



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt a Resolution Authorizing Necessary Appropriations for the Lodi Solar Rebate Program for Calendar 2010 (\$847,000) (EUD)

MEETING DATE: December 16, 2009

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing necessary appropriations for the Lodi Solar Rebate Program for Calendar 2010.

BACKGROUND INFORMATION: Senate Bill (SB1), otherwise known as the "California Solar Initiative" (CSI), was enacted into state law in August 2006. The CSI requires all electric service providers in the state to give rebates for installing eligible photovoltaic (solar) systems. CSI began January 1, 2008. The City of Lodi is in compliance and is prepared to enter the third year of this 10-year program. The program is administered on a calendar-year basis.

Lodi's mandated rebate dollars over the 10-year program period is approximately \$6 million, based on a formula in SB1 using energy sales in fiscal year 2005-2006. Lodi budgets \$600,000 annually, plus unspent carryover funds. On September 19, 2007, the City Council adopted Resolution No. 2007-191, approving Lodi's ten-year program and authorizing the Electric Utility Director to implement the program and adjust it to comply with the spirit of SB1 and to promote customer satisfaction.

Of \$1.2 million for the first two program years, a total of \$953,000 has been spent on rebates and program marketing or has been reserved by customers. The result is a "carryover" amount to 2010 of \$247,000. \$600,000 in new 2010 rebate funds plus the carryover funds, makes \$847,000 the total amount available for rebates in 2010. Of this amount, \$820,000 will be earmarked for customer rebates and \$27,000 for program marketing, customer education and outreach, which are expenses allowed under the state law.

2010 program requirements and guidelines are shown in Attachment A.

FISCAL IMPACT: \$847,000. The program is funded via the California Solar Surcharge, a Lodi Electric Utility rate tariff ordained by Ordinance 1802.

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


Jordan Ayers
Deputy City Manager


Kenneth A. Weisel
Interim Electric Utility Director

Prepared By: Rob Lechner, Manager, Customer Service & Programs
KAW/RSL/Ist
Attachment - 'A'

APPROVED: 
Blair King, City Manager



Attachment 'A'

2010 Lodi Solar Rebate Program

- Term: January 1, 2010 to December 31, 2010
- Rebate/incentive program budget for 2010: \$820,000
- Rebates only provided for solar systems installed AFTER January 1, 2010
- Rebates provided *after* system is installed and confirmed operational by the City of Lodi and Lodi Electric Utility (LEU)
- Customer must 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
- 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 2010 program year is capped at \$2.42/watt, which is \$2420/kW; for 2010, rebates will be determined utilizing the EPBB calculator at:
 - www.csi-epbb.com
 - once there, click on 'CSI Standard PV – Current Calculator'
 - once there, make sure to use 'PG & E' as the utility
 - rebate in 2010 will be the CSI Rating in kW, times \$2420/kW
- 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 (Note: in the event rebate funds are available as of December 15, the utility may accelerate payments to the customer.)
- 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, 2010, then customers from another rate class may access those rebate funds
- Solar systems with rebate funds reserved, but confirmed operational between December 15 and December 31, 2010, will receive the rebate in and at the rate of the 2011 program.
- Program funds unused and unreserved in any one year may be used for City of Lodi solar projects or otherwise will be carried forward to the next year or future years
- 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 environmental and capacity attributes, including, but not limited to, "renewable energy credits" and "Greenhouse Gas credits" to LEU
- Customers will be paid for electric energy provided to LEU from the installed solar systems pursuant to the Net Metering and Co-Metering rate schedules, as appropriate
- All customers must complete and sign an electrical interconnection and payment agreement before rebate is issued
- LEU reserves the right to amend the solar rebate program from time-to-time, as appropriate

RESOLUTION NO. 2009-172

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXTEND THE LODI SOLAR REBATE
PROGRAM FOR CALENDAR YEAR 2010, AND FURTHER
APPROPRIATING FUNDS NOT TO EXCEED \$847,000

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WHEREAS, the California State Legislature and the Governor of California enacted 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 City Council has adopted Resolution No. 2007-191, approving Lodi's ten-year program and authorizing the Electric Utility Director to implement the program and adjust it to comply with the spirit of SBI and to promote customer satisfaction.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to extend the Lodi Solar Rebate Program for Calendar Year 2010; and

BE IT FURTHER RESOLVED that the City Council further approves appropriating funds in an amount not to exceed \$847,000 from the California Solar Surcharge revenue to the Solar Rebate Account No. 166601.8098 for the Lodi Solar Rebate Program for rebates to customers for installing solar systems on their property, program marketing, customer education, and outreach.

Dated: December 16, 2009

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I hereby certify that Resolution No. 2009-172 was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 16, 2009, by the following Vote:

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

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk