

Feed-In Tariff Solar Program Largest in the Nation

The first solar installation to interconnect the city power grid is completed on a North Hollywood apartment complex.

By Los Angeles Business Council
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Photo by Fololia/Elenathewise

With the flip of a switch, on June 26, Los Angeles officials inaugurated the nation's largest rooftop solar Feed-in Tariff (FiT) program, enabling hundreds of building owners to create solar power plants on their rooftops and sell solar power to the Los Angeles Department of Water and Power (LADWP) for distribution on the city's power grid. All told, the LADWP FiT Program, originally proposed and supported by the Los Angeles Business Council and the CLEAN LA Solar Coalition, will generate 150 megawatts (MW) of clean, renewable solar energy—enough energy to power over 43,000 typical homes and reduce 147 metric tons of CO₂ emissions, which is equivalent to removing 28,300 cars off the road.

This morning, Mayor Villaraigosa, LADWP General Manager Ronald O. Nichols, LA Business Council President Mary Leslie, **Communities for a Better Environment President Bill Gallegos**, Solar Developer Christian Wentzel, and a coalition of key stakeholders who supported the program, gathered to officially "flip the switch" on the first solar panel installation to be interconnected to the city's power grid. Located on the rooftop of Oxnard Plaza Apartments, a multi-family apartment building in North Hollywood, the solar photovoltaic system will generate 142,000 kilowatt-hours of clean, renewable solar energy annually.

"We took a major step forward in creating a clean energy future for Los Angeles by flipping the switch on the first installation to be completed through the LADWP Feed-in Tariff Program – the largest offered by any city in the nation," said Mayor Villaraigosa. "The FiT program takes advantage of LA's abundant sunshine to spur new private sector investment that will create jobs and decrease our city's reliance on dirty fossil fuels."

LADWP General Manager Ronald O. Nichols said the FiT program is an important step forward in completely transforming the city's power supply and meeting the state-mandated renewable energy level of 33% by 2020.

"This first completed FiT solar installation is physical proof that our FiT program is moving forward as we planned and we could not be more pleased to be here to celebrate this milestone," Nichols said. "It's just the beginning of what we expect to be a long and beneficial public-private partnership. Within the next few years, Angelenos can expect to see thousands of solar panels installed on apartment buildings, warehouses, parking structures and other rooftops throughout the city."

The FiT program also rounds out opportunities for solar development in Los Angeles. Up until now, most solar projects in Los Angeles are built through the traditional net-metered Solar Incentive Program (SIP), where customers install solar panels that generate power for their own home or business and receive rebates from LADWP. Unlike the customer net-metered program, the FiT program enables participants to sell all their power to LADWP for distribution on the grid through a standard power purchase contract.

LABC President Mary Leslie said, "The Mayor issued a challenge for public-private solutions to bring clean, solar energy to Los Angeles. The FiT is an elegant solution because it is a simple contract that business understands and it creates new investment and jobs in L.A."

"A big advantage of local solar installations is that they generate clean, sustainable energy right here in Los Angeles, avoiding the cost of building new transmission or taking up capacity on existing lines," Nichols said. "This also avoids the cost of energy losses that occur when transporting energy from several hundred miles away."

The Oxnard Plaza solar installation is among the first wave of projects developed under the FiT Demonstration Program that solicited proposals for up to 10 MW of solar power capacity. Since then, LADWP has launched a fixed price program for 100 MW, offered in 20-MW allocations every six months. The first 20 MW was offered in February and resulted in 104 applications for projects within the City of Los Angeles for a total of 49 MW and several more applications for locations up in the Owens Valley. Of these, 60 applications have passed technical screening and agreements are anticipated to be signed this summer.

"When the LADWP Feed-in Tariff program was passed, my team immediately recognized the opportunity it represents, and we decided to set up our US headquarters in downtown Los Angeles," said Christian Wentzel, President and CEO of the Solar Provider Group, which is responsible for the Oxnard Plaza installation. As this program grows, our LA office will be hiring positions for business development, project management, construction management, finance, electricians and solar installers. We are thrilled to be here and thank the city officials for their leadership."

In the first tranche of this program, it was revealed that more than half of the projects are in areas of the city with both the highest solar potential and the highest economic need. **Bill Gallegos, CEO of Communities for a Better Environment, was in attendance as well and emphasized the opportunity this brings for all Angelenos. "We are concerned about the health**

and economic well-being of our community," he said. "What excites us about this program is the new opportunity it brings to address long standing issues in the communities of LA with high economic need. We will see job creation, small and medium-sized business development, and cleaner air to breathe."

The LADWP Feed-in Tariff program can serve as a model for other utilities in the country. According to a UCLA study, commissioned by the LA Business Council Institute, in its first five years the program is projected to:

Create 4,500 construction, installation, design engineering, maintenance and administration jobs right here in LA;

Power 43,000 typical LA households while offsetting 147,200 metric tons of carbon emissions;

Generate more than \$500 million dollars in private investment and leverage \$300 million in federal tax credits for LA Businesses;

Place half of the installations into the areas of LA that have both the highest solar potential and the highest economic need, creating jobs right where we have people ready to work.

Brad Cox, Senior Managing Director of Trammell Crow Company, said commercial property owners throughout Los Angeles should be thrilled about this program. "We have the largest underutilized rooftop capacity in California, and more than 300 days of sunshine a year," Cox said. "This is a no-brainer: a cost-effective method for businesses to create economic opportunity while generating energy in the LA basin."

In April, LADWP received the green light to proceed with an RFP for the final 50 MW phase of the total 150 MW FiT. The 50 MW of local solar will be bundled with a request for large, utility-scale solar that will be built on LADWP land in the Mojave Desert that has already been permitted for solar generation development.

The FiT program evolved through external meetings and discussions with business, environmental leaders and other stakeholders. Mayor Villaraigosa had challenged outside groups to create a market-driven clean energy program.

For more information about the LADWP Feed-in Tariff Program, please visit www.LADWP.com/fit.

For more information about the Los Angeles Business Council (LABC) and the CLEAN LA Coalition that worked to bring this program together, please visit www.CleanLASolar.org.

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