



RESOLUTION NO. _____

BOARD LETTER APPROVAL

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MICHAEL S. WEBSTER
Executive Director – Power System
Engineering and Technical Services

A handwritten signature in blue ink, reading 'Martin L. Adams', is written above a horizontal line.

MARTIN L. ADAMS
Chief Operating Officer

A handwritten signature in black ink, reading 'David H. Wright', is written above a horizontal line.

DAVID H. WRIGHT
General Manager

DATE: November 3, 2016

SUBJECT: Community Solar Program - Solar Rooftops Program

SUMMARY

The proposed Resolution, approved as to form and legality by the City Attorney, approves the Solar Rooftops Program (SRP) Guidelines and, subject to Los Angeles City Council approval, use of the Solar Rooftops Program Lease Agreement (SRPLA).

In an effort to provide photovoltaic (PV) solar energy to more residential customers, especially those in areas of low solar penetration, the LADWP has created the Community Solar Program (CSP). Its initial offering is the SRP. The target for the SRP is to install up to 1 megawatt (MW) of new solar power in the Los Angeles area that will be connected directly to LADWP's grid. SRP PV solar systems will be installed on customers' rooftops in exchange for a fixed monthly lease payment or bill credit of \$30 per month, or \$360 per year. In addition, the CSP will leverage the efforts of LADWP's Home Energy Improvement Program (HEIP) to further our Energy Efficiency efforts and the Utility Pre-Craft Trainee (UPCT) Program to support local job creation.

Los Angeles City Council approval of use of the SRPLA is required pursuant to Charter Section 606.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution approving the Guidelines and recommend Los Angeles City Council approval of future use of the SRPLA.

ALTERNATIVES CONSIDERED

LADWP's available alternatives would be to: 1) postpone the deployment of the SRP or 2) find alternative RPS-eligible projects that may not provide the same community-specific benefits. Neither alternative would help LADWP incentivize solar resources in low-solar penetration areas. In addition, local solar goals set forth in the Sustainable City pLAN of Los Angeles may not be realized.

FINANCIAL INFORMATION

The SRP is budgeted and is part of LADWP's in-basin solar program. This pilot program will cost up to \$12.9 million over 20 years. The customer lease payments, system operation, and maintenance costs are spread over 20 years. The costs to install the PV systems are spread over 3 years. The SRP will allow LADWP to evaluate the feasibility of a larger program, build clean distributed generation across our service territory, and support local job creation. Funds for the SRP were included in the approved rate plan; the program will have no impact on rates.

BACKGROUND

After meeting with local stakeholders, other electric utilities, and consultants involved with the development of community solar programs, it became clear that community-based solar programs do not adhere to any "one-size-fits-all" design. This has allowed LADWP to develop a unique program that has characteristics specific to our utility goals.

The key goals of CSP are to:

- Expand solar resources in areas of low solar penetration.
- Support the Sustainable City pLAN.
- Provide additional solar energy resources for LADWP's power grid.
- Incentivize customers to adopt solar power.
- Generate local jobs within the community through local training programs.
- Apply the energy and environmental attributes received under the CSP toward the compliance targets of LADWP's RPS Policy.

The CSP is designed to bring communities together to help transform the City of Los Angeles and is designed to be an umbrella program that could contain multiple residential-based programs, including the SRP. A number of outreach activities (i.e., two surveys and two focus groups) have been performed to better understand the attitudes and motivations of potential CSP customers. Following an in-depth analysis of the results, it became clear that there exists a strong potential for customer participation in the SRP. The SRP will be utilized to research and develop future improvements to the CSP.

The SRP offers an opportunity for LADWP to install 2-4 kilowatt (kW) PV systems and enable customers to help LADWP meet its renewable energy goals, reduce overall greenhouse gas emissions, and support local job creation. In addition, solar

participation will be more balanced geographically. There are no up-front costs/fees and no credit checks required to enroll.

The attached Resolution approves the Guidelines and, subject to City Council approval, use of the SRPLA; these documents will establish the basis under which LADWP will enroll, engage, and manage customer participation. The Resolution also authorizes LADWP to apply the energy and environmental attributes received under the SRP toward the compliance targets of LADWP's Renewables Portfolio Standard (RPS) Policy and Enforcement Program (RPS Policy).

The RPS Policy represents continued commitment by LADWP to install renewable energy resources, including compliance targets for LADWP to supply 25 percent of its retail sales from eligible renewable energy resources by 2016 and 33 percent by 2020 in accordance with the California Renewable Energy Resources Act (SB 2-1X) and 50 percent by 2030 in accordance with Senate Bill 350.

City Administrative Officer (CAO) Report

The CAO Report dated October 24, 2016 is attached.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that implementation of the SRP is statutorily exempt pursuant to Section 21080.35 of the California Public Resources Code. This exemption applies to the installation of a solar energy system on the roof of an existing building.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

ATTACHMENTS

- Resolution
- Solar Rooftops Program Guidelines
- Solar Rooftops Program Lease Agreement
- CAO Report