



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 program 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 (clean local energy accessible now) LA solar coalition.

The UCLA Luskin Center for Innovation was commissioned to conduct a study of FiT programs on behalf of the LABC Solar Working Group, and has presented key findings to business, community and civic leaders. The Los Angeles City Council is now reviewing the CLEAN LA solar proposal, and is working toward enactment in partnership with the LADWP. 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, carefully researched proposal that has won support from business, community, labor and environmental leaders.

The CLEAN LA solar coalition, led by LABC, is working in partnership with the City on a five-year, 150-MW program, starting in July 2011. This 150-MW program would generate \$500 million in local investment, create approximately 4,000 job-years* in the greater Los Angeles area, and have a minimal ratepayer impact of 19 cents per month for the average residential customer. Essential to the success of the program 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. Ideally, this program would be scaled to 600 MW, with the balance being achieved by 2020, to be most cost-effective and achieve savings over time. The Clean LA solar proposal would be the largest – and most cost-effective – FiT in North America.

The appeal of a solar FiT such as the CLEAN LA solar proposal 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
- 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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