:58	32.77%	52.67%
March	1,068,105	615,260	6,106,177	5.72	4:07	16.22%	49.73%
April	891,847	474,715	5,422,117	6.08	4:42	18.44%	41.20%
May	638,016	261,649	4,613,779	7.23	6:01	19.56%	22.14%
June	691,311	273,968	4,952,706	7.16	6:01	19.47%	21.89%
July	688,566	278,065	4,952,624	7.19	6:05	20.09%	22.45%
August	664,431	273,010	4,767,302	7.18	6:05	20.43%	22.84%
September	652,660	269,935	4,634,008	7.10	5:59	20.57%	22.96%
Year to Date	7,266,832	2,870,113	46,130,222	6.35	5:03	24.41%	36.78%



### CSLB Website - Number of Sessions

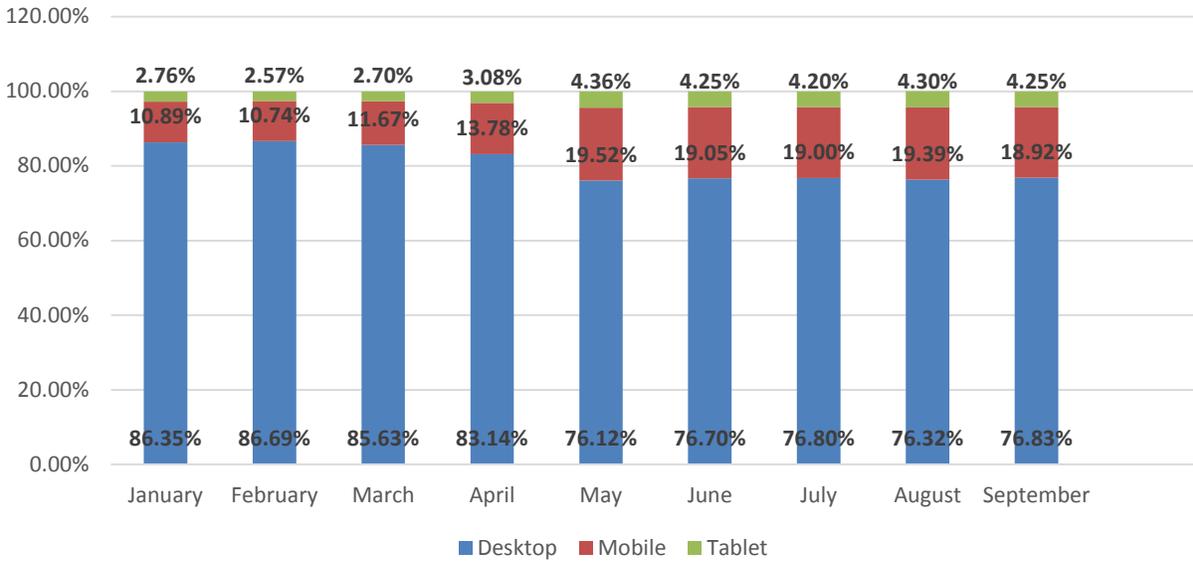


### CSLB Website - Percentage of New Sessions

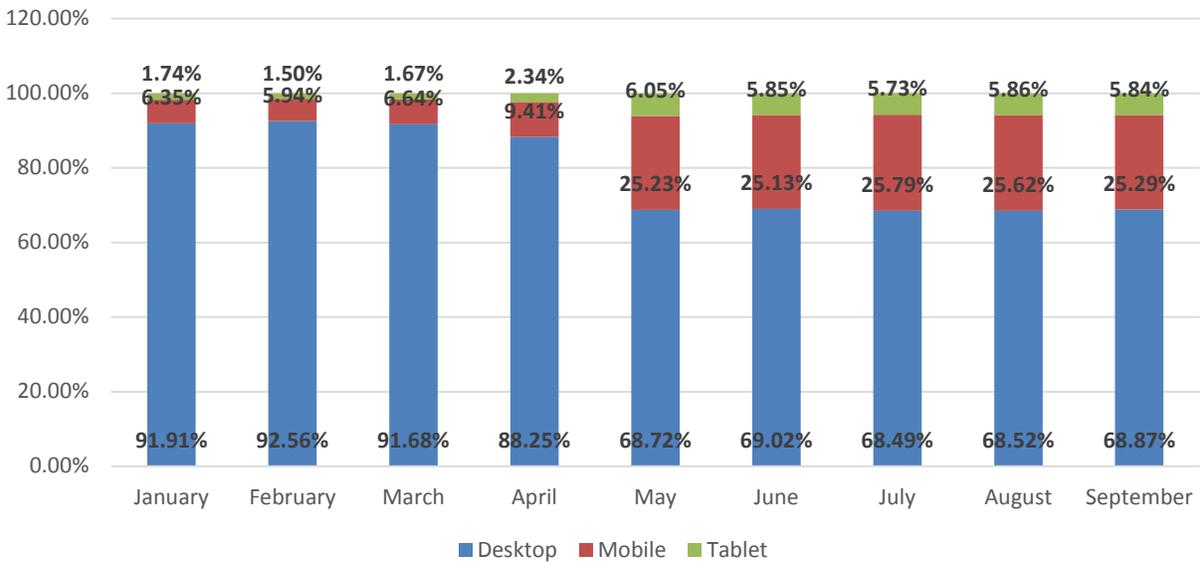




CSLB Website - By Type of Device



CSLB Website New Sessions - By Type of Device





**VIDEO/DIGITAL SERVICES**

**Public Meetings**

- *September Meetings – Webcasts*

On September 3, 2015, PAO provided a live webcast of the Board’s quarterly meeting in San Diego. On September 30, 2015, PAO provided a live webcast of the Settlement Disclosure Stakeholders Meeting in Sacramento.



**Settlement Disclosure Meeting  
September 30, 2015**

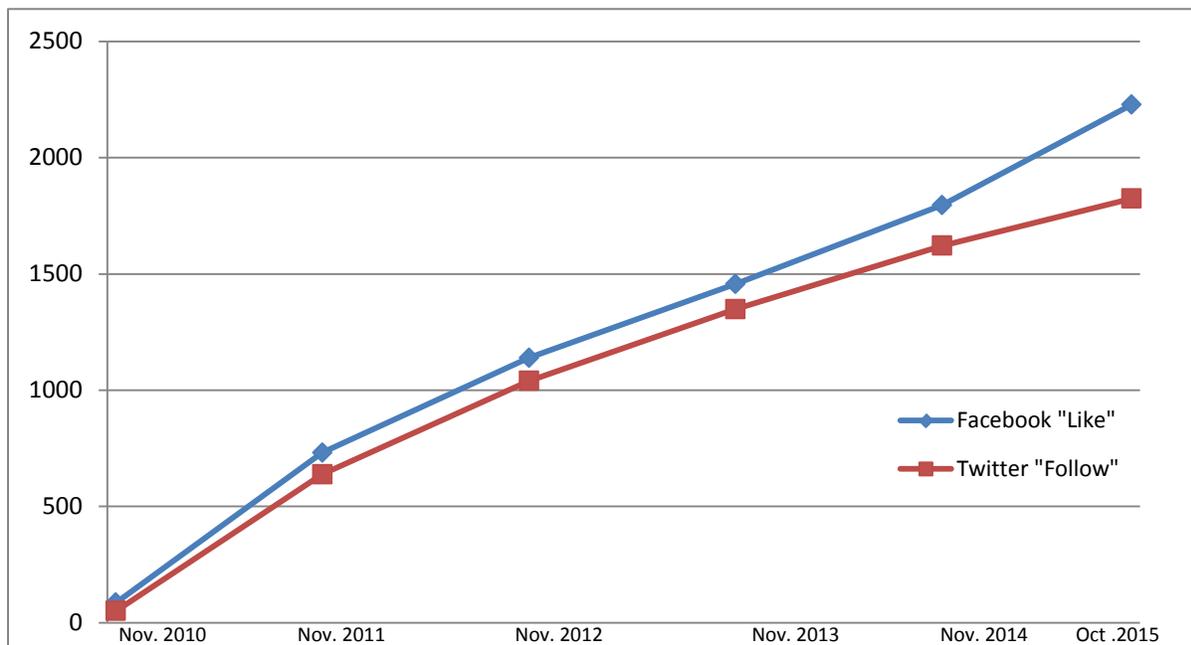


**Quarterly Board Meeting  
September 3, 2015**

Videos of both meetings are available on CSLB’s YouTube Channel.

**Social Media**

Growth of CSLB’s Facebook and Twitter sites since their 2010 launch:





### Facebook Growth

As of October 8, 2015, CSLB has 2,228 “likes” on its Facebook page, an increase of 100 since the September 2015 Board meeting.

- 69 percent of those who “like” CSLB on Facebook are male, 30 percent are female.
  - **Unchanged since last report**
- 59 percent of CSLB’s Facebook fans are between the ages of 35 and 54.
- On average, photo posts receive 1,977 views per post; links receive 1,101 views per post; videos receive 651 views per post; and status updates receive 589 views per post.
- Most viewed posts:
  - #TuesdayTips - 12,000 reached

09/15/2015  
1:51 pm



#TuesdayTips: After natural disasters, transient criminals routinely pose as door-to-door home repair co

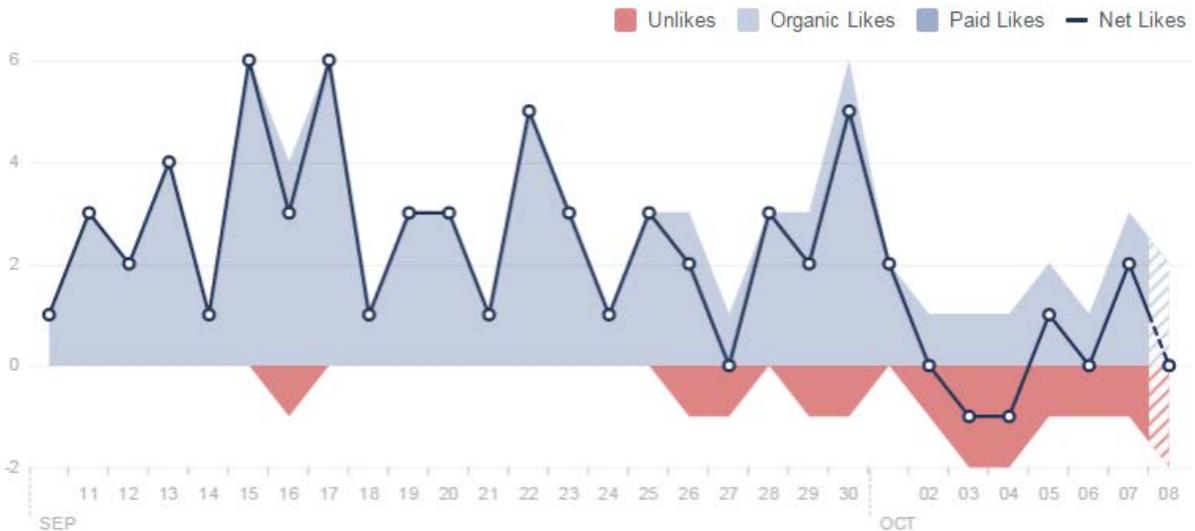
- Help spread the word to Butte and Valley fire victims - 3,714 reached

09/18/2015  
11:34 am



YOU CAN HELP! Help spread the word to Butte and Valley fire victims and contractors. If you live in a

The following chart shows the net growth per day since mid-September 2015 for CSLB’s Facebook page. The blue line represents individuals who have “liked” CSLB, and the red areas represent individuals who have “liked” CSLB at one point, but subsequently “un-liked” CSLB.



### Twitter Growth

Between September 10, 2015 and October 8, 2015, CSLB gained 30 followers on Twitter, growing from 1,793 to 1,823.

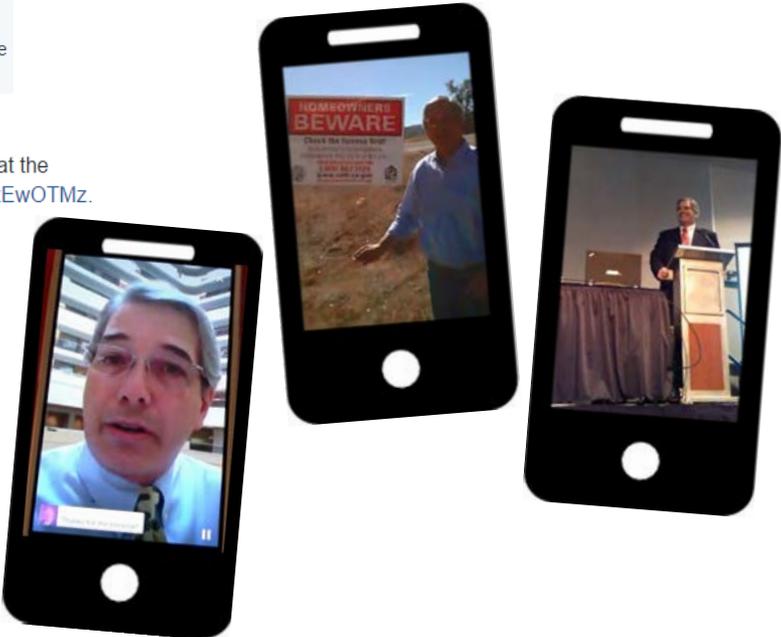
- 75 percent of CSLB followers are male, 25 percent are female. The percentage of male followers decreased by 11 percent since the last Board meeting.
- Tweets receive an average of 17.4K impressions (views) per month.
- Top tweets:
  - Save water and save money – 1,744 views
  - CSLB joins CalFire – 1,013 views



### Periscope Growth

CSLB currently uses Periscope to stream live previews before Board meetings and during outreach events. A link to the live stream can be sent out via social media and is available for viewers for 24 hours. Periscope allows viewers to send “hearts” to the broadcaster by tapping on the mobile screen as a form of appreciation. Viewers can also send comments and questions during the broadcast.

CSLB has recently made appearances on CALFire and Lake County OES Periscope broadcasts to inform viewers about recovering from a natural disaster. CSLB also periscoped a presentation made by Public Affairs Chief Rick Lopes at the California Association of Realtors conference in San Jose.





## **YouTube Growth**

CSLB's YouTube Channel welcomed 3,867 visitors between September 9, 2015 and October 8, 2015, an average of 138 visitors per day. Viewers watched a combined total of 20,707 minutes of video.

- 83 percent of CSLB YouTube viewers are male, 17 percent are female. The percentage of male followers has decreased by 2 percent since the last Board meeting.
- 58 percent of viewers find CSLB videos through "suggested videos" on YouTube, 11 percent view from direct links, 10 percent from YouTube searches, and 21 percent use other methods.
- The CSLB Experience Verification Seminar currently has the highest audience retention with 10,857 minutes watched.

## **Flickr Growth**

CSLB is expanding its portfolio of photographs on Flickr, a no-cost, photo-sharing social media website.

Flickr allows PAO staff to upload and post high-resolution photos as individual photographs or in album format. Flickr also permits professional media and industry followers of CSLB to download photographs at the resolution level of their choosing.

As of October 8, 2015, CSLB has 118 photos available for download on Flickr.

## **LinkedIn Growth**

PAO is exploring the benefits of utilizing LinkedIn, a business-oriented social networking site primarily used for professional networking. LinkedIn can increase exposure and act as an effective recruiting tool to attract quality employees for CSLB job vacancies.

## **Email Alert Feature**

PAO continues to publicize a website feature launched in May 2010 that allows people to subscribe to their choice of four types of CSLB email alerts:

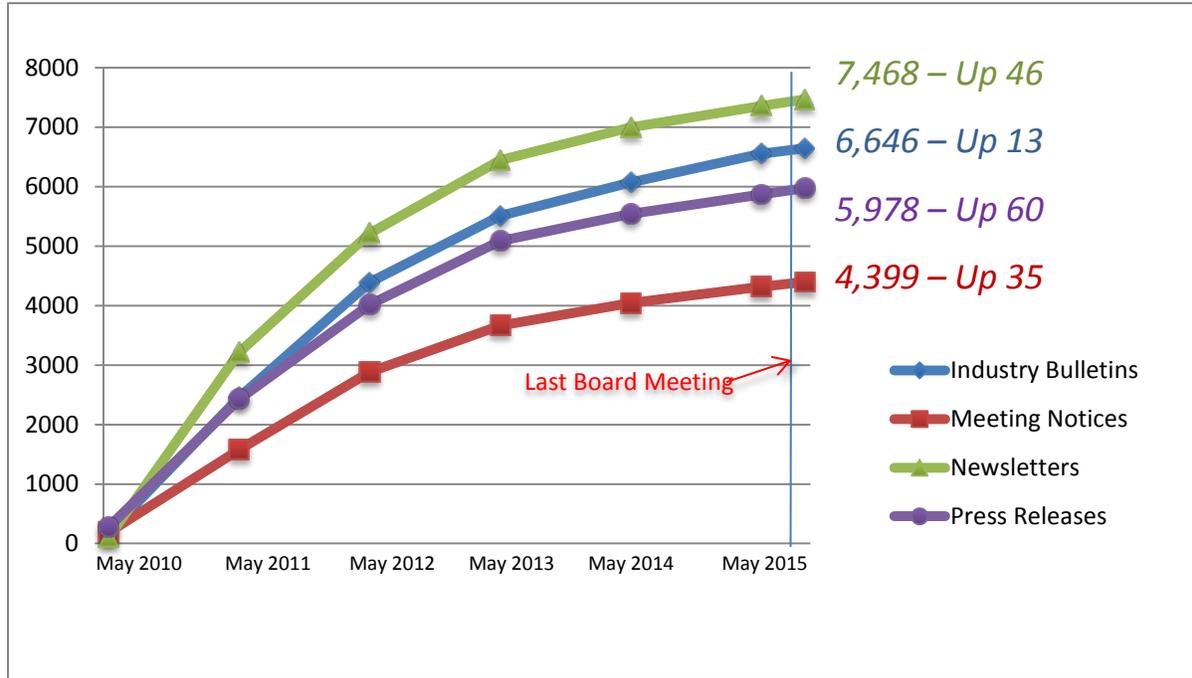
- *California Licensed Contractor* newsletters
- News Releases/Consumer Alerts
- Industry Bulletins
- Public Meeting Notices/Agendas

The total subscriber database currently stands at 24,491, which includes 145 new accounts since the September 2015 Board meeting.

PAO also utilizes a database consisting of email addresses voluntarily submitted on license applications and renewal forms. This list currently consists of 78,387 active email addresses, which brings the combined email database to 102,878 addresses.



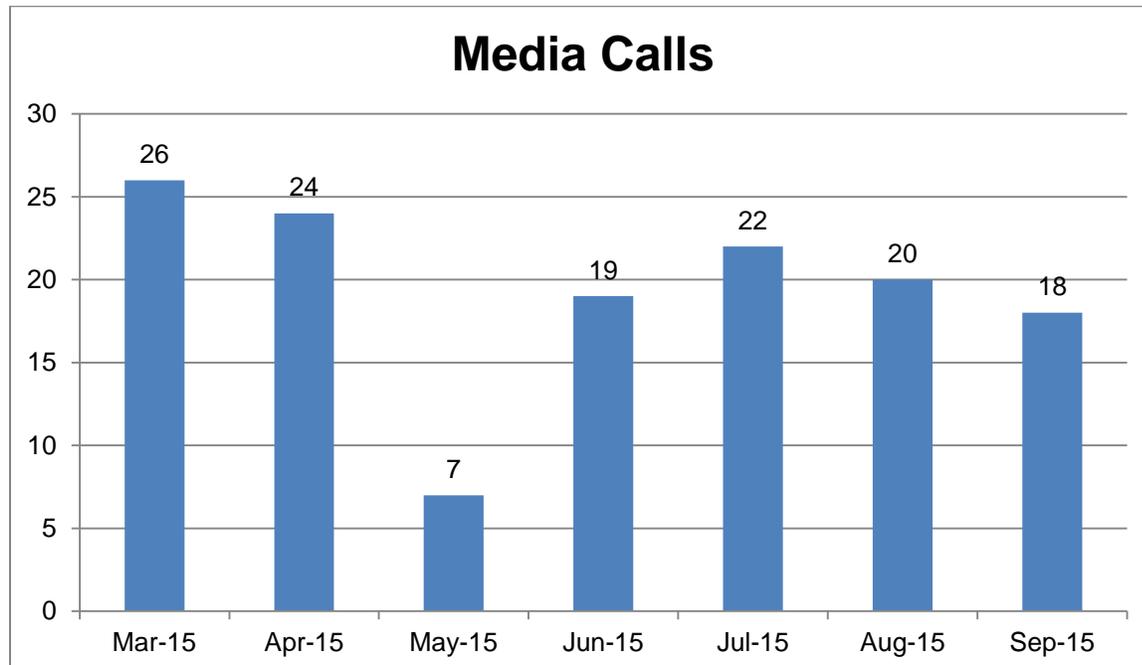
**Email Alert Sign-Up Statistics**



**MEDIA RELATIONS HIGHLIGHTS**

**Media Calls**

Between August 1, 2015 and September 30, 2015, PAO staff responded to 38 media inquiries, and provided interviews to a variety of online, newspaper, radio, magazine, and television outlets. The following chart breaks down the media calls by month:





## News Media Events

### Disaster Outreach

PAO teamed with Public Affairs staff from the Department of Insurance (CDI) to conduct outreach to victims of the Valley and Butte wildfires. Five people died and more than 2,700 structures were destroyed by the fires that burned in Lake, Napa, Sonoma (Valley), Amador, and Calaveras (Butte) Counties. The two fires burned almost 147,000 acres of land. CSLB staff handled Valley Fire media outreach for September 23, 2015 event, while CDI led the work that same day at the Butte Fire.

PAO's disaster outreach included posting warning signs in the fire areas, news releases, public service announcements, media interviews, and adapting the Board's 25-minute "Rebuilding After a Natural Disaster" video as a radio program.



In addition, PAO took advantage of social media opportunities involving other local and state government agencies, which included online live appearances with the Lake County Office of Emergency Services and CalFire.



The Licensing Information (Call) Center is also set up to receive calls to CSLB's Disaster Hotline. From September 14, 2015 through October 15, 2015, the hotline received 32 calls.

**News Releases**

PAO continued its policy of aggressively distributing news releases to the media, especially to publicize enforcement actions and undercover sting operations. Between August 13, 2015 and October 8, 2015, PAO distributed nine news releases.

<b>Release Date</b>	<b>Release Title</b>
August 18, 2015	CSLB Exposes Risks of Hiring Illegal Contractors during Merced Sting
August 21, 2015	Sonoma County Homeowners Warned to Beware of Unlicensed Contractors Who Look Legit, But Aren't
August 26, 2015	CSLB Tracks Down San Gabriel Valley Unlicensed Contractors Through Illegal Advertisements
September 1, 2015	CSLB Sting Targets Bogus Contractors in Sacramento
September 1, 2015	CSLB Finds More than Unlicensed Contractors in Tehachapi Sting
September 8, 2015	Calaveras: Home of Big Trees, Lots of Unlicensed Contractors
September 16, 2015	Contractors State License Board Offers Resources for Northern California Wildfire Victims
September 16, 2015	Unlicensed Contractors Plentiful in Nevada County
September 28, 2015	CSLB Inland Empire Sting Catches 12 for Illegal Contracting



INDUSTRY/LICENSEE OUTREACH HIGHLIGHTS

Industry Bulletins

PAO distributes industry bulletins to alert industry members to important and interesting news. Bulletins are sent via email on an as-needed basis to just over 6,000 individuals and groups, including those who have signed-up to receive the bulletins via CSLB's Email Alert system. Between August 13, 2015 and October 8, 2015, PAO distributed three industry bulletins.

Table with 2 columns: Release Date, Bulletin Title. Rows include: September 9, 2015 - Governor Brown Signs Bill Changing CSLB's Home Improvement Salesperson Registration Requirements; September 15, 2015 - CSLB Ready to Get Stakeholder Input on Settlement Disclosure; September 28, 2015 - CSLB Urges Public Works Contractors to Renew Dept. of Industrial Relations Registration before October 1 or Pay Hefty

California Licensed Contractor Newsletter

CSLB's quarterly newsletter, California Licensed Contractor (CLC), remains a valuable way for the board to communicate with licensees and the contracting industry.

CLC is produced as an online-only publication three times a year, with a link emailed to more than 85,000 addresses. Once a year, CLC appears as a print edition that is mass-mailed to all licensees. The newsletter also is posted to CSLB's website, where an archive of past CLCs also is maintained.



Visit from Saudi Arabian Delegation

On October 1, 2015, CSLB hosted a delegation from Saudi Arabia's Ministry of Municipal and Rural Affairs. The country is developing a system for contractor classifications and wanted to learn more about CSLB's regulatory and classifications system. The group also provided CSLB with a fascinating look at how their construction industry is regulated.





**PUBLICATION/GRAPHIC DESIGN HIGHLIGHTS**

CSLB publications update (print and online):

**Completed**

- 2015-16 Strategic Plan
- What You Should Know Before Hiring a Contractor brochure
- Building Your Career as a Licensed Contractor brochures (English & Spanish)
- Don't Get Scammed brochure (Spanish)

**In Production**

- "Surprising Career Opportunities" brochure for employee recruiting
- New 10 Tips for Home Improvement Salesperson (HIS) card
- HIS Guide to Home Improvement Contracts and Sales brochure
- Senior Scam Stopper<sup>SM</sup> redesign of program materials and handouts
- New Consumer Guide
- 2015 Building Official Information Guide
- Don't Get Scammed brochure (English)
- A Homeowner's Guide to Preventing Mechanics Liens brochures (English & Spanish)
- What Happens Now brochure (Spanish)
- New Mandatory Settlement Conference Tips card
- Fall 2015 *California Licensed Contractor* newsletter

**In Development**

- New Contractor Guide
- New outreach pull-up banners



**COMMUNITY OUTREACH HIGHLIGHTS**

**Senior Scam Stopper<sup>SM</sup> Seminars**

The following seminars were conducted or are scheduled from mid-September through 2015:

<b>Date</b>	<b>Location</b>	<b>Legislative/Community Partner(s)</b>
September 18, 2015	Hayward	Asm. Bill Quirk
September 21, 2015	Cupertino	Asm. Evan Low



September 23, 2015	Discovery Bay	Asm. Jim Frazier
September 24, 2015	Lemoore	Asm. Rudy Salas
September 25, 2015	San Jose	Sen. Jim Beall
September 28, 2015	Manteca	No legislator
September 30, 2015	Manteca	Sen. Cathleen Galgiani
October 1, 2015	Wasco	Asm. Rudy Salas
October 6, 2015	Menifee	No legislator
October 8, 2015	San Dimas	Sen. Carol Liu/Asm. Chris Holden
October 9, 2015	Pomona	Asm. Freddie Rodriguez
October 15, 2015	Oceanside	Rep. Issa/Sen. P. Bates/Asm. R. Chavez
October 16, 2015	Mission Viejo	Rep. Walters/Sen. P. Bates
October 19, 2015	Lodi	Asm. Jim Cooper
October 22, 2015	Santa Maria	Sen. Hannah-Beth Jackson
October 23, 2015	Downey	Sen. Tony Mendoza
October 28, 2015	Baldwin Park	Asm. Roger Hernandez
October 30, 2015	Salinas	Asm. Luis Alejo



## EMPLOYEE RELATIONS

### Intranet (CSLBin)

CSLBin, the employee-only intranet site launched in November 2013, continues to be a very popular source of news and photos about CSLB and staff, as well as a go-to work resource. PAO has posted hundreds of stories and photos highlighting employee and organizational accomplishments, and maintains an active archive system for easy referrals. In addition to employee news, the site also is kept current with the latest forms, policies, reports and other information used by CSLB staff around the state.

CSLBin recently received a facelift to make news and work-related documents easier to access. PAO and IT staff are continuing to discuss ways to improve CSLBin's appearance and functions.

Staff reaction to the site has been very positive, with many contributing story ideas and other suggestions.





# AGENDA ITEM D

## Solar Power Consumer Outreach





### History of Solar Energy in California

Source: [GoSolarCalifornia.ca.gov](http://GoSolarCalifornia.ca.gov)

Photovoltaic, or PV for short, is the word that describes converting sunlight into electricity: meaning pertaining to light, and *voltaic* meaning producing voltage.

It took, more than 100 years, however, for the concept of electricity from sunlight to become more than just an experiment.

#### Birth of the PV Cell

In 1954, D.M. Chapin, C.S. Fuller and G.L. Pearson, of Bell Laboratory, patented a way of making electricity directly from sunlight using silicon-based solar cells.

The next year, the Hoffman Electronics-Semiconductor Division announced the first commercial photovoltaic product that was 2 percent efficient, priced at \$25 per cell, at 14 milliwatts each, or \$1,785 per watt (in 1955 dollars).

By the mid-1960s, efficiency levels were nearing 10 percent. As an outgrowth of the space exploration in the 1960s-70s, PV development increased dramatically. But worldwide hostilities and the threat of war turned the world more and more away from oil and toward renewable energy.

#### 1970s & 1980s

In 1978, Congress passed the Public Utility Regulatory Policy Act or PURPA. It established the right for independent power producers to interconnect with the local utility distribution system. PURPA allowed large utility scale applications of PV and other solar electricity systems. Among other things, this federal legislation required utilities to buy electric power from private "qualifying facilities," at an avoided cost rate. This avoided cost rate is equivalent to what it would have otherwise cost the utility to generate or purchase that power themselves. Utilities must further provide customers who choose to self-generate a reasonably priced back-up supply of electricity.

The Energy Tax Act (ETA) of 1978 (Public Law 9-618) was passed by Congress in response to the energy crises of the 1970's - the Arab Oil Embargo and the taking of U.S. hostages in Iran. The act encouraged homeowners to invest in energy conservation and solar and wind technologies through tax credits. A federal energy tax credit of up to \$2,000 was given for devices installed on people's homes on or after April 20, 1977 and before January 1, 1986. Solar space and water heating carried a 40% tax credit, while weatherization, insulation, and similar conservation activities carried a 15% tax credit. The incentives were phased-out in the mid-80's as a result of Reagan administration policies to leave energy conservation and renewable energy decisions up to market conditions.

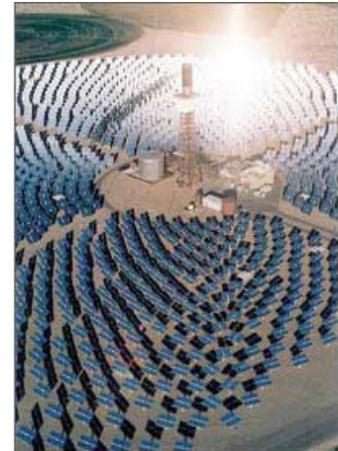
The federal tax credits, however, spurred the creation of new utility-scale solar and wind electricity systems. Wind turbines sprouted on California's windiest hillsides, and companies began investing in solar technologies.



In 1979, ARCO Solar began construction of the world's largest PV manufacturing facility in Camarillo (Ventura County). ARCO Solar was the first company to produce more than 1 megawatt (MW) of PV modules in one year. Four years later, ARCO Solar dedicated a 6 megawatt PV facility in central California in the Carrissa Plain. The 120-acre unmanned facility supplied the Pacific Gas and Electric Company utility grid with enough power for about 2,500 homes. ARCO Solar built a 1 MW PV power plant with modules on over 108 double-axis trackers in Hesperia, California.

Solar One began the first test of a large-scale thermal solar tower, power plant. Solar One was designed by the Department of Energy (DOE), Southern California Edison, Los Angeles Department of Water and Power, and the California Energy Commission. It was located in Daggett, about 10 miles east of Barstow in San Bernardino County

Solar One's method of collecting power was based on concentrating the sun's energy to produce heat and run a generator. A total of 1818 mirrors, or heliostats, would track the sun across the sky and reflect the sun's light to the top of a large tower. A black-colored receiver, on top of the tower, transferred the heat to an oil heat-transfer fluid. The heated oil was then used to boil water, which turned turbines and generators. Solar One produced 10 MW of electricity. It was completed in 1981 and produced power from 1982 to 1986.



Solar One in Daggett, California

In 1986, the world's largest solar thermal electricity facility began to be built in California's Mojave Desert. The LUZ Solar Energy Generating Stations (or LUZ-SEGS) contained rows of mirrors that concentrate the sun's energy onto a system of pipes circulating a heat-transfer fluid. The heated transfer fluid is used to produce steam, which powers a conventional turbine to generate electricity. All told, more than 300 megawatts of solar thermal electricity were built before the company had financial difficulties and was sold.

### 1990s to Today

In 1993, Pacific Gas and Electric Company installed the first grid-supported photovoltaic system in Kerman, just west of Fresno. The 500-kilowatt system was considered the first "distributed power" PV installation.

In 1996, the U.S. Department of Energy and an industry consortium began operating Solar Two - an upgrade of the Solar One concentrating solar power tower. Until the project's end in 1999, Solar Two demonstrated how solar energy can be stored efficiently and economically so power is produced even when the sun isn't shining; it also spurred commercial interest in power towers.

Another and more important event also occurred in 1996. [Assembly Bill 1890](#) (Statutes of 1996, Chapter 854, Brulte) was passed by the Legislature and signed by Governor Pete Wilson. This bill deregulated the state's investor-owned electric utilities and



[Renewable Energy Program](#). The following year, [Senate Bill 90](#) (Statutes of 1997, Chapter 905, Sher) implemented the provisions of AB 1890 and directed the activities of the Energy Commission relating to renewable energy.

The primary goal of this program is to develop a self-sustaining market for "emerging" renewable energy technologies in distributed generation applications. The Emerging Renewables Program (formerly called the "Emerging Renewables Buydown Program") was created to stimulate market demand for renewable energy systems that meet certain eligibility requirements by offering rebates to reduce (buy-down) the initial cost of the system to the customer.

For systems larger than 30 kilowatts, the California Public Utilities Commission directed the investor-owned utility companies - Pacific Gas and Electric, San Diego Gas & Electric, Southern California Edison, and Bear Valley Electric - to work with businesses, governments and schools to install PV "self-generation" systems.

In 2000, [Senate Bill 1345](#) (Statutes of 2000, Chapter 537, Peace) directed the Energy Commission to develop and administer a grant program to support the purchase and installation of solar energy and selected small distributed generation systems. Solar energy systems include solar energy conversion to produce hot water, swimming pool heating, and battery backup for photovoltaic (PV) applications. Funding for the program had to be renewed annually by the Legislature. The state's budget crisis essentially ended the program.

In September 2000, the legislature adopted the Reliable Electricity Service Investments Act (RESIA) as the result of legislation: [Assembly Bill 995](#) (AB 995, Statutes of 2000, Chapter 1051, Wright) and [Senate Bill 1194](#) (SB 1194, Statutes of 2000, Chapter 1050, Sher). These two pieces of legislation mandated the three investor-owned utilities to collect \$135 million annually for 10 years beginning in 2002 to support the Energy Commission's Renewable Energy Program.

In 2001, during the height of the electricity crisis, Senate Bill 17xx - created a solar tax credit retroactive to January 2001. The tax credit, for tax years 2001-2003, was equal to the lesser of 15 percent of the net purchase cost of a photovoltaic or wind-driven system with a generating capacity of not more than 200 kilowatts. The Bill allowed credit for one system per each separate legal parcel of property or per each address of the taxpayer in California and required recapture of the credit if the system is sold or removed from California within one year. The credit was reduced to half that amount for tax years 2004-2005 and ended on January 1, 2006. Qualifying systems needed to be certified by the Energy Commission, installed with a five-year warranty, and would be required to be in service in California for at least one year. This bill complemented other programs that provided incentives for installing renewable systems.

Assembly Bill 29x in 2001 provided more funding to both investor-owned and municipal utility customers in the Energy Commission's Emerging Renewables Buy-Down Program. The additional funding came from state tax dollars (as opposed to ratepayer or "public goods charge" funding used by the deregulation bills). AB 29x also



established a Renewable Energy Loan Guarantee Program, set up by the Technology, Trade and Commerce State Agency for larger renewable energy projects.

[Senate Bill 1038](#) (SB 1038, Statutes of 2002, Chapter 515, Sher), signed in September 2002, incorporated the "RESIA Investment Plan" with changes. The bill directed the Energy Commission on how to implement the Renewable Energy Program from 2002 through 2006.

Signed by President George W. Bush on August 8, 2005, the [Energy Policy Act of 2005 \(EPACT\)](#) offered consumers and businesses federal tax credits beginning in January 2006 for purchasing fuel-efficient appliances and products.

The Go Solar California campaign resulted from Governor Arnold Schwarzenegger's Million Solar Roofs program in 2005. The Go Solar California campaign includes the California Solar Initiative (CSI) which focuses on all consumer-owned solar installations other than on new homes in Pacific Gas and Electric (PG&E), Southern California Edison (SCE), San Diego Gas & Electric (SDG&E) territory. The CSI launched in January 2007 is overseen by the California Public Utilities Commission.

The New Solar Homes Partnership (NSHP) overseen by the California Energy Commission (CEC), which provides solar rebates for new homes. The NSHP launched in January 2007.

The CSI Program provides upfront incentives for solar systems installed on existing residential homes, as well as existing and new commercial, industrial, government, non-profit, and agricultural properties within the service territories of the IOUs.



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## California Renewable Energy Overview and Programs

California, with its abundant natural resources, has a long history of support for renewable energy.

In 2009, 11.6 percent of all electricity came from renewable resources such as wind, solar, geothermal, biomass and small hydroelectric facilities. Large hydro plants generated another 9.2 percent of our electricity.

Around the turn of the 20th century, tens-of-thousands of homes in Southern California took advantage of the "California sunshine" to heat water for their homes. The oil crises of the 1970s gave rise to concerns over dependence on fossil fuels. At that time, federal and state tax credits helped establish a new solar and wind industry. Wind turbine farms cropped up on the slopes of hills in three primary locations.

Following deregulation of the electric utilities in 1998, the California Energy Commission was placed in charge of a new **Renewable Energy Program** to help increase total renewable electricity production statewide. This followed decades of bipartisan legislative and gubernatorial support for renewable energy, helping to make California a recognized leader in the field.

The Energy Commission's Renewable Energy Program provided market-based incentives for new and existing utility-scale facilities powered by renewable energy. It also offered consumer rebates for installing new wind and solar renewable energy systems. The program also helps educate the public regarding renewable energy. [Find out more about the history of the program.](#)

From 1998 to December 31, 2006, the Energy Commission's **Emerging Renewables Program** funded grid-connected, solar/photovoltaic electricity systems under 30 kilowatts on homes and businesses in the investor-owned utilities' service areas, wind systems up to 50 kW in size, fuel cells (using a renewable fuel), and solar thermal electric. The California Public Utilities Commission (CPUC) funded larger self-generation projects for businesses. Since 2007, the Emerging Renewables Program has focused on providing incentives toward the purchase and installation of small wind systems and fuel cells using a renewable fuel.

Effective 2007, the solar portion of the Emerging Renewables Program ended and was replaced with Senate Bill 1's vision for California to have two programs to support onsite solar projects: the Energy Commission's New Solar Homes Partnership and the California Public Utilities Commission's California Solar Initiative. In addition, there would be a variety of solar programs offered through the publicly owned utilities. This statewide effort is known collectively as Go Solar California and has a statewide campaign goal of 3,000 MW of solar generating capacity with a budget of \$3.35 billion.

The CPUC's [California Solar Initiative](#) (CPUC ruling - R.04-03-017) moved the consumer renewable energy rebate program for existing homes from the Energy Commission to the utility companies under the direction of the CPUC. This incentive program also provides cash back for solar energy systems of less than one megawatt to existing and new commercial, industrial, government, nonprofit, and agricultural properties. The CSI has a budget of \$2 billion over 10 years, and the goal is to reach 1,940 MW of installed solar capacity by 2016.

The Energy Commission's [New Solar Homes Partnership](#), a \$400 million program, offers incentives to



### Renewable Energy Rebates & Incentives

[Incentives for Solar / PV Systems](#)

### Renewable Energy Programs

[Renewable Energy Home](#)

[History of Commission's Renewable Energy Program](#)

[Combined Heat and Power](#)

[Electric Program Investment Charge](#)

[Emerging Renewables Program](#)

[Existing Renewable Facilities Program](#)

[Geothermal Grant and Loan Program \(GRDA\)](#)

[Guidelines, Publications, and Reports](#)

[New Renewable Resources Account](#)

[New Solar Homes Partnership](#)

[Notices For Renewable Energy Program](#)  
(For specific proceedings, see each below )

[Power Source Disclosure Program](#)  
(SB 1305)

[Renewables Portfolio Standard \(RPS\)](#)

[Renewable Energy Program Quarterly Updates](#)

[Consumer Education](#)

[CONTACT US](#)

### Proceedings

[Rulemaking: Enforcement Procedures for Local Publicly Owned Electric Utilities - 13-RPS-01](#)

[Large Solar Energy Projects in California](#)

[Renewable Energy and Conservation Planning Grants](#)  
(Docket #12-GREP-1)

[SB 1 - Senate Bill 1 Eligibility Criteria and Conditions for Solar Energy System Incentives](#)  
(Docket # 07-SB-1)

[Bioenergy Action Plan](#)  
(Docket: # 06-BAP-1)

[New Solar Homes Partnership Proceeding](#)

encourage solar installations, with high levels of energy efficiency, in the residential new construction market for investor-owned electric utility service areas. The goal of the NSHP is to install 400 MW of capacity by 2016.

Committee overseeing Renewable Energy:

**David Hochschild**  
 Commissioner and Presiding Member  
 Renewables Committee

## Utility Companies and Renewable Energy

In 2002, California established its Renewables Portfolio Standard (RPS) Program, with the goal of increasing the percentage of renewable energy in the state's electricity mix to 20 percent of retail sales by 2017. The [2003 Integrated Energy Policy Report](#) recommended accelerating that goal to 20 percent by 2010, and the [2004 Energy Report Update](#) further recommended increasing the target to 33 percent by 2020. The state's [Energy Action Plan](#) supported this goal. In 2006 under Senate Bill 107, California's 20 percent by 2010 RPS goal was codified. The legislation required retail sellers of electricity to increase renewable energy purchases by at least 1 percent per year with a target of 20 percent renewables by 2010. Publicly owned utilities set their own RPS goals recognizing the intent of the legislature to attain the 20 percent by 2010 target.

On November 17, 2008, Governor Arnold Schwarzenegger signed [Executive Order S-14-08](#) requiring that "... [a]ll retail sellers of electricity shall serve 33 percent of their load with renewable energy by 2020." The following year, Executive Order S-21-09 directed the California Air Resources Board, under its AB 32 authority, to enact regulations to achieve the goal of 33 percent renewables by 2020.

In the ongoing effort to codify the ambitious 33 percent by 2020 goal, SBX1-2 was [signed](#) by Governor Edmund G. Brown, Jr., in April 2011. In his signing comments, Governor Brown noted that "This bill will bring many important benefits to California, including stimulating investment in green technologies in the state, creating tens of thousands of new jobs, improving local air quality, promoting energy independence, and reducing greenhouse gas emissions."

This new RPS preempts the California Air Resources Board's 33 percent Renewable Electricity Standard and applies to all electricity retailers in the state including publicly owned utilities, investor-owned utilities, electricity service providers, and community choice aggregators. All of these entities must adopt the new RPS goals of 20 percent of retail sales from renewables by the end of 2013, 25 percent by the end of 2016, and the 33 percent requirement being met by the end of 2020.

### Timeline of California's Renewables Portfolio Standard

- 2002: Senate Bill 1078 establishes the RPS program, requiring 20% of retail sales from renewable energy by 2017.
- 2003: Energy Action Plan I accelerated the 20% deadline to 2010.
- 2005: Energy Action Plan II recommends a further goal of 33% by 2020.
- 2006: Senate Bill 107 codified the accelerated 20% by 2010 deadline into law.
- 2008: Governor Schwarzenegger issues Executive Order S-14-08 requiring 33% renewables by 2020.
- 2009: Governor Schwarzenegger issues Executive Order S-21-09 directing the California Air Resources Board, under its AB 32 authority, to adopt regulations by July 31, 2010, consistent with the 33% renewable energy target established in Executive Order S-14-08.
- 2011: Senate Bill X1-2, signed by Gov. Edmund G. Brown, Jr., codifies 33% by 2020 RPS.

For assistance regarding the Renewable Energy Program areas, please contact:

Renewable Energy Call Center  
 Toll Free - 844-217-4925  
 Outside California - 916-653-0237  
 E-mail: [Renewable@energy.ca.gov](mailto:Renewable@energy.ca.gov)

(Docket: # 06-NSHP-1)

**Avian Wind Guidelines**

(Docket: # 06-OIL-1)

**AB 162**

**Power Source Disclosure Rulemaking**

(Docket: #10-PSDR-01)

**SB 1038**

**Continuation of Renewable Energy Program**

(Docket: # 02-REN-1038)

**SB 1078**

**Renewables Portfolio Standard**

(Docket: # 03-RPS-1078)

**Solar Offset Program**

## Related Links

[California Renewable Energy Transmission Initiative \(RETI\)](#)

[California's Clean Energy Future](#)

[Database of Incentives for Renewables & Efficiency](#)

**DRECP**

[Desert Renewable Energy Conservation Plan](#)

**Geothermal Program**

[RD&D and Commercialization](#)

**Public Interest Energy Research (PIER) Program**

[Renewable Energy Technologies Subject Area](#)

**Renewable Energy for Kids**

[Energy Quest Website](#)

**Western Renewable Energy Generation Information System (WREGIS)**

[Wind Energy in California](#)

## Subscribe

### Renewables List Serve

#### Automated Email Notifications

**First name:**

**Last name:**

**Email address:**

You will receive an email requesting that you confirm your subscription.

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 State of California, Edmund G. Brown Jr., Governor

# Solar power in California

From Wikipedia, the free encyclopedia

**Solar power in California** has been growing rapidly because of high insolation, community support, declining solar costs, and a Renewable Portfolio Standard which requires that 25% of California's electricity come from renewable resources by 2016, and 33% by 2020.<sup>[1]</sup> Much of this is expected to come from solar power.

As of the end of 2013, California had 490 MW of concentrated solar power and 5,183 MW of photovoltaics capacity in operation.<sup>[2]</sup> The American Solar Energy Industries Association reports that a further 19,200 MW of utility-scale solar projects are under construction or development in the state as of August 2014.<sup>[3]</sup>

Over the last 20 years, California has been home to a number of "world's largest" solar facilities. In 1991, the 354-MW solar thermal SEGS plant (located in the Mojave Desert in San Bernardino County, California) held the title until being bested by the 392-MW Ivanpah Solar Electric Generating System, a concentrated solar thermal plant located in San Bernardino County near the Nevada border. In 2014, the 550-MW<sub>AC</sub> Topaz Solar Farm became the new "world's largest operational" solar facility went online in Riverside County, California. A second 550-MW facility by First Solar, Desert Sunlight, also went online in Riverside County in 2014. Both these were superseded, however, by the Solar Star photovoltaic project that went online with 279 MV<sub>AC</sub> in June 2015 in Antelope Valley, California (located on Los Angeles and Kern counties). While California hosts the three largest photovoltaic facilities in the world (as of July 2015), there are yet several proposals for even larger facilities seeking regulatory approval in California.<sup>[4]</sup>

California also leads the nation in the number of homes which have solar panels installed, totaling over 230,000.<sup>[5]</sup> Many were installed because of the Million Solar Roof Initiative.<sup>[6]</sup>



Part of the 354 MW SEGS solar complex in northern San Bernardino County, California.



Photovoltaic (foreground) and Solar water heating (rear) panels located on rooftops in Berkeley, California. Note the low tilt of the photovoltaic panels, optimized for summer, and the high tilt of the water heating panels, optimized for winter.

## Contents

- 1 Solar thermal power
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## Solar thermal power

*Main article: Concentrated solar power*

The Ivanpah Solar Electric Generating System (392 MW), located 40 miles (60 km) southwest of Las Vegas, is the world's largest solar thermal power project.<sup>[7]</sup> The project is developed by BrightSource Energy and Bechtel.<sup>[8]</sup> The project has received a \$1.375 billion loan guarantee from the United States Department of Energy. It deploys 347,000 heliostat mirrors focusing solar energy on boilers located on centralized solar power towers.<sup>[7]</sup>

The Genesis Solar Energy Project is an operational 250 MW solar thermal power station located in Riverside County, California. It features a parabolic trough design and is run by NextEra Energy Resources.<sup>[9]</sup>



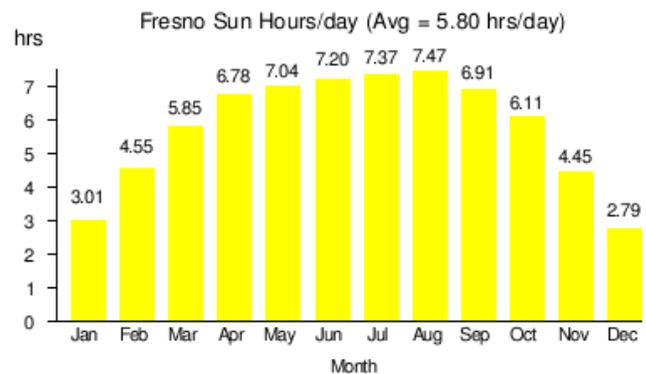
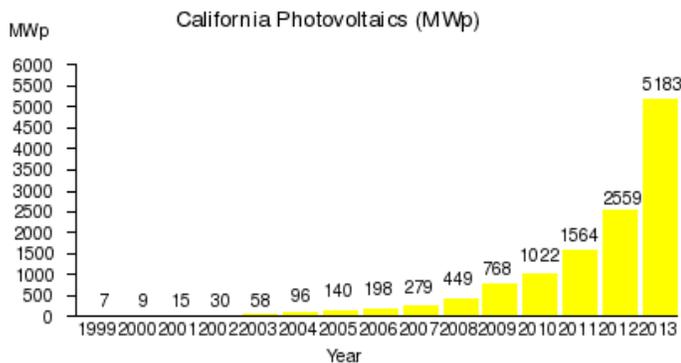
Parabolic reflector for the SEGS power plant

## Photovoltaics

*Main article: Photovoltaics*

In 2011, California's goal to install 3,000 MW by 2016 was expanded to 12,000 MW by 2020.<sup>[10]</sup> California has more photovoltaics installed than any other state, and 48% of the total in 2010. For the first time in 2008 the installed photovoltaics exceeded the state's 354 MW of solar thermal (CSP).<sup>[11][12][13]</sup> There are plans to build over 15,000 MW of utility scale photovoltaic plants in California.<sup>[14]</sup> At the end of 2012, small systems of less than 10 kWp were averaging \$5.39/W, and large systems of over 500 kWp were averaging \$2.77/W.<sup>[15]</sup>

California has the technical potential to install 76,000 MW of rooftop solar panels, which would generate 106,411 GWh/year, about 41% of the total electricity used in California in 2012. 76 GW, though, is twice as much electricity as is used in one hour, which will require that on a sunny day, half of the noon output will need to be stored, for example by producing hydrogen.<sup>[16]</sup>



Source: NREL<sup>[17]</sup>

### Under construction

- The Blythe Solar Power Project is a planned 485 MW photovoltaic power station to be located in Riverside County.
- California Flats is a planned 280 MW photovoltaic power station to be located in Monterey County.<sup>[18]</sup>

### Operational

- The Desert Sunlight Solar Farm is a 550 MW solar power plant in Riverside County, that uses thin-film solar CdTe-modules made by First Solar. The plant was completed in December 2014.<sup>[19]</sup>
- The Imperial Valley Solar Project is a 99 MW power station, located in Imperial County.
- The California Valley Solar Ranch (CVSR) is a 250 MW solar photovoltaic power plant, built by SunPower in the Carrizo Plain, northeast of California Valley.<sup>[20]</sup>
- The Mount Signal Solar project was completed near the Mexican border in May 2014. The installed PV capacity of the solar farm amounts to 265.7 MW (206 MW<sub>AC</sub>).<sup>[21][22][23]</sup>
- The construction of the 550 MW Topaz Solar Farm in San Luis Obispo County, ended in November 2014 and is currently the world's largest PV power plant.

### 2012 priority projects

In 2012, the Bureau of Land Management is giving priority status to 5 solar project proposals in California.<sup>[21]</sup> The 750 MW McCoy Solar Energy Project has been proposed by NextEra. The 100 MW Desert Harvest project has been proposed by enXco. The 664 MW Calico Solar Energy Project has been redesigned by K Power but later abandoned.<sup>[24]</sup>

## Public opinion

The majority of Californians in desert country support large-scale solar development, according to a 2012 survey conducted on behalf of BrightSource Energy. The survey of more than 1,000 people was conducted throughout Imperial, Inyo, Kern, Riverside, San Bernardino counties in California, where many utility-scale solar projects are underway or planned. Survey results showed that nearly four out of five (almost 80 percent) of people strongly supported development of solar power in their communities. The survey also found that the majority of people were concerned with climate change. It also found that two-thirds of respondents think renewable energy is important to California's future and that the state and federal government should help provide incentives for renewable energy projects.<sup>[25]</sup>

## Renewable Portfolio Standard

Solar power in California has been growing rapidly, because of a Renewable Portfolio Standard which requires that 20% of California's electricity come from renewable resources by 2010, and 33% by 2020. Much of this is expected to come from solar power.

According to a recent report by the California Public Utilities Commission, California failed to meet the 20% renewables by 2010 target. Pacific Gas & Electric and Southern California Edison were the closest to meeting the goal. PG&E generated 17.7% of the electricity it sold in 2010 from renewable sources while SCE was the closest to hitting the RPS goal by producing 19.4% of its electricity from renewable sources in 2010. San Diego Gas & Electric, on the other hand, generated only 11.9% of its electricity from renewable sources in 2010.<sup>[26]</sup>

As of July 2014, California had 7,808 MW<sup>[27]</sup> of solar and 5,830 MW<sup>[28]</sup> of wind farms. California adopted feed-in tariffs, a tool similar to what Europe has been using, to encourage the solar power industry. Proposals were raised aiming to create a small-scale solar market in California that brings the benefits of the German market, such as distributed generation, which avoids the need for transmission because power is generated close to where it is used, and avoid the drawbacks such as excessively high payments that could become a burden on utility customers.<sup>[29]</sup>

## California Solar Initiative

*Main article: California Solar Initiative*

The California Solar Initiative is a 2006 initiative to install 3,000 MW of additional solar power by 2016. Included in it is the Million Solar Roof Initiative.<sup>[30]</sup> In 2011, this goal was expanded to 12,000 MW by 2020.<sup>[31]</sup>

According to the CPUC, homeowners, businesses, and local governments installed 158 MW of solar photovoltaics (PV) in 2008, doubling the 78 MW installed in 2007, giving California a cumulative total of 441 MW of distributed solar PV systems, the highest in the country.<sup>[32]</sup> As of September, 2015, 3,260 MW have been installed in 411,311 projects. The average cost of systems less than 10 kW is \$5.35/watt and \$4.56/watt for systems over 10 kW.<sup>[33]</sup>

Many of the homes, schools and businesses which have installed solar panels can be monitored online on the Internet.<sup>[34]</sup>

## Generation

California solar electric generation according to the Energy Information Administration:<sup>[35][36][37]</sup>

Year	Generation (GWh)	Generation (% of CA total)	Generation (% of USA Solar)
2010	769	0.4%	63.5%
2011	874	0.4%	48.2%
2012	1,382	0.7%	31.9%
2013	3,865	1.9%	42.8%
2014	9,891	5.0%	54.0%
2015-07 YTD <sup>[38][39]</sup>	8,963	8.2%	

## Net metering

*Main article: Net metering*

California has a favorable net metering law, being one of five states to receive an A in 2007, while five states received an F, in an evaluation of the 38 states plus Washington D.C. with net metering.<sup>[40]</sup> IREC best practices, based on experience, recommends no limits to net metering, individual or aggregate, and perpetual roll over of kWh credits.<sup>[41]</sup> As California is rapidly approaching the 5% aggregate limit, a May 24, 2012 ruling by the CPUC clarified the calculation of the limit, and requested a report on the cost of net metering.<sup>[42][43]</sup> Typically states have raised or eliminated their aggregate limits before they were reached.<sup>[44]</sup> By 2011, 16 states including California received an A for net metering.<sup>[45]</sup>

## Permitting

California governor Jerry Brown signed a streamlined permitting bill (AB 2188) for residential solar systems on September 22, 2014. AB 2188 has four major provisions designed to reduce red-tape associated with local solar permits and requires that, by the end of September 2015, all California cities and counties must "adopt an ordinance that creates an expedited, streamlined permitting process for residential rooftop solar energy systems of less than 10 kilowatts in size."<sup>[46]</sup> Research and industry reports project the bill could reduce the cost of installing a typical residential solar system in the state by over \$1,000.<sup>[47]</sup>

## Alameda County

*Main article: Solar power in Alameda County*

Using a 20-year property assessment known as PACE financing, Berkeley had a successful pilot program from 2008 to 2009 as the first city in the country to allow residents to obtain solar power without any initial payment. In the plan, property owners paid as much in increased property taxes as they save in energy costs, allowing them to install the panels for free at no cost to the city. Thirty eight projects are being installed for the pilot stage of the program.<sup>[48]</sup> PACE financing has spread to 28 states, but is on hold in many due to objections by Freddie Mac and Fannie Mae, including in Berkeley (which has not continued the pilot as a result). Legislation has been introduced to require acceptance of PACE financing.<sup>[49]</sup>

## City of Los Angeles

The City of Los Angeles Department of Water and Power initiated a program on January 11, 2013 to pay up to 17 cents/kWh for electricity generated by up to 100 MW of solar power in a feed-in tariff program. 20 MW is reserved for small projects of less than 150 kW each. The program could be expanded to 150 MW in March.<sup>[50][51]</sup>

Year	Available
2013	40 MW
2014	40 MW
2015	20 MW

Tier	Available	Small systems	Feed in tariff
1	10 MW	2 MW	17 cents/kWh
2	25 MW	5 MW	16 cents/kWh
3	50 MW	10 MW	15 cents/kWh
4	75 MW	15 MW	14 cents/kWh
5	100 MW	20 MW	13 cents/kWh

## New homes

In March 2013, Lancaster, California became the first U.S. city to mandate the inclusion of solar panels on new homes, requiring that "every new housing development must average 1 kilowatt per house."<sup>[52]</sup>

In May 2013, Sebastopol followed suit, requiring new buildings include either 2 W/sq ft (21.7 W/m<sup>2</sup>) of insulated building space of photovoltaics, or enough to provide 75% of the expected annual electricity use.<sup>[53]</sup>

## See also

- Solar power plants in the Mojave Desert
- Solar power in the United States
- Renewable energy in the United States
- Solar Cookers International

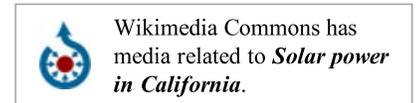
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## External links

- Go Solar California (<http://www.gosolarcalifornia.ca.gov/>)
- California Energy Commission (<http://www.energy.ca.gov/>)
- California Solar Energy Industries Association (<http://calseia.org/>)
- Northern California Solar Energy Association (<http://www.norcalsolar.org/>)
- Solar California (<http://www.solar-california.org/>)
- Renewables Portfolio Standard ([http://www.cpuc.ca.gov/NR/rdonlyres/3AB3B7C0-DBA1-426C-AA26-88EF69470DC9/0/CPUC01367802v1RPS\\_Rpt\\_to\\_Legislature\\_\\_Q1\\_2009.pdf](http://www.cpuc.ca.gov/NR/rdonlyres/3AB3B7C0-DBA1-426C-AA26-88EF69470DC9/0/CPUC01367802v1RPS_Rpt_to_Legislature__Q1_2009.pdf))
- California's Renewable Energy Law Lives! (<http://www.renewableenergyworld.com/rea/news/article/2009/03/californias-renewable-energy-law-lives>)
- Clean Power Estimator (<http://cec.cleanpowerestimator.com/cec.htm>) (California only)
- California daily hourly power production (<http://www.caiso.com/green/renewableswatch.html>)



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Categories: Energy in California | Solar power in the United States by state

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# **CSLB's ROLE IN SOLAR INDUSTRY**



# THE CALIFORNIA LICENSED CONTRACTOR

EDMUND G. BROWN JR., Governor

SPRING 1978

RICHARD B. SPOHN, Director

## SOLAR ENERGY TAX CREDIT

An announcement is being circulated by the California Energy Resources Conservation and Development Commission regarding recent legislation which makes a tax credit possible to property owners against the cost of the purchasing and installation of solar energy systems. Contractors interested in the field of solar energy may want to pass this information on to the property owners who are potential purchasers of solar energy systems. The Commission would like to get the information regarding the tax credit to as many people as possible and it is encouraging people to take advantage of the tax credit.

The following is the announcement by the Commission:

### California Solar Tax Credit

California now has the country's largest financial incentive for installation of solar energy systems, thanks to legislation signed by Governor Brown in late September.

Here are the basic provisions of the law, authored by Assemblyman Gary Hart: A state income tax credit of 55% or \$3,000, whichever is less, will be given for the cost of purchasing and installing solar energy systems. For installations in buildings other than single family dwellings, where the system cost exceeds \$6,000, a tax credit of 25% or \$3,000 is allowed, whichever is greater. It also applies to solar pool and water heaters, active and passive space conditioning systems, and solar-related conservation measures.

A tax credit is subtracted from the total amount of tax owed . . . it is not a deduction used in computing taxes.

To receive the credit the taxpayer must own the property at the time the solar system is installed. It applies to systems installed between January 1977 and December 1980. The tax credit must be taken in the year the system is installed. If the credit exceeds that year's total tax, the balance of the credit will be carried forward until the full amount is received.

If any federal income tax credit for solar devices is given, the maximum amount of combined federal and state credit granted cannot exceed that allowed by the state. The federal credit must be used first, then the state credit added to fulfill the eligible total.

The State Energy Commission will establish guidelines defining eligible active and passive solar systems and solar-related conservation measures by January 1, 1978. It is anticipated that warranties and eventually certification

of all active solar systems will be required. Certification will be completed through an Energy Commission testing and inspection program. Interim approval of active solar systems will be granted based on the guidelines until all solar products in California have had the opportunity to be certified.

Any questions regarding the guidelines can be sent to:

California Energy Resources Conservation & Development Commission, 1111 Howe Avenue, Sacramento, California 95825.

Forms for obtaining the state tax credit will be available from the:

Franchise Tax Board, P.O. Box 1468, Sacramento, California 95807.

## Experience Records Investigated

(Cont. from Page 2, Col. 2)

License for misrepresentations in regard to the listing of experience by applicants.

Investigations will include an inquiry into the truthfulness of each of the experience certificates completed by contractors and/or others as well as the accuracy of the experience as listed by the applicant.

An applicant who is found to have made material misrepresentations regarding his experience on the application will be subject to the denial of a license through an administrative hearing. Contractors completing experience certificates with material misrepresentations for applicants will be subject to disciplinary action.

## Home Improvement Salesmen

Article 10 of the Contractors License Law provides for the registration of home improvement salesmen by the Contractors' State License Board.

Under this law a home improvement salesman is defined as a person who is employed by a license contractor to solicit, sell, negotiate or execute home improvement contracts under which home improvements may be performed by the home improvement contractor.

Present provisions of the law allows a person to be engaged in the occupation of salesman for one or more home improvement contractors at the same time.

When a person is issued a registration by the Registrar of Contractors, he or she is issued a number which contains a two-letter prefix. The numerical portion of the number stays with the person regardless of the number of registrations issued to him or her. The two-letter prefix will vary as it is

(Cont. on Page 8)



# THE CALIFORNIA LICENSED CONTRACTOR

EDMUND G. BROWN JR., Governor

SUMMER 1978

RICHARD B. SPOHN, Director

## FIVE POINT SOLAR PROGRAM LAUNCHED

The Contractors State License Board has developed a five point program in consumer protection for solar and insulation. Those five points are: Complaint handling, consumer education, deputy training, solar licensing, and Board hearings.

Within the Department of Consumer Affairs there is now a Solar/Insulation Unit with a toll-free complaint line (800) 952-5567. The unit is designed to handle any complaints related to energy conservation home improvements: Manufacturer related, contractor-related, or otherwise. It sends out information packets, or refers consumers to the toll free California Energy Commission line (800-852-7516) for additional information. The Contractors State License Board has funded about 20% of this Unit, and is working with the consumer representative to quickly mediate those complaints that are contractor related.

The second point in the program, consumer education, is also being coordinated with the Solar/Insulation Unit, and a consumer buying guide on insulation has been developed with the help of a member of the Contractor's State License Board. They will

*(Continued on Page 3, Col. 1)*

### *Fine Point Solar Program Launched*

*(Continued from Page 1)*

be distributed throughout California through the Department of Consumer Affairs and by the Solar/Insulation Unit.

Deputy training workshops in solar and insulation are being held throughout the State to give the deputy registrars special knowledge on which to base their investigations. These are a two-part series of seven all-day workshops. The first series began in March and will end in June. The solar portion deals with basic types of solar systems, solar economics, and other typical problems. The insulation portion deals with R-values, types of insulation, installation techniques, and legislation. The next series will begin in September and will concentrate on codes and standards in both solar and insulation.

At the April 28th Board Meeting, a petition for regulations on solar licensing was presented. The petition states that because of the mandate of the Contractor's State License Board to protect the public, they must have some assurance that the contractor who is doing solar work possesses minimum knowledge in the solar field. To that end, the petition calls for all A, B, C-4, C-20, C-36, C-53, and C-61 licensed contractors who want to do solar work either to take an exam, or qualify for a solar stamp on their existing license by an alternate route (probably by showing a number of systems installed, or a dollar amount, or both). The new licensees will take an exam incorporating solar questions. A public hearing was held on the proposed regulations on Friday, June 23rd in Sacramento.

This is the five point consumer protection program in solar and insulation. In addition, there are contractor related courses being offered throughout California by the Energy Commission. For specific information, call (800) 852-7516 and ask for information on solar courses for contractors. That number will also give general solar information, and will send out information materials on solar. A few items you might want to order are:

"Final Guidelines for a Solar Tax Credit" — Free

"Solar Information Packet" — Free

"Solar for your Present Home" — \$4.00



# THE CALIFORNIA LICENSED CONTRACTOR

EDMUND G. BROWN JR., Governor

WINTER 1979

RICHARD B. SPOHN, Director

## WHAT'S HAPPENING IN SOLAR?

The Contractors' License Board at its public meeting January 26, 1979, announced that beginning July 1, 1979 any licensed contractor that is licensed in one or more of the following classifications, and is considering the installation of solar energy systems, will be required to obtain a supplemental Solar Classification (SC-44).

Any contractor licensed as A, B, C-4, C-20, C-36 or C-61 Limited Specialty (Swimming Pool Maintenance), will be considered qualified to apply for the new supplemental Solar Classification by making application. You will be charged a fee established by Section 7137 of the Business and Professions code. Once you have an SC-44 license, you must report to the Registrar in June and December your solar projects which are under construction or have been contracted for. Failure to make the required reports is cause for disciplinary action.

A supplemental application form may be obtained at any District Office or Branch Office of the Contractors' State License Board.

The SolarCal Council, created by Governor Brown last May, reports there are now 25,000 solar installations in California, including 15,000 pools; 8,000 domestic water heaters, and 2,000 space heating and cooling systems. The Council is finishing up work on "Towards a Solar California: the SolarCal Action Program," outlining specific steps toward rapid commercialization of solar energy in California. The plan will be submitted to the Governor in February with hopes that it will help create a suitable climate for solar development.

The California Energy Commission has held public meetings for final adoption of new regulations for the California Solar Tax Credit. They will include components adopted recently for clarification of credit by function instead of systems, and enable credit to pass from the builder to the homeowner.

A new Federal tax credit is available for solar systems purchased between April 20, 1977 and December 31, 1985. Federal law

*(continued on page 4)*

### Solar

*(continued from page 1)*

provides credit of 30 percent of the first \$2,000 and 20 percent of expenditures between \$2,000 and \$10,000 for solar energy systems installed in residential dwelling units. It allows a separate energy conservation credit for 15 percent of expenditures to a maximum allowable credit of \$300. Application Form 5695 and Publication 903, *Energy Credit for Individuals* are available from your local Internal Revenue Service Office.

California Solar Tax Credit is available for expenditures from January 1, 1977 to December 31, 1980. The state provides a credit of 55 percent, not to exceed \$3,000 for all installations (residential and nonresidential) that cost less than \$12,000, and a credit of 25 percent of costs of a system installed on a nonsingle-family dwelling worth more than \$12,000. The credit has been available for the person who owns the property where the system is installed, but beginning January 1, 1979 an owner/builder may elect to waive the credit and pass it on to the purchaser of a new home. The credit is applicable for solar domestic hot water, pool heating, solar space conditioning, production of solar electricity, process heat, solar mechanical energy and wind energy. California allows credit for conservation measures only if they are installed in conjunction with a solar system to improve the performance of the system, or reduce the amount of conventional backup energy required for the solar system.

Under California law, combined federal and state credits for solar energy cannot exceed the maximum percentage allowed by the state, and federal credit must be applied for first. A flyer summarizing the different components of the two credits is available from: SOLAR/INSULATION UNIT, Department of Consumer Affairs, 1020 N Street, Room A 547-F, Sacramento, CA 95814, or for information, call toll-free (800) 952-5567. Residential and nonresidential information on Energy Conservation Regulations is available toll-free at (800) 952-5593.



# THE CALIFORNIA LICENSED CONTRACTOR

EDMUND G. BROWN JR., Governor

SUMMER 1982

RICHARD B. SPOHN, Director

## SC-44 REPEALED

### New Solar Licensing Regulations Go Into Effect

Several changes have recently been made in the Contractors State License Board's licensing requirements for solar contractors.

Solar regulations adopted by the Board late last year were approved by the State's Office of Administrative Law, and became effective May 22. As part of those regulations, the SC-44 supplemental solar license classification was repealed and is no longer being issued.

The SC-44, and its attendant requirement for reporting on solar jobs completed, was originally designed to provide the Board with a temporary means of monitoring and regulating work in the growing solar construction field. It also provided a means of gathering information on the type or types of solar licensing which would be best suited to CSLB and Industry needs. SC-44 reporting over the past 2 1/4 years and suggestions submitted by industry representatives have both contributed to solar licensing changes, including repeal of the SC-44.

Prior to its repeal, the criteria used for obtaining an SC-44 was that an applicant

must already be licensed in one of seven other specific classifications. Although at last count some 25,000 licensees have obtained an SC-44, its elimination will not prevent those licensees from contracting for solar work. Regulations have been amended, or as necessary adopted, by the Board to include solar work in the scope of the license classifications which were a prerequisite for obtaining an SC-44.

License classifications which now include solar installation are: A (General Engineering), B (General Building), C-20 (Warm Air Heating, Ventilating and Air-Conditioning), C-4 (Boiler, Hot Water Heating and Steam Fitting), C-10 (Electrical), C-36 (Plumbing), and C-53 (Swimming Pool).

Although the C-61 (Swimming Pool Maintenance) classification was also originally used as a prerequisite for obtaining a supplemental solar license, solar installation has not been included in the scope of the C-61 classification.

*(Continued on pg. 8, col. 1)*

#### Solar Licensing *(Cont. from pg. 1)*

Swimming pool maintenance contractors are limited to the repair of active solar heating systems for swimming pools. However, C-61 contractors currently holding a SC-44 supplemental solar classification may continue to do solar installation work authorized by the SC-44 until one year after CSLB begins issuing a new solar license classification (C-46) adopted by the Board. After that year, C-61 contractors who want to install solar equipment for pools will be required to obtain a C-46, a C-53 or an A license.

No C-46 licenses are being issued at present.

The Board has allowed until January 1, 1983 to provide time for development of necessary experience and/or examination requirements before beginning issuance.

A solar contractor, as described in the regulation outlining the new classification, is "a specialty contractor whose contracting business is the execution of contracts or subcontracts requiring that specific art, ability, experience, knowledge, science and skill in installing, modifying, maintaining, and repairing active solar energy systems." Contracting for any or all of the various types of active solar energy systems is included in the scope of the C-46 classification.

Changes made in the seven license classifications previously mentioned only allow contractors holding those classifications to undertake solar work within the scope of their particular license.

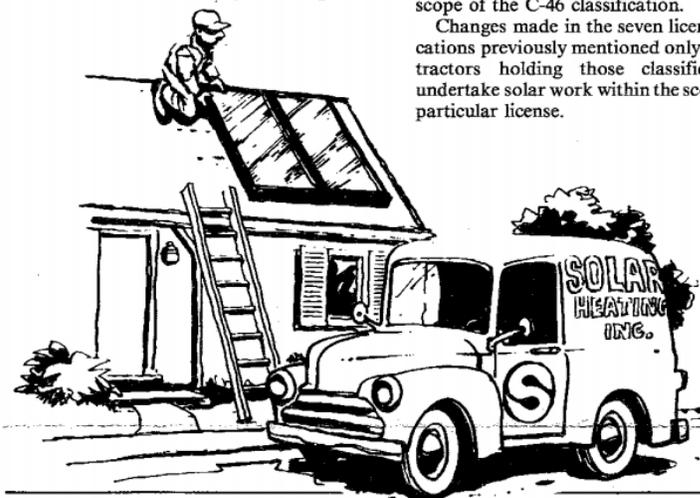
For example, a plumbing contractor may install solar equipment necessary to supply and heat water for maintenance of sanitary conditions in swimming pools and residential, commercial or agricultural buildings; a swimming pool contractor may install solar swimming pool heating equipment; and, a warm air heating, ventilating, and air-conditioning contractor may install systems for those three purposes which either totally or in part utilize solar energy.

After issuance of the C-46 classification is begun, any contractor who wants to do solar work outside the scope of the license classifications he/she holds will have to apply for either a C-46, or other license classification/s which include specific types of solar work.

The installation of any type of active solar energy system has been included in the scope of work authorized for a B (General Building) contractor by the Board's determination that an active solar energy system constitutes use of more than two unrelated building trades or crafts. Part of the legal definition of the general building license classification is that work contracted for must include more than two unrelated building trades or crafts.

Prior to issuance of the C-46, contractors who want to install active solar energy systems that encompass the scope of work included in several license classifications may wish instead to apply for a general building classification.

Development of qualification requirements for the C-46 classification are underway, but no specific date has been set for beginning issuance.





# Industry Bulletin

## CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, California 95827  
Mailing Address: P.O. Box 26000, Sacramento, CA 95826

**Check the License First!**

800-321-CSLB

[www.cslb.ca.gov](http://www.cslb.ca.gov)

[www.CheckTheLicenseFirst.com](http://www.CheckTheLicenseFirst.com)

**DATE:** June 30, 2010

**BULLETIN:** 10-13

## Contractor Classifications Authorized to Perform Solar Projects

**SACRAMENTO** – The Contractors State License Board (CSLB) has issued an updated fact sheet on the contractor license categories that are authorized to perform work on solar energy projects.

As the popularity of alternative energy projects heats up, CSLB hopes to avoid any confusion among contractors seeking to venture into these emerging technologies. The following *Fast Facts* sheet is available on the CSLB website at [www.cslb.ca.gov](http://www.cslb.ca.gov) in the “Educational Materials” section for contractors.

Only contractors with the license classification listed below are authorized to perform solar construction or installation. Those without any of these license classifications are not authorized to perform this type of work.

**“A” – General Engineering** contractors are authorized to install solar energy systems.

**“B” – General Building** contractors are authorized to install solar energy systems within the definition of B&P Code Section 7057, since a solar energy system constitutes the use of two unrelated building trades or crafts as required by Section 7057.\*

### Specialty Classifications

**C-4 – Boiler, Hot-Water Heating and Steam Fitting** contractors are authorized to perform projects including solar heating equipment associated with systems authorized by this classification.

**C-10 – Electrical** contractors are authorized to perform any solar projects which generate, transmit, transform or utilize electrical energy in any form for any purpose.

**C-36 – Plumbing** contractors are authorized to perform any project using solar equipment to heat water or fluids to a suitable temperature.

**C-46 – Solar** contractors install, modify, maintain, and repair thermal and photovoltaic solar energy systems. A licensee in this classification shall not undertake or perform building or construction trades, crafts or skills, *except when required to install a thermal or photovoltaic solar energy system.*

**C-53 – Swimming Pool** contractors are authorized to include the installation of solar heating in swimming pool projects.

### \* § 7057 General Building Contractor

*(a) Except as provided in this section, a general building contractor is a contractor whose principal contracting business is in connection with any structure built, being built, or to be built, for the support, shelter, and enclosure of persons, animals, chattels, or movable property of any kind, requiring in its construction the use of at least two unrelated building trades or crafts, or to do or superintend the whole or any part thereof.*

Please visit the CSLB website at either [www.cslb.ca.gov](http://www.cslb.ca.gov) or [www.CheckTheLicenseFirst.com](http://www.CheckTheLicenseFirst.com) or call the automated toll-free number: 1.800.321.CSLB (2752) for more information. Additional solar information is available through the California Energy Commission at [www.gosolarcalifornia.ca.gov](http://www.gosolarcalifornia.ca.gov).

###

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## The California Solar Initiative - CSI

### Getting Started

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[CSI Rebates](#)

The California Solar Initiative offers cash back for installing solar on your home or business.

California is striving to create megawatts of new solar-generated electricity, moving the state towards a clean energy future. And you can help!

Join the thousands of home and business owners who have earned cash back rebates by installing solar energy systems through the California Solar Initiative. Customers earn cash rebates for every watt of solar energy installed on homes, businesses, farms, schools, and government and non-profit organizations.

### More information for CSI Customers

[Documents and Handbooks](#)

[EPBB Calculator](#)

[PowerClerk](#)

[CSI Statistics](#)

[CSI Trigger Tracker](#)

### Do I qualify?

**Rebates for PG&E and for SCE customers have been exhausted and the program is closed.**

**Rebates for residential customers of SDG&E have been exhausted and the program is closed.**

If you are a commercial customer who buys electricity from San Diego Gas & Electric, and you have roof or ground space that gets unobstructed sunlight from 11 a.m. to sunset year round, you may qualify for cash back incentives through the California Solar Initiative. Customers of municipal utilities also qualify for incentives through their [municipal service provider](#).

[Click here to contact your IOU for information on their program.](#)

If you don't know your utility company, you can find them via [this searchable database](#).

### What Do I Do Next?

Earning incentives for solar energy is simple. Just follow these five easy steps:

#### **Step 1: Energy Efficiency Audit**

Complete an energy efficiency audit and make sure to take advantage of all the cost-effective ways to save energy and money in your home or business.

#### **Step 2: Find a Solar Installer**

Qualified contractors are your key to getting the most productive solar energy system for your home or business.

#### **Step 3: Apply for Rebates**

Qualified contractors will handle the CSI application process for your rebates in two or three steps.

#### **Step 4: Install Your System**

If you have received your reservation confirmation letter, you're ready to install your system and interconnect to the utility's power grid.

#### **Step 5: Claim Your Incentive**

When your project is installed and operational you may submit the Incentive Claim Form.

#### **Ready to Get Started?**

[Contact your Program Administrator](#) today to apply for a solar incentive.

### Need more information?

- [About the California Solar initiative](#)
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## Frequently Asked Questions (FAQ) About the California Solar Initiative

[About the CSI](#)[Getting Started](#)[FAQs](#)[CSI Rebates](#)

### More information for CSI Customers

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1. [What customers are eligible for the California Solar Initiative program?](#)
2. [How much are the rebates? What types of rebates are available?](#)
3. [How do I apply for California Solar Initiative incentives?](#)
4. [How do I find a solar installer I can trust?](#)
5. [I'm interested in a solar water heating system. Can I get incentives for this?](#)
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7. [How much are application fees?](#)
8. [Are there classes offered?](#)
9. [When I get my solar system installed, will I be "off-grid?"](#)
10. [How can I provide feedback or make suggestions to change the CSI Program?](#)

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#### What customers are eligible for the California Solar Initiative program?

All electric customers of Pacific Gas and Electric (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E) are eligible to apply for California Solar Initiative incentives. This includes residential homeowners, commercial, industrial and agricultural enterprises, and local governments and non-profit organizations. The day-to-day administrative policy and activities, including application processing and incentive payment, are handled by a Program Administrator for each of the three Investor-Owned Utilities:

- [Pacific Gas and Electric \(PG&E\)](#)
- [Southern California Edison \(SCE\)](#)
- [Center for Sustainable Energy](#) (for San Diego Gas & Electric (SDG&E) territory)

See the [contacts page](#) for websites and contact information. Additionally, homeowners who qualify for low income housing programs may apply for incentives under the [CSI Single-family Affordable Solar Housing \(SASH\)](#) or the [CSI Multi-family Affordable Solar Housing \(MASH\)](#).

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#### How much are the rebates? What types of rebates are available?

Please see the ["Rebates Page"](#) for latest information. California Solar Initiative Rebates vary according to system size, customer class, and performance and installation factors. The subsidies automatically decline in "steps" based on the volume of MW of confirmed incentive reservations issued within each utility service territory. There are two incentive paths available to consumers: Expected Performance Based Buydown (EPBB) and Performance Based Incentive (PBI.)

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#### How do I apply for California Solar Initiative incentives?

Applicants who are ready to reserve their application can use the online application tool called [Powerclerk](#).

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#### How do I find a solar contractor I can trust?

Please see the ["Solar Installers and Contractors"](#) database. Installers are required to register with the Energy Commission's Retailers/Installers List annually. Except for those systems that are self-installed, all systems must be installed by appropriately **licensed** California contractors in accordance with rules and regulations adopted by the

California Contractors State Licensing Board (CSLB.) Installation contractors must have an active A,B,C-10, or C-46 license for photovoltaic (PV) systems. All systems must be installed in conformance with the manufacturer's specifications and with all applicable electrical and building code standards.

Qualified contractors are your key to getting the most productive PV system for your home or business. Choose a reputable installer by interviewing at least three potential installers and obtain bids before making your selection. In addition to the Go Solar California list, customers can check for information about their contractor with the [California State Licensing Board \(CSLB\)](#), the [Better Business Bureau](#), the [California Solar Energy Industries Association](#), or other consumer information websites.

#### **I'm interested in a solar water heating system. Can I get incentives for this?**

Yes. See our section on [Solar Watering Heating](#).

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#### **Which solar technologies are covered under California Solar Initiative?**

California Solar Initiative [rebates](#) are available for solar photovoltaic (PV) technologies (roof-mounted, ground-mounted and building-integrated PV) non-PV electric displacing systems (solar water heaters, solar space heating, and solar cooling systems), and non-PV electric generating systems (dish sterling, solar troughs, dish and lens, and concentrating solar systems of up to 1MW). [CSI-Thermal rebates](#) are available for solar hot water systems that displace electricity or natural gas usage.

#### **How much are application fees?**

There is **no application fee for residential projects and other projects less than 10kW**. For non-residential applications larger than 10kW, the application fee is a standardized amount based on the following system size criteria:

kW >		kW <	=	FEE
10	-	50	=	\$1,250
50	-	100	=	\$2,500
100	-	250	=	\$5,000
250	-	500	=	\$10,000
500	-	1,000	=	\$20,000

This fee applies to both EPBB and PBI applicants. The application fee must be paid within 30 days of the Reservation Request to activate the application.

Applications received without payment will be cancelled. If a project is withdrawn or cancelled after receiving a reservation, the Host Customer will forfeit the application fee.

Application fees will be returned in full to the Host Customer if, upon eligibility screening, the project does not qualify for the California Solar Initiative Program. If a project that has received an Incentive Claim Form from the Program Administrator is withdrawn due to extenuating circumstances beyond the applicant's control, the application fee may be returned pending a discussion and agreement of the Program Administrators. This will be determined on a case-by-case basis.

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#### **Are there classes offered in solar PV systems?**

Monthly workshops are held throughout the state, hosted by the California Solar Initiative Program Administrators. Program Administrators also offer classes for residents, and specialty courses on a range of topics related to the California Solar Initiative, solar energy systems and energy efficiency.

Check our online [calendar](#) or with your Program Administrator for classes on solar in your area:

- [Pacific Gas and Electric \(PG&E\)](#)
- [Southern California Edison \(SCE\)](#)
- [Center for Sustainable Energy](#) (for San Diego Gas & Electric (SDG&E) territory)

See the [contacts page](#) for websites and contact information.

**When I get my California Solar Initiative-funded solar system installed, will I be "off-grid?"**

No. The California Solar Initiative Program only provides incentives to grid-connected solar systems, thus California Solar Initiative participants are not off-grid; rather, their systems produce energy that flows back onto the grid, which they conversely draw from whenever their systems are not generating energy. Grid-tied solar electric systems are not typically designed to provide back-up power when there is an electrical outage.

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**How can I provide feedback or make suggestions to change the CSI Program?**

Each quarter, the CSI Program hosts a Program Forum to take stakeholder input on the program. [Click here](#) for information about the next CSI Program Forum, as well as archives of previous forums.

The California Solar Initiative is overseen by the California Public Utilities Commission. If you are interested in information about the CPUC's regulatory process, [click here](#). To track regulatory activities at the Commission, join the [Service List](#).

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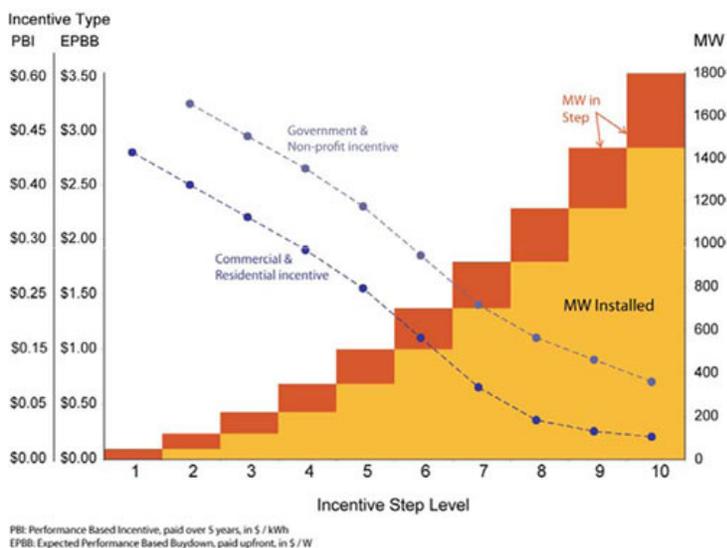
## California Solar Initiative Rebates

California Solar Initiative rebates vary according to utility territory, system size, customer class, and performance and installation factors. The rebates automatically decline in "steps" based on the volume of solar megawatts (MWs) with confirmed project reservations within each utility service territory. The figure below shows the expected schedule for rebate decline over time. To find the currently applicable rebate level in your area, check the [CSI Statewide Trigger Tracker](#), which tracks the currently available MWs at each step level per utility and per customer class. There are two incentive paths available to consumers: Expected Performance Based Buydown and Performance Based Incentive.

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### More information for CSI Customers

- [Documents and Handbooks](#)
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- [CSI Trigger Tracker](#)



The CSI Program pays solar consumers an incentive based on system performance. The incentives are either an upfront lump-sum payment based on expected performance, or a monthly payment based on actual performance over five years. The Expected Performance-Based Buydown (EPBB) is the upfront incentive available only for smaller systems. The EPBB incentive is a capacity-based incentive that is adjusted based on expected system performance calculated using an EPBB calculator that considers major design characteristics of the system, such as panel type, installation tilt, shading, orientation, and solar insolation available by location. The [EPBB calculator](#) estimates the expected performance of a solar system based various factors including the tilt, azimuth, location, PV module type and mounting type of a specific system.

The Performance Based Incentive (PBI) is paid based on actual performance over the course of five years. The PBI is paid on a fixed dollar per kilowatt-hour (\$/kWh) of generation basis and is the required incentive type for systems greater than 30 kW in size, although smaller systems may opt to be paid based on PBI. In the beginning of the CSI Program, all systems 100kW and greater were required to take the PBI incentive. In January 2008, all systems 50kW and greater were required to take the PBI incentive. As of January 2010, all systems 30kW and greater are required to take the PBI incentive.

These two incentive types are explained in more detail in the table below.

#### CSI Incentive Types

<b>Expected Performance-Based Buydown (EPBB)</b> <b>(Paid in dollars/Watt)</b>	<b>Performance-Based Incentive (PBI)</b> <b>(Paid in cents/kWh)</b>
Ideal for residential and small business projects	Ideal for larger commercial, government & non-profit projects
Systems less than 30 kW	Mandatory for all systems 30 kW and greater Systems less than 30kW can opt-in to PBI
Incentive paid per Watt based on your	

California Solar Initiative (CSI) - Rebate Levels

system's expected performance (factors include CEC-AC rating, location, orientation and shading)      Incentive paid based on the actual energy produced by the solar system, measured in kilowatt-hours

One-time, lump-sum upfront payment      60 monthly payments over five years

The table below shows the rebate levels available at various steps, and information on currently applicable step in your region is available at the [California Solar Initiative Trigger Tracker](#).

**CSI Incentive Levels as adopted in D.06-12-033**

Step	Statewide MW in Step	EPBB Payments (per Watt)			PBI Payments (per kWh)		
		Residential	Non-Residential		Residential	Non-Residential	
			Commercial	Government/Non-Profit		Commercial	Government/Non-Profit
1	50	n/a	n/a	n/a	n/a	n/a	n/a
2	70	\$2.50	\$2.50	\$3.25	\$0.39	\$0.39	\$0.50
3	100	\$2.20	\$2.20	\$2.95	\$0.34	\$0.34	\$0.46
4	130	\$1.90	\$1.90	\$2.65	\$0.26	\$0.26	\$0.37
5	160	\$1.55	\$1.55	\$2.30	\$0.22	\$0.22	\$0.32
6	190	\$1.10	\$1.10	\$1.85	\$0.15	\$0.15	\$0.26
7	215	\$0.65	\$0.65	\$1.40	\$0.09	\$0.09	\$0.19
8	250	\$0.35	\$0.35	\$1.10	\$0.05	\$0.05	\$0.15
9	285	\$0.25	\$0.25	\$0.90	\$0.03	\$0.03	\$0.12
10	350	\$0.20	\$0.20	\$0.70	\$0.03	\$0.03	\$0.10

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## Documents for the California Solar Initiative

CSI Documents  
NSHP Documents

### California Solar Initiative Program Handbooks



#### California Solar Initiative Program Handbook

California Public Utilities Commission,  
**August 2014**, posted 10/20/14  
(Acrobat PDF file, 204 pages, 2.9 MB).

This handbook covers rebates for solar photovoltaics (PV) on existing homes and all other non-residential properties, including the [CSI general market program](#) and the [SASH](#) program.



#### CSI-Thermal Program Handbook

California Public Utilities Commission,  
**October 2015**, posted 10/14/2015.  
(PDF file, 170 pages, 1.8 MB).

This handbook covers rebates for [solar hot water and thermal technology rebates](#) on all homes (new and existing) and all other non-residential properties.



#### Multifamily Affordable Solar Housing (MASH) Program Handbook

California Public Utilities Commission,  
**July 2015**, posted 7/31/2015.  
(PDF file, 146 pages, 1.9 MB).

This handbook covers rebates for solar photovoltaics (PV) on qualifying multifamily affordable housing. Learn more about the [MASH Program](#).



#### Single-Family Affordable Solar Housing (MASH) Program Handbook

California Public Utilities Commission,  
**May 2015**, posted 10/1/2015.  
(PDF file, 11 pages, 176 kb).

This handbook covers rebates for solar photovoltaics (PV) on qualifying single-family affordable homes. Learn more about the [SASH Program](#).

### CSI Application Forms

The California Solar Initiative (CSI) online application portal is [PowerClerk](#). In order to apply for CSI via Powerclerk, applicants may be required to upload certain forms in support of their application. The forms required depend on the type of application. For additional information on when forms are required and how they may be submitted, visit the [CSI Application Help Matrix](#) page.

1. [Reservation Request Signature Page](#)
2. [Authorization to Receive Customer Information \(CCSE Only\)](#)
3. [Electrical System Sizing Documentation \(XLS File\)](#)
4. [Energy Efficiency Commitment Agreement](#)
5. [Field Verification Form](#)
6. [High Cost Justification and Acknowledgment Form](#)

## Program Application Supporting Information

### California Solar Initiative

- [CSI EPBB Design Factor Calculator Quick Start Guide, Revision 3](#), CSI Program Administrators. (PDF file, 8 pages, 76 KB)
- [Powerclerk Glossary](#), CSI Program Administrators, (PDF file, 8 pages, 87 KB)
- [Powerclerk Status Information](#), CSI Program Administrators (PDF file, 5 pages, 421 KB)

### CSI-Thermal Program

- [California Energy Commission's Climate Zone Map](#)
- [CSI-Thermal Metering Installation Guide](#), CSI Program Administrators, October 8, 2010. (PDF file, 10 pages, 750 KB)
- [CSI-Thermal Multifamily/Commercial SRCC OG-100 Incentive Calculator Guide, Version 3.0](#), CSI Program Administrators, June 15 2011. (PDF file, 29 pages, 373 KB)
- [CSI-Thermal Inspection Combined Checklist for Single- and Multi-Family Commercial Installations, CSI Program Administrators](#), May 2015. (PDF File, 5 pages, 123 kb)
- [CSI-Thermal Inspection Checklist for Solar Pool Installations](#), May 2015. (PDF File, 4 pages, 127 kb)

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## California Solar Initiative Reporting and Information

### Progress Reports

- [California Solar Statistics](#) provides program application data, updated weekly each Wednesday.
- [Progress Reports](#) offers reports on CSI progress, including Annual Program Assessments, submitted to the Legislature each June.
- [Program Evaluation](#) contains reports from contractor-led evaluations of CSI program, including Impact Evaluation, Process Evaluation, Cost-Effectiveness Evaluation, and Metering Assessment.
- [Program Forum](#) includes presentations from each quarterly programmatic meeting with stakeholders hosted by the CSI Program Administrators.

### News Releases

- Go Solar California [News Room](#) for news-related documents and program updates.
- California Public Utilities Commission's [solar news room](#) for news on the CSI program.

### Fact Sheets and Brochures

- Go Solar California [Marketing Materials](#) for program brochures, fact sheets, and consumer guides.



## California Solar Initiative Incentive Calculators

Thank you for visiting the EPBB Calculator homepage. The calculator provides an estimated CSI system size and incentive amount of a solar electric system. Please select from one of the calculator options below.

### CSI Standard PV

#### Current Calculator

- Used for all new CSI Applications (Received by CSI on or after July 1st, 2009)
- Used for all updates to CSI Applications originally received on or after July 1st, 2009

#### Archived Calculator

- Used for updates to CSI Applications originally received before July 1st, 2009 with Grandfathered PV Panels

### MASH

#### Current Calculator

- Used for all new MASH Applications (Received by CSI on or after July 1st, 2009)
- Used for all updates to MASH Applications originally received on or after July 1st, 2009

#### Archived Calculator

- Used for updates to MASH Applications originally received before July 1st, 2009 with Grandfathered PV Panels

### Other Solar Generating Technologies

[Current Calculator](#) - Other Solar Generating Technologies

### Documentation

Visit our [documentation page](#) for Calculator Updates and User Guides.

E-mail [csi-epbb@aesc-inc.com](mailto:csi-epbb@aesc-inc.com) with questions or comments.

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## PowerClerk – CSI Application Portal

### About PowerClerk

This website is the portal to PowerClerk, the online application system for the California Solar Initiative. Applicants can use PowerClerk to create and submit a new incentive application or check the status of an existing application. Use the Account Sign In area to the left to get started.

**Account Sign In**

**User Name:**

**Password:**

[Forgot Password?](#)

[CSI Applicant Registration](#)

### What You'll Need To Apply

- Access to a scanner
- PDF creation software
- [Required Application Documents](#) **NEW**

### CSI Program Administrators

- [Center for Sustainable Energy \(SDG&E Territory\)](#)
- [Pacific Gas and Electric Company](#)
- [Southern California Edison](#)

### General CSI Links

- [CSI Handbook and Other Documents](#)
- [Trigger Tracker for Incentive Levels](#)
- [EPBB Incentive Calculator](#)
- [California Solar Statistics](#)
- [CSI Program Data Downloads](#)

### PowerClerk Documentation

- [Application Status Information](#)
- [PowerClerk Glossary](#)

This program is funded by California utility customers and administered by CSE, PG&E, and SCE under the auspices of the California Public Utilities Commission for the California Solar Initiative. The program utilizes the PowerClerk software platform.





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Home > California Solar Statistics

**California Solar Statistics**

## Welcome to California Solar Statistics

California Solar Statistics (CSS) is the official public reporting site of the California Solar Initiative (CSI), presented jointly by the [CSI Program Administrators](#) and the [California Public Utilities Commission](#). Here you will find actual program data summaries for the CSI General Market, Multifamily Affordable Solar Housing (MASH), and Single Family Affordable Solar Homes (SASH) programs as well as solar PV NEM interconnection data. Data is provided in several figures and tables, and can also be downloaded for analysis.

### California Leads the Nation

<b>421,777</b>	solar projects
<b>3,338</b>	megawatts installed
<b>\$5.35</b>	avg cost/watt <10kW
<b>\$4.54</b>	avg cost/watt >10kW

NOTE: Above figures include non-CSI data last updated: Oct. 14, 2015 [data sources](#)

- View** Solar Statistics
- Find** an Active Solar Contractor
- Download** Current CSI Data
- Search** for Applications
- FAQs** and Facts

## Net Energy Metering (NEM) Interconnection Data Now Available

Interconnection data on California Solar Statistics fully captures solar PV net energy metering (NEM) participation in IOU territories (PG&E, SCE and SDG&E). NEM interconnection data sets undergo data integrity tests to ensure data quality, and are currently refreshed monthly. Due to the very large number of data entries, and because the data have been collected by different departments using different protocols, there are some remaining differences between the CSI and the NEM data – please see the "Read Me" file with each data set for more information. At present, the graphs and tables on this website represent only the CSI Working Data Set. New NEM interconnection data will be incorporated into the graphs and tables in the coming months. [Download NEM Interconnection and CSI Data.](#)



Program Totals



Cost by Quarter

## How to Use California Solar Statistics

### View Solar Statistics

From the average cost per watt of a solar system, to the city with the most roof-top solar, to the total number of MW installed, the View Solar Statistics menu provides the most up-to-date information on the California Solar Initiative. The dynamic filters on each figure allow you to slice and dice the program data to suit your research and evaluation needs. Explore the View Solar Statistics menu at the top of the left navigation to get started.

### Find an Active Solar Contractor

Looking for a solar contractor? Want to know how your current contractor stacks up against the competition? Find and compare solar contractors working in your area with just a few quick clicks.

### Download NEM Interconnection and CSI Data

Get your hands on the data behind the figures and tables. Spreadsheets containing comprehensive information for the entire program are available here for download.

### Search

Looking for a specific project or want to see all the projects in a certain utility's territory? Search for pending and completed projects by any combination of Program Administrator, Customer Sector, Application Status or Program Type.

### FAQs and Facts

Get the answers to your California Solar Statistics-related questions by visiting the FAQ.

# California Solar Initiative - Statewide Trigger Tracker

Last updated 10/15/2015

The California Solar Initiative (CSI) Trigger Tracker shows how many CSI megawatts (MW) worth of rebates are available in the current incentive step level. The CSI Trigger Tracker gives an indication of whether incentive levels are expected to drop imminently by showing "MW Under Review". When the "MW Under Review" exceeds the "MW Remaining", the row is bolded. When this occurs, it is likely that any new applications will receive the next (i.e. lower) incentive step level. By comparing "MW Under Review" with "MW Remaining", users can make their own estimates of when the incentives are going to decline to the next step level. **The CSI Program will be offered until the allocated incentive budget for each Program Administrator territory has been spent.**

Administrator	Customer Class *	Current Step	Initial MW in Step	Unused MW from Previous Steps	Revised Total MW in Step	Issued Conditional Reservation Letters (MW)	MW Remaining	MW Under Review
<a href="#">PGE</a>	Residential	10	50.50	1.80	52.30	68.06	<b>*NA</b>	<b>0.00</b>
	Non-Residential	10	102.50	22.43	124.93	132.29	<b>*NA</b>	<b>0.04</b>
<a href="#">SCE</a>	Residential	10	53.10	10.53	63.63	98.49	<b>***NA</b>	<b>0.00</b>
	Non-Residential	10	107.90	14.61	122.51	171.92	<b>**NA</b>	<b>18.24</b>
<a href="#">CSE</a>	Residential	10	36.93	1.27	****38.20	47.69	<b>***NA</b>	<b>0.03</b>
	Non-Residential	10	8.20	3.09	11.29	11.52	<b>-0.23</b>	<b>5.00</b>

\* The CSI Program has closed in PG&E's service territory and is no longer accepting applications.

\*\* The megawatt target has been reached or is near to being reached.

\*\*\* The residential CSI Program has closed in SCE's and SDG&E's service territory and is no longer accepting applications.

\*\*\*\* 25.03 MW transfer of the remaining nonresidential megawatts to Step 10 of the residential program, per CPUC decision D.13-10-026.

[Incentive MW Available by Step, by Program Administrator and Customer Class](#)

## CSI Step table: CSI Rebate Levels by Incentive Step and Rebate Type

Step	Statewide MW in Step	EPBB Payments (per Watt)			PBI Payments (per kWh)		
		Residential	Non-Residential		Residential	Non-Residential	
			Commercial	Government/ Non-Profit		Commercial	Government/ Non-Profit
1	50	n/a	n/a	n/a	n/a	n/a	n/a
2	70	\$2.50	\$2.50	\$3.25	\$0.39	\$0.39	\$0.50
3	100	\$2.20	\$2.20	\$2.95	\$0.34	\$0.34	\$0.46
4	130	\$1.90	\$1.90	\$2.65	\$0.26	\$0.26	\$0.37
5	160	\$1.55	\$1.55	\$2.30	\$0.22	\$0.22	\$0.32
6	190	\$1.10	\$1.10	\$1.85	\$0.15	\$0.15	\$0.26
7	215	\$0.65	\$0.65	\$1.40	\$0.09	\$0.09	\$0.19
8**	250	\$0.35	\$0.35	\$1.10	\$0.05 (a)/\$0.044 (b)	\$0.05 (a)/\$0.044 (b)	\$0.15 (a)/\$0.139 (b)
9**	285	\$0.25	\$0.25	\$0.90	\$0.03 (a)/\$0.032 (b)	\$0.03 (a)/\$0.032 (b)	\$0.12 (a)/\$0.114 (b)
10**	350	\$0.20	\$0.20	\$0.70	\$0.025	\$0.025	\$0.088

\*The non-residential customer class includes commercial, private, government, and non-profit participants.

\*\*Per Senate Bill 585, PBI payments have been revised to reflect a 4% discount rate which creates new PBI rates for Steps 8, 9, & 10. Steps 8a and 9a are the original CSI incentive rates, while 8b and 9b are the revised rates. In compliance with the Final Decision released by the California Public Utilities Commission, these new incentive rates are effective 12/2/2011.

Please be aware that the final CSI incentive rate that is reserved for you will be determined by your CSI Program Administrator at the time your reservation request (RR) application is approved, and may be lower than the current incentive

**rate shown in the CSI Statewide Trigger Point Tracker. Please note that final incentive amounts are subject to change based upon the configuration of the as-built system. (Per the CSI Handbook, no projects or applications are reserved CSI funding until all required information has been submitted and approved in writing by the Program Administrator.) For more information about the California Solar Initiative, visit [GoSolarCalifornia.ca.gov](http://GoSolarCalifornia.ca.gov).**

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Home > California Solar Statistics > Find an Active Solar Contractor

**California Solar Statistics**

- View** Solar Statistics
- Find** an Active Solar Contractor
- Download** Current CSI Data
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## Find an Active Solar Contractor

Using the form below, you can find information on active solar contractors in your area, including contact information and completed project statistics. Please note that this data only includes contractors who have been active in the California Solar Initiative, and does not include NSHP or any other non-CSI contractor data.

If you are a solar company and wish to enter or update your contact information, you may do so [here](#).

Lookup by:  ▼

Distance:  ▼

Zip code:

Install date:  ▼

most popular

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## Equipment Installers, Sellers, Vendors, or Retailers

Businesses that failed to update their information have had their display flag turned off. If your business is no longer being shown, you can reset the flag by using the "Update a Listing" link below!"

### **Adding a New Company**

Self-registration for new companies wishing to be added to the Solar Registered Retailers, Installers, and Contractors Database can be done at: [www.gosolarcalifornia.ca.gov/database/addcompany.php](http://www.gosolarcalifornia.ca.gov/database/addcompany.php)

### **Updating a Listing**

Sellers, contractors, or installers that are already listed in the online Database should maintain or update their information on a regular basis. This can be done using the log-on account name and password provided when the company registered. Updates can be done online at: [www.gosolarcalifornia.ca.gov/database/update.php](http://www.gosolarcalifornia.ca.gov/database/update.php)

### **To Retrieve or Reset Password?**

[Password Help Page](#)



[PUC](#) > [Energy](#) > [California Solar Initiative](#) > About the California Solar Initiative

## About the California Solar Initiative

The California Solar Initiative (CSI) is overseen by the California Public Utilities Commission (CPUC) and provides incentives for solar system installations to customers of the state's three investor-owned utilities (IOUs): Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE) and San Diego Gas and Electric (SDG&E). The CSI Program provides upfront incentives for solar systems installed on existing residential homes, as well as existing and new commercial, industrial, government, non-profit, and agricultural properties within the service territories of the IOUs.

The CSI Program expanded state support for solar technology and is the product of Governor Schwarzenegger's "Million Solar Roofs" vision for the State of California. The CSI Program was authorized by the CPUC through a number of regulatory decisions throughout 2006. In addition, the legislature expressly authorized the CPUC to create the CSI Program in 2006 via Senate Bill (SB) 1 (Murray). When it launched in January 2007, the CSI Program built upon nearly 10 years of state support for solar, including other incentive programs such as the Emerging Renewables Program (ERP) and the Self-Generation Incentive Program (SGIP). SGIP still provides incentives for other clean energy technologies, but no longer incentivizes distributed solar generation.

### CSI Program Components

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The CSI Program has a budget of \$2.167 billion over 10 years, and the goal is to reach 1,940 MW of installed solar capacity by the end of 2016. The goal includes 1,750 MW of capacity from the general market program, as well as 190 MW of capacity from the low income programs. The general market program is the main incentive program component of the CSI, and is administered through three Program Administrators: PG&E, SCE, and The Center for Sustainable Energy (CSE) in SDG&E's territory.

In addition to the general market program, the CSI Program has four other program components, each with their own program administrator and 10-year budget:

- A [research, deployment and development \(RD&D\) program](#), providing grants to solar technologies that can advance the overall goals of the CSI Program; the RD&D program is administered through the RD&D Program Administrator, Itron Inc., and has a budget of \$50 million.
- The [Single-family Affordable Solar Homes \(SASH\) Program](#), providing solar incentives to single-family low income housing; the SASH program is administered through the SASH Program Manager, GRID Alternatives, and as of January 2015, has a re-authorized budget of \$54 million.
- The [Multifamily Affordable Solar Housing \(MASH\) program](#), providing solar incentives to

multifamily low income housing; the MASH program is administered through the same Program Administrators as the general market program: PG&E, SCE, and CSE, and as of January 2015, has a re-authorized budget of \$54 million.

- The [CSI-Thermal Program](#), providing incentives for solar water heating and other solar thermal technologies to residential and commercial customers of PG&E, SCE, Southern California Gas Company (SoCalGas), and SDG&E.

In addition to the CPUC's CSI Program, Senate Bill 1 envisioned that the State of California would also have other programs to support onsite solar projects, including the [California Energy Commission's New Solar Homes Partnership \(NSHP\)](#), and a variety of solar programs offered by publicly-owned utilities (POUs). The statewide effort includes the CSI Program – as well as the NSHP and the POU programs – and it is known collectively as [Go Solar California](#). The statewide goal of the Go Solar California campaign is the installation of 3,000 MW of distributed solar generation and there is a statewide budget of \$3.3 billion. The CSI Program is a subset of the statewide Go Solar California campaign.

**Table 1. Go Solar California Campaign by Program Component, 2007-2016**

Program Name	California Solar Initiative (CSI)	New Solar Homes Partnership (NSHP)	Various Names
Program Authority	California Public Utilities Commission	California Energy Commission (CEC)	Publicly Owned Utilities
Budget	\$2,167 million	\$400 million	\$784 million
Solar Goals (MW)	1,940 MW	360 MW	700 MW
Scope	All systems in IOU areas except new homes	New homes, IOU territories	All systems in POU areas
Began	January 2007	January 2007	January 2008

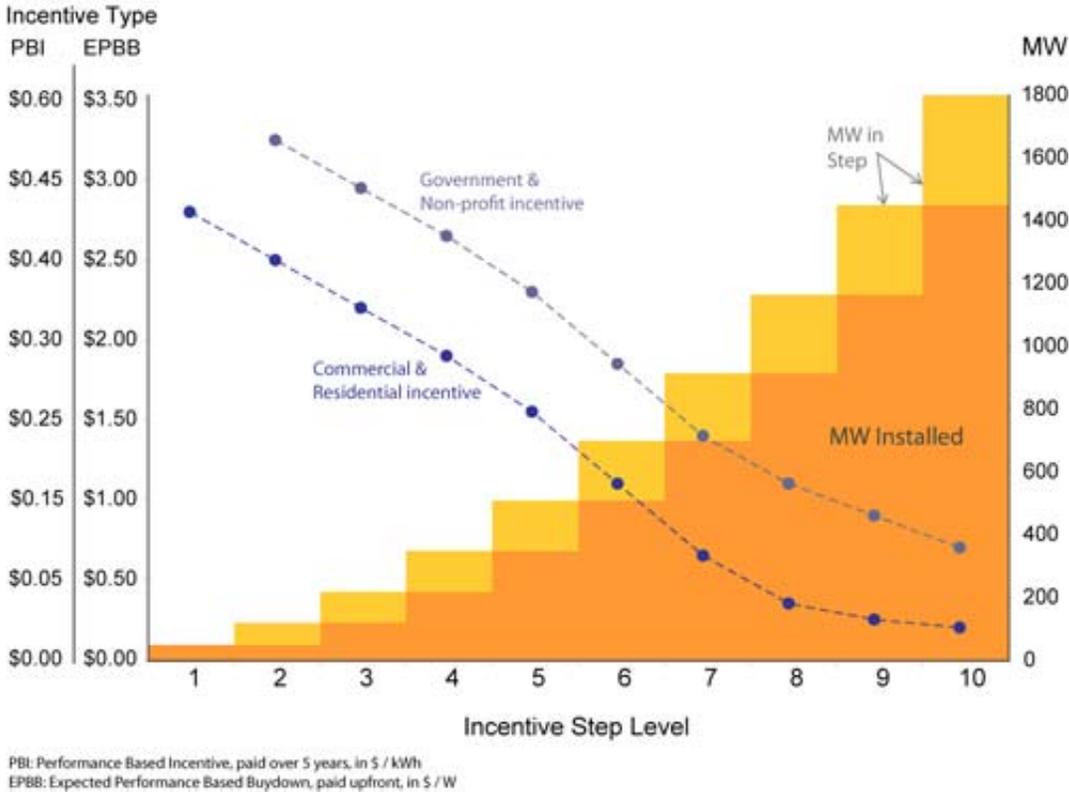
## Solar Incentive Level Design

The CSI Program is designed to be responsive to economies of scale in the California solar market – as the solar market grows, it is expected solar system costs will drop and incentives offered through the program decline. The CPUC divided the overall MW goal for the incentive program into 10 programmatic incentive level steps, and assigned a target amount of MW capacity in each step to receive an incentive based on dollars per-watt or cents per-kilowatt-hour. The MW targets in each incentive step level are assigned to particular customer classes (residential, commercial, and government / non-profit) and allocated across the three IOU service territories in proportion with each group's contribution to overall state electricity sales.

Once all the MW capacity available in a particular incentive step level for a particular customer class is reserved via CSI customer applications, the incentive level offered by the CSI Program automatically reduces to the next lower incentive step level. This creates a demand-driven incentive program that adjusts solar incentive levels based on local solar market conditions.

Figure 1 below shows how CSI incentives decline as the program progresses through the 10 steps and more MWs are installed. The CSI incentive levels have declined by customer class and utility, from January 2007 to the present. PG&E’s and SCE’s CSI programs are fully subscribed, and as August 2015, CSE’s non-residential program is the only CSI program with remaining available CSI capacity. See the [CSI Trigger Tracker](#) for the current funds available in each step.

**Figure 1. Overview of the CSI Step Level Changes**



## Incentive Types

The CSI Program pays solar consumers their incentive either all at once for smaller systems or over the course of five years for larger systems. Systems smaller than 30 kW receive an upfront, capacity-based incentive that is calculated based on expected system performance, or the Expected Performance-Based Buy-down (EPBB). Systems 30 kW or larger receive incentives based on their actual performance over the course of five years, via a Performance Based Incentive (PBI). These two incentive tracks are explained in more detail in the Table below.

### EPBB and PBI Incentives

EPBB	PBI
Intended for residential and small business customers	Ideal for large commercial, government and non-profit customers
GM CSI Systems less than 30 kW and all MASH and SASH systems	Mandatory for all systems 30 kW and greater Systems less than 30 kW can opt-in to PBI*
Incentive paid per Watt based on your system's expected future performance (factors include CEC-AC system rating, location, orientation and shading)	Incentive paid based on the actual energy produced by your solar energy system in kilowatt-hours
One-time lump sum up-front payment	Sixty payments over five years

\*Systems that may opt-in to PBI include: All small single and dual-axis trackers and fixed tilt systems > 10kW

## CSI Regulatory History

In 2005, the CPUC began developing the CSI program under Executive Order and later in 2006 under State law. First, the CPUC and CEC issued a joint report in June 2005 that provided analysis of key issues related to development and implementation of the CSI Program. The CPUC also opened Proceeding (Rulemaking or R.) 06-03-004 to develop the program.

On December 15, 2005, the Commission issued D.05-12-044, a decision that modified existing solar incentive levels and directed CPUC staff to provide recommendations on the program's design. On March 2, 2006, the CPUC opened R.06-03-004 to work with stakeholders through a public process and develop the program.

On January 12, 2006, the CPUC issued an Interim Order that established initial policies and funding for the CSI program. The CPUC was nearing an August 24, 2006 Commission vote on the proposed CSI incentive level design, administrative structure, and planning schedule, when Bill SB 1 was signed into law on August 21, 2006. While SB 1 codified the state's commitment to the creation of a self-sustaining solar market, it also introduced several unanticipated requirements for the CSI program. In order to conform with state law, the CPUC then worked with stakeholders to issue a proposed decision on SB 1's impacts on the CSI program. This decision was approved by the Commission on December 14, 2006. The CSI program subsequently launched on January 1, 2007.

The CSI Program, which began on January 1, 2007, replaced two prior solar programs administered by the CPUC and the CEC through the end of 2006:

- Information on the [CPUC's Self Generation Incentive Program](#) which provides incentives to non-solar qualified distributed energy systems installed on the customer's side of the meter.
- The [CEC's Emerging Renewables Program](#), which was closed to new applications on June 28, 2012.



[PUC](#) > [Energy](#) > [California Solar Initiative](#) > Become a Solar Ambassador

# Become a Solar Ambassador

## *The go-to person for solar in your neighborhood*

Becoming a Solar Ambassador is simple: you just welcome your neighbors' curiosity about your solar system, answer their questions, and above all share your experiences so they know what to expect when they decide to install their own solar system.

Soon your neighborhood will be a sought-after example of community sustainability.

Choose the sign below that's right for you, print and post in your window. (And if you enjoy your creative side, then make up your very own Solar Powered sign and show your solar pride!)



A [solar powered home](#) is a welcome sight in any neighborhood -- and your neighbors would love to know how it works for you!



Did you choose energy efficiency and solar PV as options in the design of your new home when you had it built? [Let potential home builders know you did it right from the start.](#)



Green businesses take pride in their role as community leaders. [Your customers want to know they support sustainable business practices.](#)



With new rebates for solar water heating from the California Solar Initiative Thermal program, you can now get [hot water powered by the sun!](#)

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# California Solar Initiative (CSI)

The California Solar Initiative offers solar incentives to energy customers (except new homes). The CSI Program has a goal to install 1,940 MW of new solar by 2017.

[Important decisions, CSI history, and Program overview can be seen here.](#)

## CSI Program Components

- [Go Solar California](#) – Consumer Information on All Solar Programs
- [General Market Program](#)
- [Single-family Affordable Solar Homes \(SASH\) Program](#)
- [Multi-family Affordable Solar Housing \(MASH\) Program](#)
- [Research, Development, Demonstration and Deployment \(RD&D\) Program](#)
- [CSI-Thermal Program](#)
- [CSI-Thermal Low-Income Program](#)
- [Other Solar Generation Technologies](#)

## CSI Staff Work Products

- [CSI Program Forums](#) - Quarterly public meeting to discuss program changes
- [Staff Presentations](#)

## RECENT NEWS AND QUICK LINKS

- [2015 Annual Program Assessment](#)
- [Decision 15-01-027](#) – Extension of SASH and MASH CSI Programs
- [Decision 15-01-035](#) - Increase of CSI-Thermal incentives and revisions to sub-program budgets
- [Decision 14-11-001](#): transfers data collecting responsibility to NEM

## CSI News and Information

- [CSI Press Releases](#)
- [Go Solar California Monthly Newsletter](#)
  - Sign up for the CSI Monthly Newsletter
- [California Solar Statistics](#) – Program Data
- [CSI Program Background](#)

## Quick Links to CSI Program Tools

- [Go Solar California](#) – Consumer Information on All Solar Programs
- [CSI and CSI-Thermal Program Handbooks](#)

- [Workshops](#)
- [CSI Program Evaluation](#)
- [CSI Marketing and Outreach](#)
- [CSI Progress Reports](#)

- [Expected Performance Based Buydown \(EPBB\) Calculator](#)
- [CSI Program Online Application Tool, PowerClerk](#)
- [Statewide Trigger Tracker](#)
- [CSI Brochures](#)
- [Interconnection Rules for Distributed Generation facilities \(Rule 21\)](#)

## CSI Regulatory Proceeding Documents

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- [Solar Initiative Compendium - Decisions, Resolutions and Legislative Actions 2006-2009](#)
- [Distributed Generation Proceeding Information](#)
- [Documents for Distributed Generation Proceeding](#) [once there, click on either the “Documents”, “Rulings”, or “Decisions” tab]

## Contact Us

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- [CSI Contact Information](#)

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# **ALREADY EXISTING RESOURCES SOLAR INDUSTRY**



## State Solar Policy

### California Solar

California continues to be the leading solar market in the United States. A plethora of sunny days combined with supportive solar policies have created an ideal solar market. As older fossil-fired and nuclear generation plants (such as SONGS) come offline, statewide carbon reduction efforts escalate, and load growth increases (due, in part, to the anticipated increased deployment of electric vehicles), additional renewable energy procurement will be required within California. These factors, as well as changing consumer behaviors related to electricity production and delivery, offer substantial opportunities to continue to grow the solar energy market in California.

### Facts on the California Solar Industry

- There are currently more than **2,262 solar companies** at work throughout the value chain in California, **employing 54,700 people**.
- In 2014, California **installed 4,316 MW of solar electric capacity**, ranking it 1st nationally.
- The **11,535 MW of solar energy currently installed** in California ranks the state first in the country in installed solar capacity. There is enough solar energy installed in the state to **power 2,891,000 homes**.
- In 2014, **\$11.773 billion** was invested on solar installations in California. This represents a 66% increase over the previous year, and is expected to grow again this year.
- Average installed residential and commercial photovoltaic system **prices in California have fallen by 5% in the last year**. National Prices have also dropped steadily- by 6% from last year and 53% from 2010.



(<http://www.seia.org/research-resources/2014-top-10-solar-states>)  
California installed more solar in 2014 than the entire country did from 1970-2011.

View more [solar industry data](http://www.seia.org/research-resources/solar-industry-data) (<http://www.seia.org/research-resources/solar-industry-data>).

## 2014 Legislative Update

### Solar Property Tax Exclusion Extended

In July, Governor Brown signed **SB 871** ([http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201320140SB871](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB871)) which extends the existing solar property tax exclusion until January 1, 2025. The continuation of this policy will allow homeowners and businesses to install solar energy without a reassessment of their property taxes. In addition, extension of the exclusion will enable California utilities to achieve their renewable energy targets at a lower cost to ratepayers.

## SEIA California State Solar Policy Priorities

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- Encourage policies promoting robust penetration of customer-sited and wholesale distributed generation to help meet the Governor's 12 GW goal.
- Establish a favorable net energy metering successor tariff (NEM 2.0) that ensures robust market growth.
- Protect and expand residential and commercial utility rate design which encourages deployment of customer-sited solar energy.
- DEnable access to solar energy to ratepayers who otherwise would not have had such access, such as apartment tenants and low-income customers.

## Notable Solar Installations in California

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- **Desert Sunlight** was completed in 2015 by developer First Solar. This photovoltaic project has the capacity to generate 550 MW of electricity -- enough to power over 160,000 California homes.
- Several large retailers in California have gone solar, including **Walgreens, Johnson & Johnson, Walmart** and **IKEA**. **Campbell's Soup** has installed one of the largest corporate photovoltaic systems in the state with 2,300 kW of solar capacity at their location in Sacramento.
- At 250 MW, **Mojave Solar** is among the largest solar installations in California. Completed in 2014 by Abengoa, this concentrating solar power project has enough electric capacity to power more than 61,000 homes.

See our [solar installations maps](http://www.seia.org/research-resources/resource-library?f[0]=field_resource_type%3AMap) ([http://www.seia.org/research-resources/resource-library?f\[0\]=field\\_resource\\_type%3AMap](http://www.seia.org/research-resources/resource-library?f[0]=field_resource_type%3AMap)).

## Solar Companies in California

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There are currently more than **2,262 solar companies** at work throughout the value chain in California. These companies provide a wide variety of solar products and services ranging from solar system installations to the manufacturing of components used in photovoltaic panels. These companies can be broken down across the following categories: 413 manufacturers, 86 manufacturing facilities, 1027 contractor/installers, 146 project developers, 159 distributors and 524 engaged in other solar activities including financing, engineering and legal support.

Key:  **Manufacturer**  **Installer**  **Other**

Don't see your company listed? [Complete our National Solar Database Survey!](http://www.seia.org/research-resources/national-solar-database) (<http://www.seia.org/research-resources/national-solar-database>)

## California State Solar Policy Resources

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[California Public Utilities Commission](http://www.cpuc.ca.gov/puc/) (<http://www.cpuc.ca.gov/puc/>) – Learn about the governing body that regulates the electricity rates and services of California public utilities

[California Solar Initiative](http://www.gosolarcalifornia.ca.gov/csi/) (<http://www.gosolarcalifornia.ca.gov/csi/>) – Read information on the solar rebate program for customers of California's investor-owned utilities

[California State Energy Commission](http://www.energy.ca.gov/) (<http://www.energy.ca.gov/>) – Find a wide variety of information on

state government energy programs, policy, projects, energy-saving strategies and energy-related statistics

[California State Legislature \(http://www.legislature.ca.gov/\)](http://www.legislature.ca.gov/) – Track pending legislation affecting solar energy, locate and contact individual legislators, and stay up to date on current legislative issues in California

[DSIRE Incentives Database - California \(http://programs.dsireusa.org/system/program?state=CA\)](http://programs.dsireusa.org/system/program?state=CA) – Search a public clearinghouse for specific solar energy incentives in California and across the United States

[U.S. Energy Information Administration - California State Profile \(http://www.eia.gov/state/?sid=tn\)](http://www.eia.gov/state/?sid=tn) – Explore official energy statistics, including data on electricity supply and demand, from the U.S. government

*Topics Tags*

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**Solar Energy Industries Association**  
202-682-0556 | 600 14th Street, NW, Suite 400,  
Washington, DC 20005

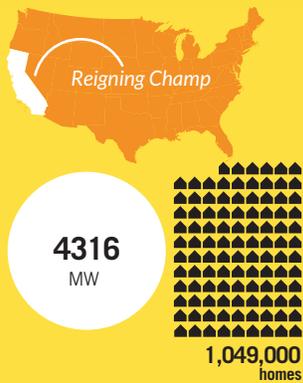
# 2014 TOP 10 SOLAR STATES

Learn more at [seia.org/smi](http://seia.org/smi)

State ranking based on the amount of solar electric capacity installed in 2014

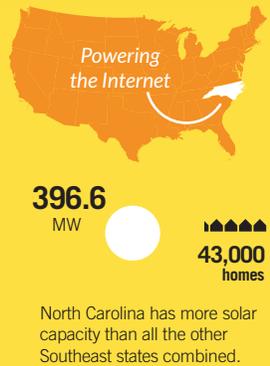
● Installed in 2014 (MW)<sup>1</sup>  
 ▲ Homes powered by solar<sup>2</sup> (10,000 homes)  
 (an estimate of the number of homes powered per megawatt of solar capacity added in 2014, including both photovoltaic and concentrating solar power)

## 1 California

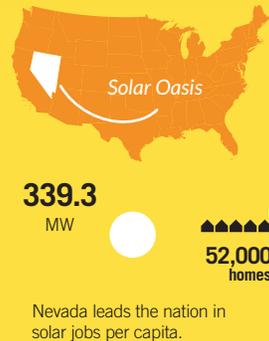


California installed more solar in 2014 than the entire country did from 1970-2011.

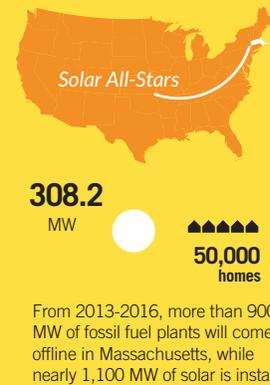
## 2 North Carolina



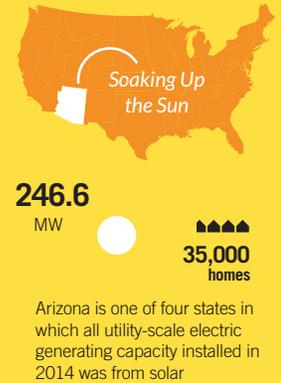
## 3 Nevada



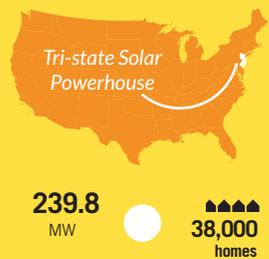
## 4 Massachusetts



## 5 Arizona

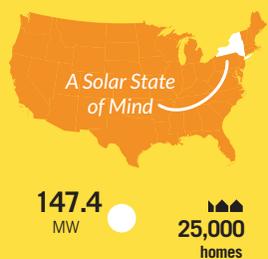


## 6 New Jersey



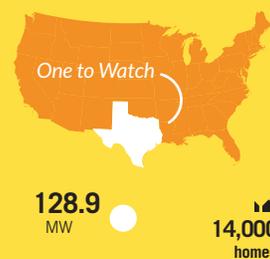
Over 8,000 solar installations were completed in New Jersey in 2014 - a new state record.

## 7 New York



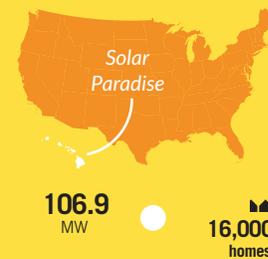
New York installed as much solar in 2014 as it did in the last three years combined.

## 8 Texas



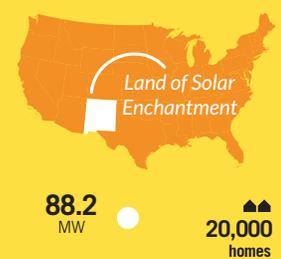
Texas installed a state record 129 MW in 2014 - with double that total expected in 2015.

## 9 Hawaii



As of 2014, nearly 1 in 8 homes in Hawaii have installed solar.

## 10 New Mexico



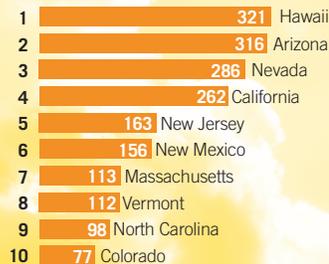
In 2014, New Mexico doubled the amount of solar installed there during 2013.

# TOP 10 SOLAR STATES REMIXED

### Number of Solar Jobs<sup>3</sup>



### Solar Capacity Per Capita (watts/person)<sup>4</sup>



### Cumulative Solar Capacity Installed (MW)<sup>1</sup>



### Percentage of New Electrical Capacity from Solar<sup>5</sup>



Get solar data from the SEIA/GTM Solar Market Insight Report. Learn more at [SEIA.org/smi](http://SEIA.org/smi)

(1) SEIA/GTM Research U.S. Solar Market Insight 2014 Year in Review [seia.org/smi](http://seia.org/smi)

(2) SEIA, "What's In a Megawatt?" [seia.org/whats-megawatt](http://seia.org/whats-megawatt)

(3) The Solar Foundation, State Solar Jobs 2014 [solarstates.org](http://solarstates.org)

(4) SEIA/GTM Research U.S. Solar Market Insight 2014 Year in Review; U.S. Census Bureau

(5) EIA Electric Power Monthly, March 2015



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## We Are California Solar

Since the 1970s, CALSEIA has advanced the common interests of the California solar industry, helping make California's solar market the most robust in the United States. Comprised of California solar contractors, manufacturers, distributors, developers, utilities, engineers, consultants and educational organizations, CALSEIA represents a diverse membership committed to growing the California solar industry. CALSEIA provides solar industry members located throughout California with a presence at the Capitol in Sacramento, at the CPUC in San Francisco, and at hearings and workshops throughout the state. As a policy-dependent industry, it is imperative that the California solar industry engages politically to fight for, and defend, good solar policy in California.

### Help Us Fight for the ITC!

California's solar market will experience a wild ride as consumers rush to beat the 2016 expiration of the Investment Tax Credit (ITC). Without an ITC extension, or anything that comes close to providing that level of financial support and certainty, a bust looms on the horizon. We can't let that bust happen. The Investment Tax Credit (ITC) is a critical part of the solar market equation. It's worth an "all hands on deck" Fight for the ITC Campaign.

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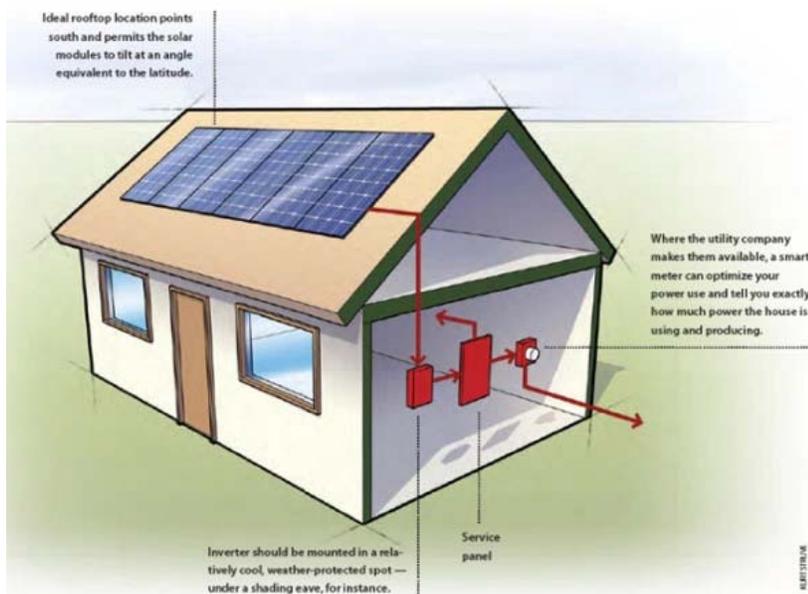
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## Solar Electric Systems

Edited by Joseph McCabe, P.E.

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Photovoltaic (PV) technology produces electricity from sunlight, using solid-state materials with no moving parts. It's a mature technology, first invented by Alexandre-Edmond Becquerel in 1839 and initially commercialized at Bell Labs in the 1950s.

For residential application, PV falls into two main categories. First is grid-tied, where the home generates its own electricity but can also draw power from the utility company at night. The second is off-grid, where the home is located too far from an electrical utility cable and the home must generate its own power, storing energy in batteries for use at night.

A basic home PV system consists of PV cells connected and packaged together in weather-protected modules, which are fastened side-by-side on a racking system to form an array. The PV modules produce direct current (DC), which in a grid-tied system flows to a grid-interactive inverter. An inverter changes DC voltage to the alternating current (AC) for the household electric circuit powering wall outlets and all AC appliances.

Excess power from the inverter may flow out of the house through the utility company's electric meter, into the city-wide grid. When this happens, the meter may run backward, and the utility will credit the outflowing electricity against electricity purchased from the grid at other times, like at night. This process is called net-metering.

In an off-grid system, DC power flows from the modules through a charge controller (also called a regulator), which is an electronic device that produces a smooth flow of current at the desired voltage. From the charge controller, the power can go to a set of storage batteries and then on to the inverter, as needed.

## Credit (ITC) Expires on December 31<sup>st</sup>, 2016

**443** **11** **21** **22**  
days hours minutes seconds

At the end of 2016, the 30% Residential Tax Credit will no longer be available and the Commercial Tax Credit will be reduced to 10%

# SOLAR TODAY

 **The Latest from  
SOLAR TODAY  
Magazine**

General Engineer (non-Federal employees), Technology Manager at the Department of Energy

Physical Scientist (Supervisor), Program Manager at the Department of Energy

Climate Riders Support ASES

Solar's Value to Consumers

PV Generation Potential for January-April, 2015

## Pages

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Today's commercially available PV panels come in three versions:

- Single-crystal (or monocrystalline) modules are currently the most efficient — that is, 1 square meter produces the most electric power. They must be mounted in a rigid frame.
- Multicrystalline (or polycrystalline) modules are made of cells cut from multiple crystals, grown together in an ingot. They are slightly less efficient than single-crystal.
- Thin-film modules are made by depositing thin layers of materials on glass, metal or plastic substrates. They're considerably less efficient so you may need more space to generate the same amount of power, but they're less expensive and, depending on the substrate, can be very robust and flexible. One practical use is to glue a flexible thin-film module directly to a metal roof.

What are PV cells made of, and how?

Crystalline PV cells use silicon, a little bit of boron and phosphorus along with anti-reflection materials and a screen printing of electrically conductive grid lines on the top and a coating of aluminum on the bottom to collect the electrons. The cells are made by liquefying the silicon (derived from pure sand) at high temperatures, and then slowly cooling the material in a way that makes large crystals. For single crystals, a cylindrical boule is very slowly pulled from the molten silicon. Polycrystals are cooled in a block formed by quartz glass, making grains of crystals as large as possible. The solid materials are sawed into very thin wafers, to produce the individual cells.

Thin-film modules are made from very thin layers

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deposited on an electrical conducting surface. These materials may originate as silane gas for amorphous silicon, cadmium and tellurium for CdTe, or copper, indium, gallium and selenium for CIGS. The deposition techniques may include sputtering, co-evaporation in a vacuum, electro-deposition, sintering or other techniques. Many variations of thin-film materials are being investigated for low-cost manufacturing and higher solar-to-electrical efficiencies.

## **Installation Location**

Location is critical to PV performance. The array should face the sun. This usually means due south, though if you have a heavy air-conditioning load in the late afternoon you may want to point the array southwest. The array should not be shaded during any part of its productive day. The array should be tilted upward at the correct angle to optimize seasonal exposure — typically at the angle of your latitude so it gets sunlight at a right angle at the spring and fall equinoxes. Some arrays can be made adjustable for varying the angle at different seasons. If the array needs to be elevated above the roof surface, it places additional uplifting loads on the roof structure during wind storms. If the roof doesn't offer a suitable structural surface, consider a ground-mount array in the yard, or a solar pergola like the one at right.

## **Microinverters**

Some newer grid-tied systems replace a large central inverter with several microinverters, individually attached to the back of each PV module. Power coming off the module/inverter combination is 230 volts AC and can tie directly to the household service panel. A major advantage is that if one module is shaded or broken, performance of the rest of the system is

unaffected. You can monitor the performance of each individual panel, on a home computer or your smart phone. DC to DC optimizers are also now available, which help to optimize the power from a string of PV modules, but do not convert to AC as inverters do.

## Match System Components

A 3-kilowatt (kW) inverter can't handle the power produced by a 5-kW DC array. If you install a 3-kW array, you may consider putting in a 5-kW inverter to allow for expansion of the array in the future. Also be aware of economies of scale. Labor costs may be lower, per unit, for a large system. If a 5-kW system can be installed in a day, you won't save labor costs by buying a 3-kW system, which may also take a day.

Electric power is measured in watts. A kilowatt (kW) is 1,000 watts, and a megawatt (MW) is 1 million watts. You buy electricity in kilowatt-hours (kWh), which is energy (as opposed to power). For instance, if you run a 100-watt light bulb for an hour, you've used 100 watt-hours of energy. If you run it for 10 hours, you've used 1 kWh, for which the average household would be billed 11 cents (at \$0.11/kWh). A 1-kW PV array can produce 1 kW in direct sun. If sunlight falls on it five hours a day, it may produce 5 kWh that day.

## Know Your Load

If your family uses 600 kWh of electricity each month, that works out to about 20 kWh per day. If you get an average of five hours of direct sunlight daily, you'd balance your electric use with about 4 kW of net-metered PV power. A 2-kW system would offset about 50 percent of your bill.

A web-based monitoring system tells you how much

power you're making from each individual module, moment to moment and logged hourly, daily, weekly, monthly and annually. It can tell you precisely how much your system saves on the power bill.

## Maintenance

Modules are tough, and usually carry a 20- to 25-year warranty. They need to be cleaned occasionally, which is usually a matter of hosing off dust and leaves. If appropriate, consider how you'll clear snow off the modules. The inverter needs to be mounted in a cool, shaded place, such as the north side of the house. Inverter life expectancy can vary 10 to 15 years.

## Off the Grid

If you live far from the main road, it may be too expensive to run a power line in from a utility pole. In that case you'll need to generate your own solar electricity and store it in a bank of batteries for use at night. Off-grid homes use heavy-duty deep-cycle batteries, similar to the batteries used in fork-lift trucks.

Batteries are charged with DC from a charge controller, which can take power directly from a PV array. Power taken off the battery goes to the inverter for household use.

If you live on the grid, a battery storage system is usually unnecessary. It can, however, substitute for a backup generator, assuring you'll have power during any utility company outages. That means your small business can have reliable refrigeration in hot-weather brown-outs, and you can operate a fan-driven natural gas furnace when an ice storm takes out electrical power lines.

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*This article is adapted from the Solar Energy Resource Guide 2008, published by the **NorCal Solar Energy Association**, a chapter of the American Solar Energy Society. Joseph McCabe, P.E., is an ASES Fellow and Lifetime ASES member. Contact him at [energyideas@gmail.com](mailto:energyideas@gmail.com).*

*Illustration by Kurt Struve. Photo courtesy of Dan Williams, Powerfully Green.*



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2525 Arapahoe Ave, Ste E4-253  
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# AGENDA ITEM E

## Strategic Plan Update





# CONTRACTORS STATE LICENSE BOARD

## STRATEGIC PLAN UPDATE – PUBLIC AFFAIRS

(E) “Essential”

(I) “Important”

(B) “Beneficial”

OBJECTIVES	TARGET	DESCRIPTION
1. Complete Flagship Consumer Publication (E)	July 2015	Continued from 2014-15 Strategic Plan.
2. Complete Flagship Contractor Publication (E)	September 2015	Continued from 2014-15 Strategic Plan.
3. Develop Realtor Outreach Program (B)	October 2015	Develop a program to educate realtors, a prime referral source for new homeowners to locate contractors.
4. Determine Feasibility of Building a Full-Service Broadcast Studio (I)	December 2015	Assess feasibility/costs of constructing a broadcast studio in the space currently occupied by Public Affairs Office staff.
5. Determine Feasibility of Updating Technology in John C. Hall Hearing Room (B)	January 2016	Assess feasibility/cost of updating the hearing room to improve audio/visual services for meeting participants and audiences.
6. Develop Schedule for Development of an Opt-In, “Find a Contractor” Website Feature (E)	February 2016	Determine a schedule to develop a website feature that will allow consumers to identify licensed contractors.
7. Determine Feasibility of Developing a Mobile Web App (I)	March 2016	Research current technology to determine if there is a need or opportunity to create a mobile application(s).
8. Develop Features for Use on Contractors/Industry Members’ Websites (I)	April 2016	Utilize Rich Site Summary (RSS) to create content that can be used on licensee or industry group websites.
9. Develop CSLB Style Guide and Standards Manual (B)	June 2016	Continued from 2014-15 Strategic Plan.

# AGENDA ITEM F

Adjournment





OCTOBER 30, 2015  
SACRAMENTO, CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Legislative  
Committee Meeting





## AGENDA ITEM A

# Call to Order, Roll Call and Establishment of a Quorum – Chair’s Introductory Remarks

Roll is called by the Committee Chair.

### LEGISLATIVE COMMITTEE MEMBERS:

ROBERT LAMB, CHAIR

DAVID DE LA TORRE

JOAN HANCOCK

PASTOR HERRERA JR.

PAUL SCHIFINO

Committee Chair Robert Lamb will review the scheduled Committee actions and make appropriate announcements.





## AGENDA ITEM B

# Public Comment Session for Items Not on the Agenda

(Note: Individuals may appear before the Committee to discuss items not on the agenda. However, the Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).





## AGENDA ITEM C

# Settlement Reporting Stakeholder Meetings Update





## AGENDA ITEM D

Update on 2015 Legislation:  
AB 181 (Bonilla); AB 500 (Waldron);  
AB 750 (Low); AB 1545 (Irwin);  
SB 119 (Hill); SB 465 (Hill);  
SB 467 (Hill); SB 560 (Monning);  
SB 561 (Monning)





## AGENDA ITEM E

# Review, Discussion and Possible Action on 2016 Legislative Proposals

### AMENDMENTS TO BUSINESS AND PROFESSIONS CODE

1. Section 7000-7199.7 – Reorganization of the Contractors' State License Law
2. Section 7059 – Public Works Contracts
3. Section 7071.17 – Qualifier Responsibility
4. Section 7074 – When Application Becomes Void: Testing
5. Section 7085.5 – Arbitration Program: Attorney's Fees
6. Section 7124.6 – Complaint Disclosure
7. Sections 7137 – Fee Schedule
8. Section 7159 – Rewrite of the Home Improvement contract
9. Section 7159.15 – Home Improvement Contracts



**CONTRACTORS STATE LICENSE BOARD  
LEGISLATIVE PROPOSAL FORM  
Business and Professions Code Sections 7000-7199.7**

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**SUBJECT:** This proposal would reorganize the Contractors State License Law to make it easier to follow.

**IDENTIFICATION OF PROBLEM/SUMMARY:**

This proposal would implement one of the Contractors State License Board's (CSLB) 2015-16 strategic goals, which the Legislative Committee has previously discussed. The content of the law would undergo no substantive changes; instead, the entire law would be reorganized to make it easier for all interested parties to read and find specific provisions.

**PROPOSED CHANGE (Include the Related Sections of Law):**

This proposal would involve a reorganization of the entire law, moving and renumbering virtually all sections.

**CONTRACTORS STATE LICENSE BOARD  
LEGISLATIVE PROPOSAL FORM  
Business and Professions Code Section 7059**

---

**SUBJECT:** This proposal would modify existing law related to classification determination in the awarding of public works contracts.

**IDENTIFICATION OF PROBLEM/SUMMARY:**

As written, Business and Professions (B&P) Code section 7059(b) states that the awarding authority “*shall*” determine which license classification is fit to bid and erect, construct, alter, repair, or improve any public structure, building, road, or other public improvement of any kind needed for a public works project. This rule poses a problem for the Contractors State License Board (CSLB) because the word “shall” stresses with certainty that the awarding agency, not CSLB, is responsible for determining which licensed contractor is suitable to perform construction-related work on public works projects.

CSLB is the State’s regulatory agency appointed to license and regulate all forms of construction activity in the State of California, which includes construction conducted on public works projects. This law includes several references that state CSLB is the authority that determines which license classification is appropriate to perform construction work: B&P Code sections 7055 through 7059.1 of Article 4, “*Classifications*,” B&P Code section 7065; and, ironically, B&P Code section 7059(a), “*Rules and regulations affecting classifications of contractors.*”

As composed, B&P Code section 7059(b) does not ensure that, when determining which license classification is necessary to bid and perform work on a public works project, awarding agencies make this determination according to the law and regulations related to license classifications. Consequently, when CSLB receives a complaint that a contractor on a public works project is performing work outside of his or her trade, the board cannot enforce B&P Code section 7117.6, “*Acting as contractor in unauthorized classifications.*” Legal counsel from the California Attorney General’s Office has advised CSLB that, as currently written, a violation of B&P Code section 7059(b) cannot be sustained.

**PROPOSED CHANGE (Include the Related Sections of Law):**

Amend B&P Code section 7059(b) “*Public Works Contracts*,” to specify that CSLB can discipline contractors working out of class on public works projects.

**CONTRACTORS STATE LICENSE BOARD  
LEGISLATIVE PROPOSAL FORM  
Business and Professions Code Section 7071.17**

---

**SUBJECT:** This proposal would hold qualifiers responsible for a judgment after they disassociate from a license.

**PROBLEM/SUMMARY:**

Business and Professions Code (B&P) section 7071.17(j) allows a qualifier to avoid culpability by disassociating from a license prior to the date a judgment was entered.

Enforcement staff often advises consumers that they can file a civil claim against a contractor for damages and, if successful, to notify CSLB of the judgment to receive assistance in enforcing it through license suspension, if the contractor fails to satisfy the judgment. However, Enforcement staff is aware of licensees that disassociate from a license after a civil suit is filed and prior to a judgment being awarded in order to avoid being held accountable by CSLB for the judgment. These individuals then apply for a new license or associate with a different, existing license unaffected by the civil judgment.

**PROPOSED CHANGE (Include the Related Sections of Law):**

Section 7071.17(j) needs to be amended to provide for the suspension of licenses when a qualifier or other culpable person fails to comply with a civil judgment that resulted from a lawsuit against a contractor for which he/she was an officer at the time the civil suit was filed.

**CONTRACTORS STATE LICENSE BOARD  
LEGISLATIVE PROPOSAL FORM  
Business and Professions Code Section 7074**

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**SUBJECT:** This proposal would eliminate provisions of existing law that render an application void because of test scheduling.

**IDENTIFICATION OF PROBLEM/SUMMARY:**

The Contractors State License Board (CSLB) Testing division proposes eliminating the provision of existing law that voids an application either after an applicant has failed to reschedule an exam within 90 days of cancellation, or twice failed to appear for an exam.

**PROPOSED CHANGE (Include the Related Sections of Law):**

The current application for licensure states: “If you are required to take an examination, subject to some limitation, you have 18 months after the approval of your application in which to achieve a passing grade on the exam. During that time period, you may take the exam an unlimited number of times. A \$60 fee is required each time you reschedule an exam. (See Business and Professions [B&P] Code Section 7074 for more detailed information on re-examinations.)”

However, B&P Code section 7074 further provides eight conditions upon which an application becomes void, two of which relate to test scheduling.

The Examination Administration Unit (EAU) receives applicant complaints each time CSLB sends out a “Void After 90-days” letter. Staff also receive numerous complaints from applicants who call to reschedule an exam and are informed that they cannot schedule an exam outside of the 90-day window.

Those applicants who cancel an exam usually do so by phone and do not get a letter specifying that they must reschedule within 90 days, though staff does tell them about the 90 day requirement and that they must submit the \$60 fee. Typical scenarios include applicants being told about the 90-day deadline over the phone who then forget or write it down incorrectly and applicants who lose the paperwork and have trouble remembering when to send the fee. When these things happen, applicants send in the fee to reschedule after the 90-day deadline has elapsed and are surprised when their application is voided. They become frustrated and claim that CSLB is merely trying to charge them additional fees.

In some cases, applicants plan to leave the country for an extended period and wish to schedule a test date 180 days out. Staff informs these applicants that they must pay the \$60 fee to schedule a date 90 days out, cancel that date from out of the country, and then send another \$60 fee to schedule the exam a further 90 days out.

Many applicants argue that the requirement that they begin the application process anew, with an additional \$300 application fee, is unfair, especially in the cases where the application becomes void after cancelling their first exam. Such applicants opt not to test at all.

Applicants also ask why their application is voided in cases when they fail twice to appear for the exam. Many claim that they never received notice of these exam dates and want to know why a failure to appear is treated differently from a cancellation. Applicants would like to have the full 18 months to test, and do not understand the limitations.

Perhaps the original purpose for applications becoming void because of test scheduling no longer exists. Scheduling examinations is fully automated and test centers are not overcrowded. Applicants that fail to appear do not cause extra work for staff or additional expense for CSLB, nor do they make other applicants wait for an open spot. In fact, with the Testing division's walk-in policy, an unexpected empty slot can be filled by a walk-in applicant.

**CONTRACTORS STATE LICENSE BOARD  
LEGISLATIVE PROPOSAL FORM  
Business and Professions Code Section 7085.5**

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**SUBJECT:** This proposal would make a variety of changes to the arbitration program provisions in the Contractors State License Law.

**IDENTIFICATION OF PROBLEM/SUMMARY:**

This proposal would implement one of the Contractors State License Board's (CSLB) 2015-16 strategic goals.

In 2013, CSLB sponsored legislation on this topic—AB 993. While AB 993 made a number of changes, its main purpose was to prohibit either party in arbitration from using an award as a basis for a civil action to recover attorney's fees associated with a person's arbitration defense.

AB 993 was unsuccessful, for reasons unrelated to the attorney's fees provisions.

**PROPOSED CHANGE (Include the Related Sections of Law):**

This proposal would amend Business and Professions Code section 7085.5 to provide that a party whose dispute is submitted to arbitration waives any right to recover attorney's fees in a civil action.

**CONTRACTORS STATE LICENSE BOARD  
LEGISLATIVE PROPOSAL FORM  
Business & Professions Code Section 7124.6**

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**SUBJECT:** This proposal would extend public disclosure of a citation to licenses obtained or joined by persons who received a citation on a prior license.

**IDENTIFICATION OF PROBLEM/SUMMARY:**

A contractor who receives a citation can cancel that license and either obtain a new license or join another license. In both instances, his/her prior citation is not disclosed under Business & Professions (B&P) Code section 7124.6. This weakens the consumer protection provided by the reporting requirements of B&P Code §7124.6, and its intent to provide notification to the public of any complaints against a licensee.

**PROPOSED CHANGE (Include the Related Sections of Law):**

Amend B&P Code §7124.6, at subsection (e), paragraph (1) to include language that establishes, in addition to the citation disclosure currently provided for, a mechanism to flag or mark, for the purpose of consumer awareness, every license issued thereafter that meet the following criteria: (1) the new license includes any culpable personnel of record listed on the license subject to citation; (2) the new license is obtained between the issue date of the citation subject to disclosure and five years hence.

**CONTRACTORS STATE LICENSE BOARD  
LEGISLATIVE PROPOSAL FORM  
Business and Professions Code Section 7137**

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**SUBJECT:** This proposal would make a variety of changes to the existing fee structure.

**IDENTIFICATION OF PROBLEM/SUMMARY:**

The Contractors State License Board (CSLB) needs to make several changes to its existing fee structures, as follows:

1. CSLB is currently at its statutory cap for all licensing fees, and proposes increasing that cap. CSLB would then need to promulgate regulations to implement any fee increase, and would not move forward with a regulation until fiscally necessary.
2. CSLB currently charges no fee to process applications to change personnel on a license, and, at this time, has no legal authority to charge such a fee. Additional level of staff involvement in the processing of applications for personnel changes means that CSLB cannot continue to process these applications without charging a fee.
3. Because of the complex level of staff involvement in processing applications to add an additional classification and to replace the qualifier, the current \$75 processing fee for these applications is no longer sufficient.
4. CSLB currently charges no fee to review expedite requests or for the expedited processing of applications. Under this proposal, requests for priority processing of applications would not be subject to review for cause but would, instead, be approved upon submission of a completed request and payment of an adequate fee.

**PROPOSED CHANGE (Include the Related Sections of Law):**

This proposal would amend Business & Professions (B&P) Code section 7137 to raise the existing statutory fee caps and to authorize new fees, as described above.

**CONTRACTORS STATE LICENSE BOARD  
LEGISLATIVE PROPOSAL FORM  
Business and Professions Code Section 7159**

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**SUBJECT:** This proposal would rewrite the home improvement contract provisions of the Contractors State License Law.

**IDENTIFICATION OF PROBLEM/SUMMARY:**

This proposal addresses one of the Contractors State License Board's (CSLB) 2015-16 strategic goals. CSLB also raised this issue in its 2014 sunset review report.

CSLB's Enforcement Monitor, in his third report issued in 2003, recommended three broad changes to home improvement contract (HIC) law:

1. Review and simplify the contract's elements;
2. Amend Business and Professions Code section 7159 to clarify the law governing HICs and to ensure proper disclosure of the most important consumer information; and
3. Resolve the current practical problems of service and repair contracts.

While in 2004 legislation was enacted intended to address these concerns, they remain largely unresolved. The HIC law contains so many lengthy consumer disclosures that it can be overwhelming, which does not help consumers.

**PROPOSED CHANGE (Include the Related Sections of Law):**

This proposal would attempt to streamline the HIC law to maintain its important consumer protections and disclosures while also making it easier for both consumers and contractors to understand.

**CONTRACTORS STATE LICENSE BOARD**  
**LEGISLATIVE PROPOSAL FORM**  
**Business and Professions Code Section 7159.15**

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**SUBJECT:** This proposal would establish additional requirements for residential solar contracts.

**IDENTIFICATION OF PROBLEM/SUMMARY:**

The increasing popularity of Solar Panel Energy Systems (also known as PV Systems) marks a growing trend in California's construction industry. The lack of common knowledge about these systems and limited disclosure from the industry make it difficult for consumers to reasonably understand the terms of the contracts they enter into, as well as the basis from which the contractor determines the size of the apparatus being installed. In addition, CSLB has received reports of predatory sales tactics that accompany unscrupulous financing relationships.

**PROPOSED CHANGE (Include the Related Sections of Law):**

Add a new Business & Professions Code section, 7159.15, to mandate that home improvement solar contracts include the following:

**PROPOSED LANGUAGE:**

- Extend the three-day right to rescind (maybe to seven days). Three days does not allow consumers sufficient time to educate themselves or to comparison shop. Also, the "engineering" of panels does not happen for about seven days after a contract is signed.
- Disclose how much and with whom the financing is arranged.
- Clearly disclose calculations, including the number of panels the homeowner needs, and the name of the salesperson used.
- Disclose the home's square footage and include if appliances are gas or electric.
- Clearly describe how much energy the panels will provide.
- Include secondary disclosure language from the contractor regarding any additional monthly fees the homeowner's electric company may charge.
- Disclose any turn-on charges.
- If the contractor guarantees a rebate, he/she must disclose the terms and conditions of the guarantee.

- Clear disclosure about the final pricing of the contract, excluding any potential rebates.
- Disclose that if the loan payment for the solar panels and installation is included in the homeowner's property tax assessment, that loan must be paid off upon sale of the property and cannot be passed on to the buyer.

# AGENDA ITEM F

Adjournment

