



**CITY OF LODI  
COUNCIL COMMUNICATION**

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AGENDA TITLE: Staff Report on 2008 Lodi Solar Rebate Pilot Project: **Implementation** of Project, 'Customer Participation and Solar System Instaliation Permit Fees **(EUD)**

MEETING DATE: June 4,2008

PREPARED BY Electric Utility Director

RECOMMENDED ACTION: None required.

BACKGROUND INFORMATION:

Project Implementation Senate Bill (SB) 1, otherwise known as the 'California Solar Initiative' or CSI, was enacted into state law in August 2006. The CSI requires ALL electric service providers in the state to maintain a rebate program for the installation of eligible\* photovoltaic/solar systems on residential, commercial and industrial customer sites. The official start date of the CSI was January 1, 2008, and the CSI requires utilities to provide a rebate of no less than \$2.80/watt in 2008 (the rebate level then drops by 7% each year thereafter).

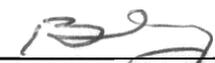
Lodi's program budget per year, as established by the legislation, is \$600,000. This figure is based upon total energy sales during the fiscal year 2005-2006, utilizing the formula as provided in the CSI (Lodi's municipal utility percentage share of the CSI is 0.79%; the total rebate dollars for Lodi over 10 years is approximately \$6 million, while the total municipal utility share of the CSI for the 10 years is \$784 million).

In order to distribute the available rebate dollars in a fair and equitable manner, the following was adopted and implemented for 2008:

- distribute the rebate budget dollars by 2006 calendar year utility megawatt hour sales by customer class; thus for 2008, 25% of the \$600,000 budget is allocated for residential rebates (equaling \$150,000) and 75% for all non-residential rebates (equaling \$450,000);
- rebates are reserved on a first-come, first-served basis; a customer who has reserved funds has up to 180 days to install the solar system; rebates are issued after installation and inspection; should any particular customer class NOT utilize funding by November 1, 2008. then customers from another rate class will have access to those rebate funds.

Customer Participation Response to the 2008 Lodi Solar Rebate Pilot Project has exceeded expectations, and compared to other Northern California Power Agency (NCPA) member utilities, the participation rate has been exceptionally high. As of May 18, 2008 here in Lodi:

- ten (10) residential solar rebate applications received;
- five (5) residential solar rebates approved and issued;

APPROVED:   
Blair King, City Manager

- total residential solar rebate funds **reserved**: \$127,947.40 (funds still available: \$22,052.60);
- total residential solar rebate funds **approved and issued**: \$83,568.40
- six (6) non-residential solar rebate applications received;
- zero (0) non-residential solar rebates approved and issued;
- total non-residential solar rebate funds **reserved**: \$330,039 (funds still available: \$119,961)
- NO non-residential solar rebate funds approved/issued

**Solar System Installation Permit Fees** The City of Lodi Community Development Department charges a permit fee of \$460 for an installed residential solar system and a permit fee of \$660 for a non-residential solar system. Note: for informational purposes, Attachment 'A' is provided as a comparison of various permit fees around northern California.

For **residential** solar project permits (\$460), the fee is determined as follows:

- Plan check 1 hour minimum (\$80)
- Pre-inspection: To verify adequacy of roof structure and electrical service ( according to the approved plans and project Engineer's specifications/ calculations) (\$75)
- Rough inspection: inspect wiring and framing (\$75)
- Final Inspection by the Building Department( \$75)
- Final Approval Administration, Re-Inspection. (\$95)
- Electrical permit (\$30)
- Sub-Panel (inverter) ea. (\$15)
- Service panel (\$15)

For **non-residential** solar project permits (\$660), the fee is determined as follows:

- Plan check 2 hour minimum (\$160)
- Pre-inspection: To verify adequacy of roof structure and electrical service (according to the approved plans and project Engineer's specifications/calculations) (\$75)
- Rough inspection (2): inspect wiring and framing (\$150)
- Final Inspection by the Building Department( \$75)
- Final Approval Administration, Re-Inspection. (\$140)
- Electrical permit (\$30)
- Sub-Panel (inverter) ea. (\$15)
- Service panel (\$15)

Per state requirement, the Electric Utility Department has prepared the first quarter (January 1 – March 31, 2008) results of the Lodi Solar Rebate Pilot Project (all electric utilities in California must provide first quarter results to the California Energy Commission on June 1, 2008). Included in this brief report is the customer participation figures, actual rebate funds provided, total photovoltaic (in kilowatts) units installed, and other information regarding customer outreach and marketing.

In closing, the Electric Utility Department will provide the City Council with another solar program update in either December 2008 or January 2009.

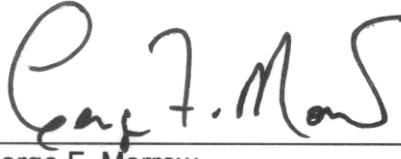
**FISCAL IMPACT** Not Applicable.

**FUNDING:** Not Applicable.

Staff Report on 2008 Lodi Solar Rebate Pilot Project: Implementation of Project, Customer Participation and Solar System Installation Permit Fees (EUD)

June 4, 2008

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A handwritten signature in black ink, appearing to read "George F. Morrow", written over a horizontal line.

George F. Morrow  
Electric Utility Director

Prepared By: Rob Lechner, Manager, Customer Service and Programs

GFM/rsi/lst

Attachments

cc: Rob Lechner. EUD  
Dennis Canright, Comm. Dev. Dept.  
Peter Pimejad. Comm. Dev. Dept.

## Attachment 'A'

***This first section reflects a random sampling of NCPA-member utilities, and whether the CITIES in which these utilities are located charge a solar system installation permit fee:***

City	Fee	Comments
Turlock	Yes	\$800 average fee
Silicon Valley Power	Yes	1% of dollar value of project (average system cost is \$30,000; 1% of that figure = \$300 permit fee)
Roseville	Yes	1% of dollar value of installed project (average permit fee has equaled approximately \$300 for residential)
Plumas-Sierra	Yes	\$350 permit fee (flat rate)
Redding	Yes	\$40 flat rate plus \$50/kW of installed solar (average permit has equaled approximately \$300 for residential)
Alameda	Yes	\$104 permit fee (flat rate)
Palo Alto	Yes	\$320 permit fee, on average, for residential; \$2,000 average permit fee for non-residential
Healdsburg	Yes	\$130 permit fee (flat rate)
Lompoc	Yes	\$700 average permit fee for residential; \$3,500 average permit fee for non-residential permit fee
Gridley	Yes	\$200 to \$300 flat rate
Sacramento	No	(note: SMUD service territory; not a member of NCPA)
Lodi	Yes	\$460 residential permit fee; \$660 non-residential permit fee

***This section reflects a random sampling of NCPA-member utilities and how much of their solar rebate funds have been expended (or reserved) thus far in calendar year 2008:***

Utility	Status of Rebate Funds
Palo Alto	35% of <u>ten-year program</u> is reserved (approximately \$4,550,000)
Plumas-Sierra	10% of rebate funds paid out for 2008
Roseville	50% of solar rebate funds reserved through June 30, 2008
Lompoc	28% of total rebate funds paid out for 2008
Biggs	no rebate funds reserved as of May 18, 2008
Alameda	\$8,400 out of \$420,000 total solar rebate funds reserved
Lodi	85% of residential rebate funds reserved for 2008; 73% of non-residential rebate funds reserved for 2008

# Lodi Solar Rebate Pilot Program (K-1)

Lodi City Council  
June 4, 2008



# Overview

- Program is required under Senate Bill 1 (SB1)
- Lodi, in full compliance with SB1, launched the Lodi Solar Rebate Program on 1/1/08
- SB1 requires that rebates for installed solar systems begin at \$2.80/watt;
- Decreases by 7% each year starting in 2009 (through the 2017 life of the program)



# FY09 Budget

- Total annual budget for solar rebates is \$600,000 (roughly \$6 million over the ten year run of the program)
- 25% of the \$600,000 is earmarked for residential solar rebates; 75% for non-residential solar rebates during the 2008 calendar year
- To fund the rebates, there is the 'California Solar Surcharge' – it appears on all monthly customer utility bills (.00125 cents/kWh)



# Customer Participation

As of May 18, 2008:

- 10 residential solar rebate applications received, totaling \$127,947.40
- 5 residential solar rebates issued, totaling \$83,568.40
- 6 non-residential solar rebate applications received, totaling \$330,039
- No non-residential solar rebates issued



# Marketing & Customer Outreach

- To market the program, which is a requirement of SB1, Lodi Electric Utility has:
  - Published 2 articles in the Lodi Utility News newsletter
  - Run 6 ads in the Lodi News-Sentinel
  - Issued 2 press advisories
  - Held 2 Lodi Solar Fair community events
  - Program information posted at [www.lodielectric.com](http://www.lodielectric.com)



# Solar Permit Fees

- \$460 flat fee for residential projects
- \$660 flat fee for non-residential projects



# Next Steps

- Conduct a 3<sup>rd</sup> Lodi Solar Fair this summer (date TBD; will be advertised in newspaper)
- Continue to track developments at the state level (changes to CA Solar Initiative could be coming)
- Report back to City Council with another staff report in either December '08 or January '09



# Program Information

- For more information, citizens are urged to visit our website at: [www.lodielectric.com](http://www.lodielectric.com)
- Once there, click on the Lodi Solar Rebate Program icon
- Or call us at 333-6815



# Lodi Solar Rebate Pilot Program

- Questions?

