



CLEAN LA Solar Program Backgrounder:

Cost-Effective Renewable Power and Local Job Creation for Los Angeles

In September 2009, the Los Angeles Business Council (LABC) created a solar working group consisting of civic leaders in the private, environmental and educational sectors to investigate the promise of a solar feed-in tariff (FiT) policy in Los Angeles. A FiT allows businesses and residents to install solar panels on their roofs and sell the power generated back to the local utility. Over the months, the coalition has grown, and is now known as CLEAN LA (clean local energy accessible now) solar coalition.

The UCLA Luskin Center for Innovation was commissioned to conduct several studies of FiT programs on behalf of the LABC Solar Working Group, and has presented its findings to business, community and civic leaders. Mayor Antonio Villaraigosa first called for a solar FiT program in 2008, and has renewed his commitment on multiple occasions. The CLEAN LA solar plan is a comprehensive, fully researched proposal that has won support from business, community, labor and environmental leaders. The CLEAN LA coalition is actively seeking approval of its solar plan by the LADWP and local elected officials.

The CLEAN LA solar coalition, led by LABC, is working in partnership with City officials to develop a 10-year, 600 MW program, starting in late 2011. This program would generate \$2 billion in private local investment and create approximately 16,000 job-years* in the greater Los Angeles area, with minimal ratepayer impact. Essential to its success is the use of federal tax credits, in place through 2016, which will provide as much as \$300 million to local businesses and homeowners for solar installation. The first phase of this program would be 150 MW, to be implemented by 2016.

As of July 2011, UCLA has updated its ratepayer impact model with latest available data. The program is now more cost-effective than ever, based on the falling cost of solar installation and the anticipated rise in natural gas prices. Over its 30-year life, the CLEAN LA solar plan saves money for ratepayers. Even at its maximum impact, the cost is only 18 to 57 cents per month for the average residential customer. During the second half of its lifecycle, the program generates savings of as much as 94 cents per month.

The CLEAN LA solar proposal would be the largest – and most cost-effective – FiT in North America. Its appeal includes many factors:

- 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; saves money over time
- 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

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* A job-year is economic investment sufficient to employ one person for one year.

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