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(213) 300-8228

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CLEAN LA Solar Plan Supports Governor's Vision for Local, Renewable Power; Rooftop Solar Program Would Spur \$2 Billion in Private Investment, Create Thousands of Local Jobs

Opinion survey finds huge support among local voters; plan promotes social equity

LOS ANGELES – With solar industry leaders and public officials working to meet Governor Edmund G. Brown's ambitious state-wide goals for local, renewable power, the Los Angeles Business Council and a broad coalition of supporters today called on the LADWP to implement the CLEAN LA Solar Plan, which would produce 600 MW of locally generated rooftop solar power, create thousands of local jobs and spur as much as \$2 billion of private investment. The plan enjoys huge support among the public, with an opinion survey showing that more than eight in 10 local voters are in favor.

LABC President Mary Leslie, a former LADWP commissioner, joined hundreds of solar industry leaders and public officials at a major conference today at UCLA, where she thanked Governor Brown for his leadership in seeking to make California the clean-energy leader. Leslie also said the nation's largest municipal utility has the wherewithal to implement the CLEAN LA program now, after more than two years of evaluation of CLEAN LA and other sustainable energy plans.

"Governor Brown's vision enables communities across the state to create renewable energy programs that meet local needs. Here in Los Angeles, we've designed the CLEAN LA solar plan to create jobs, foster private investment and take advantage of hundreds of millions of dollars in federal tax credits," Leslie said. "We call on the LADWP to deliver on the promise of a meaningful local rooftop solar program that is great public policy and a terrific economic development initiative."

The CLEAN LA plan meets important city needs at a reasonable cost, especially when considering federal tax credits available to offset the costs for business owners, the lack of meaningful solar production in the city to date, and the looming state requirements for clean energy. Further, newly released figures show that the solar proposal actually produces cost-savings for the utility's ratepayers over the course of its 30-year life.

LABC, in conjunction with top researchers at UCLA and USC, has conducted several in-depth studies showing that the plan would create as many as 18,000 job-years, while spurring private investment of as much as \$2 billion. One job-year is economic investment sufficient to employ one person for one year. Important to the success of the program is taking advantage of federal tax credits, set to expire at the end of 2016, which could finance as much as \$300 million of the program.

CLEAN LA advocates are stepping up their advocacy efforts for a major solar program in Los Angeles as industry officials and state leaders work together at the UCLA conference to determine how best to meet Governor Brown's ambitious plans for 12,000 MW of renewable power to be generated within the local power distribution grid by 2020.

The CLEAN LA program has a simple design: residents and building-owners would be paid a set rate of return for power generated by rooftop solar panels. UCLA's studies have found that building owners can be incentivized to participate by having LADWP pay them a slight premium for the power that is generated. This, in turn, grows the amount of local, clean power in Los Angeles. As a result of the economics of energy costs – falling prices for solar panel installation and natural gas prices that are expected to rise over time – the plan actually saves ratepayers money over its 30-year life.

In its first year, the program would cost residential ratepayers an average of 18 cents per month. Even at its highest cost, in year six, the program would cost only 57 cents per month. Despite the current economic environment, voters are undeterred by a small increase to their electric bills. Fully 81 percent of those surveyed would support the plan if it added 31 cents a month to their electric bill, while 60 percent would be willing to spend \$1 per month for the local solar rooftop plan.

Richard Maullin, whose firm, FM3, conducted the public opinion survey of 600 voters earlier this year, said: "The survey's results show that the public is looking for opportunities to translate its widespread general enthusiasm for solar energy into support for specific, practical solar deployment programs." Further, he said, "Given that local residents are willing to spend a few pennies each month to help create a program that will have benefits for decades to come, it's clear that the key is to have a well-constructed program that has both environmental and economic benefits, and to articulate those benefits very clearly."

The significant environmental benefits come without the high price tag of some other energy programs. The CLEAN LA solar plan would produce 600 MW of locally generated solar energy – enough to power 137,000 typical Los Angeles homes – while providing a significant step toward meeting the state-mandated requirement that local utilities generate 33 percent of their power from renewable sources by 2020.

Just recently, LADWP announced that it planned to create a 75 MW solar feed-in tariff, or FiT, over the next five years. But UCLA's J.R. DeShazo, who has done extensive research on FiTs, pointed out that one of the key attributes of these programs is the number of jobs they create, and another is their ability to be cost-neutral over time. LADWP's proposed plan is too small to score big on either front, he said.

"LADWP's plan is a well-meaning start that is, unfortunately, too small to have the desired impact," DeShazo said. "Ratepayers deserve a well-designed plan that can deliver jobs, economic investment and significant supplies of clean, local energy. The CLEAN LA solar plan does all of those things, and achieves cost savings over time."

An additional benefit of the CLEAN LA solar program is that it would catalyze benefits to low-income residents of Los Angeles. Thanks to a joint study conducted by UCLA and USC, known as "Making a Market," researchers have found that many of the areas with high solar potential match with low-income parts of the city. That means great potential for job-training and employment of local residents, in addition to potentially subsidized utility costs for apartment dwellers.

Mary Silverstein, executive director of Los Angeles Housing Partnership, a non-profit developer and landlord, said the cost savings from solar panels installed on all of their new apartment roofs starting in 2008 have led to practically zero common area electric costs. These savings are transferred to their low-income residents in the form of free services, such as job training and educational centers. "We want to see other landlords adopt solar power as a standard," Silverstein said. "The CLEAN LA plan creates an incentive for multi-family developers to pass on the economic and social benefits to their tenants."

These benefits are keenly observed by the banking community. Janet Lamkin, California state president for Bank of America, who is slated to introduce the Governor during the conference opening, said: "We believe that the growing market for renewable and other forms of low-carbon energy, particularly solar, have tremendous investment potential. This potential is further enhanced by the positive social impact it will have on the distinct and diverse neighborhoods of Los Angeles."

LABC Chairman Jacob Lipa, who is also executive vice president of PsomasFMG, a leading engineering and solar development firm, summed up the CLEAN LA solar program's benefits by pointing out that it enables environmental and economic needs to be met hand-in-hand. "At a time of double-digit unemployment, it is essential that we create good jobs for Los Angeles," Lipa said. "The fact that they're clean-energy jobs makes this a real win-win."

Key attributes of the CLEAN LA solar program include the following:

- Market-driven solution that rewards businesses and residents
- Significant local job-creation and new market for solar manufacturing
- Cost-effective program that is competitive with other energy sources
- Makes use of Los Angeles' abundant sunshine, and creates renewable, clean energy
- Provides lower-cost peak power alternative and helps meet LADWP's Renewable Portfolio Standard goal of 33% by 2020, at a much lower cost than many other renewable options
- Makes use of hundreds of millions of dollars in federal tax incentives
- Features a simple application, established price and guaranteed access to the grid
- Enables the city to meet state mandates for local FiT programs, as laid out by SB 32
- Provides opportunities for low-income residents of multi-family apartment buildings to benefit from solar installations on their rooftops

For more information, visit www.labusinesscouncil.org/sustainability.

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