



CALIFORNIA SOLAR ENERGY INDUSTRIES ASSOCIATION

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October 22, 2008

Councilmember Eric Garcetti, Chair
Councilmember Jack Weiss
Councilmember Dennis P. Zine
Rules and Government Committee
Los Angeles City Council
200 NORTH SPRING STREET
LOS ANGELES, CA 90012

Date: 10-22-08
Submitted in Rules & Govt Committee
Council File No: 08-2795
Item No. 7
Deputy: P. Cattmore

RE: Los Angeles Basin Solar Power, Green Energy and Jobs Development Mandate for Los Angeles Initiative

Dear Council Members Garcetti, Weiss, and Zine,

CALSEIA applauds the Mayor and City Council of Los Angeles for proposing a bold initiative to expand the use of solar energy within the City. The use of distributed generation is an important way to provide energy while minimizing the need to add new transmission and distribution infrastructure to deliver that energy. It puts energy right where the customer needs it. The solar industry is pleased to see this recognition. It also complements the City's other efforts to add new utility scale generation to its resource mix because we know that California needs both utility scale and distributed generation to meet its energy needs.

For the most part, CALSEIA supports the initiative and provides a few suggestions based on our 30 years of experience with renewable energy, customers, incentive programs, and employment programs that will help the City achieve its goals in a manner that will also respect the cost to the citizens of Los Angeles.

Specifically, CALSEIA recommends the following modifications:

1. Rather than specify an annual MW goal, establish total MW target based on energy produced and set periodic progress reports to evaluate progress and identify issues that might be hindering progress toward meeting the overall goal. CALSEIA believes this program will start up slowly and accelerate in the later years because of the time it will take for the City to develop and roll out the program. Other factors, such as the conditions of the financial markets or research on appropriate sites, may also impact the rate at which the program is subscribed. Additionally, we mention that it would be important to clarify that the target applies to net electricity production rather than the overall megawatts installed.
2. Clarify language to expand the types of solar electric generation technology (both solar electric/photovoltaic and thermal electric). CALSEIA recommends broadening the language to

not specifically refer to one type of solar electric generation technology. This will enable cost competition opportunities that will benefit the City.

3. Expand the language to allow consideration of 3rd party ownership with the City. Non-profit and government owned projects cannot take advantage of the tax credits because they do not have a tax liability. Earlier this year CALSEIA worked with the Los Angeles Department of Water and Power on a feed-in tariff type contract where customers would be paid for power production and the system would be purchased by the City at the end of the contract. This arrangement respects the direct access concerns of the City while reducing the cost of distributed solar electric systems by 30 percent. CALSEIA would be happy to work with the City and other interested parties to address any concerns about this or alternatives to this arrangement – but we think it is an important opportunity that the City should not forego.
4. Consider using some portion of the bond revenue to enhance the SB1 program. The SB 1 program promotes private ownership of solar equipment. This program, while slow due to the City's low electric rates, is also an opportunity to leverage private sector dollars. The rebate programs subsidize a portion of the cost, while the owner pays the majority of the cost. Similar to 3rd party ownership, private ownership of solar energy systems is a benefit to the City.
5. Create a specific low-income program element. The ordinance already acknowledges the importance of under-served and economically disadvantaged areas. CALSEIA applauds this and offers to work with the City to help develop programs to help people who cannot afford to participate in renewable energy programs. Some solar companies are already involved with low income programs, of note, BP Solar runs a Solar Neighbors program that donates systems to low-income households every time a celebrity purchases a solar system – we can help build on innovative programs like that and encourage more companies to work on projects in the City.
6. Create a solar thermal water heating and space conditioning program in conjunction with SoCal Gas to reduce natural gas consumption. Solar thermal can do several things: generate electricity, produce hot water, space heating, and space cooling – separately or as a combination of useful outputs. This can be done on a per building basis but there are also opportunities in the city to do 'district heating and cooling. If we can lower the cooling load using solar thermal you will get bigger savings on a \$ per Btu basis and related electricity consumption reductions at peak. Less solar electricity output would be needed to serve on site load and free up more energy for the grid. It will also deliver large GHG emission reductions (as well as Nox and other good emission reduction benefits) when those same systems reduce natural gas consumption for water heating and space heating. Solar thermal also has energy storage capacity so it is different from solar photovoltaic technologies that require batteries or other technology to store the energy to be available for off-peak use. All solar technologies have benefits that are specific to the actual site needs and no one technology should be excluded in favor of another.
7. Establish a best-in-class interconnection standard to remove barriers to installation. CALSEIA has spent time working with the LADWP on problems with connecting solar systems to the grid and things have greatly improved. There are opportunities to further streamline and improve the interconnection process that will help keep administration costs to the city and installation low.

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CALSEIA has worked successfully with the City's Fire Department to develop guidelines for photovoltaic installations to ensure that fire departments are not hindered by the presence of solar modules when performing fire rescue operations. This guideline will need further refinement to ensure that megawatt targets can be met. CALSEIA recommends convening stakeholder meetings with industry, to identify issues and work together to resolve issues.

8. Transparency. Create a publicly available database that reports on total Megawatts installed, metered system output, and installed costs on a real time basis. This will help to ensure that public information on the program will be readily available to assess progress and identify challenges in an open forum.

We also provide below suggested amendments to the initiative to reflect our comments. We recommend these amendments so that they guide the development of the detailed plan that the City has been preparing.

CALSEIA looks forward to working with the City to realize this important goal. Thank you for the opportunity to discuss our suggestions to the City's initiative.

Respectfully submitted,



Sue Kateley
Executive Director

Suggested amendments:

Proposed amendments:

At the 4th paragraph:

The Mayor, City Council, environmental organizations, solar industry, solar providers, and labor organizations have looked at this issue for many years, in-basin solar has become an even more attractive option, due to lower cost solar technologies, federal investment tax credits for renewable energy recently extended by Congress, increased price of fossil fuels due to greater worldwide energy demand and expected increases in the cost of such power sources with the implementation of the Governor's Million Solar Roofs Program, AB32, and other policy changes. These updates would make a robust solar program a feasible option for the City. Such a program should include the following:

- Installation of sufficient ~~photovoltaic solar panels~~ energy equipment on commercial, industrial, and institutional buildings and property in the City, owned and operated by the Department of Water

and Power (DWP) to produce up to 400 megawatts of net electricity production, roughly 3%, of its energy demand by 2013.

- A program to recruit and train City residents to provide services related to the installation, operation, maintenance, and repair of DWP's solar power systems, with particular focus on residents from under-served and economically disadvantaged areas.
- ~~Contract bid preference and other~~ Incentives to support existing solar power equipment manufacturers located in the City, encouraging others to invest in facilities here.
- ~~and incentives~~ Enhance existing incentives authorized by SB 1 (Chapter 132, Statutes of 2006) for private property owners to install solar power systems.
- A program that will establish a best-in-class program for permitting and interconnection to be developed in conjunction with the solar industry.
- Publicly available program data including but not limited to: energy performance of systems, installed system costs, number of megawatts installed, progress toward meeting goals.

At the 6th paragraph:

I FURTHER MOVE that DWP, in conjunction with the City Administrative Officer, Chief Legislative Analyst, City Attorney, and various stakeholders be directed to begin work immediately on implementation of a Los Angeles Basin Solar Power, Green Energy and Jobs Development Plan, in anticipation of a voter-approved initiative, for the City of Los Angeles to produce up to 400 megawatts of net electricity production, roughly 3% of the City's power demand from in-basin solar energy by 2013. Such a program ~~should~~ shall include a cost analysis, financing strategy, a rooftop-availability survey, financial analysis of strategies to achieve goals (including but not limited to private sector investment, feed in tariff, net metering, or other approaches), a job training and job creation program, incentive for in-basin solar manufacturers as well as private property owners, enhance greenhouse gas mitigation strategies by encouraging solar thermal systems for water heating and/or space conditioning, convening an industry stakeholder group to provide expertise, and regular updates to the DWP Board and City Council on the progress on the various elements of such a program.

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Submitted - 10/22/08

**Center for Energy Efficiency & Renewable Technologies
Coalition for Clean Air
Global Green
Sierra Club, Angeles Chapter**

October 22, 2008

The Honorable Eric Garcetti
Chairman, Rules and Government Committee
Los Angeles City Council
City Hall
Los Angeles, CA 90051

Date: 10-22-08
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Council File No: 08-2795
Item No. 7
Deputy: P. Cattinon

RE: Council File 08-2795 – Los Angeles Basin Solar Power, Green Energy and Jobs Development Mandate

Dear Chairman Garcetti:

The undersigned appreciate the opportunity to respond to Council File 08-2795 – Los Angeles Basin Solar Power, Green Energy and Jobs Development Mandate, and the “Report to the Los Angeles City Council and the Rules and Governance Committee on the Green Energy and Good Jobs for Los Angeles Act”, dated October 21, 2008 and submitted to City Council by the Los Angeles Department of Water and Power.

We are grateful to your committee for hearing this item on short notice. We share the enthusiasm of City Council, the Mayor, LADWP and the International Brotherhood of Electrical Workers, Locals 18 and 11 for accelerating solar installations in Los Angeles. This truly is the opportunity for Los Angeles to jump ahead of the pack and become the nation’s leading producer of local solar power installed by local workers enjoying sound and sustainable jobs. Investing in our city and our workforce benefits our quality of life. It also moves us toward a day when flipping a switch in Los Angeles does not hasten climate change.

As environmental and public health organizations, we are eager to see the City craft a solar program proposal that is ambitious, achievable, and accountable. Such a plan will:

- Help the City reduce its reliance on fossil fuels for its peak electricity needs, which will improve air quality and the City's greenhouse gas footprint.
- Create new, good wage jobs in the solar installation and manufacturing sectors.
- Maximize the City's ability to deploy efficient solar power projects.

We support a Los Angeles Basin Solar Power, Green Energy and Jobs Development Mandate that ensures to voters and ratepayers:

1. On-ramps and off-ramps to enable reasonable start-up and sensible adjustments to the program by the Mayor, City Council, the Los Angeles Department of Water and Power (LADWP) Board of Commissioners and, by extension, LADWP rate-payers.
2. Audits and accountability to ensure the investments are sound and the projects are performing as designed or expected, including project metering, periodic audits, and a representative oversight committee that includes environmental interests.
3. Technology flexibility to enable the use of the most appropriate solar electric generating technology for a given site.
4. All measures are taken to ensure the City's finance officers can issue the revenue bonds as articulated in the initiative's language and that the capital markets would be willing to invest in said revenue bonds should they be authorized by the voters.

We are encouraged by the "Report to the Los Angeles City Council and the Rules and Governance Committee on the Green Energy and Good Jobs for Los Angeles Act", dated October 21, 2008 and submitted to City Council by the Los Angeles Department of Water and Power. That report rightfully calls for the creation of a program and its related ballot initiative language that gives the City the tools to meet the ambitious mandates of the program, particularly in the early years.

In addition to this bond proposal, we ask the City to set a date-certain for the release of the city's comprehensive solar plan. It is important that stakeholders see how the Green Energy and Good Jobs for Los Angeles Act plan integrates with the City's comprehensive solar plan and learn how the City intends to move forward with its comprehensive plan.

Specific amendments to the council's motion include the comments below:

At the 4th paragraph:

The Mayor, City Council, environmental organizations, solar industry, solar providers, and labor organizations have looked at this issue for many years, but now in-basin solar has become an even more attractive option, due to lower cost solar technologies, federal investment tax credits for renewable energy recently extended by Congress, increased price of fossil fuels due to greater worldwide energy demand and expected increases in the cost of such power sources with the implementation of AB32 and other policy changes. These updates would make a robust solar program a feasible option for the City. Such a program should include the following:

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metering, or other approaches), a job training and job creation program, incentives for in-basin solar manufacturers as well as private property owners, convening a stakeholder group to provide expertise, and regular updates to the DWP Board and City Council on the progress on the various elements of such a program.

Again, we are grateful to the Rules committee for engaging in a productive process to achieve the best plan possible . We look forward to the deliberation of this proposal and are confident that the final outcome will be a strategy that all parties can embrace.

Thank you,

Rhonda Mills
Center for Energy Efficiency and Renewable Technologies

Mary Luevano
Global Green

Martin Schlageter
Coalition for Clean Air

Jim Stewart
Angeles Chapter, Sierra Club