

Assessing the Promise of a Feed-in Tariff for Solar Power Generation in Greater Los Angeles

September 2009-March 2010

Project Description

In the search for clean energy solutions, new public policies are incentivizing solar energy throughout California. Governor Schwarzenegger's executive order mandates a 33 percent renewable standard by the year 2020. The California Solar Initiative provides incentives to suppliers of solar energy, while SB1 extended these incentives to customers of public utilities. Last year in Los Angeles, Mayor Villaraigosa released a long-term, comprehensive solar plan intended to help meet the future clean energy needs of the City. This plan includes a proposal for a solar Feed-in Tariff program administered by the Los Angeles Department of Water and Power (LADWP). As demonstrated in other cities throughout the world, Feed-in Tariffs can incentivize investment in solar infrastructure, stimulate local economies and create prevailing-wage jobs. However, implementation in other jurisdictions has also demonstrated how Feed-in Tariffs can create market barriers which inhibit solar technology and its associated economic benefits.

This study has been vetted and results are eagerly awaited by the Office of the Mayor, Los Angeles City Council, Los Angeles Department of Water and Power Commissioners and the Los Angeles County. The will contribute to the current debate about the future of solar energy policy in Los Angeles. The study will assess the value of a comprehensive Feed-in Tariff program in the region, evaluate the likely future costs of rooftop solar energy development and project the likely participatory rates and generation capacity under various alternative Feed-in Tariff scenarios. The final report will be used by regional policy makers as a guideline for Feed-in Tariff policy design in order to achieve lasting economic development and meaningful contribution from solar energy towards the region's renewable energy goals.

Over a period of six months commencing September 2009, the Los Angeles Business Council created a Solar Working Group consisting of leaders in the private, environmental and educational sectors in Los Angeles County (over thirty large property owners). The LABC commissioned a solar study to be completed by a team of researchers from the UCLA School of Public Affairs: Lewis Center for Regional Policy Studies and the UCLA School of Law: Emmett Center for Climate Change and the Environment. Phase I of the study will establish scalability for solar in the LA basin, guidelines for Feed-in Tariff design and will critically assess existing Feed-in Tariff programs. Phase II will estimate participation rates of rooftop solar providers under alternative program designs, which will include solar technology installed on commercial and industrial property, parking lots, in open space, and residential buildings. The research team will produce written reports at the end of each phase.

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