

Politics: DWP Board Blesses \$13 Million Solar Rooftop Stinker with 3-2 Vote

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LA WATCHDOG--At the November 15 meeting of Board of Water and Power Commissioners, President Mel Levine, Vice President Bill Funderburk, and Jill Banks Barad voted to approve the \$13 million Solar Rooftop Program despite the lack of any financial analysis. But the absence of any definitive information is why Christina Noonan and Michael Fleming stood their ground and opposed this feel good, politically motivated project because there were too many unanswered questions and that it was obvious that this deal was a real stinker and was and is not in the best interest of the Ratepayers.

Under this pilot program, our Department of Water and Power will finance, install, and maintain 1 megawatt (1,000 kilowatts) of new photovoltaic solar power on the rooftops of 400 single story, owner occupied homes in low income and underserved areas of the City. In return, the homeowner will receive \$30 a month (\$360 a year) for the next 20 years pursuant to a one sided contract with the Department.

Importantly, all the electricity produced by these rooftop solar systems will not be used by the homeowners, but will be pumped into the DWP grid and will help the Department meet its renewable energy mandates of 33% by 2020 and 50% by 2030.

But the economics of this deal stink.

Over the next 20 years, DWP is expected to spend almost \$13 million on this pilot project. This includes \$4 million for IBEW labor crews to install the photovoltaic systems over the next four years, \$6 million for ongoing IBEW labor, and almost \$3 million for customer lease payments. Including the cost of borrowed money, the cost per kilowatt hour is almost 50 cents, 5 times more expensive than DWP's purchased wholesale solar alternatives and over 3 times more expensive than the retail price of 16 cents we are charged on our ever increasing bimonthly bills.

But it gets worse if you assume modest levels of overhead and insurance to repair damaged rooftops. Then the price per kilowatt hour increases to 75 cents.

But that's not all folks! If there are cost overruns, a common occurrence for DWP / IBEW built solar projects, the price soars to a mindboggling \$1.00 per kilowatt hour. This is more than 10 times the wholesale rate for solar power and more than 6 times the retail rate.

And this does not include the illegal 8% Transfer Fee!

The Board tried to justify this wildly uneconomic deal by relying on the new Equity Metrics Date Initiative claiming that the program was addressing the "solar access disparity" in the City. But the supporting data that was prepared by the Los Angeles Alliance for a New Economy, a labor dominated organization, is unavailable and does not appear to take into consideration the sizeable investment that environmentally conscious homeowners in higher end neighborhoods have made in rooftop solar systems that have a very low return on investment.

The Solar Rooftop Program is also a pet project of IBEW Union Bo\$\$ d'Arcy as 60% to 70% of the cost will be for IBEW labor. And if for some strange reason this program manages to survive, the anticipated 40 megawatt project will cost Ratepayers over \$700 million and be a cash cow for the IBEW.

Mayor Eric Garcetti was also complicit in this Solar Rooftop Program as he approved this boondoggle pursuant to his Executive Directive No. 4 that was issued on June 24, 2014.

With friends like Eric Garcetti and his three politically appointed Commissioners, Mel Levine, Bill Funderburk, and Jill Barad Banks, picking our pockets, who needs enemies?

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