



CITY OF LODI
COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Extend for One Year (2009) the Lodi Solar Rebate Program as Developed by the Electric Utility Department Not to Exceed \$825,940 and Making Necessary Appropriations (EUD)

MEETING DATE: December 17, 2008

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to extend for one year (calendar year 2009) the Lodi Solar Rebate Program as developed by the Electric Utility Department not to exceed \$825,940 and making necessary appropriations.

BACKGROUND INFORMATION: 2009 will mark Year Two of a 10-year state-mandated program designed to encourage the installation of photovoltaic (solar) systems on the rooftops of residential, commercial/industrial and municipal buildings. Senate Bill (SB1), otherwise known as the "California Solar Initiative" or CSI, was enacted into state law in August 2006. In short, the CSI requires all electric service providers in the state to maintain a rebate program for the installation of eligible solar systems. The official start date of the CSI was January 1, 2008. The City of Lodi is in full compliance and is now prepared to enter into the second year of this 10-year program.

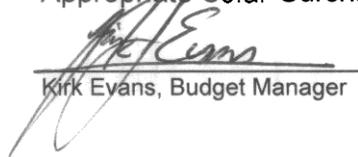
Lodi's annual program budget is \$600,000. This figure is based upon the formula provided in the state law using total energy sales during the fiscal year 2005-2006 (Lodi's municipal utility percentage share of the CSI spending obligation is 0.79%; the total mandated rebate dollars for Lodi over the entire 10-year program period is approximately \$6 million, while the total municipal utility share of the CSI for the 10 years is \$784 million).

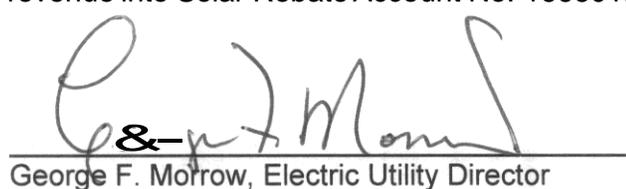
For the 2008 program year, a total of \$374,060 was expended on rebates for installed solar systems through November. This results in a "carryover" amount to 2009 of \$225,940. With \$600,000 in new 2009 funds plus the \$225,940 in 2008 carryover funds, the total amount available for rebates in 2009 will be \$825,940. Of this amount, \$800,000 will be earmarked for customer rebates and \$25,940 will be expended on program marketing, customer education and outreach, which are expenses allowed under the state law.

A detailed list of 2009 program requirements and specifics is highlighted on Attachment A.

FISCAL IMPACT: \$825,940 (not to exceed). The program is funded via the California Solar Surcharge, which is an element of the Lodi Electric Utility rate tariffs.

FUNDING: Appropriate Solar Surcharge revenue into Solar Rebate Account No. 166601.8098


Kirk Evans, Budget Manager


George F. Morrow, Electric Utility Director

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

APPROVED: 
Blair King, City Manager

RESOLUTION NO. 2008-246

A RESOLUTION OF THE LODI CITY COUNCIL
EXTENDING FOR ONE YEAR (2009) THE LODI SOLAR
REBATE PROGRAM AND MAKING NECESSARY
APPROPRIATIONS

WHEREAS, the California State Legislature and the Governor of California enacted a state law, known as the California Solar Initiative (Senate Bill 1), in 2006; and

WHEREAS, the California Solar Initiative requires all electric service providers to maintain a solar rebate program for ten years, commencing January 1, 2008; and

WHEREAS, the Lodi Solar Rebate Program, now entering its second year, will make available \$800,000 to residential and non-residential customers for installing solar systems on their property; and

WHEREAS, the specific 2009 Lodi Solar Rebate Program criteria and eligibility are outlined on Attachment A.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby extends for one year (2009) the Lodi Solar Rebate Program to be effective January 1, 2009, and authorizing the Electric Utility Department to implement said program generally in accordance with the concepts contained in Attachment A and to make programmatic adjustments as necessary to comply with the spirit of state law and to promote customer satisfaction and make necessary appropriations.

Dated: December 17, 2008

I hereby certify that Resolution No. 2008-246 was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 17, 2008, by the following Vote:

AYES: COUNCIL MEMBERS – Hitchcock, Johnson, Katzakian, Mounce,
and Mayor Hansen

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL
City Clerk



Attachment A

2009 Lodi Solar Rebate Program

- Term: January 1, 2009 to December 31, 2009
- Rebate/incentive program budget: \$800,000 (for 2009 calendar year program)
- Of the \$800,000 rebate budget, 35% (\$280,000) of said funds will be earmarked for residential PV rebates and 65% (\$520,000) of said funds will be earmarked for non-residential rebates (non-residential customers are defined as commercial, industrial, non-profit, and municipal); Note: the allocation of the \$800,000 in rebate funds was determined by 2007 calendar year megawatt-hour energy sales by customer class
- Rebates only provided for solar systems installed AFTER January 1, 2009
- Rebates provided *after* system is installed and confirmed operational/qualified by Electric Utility Department
- Customer may apply for a rebate before installation. A rebate application will hold the customer's place in line for available funds for up to ninety (90) days (note: if the system is not installed within this 90 day period, the customer must re-apply for a rebate)
- To reserve funding for a rebate, the customer must submit 1) a signed sales contract from their chosen solar installation contractor, 2) a completed rebate application and 3) documentation showing that an energy audit has been performed on their property (for residential customers only)
- Rebate for 2009 program year is \$2.60/watt
- Rebates are provided on a first-come, first-served basis
- Maximum rebate is up to \$375,000 per system, with a cap payment of \$75,000 per customer per year until entire rebate commitment is paid
- Panels must be installed per LEU engineering specifications, and comply with any state requirements
- Should either rate class (residential or non-residential) fail to utilize its share of funding by October 1, 2009, then customers from another rate class may access those rebate funds
- All solar systems must be installed, permitted and confirmed operational no later than December 1, 2009 to receive rebate
- Program funds unused in any one year will be carried forward to the next year or future years, less \$25,000 for administrative costs
- Residential customers must consent to on-site energy audit or must perform an on-line energy audit, and submit to the utility for record-keeping purposes
- Non-residential customers are encouraged to conduct an energy audit
- Customers will relinquish all "renewable energy credits" (REC's) and Green House Gas (GHG) allowances/credits to Lodi Electric Utility
- All customers must complete and sign an electrical interconnection and payment agreement before rebate is issued
- Residential, G-1 and G-2 customers will be paid for electric energy provided to EUD from the installed solar systems pursuant to the Net Metering and Co-Metering rate schedules, as appropriate
- Rates paid to G-3 and larger customers shall be memorialized in bilateral rate agreements which must be approved by the City Council, provided that such customers may elect to take service pursuant to the terms of EUD's Co-Metering rate schedule without further City Council approvals