

# CLEAN-UP LA: Solar Feed-in Tariff (FiT) Program

CLEAN ENERGY FOR AMERICA NOW - Los Angeles

CLEAN-UP LA is a 600 MW solar (FiT) program proposed by the Los Angeles Business Council (LABC) for adoption by the Los Angeles City Council and implementation by the LA DWP. Designed by experts at UCLA, it would create a vibrant solar market in the City of Los Angeles by utilizing our abundant resources of sunshine and available rooftop space as a cost-effective clean energy source that would create local jobs, reduce pollution and generate revenue for all kinds of businesses, homeowners, schools and hospitals. CLEAN-UP LA, which is part of a national solar energy effort, will demonstrate to the nation that LA can be an example and lead the way in transitioning from fossil fuels to clean energy.

A solar reward program has been a priority for Mayor Villaraigosa since August 2009. Solar rewards have been successfully implemented in cities and countries around the world. LABC asked experts from UCLA to closely analyze and study the best practices of those efforts in order to design CLEAN-UP LA.

**Here's how the program works:** the utility would reward participating businesses, public and non-profit organizations and residents that have installed solar panels on their roofs or on their property with a guaranteed set payment for the solar energy they produce. The program is set for 10 years and designed to be cost competitive with existing renewable power.

**Environmental benefits:** Once installed the 600 MW of solar power over 10 years will be enough to power 137,000 typical LA households. The solar energy produced by the program offsets 9,000,000 tons of carbon emissions from burning coal and natural gas. The program would also be an important component in helping utilities to meet renewable energy goals such as those called for by AB 32, which will require all utilities to meet 20 percent of their power needs with renewable sources by the end of the year, a mandate that the California Air Resources Board (CARB) has just increased to 33 percent by 2020.

**Economic Development:** The Angeleno Group conservatively estimates that the private sector investment in a 600 MW CLEAN-UP LA Solar FiT will generate more than \$2 billion dollars in private investment over 10 years.

**Job Creation:** UCLA estimates that CLEAN-UP LA will

produce 18,000 thousand jobs over the program's ten years, approximately 1,400 - 1,800 per year, primarily in construction, installation, design engineering, maintenance and administration of new clean energy infrastructure. The program would signal a long-term political commitment to greening Los Angeles and could be used as an incentive to attract clean-tech firms and manufacturers to our region and keep them here.

**Costs:** This program is envisioned as being paid for by current LADWP budgetary resources.

**How to participate:** An effective solar reward program should be implemented with a streamlined application procedure, must-take contract and guaranteed access to the grid. Federal tax credits will cover 30% of the project's installation costs. Over the life of the investment quality contract, participants will achieve a payback of the system costs and provide a return on investment. The fixed payments of a solar reward program facilitate access to project financing by providing a predictable revenue stream, helping to overcome one of the biggest challenges facing renewable energy projects.

**Homeowners** would contact a solar company to provide an estimate for installation, then much like a car loan, obtain financing from banks and other third parties to purchase or lease the installation.

**Businesses** and other entities can also leverage an additional 10% state credit if they are located in an enterprise zone.

**Renters** living in multifamily housing will also benefit from this program. LABC and UCLA have partnered with USC for third phase of program design that will focus on how the abundant rooftop solar potential of multi-family housing can be accessed by residents.

**CLEAN-UP LA is endorsed** by LA City Council leadership including Council Members Garcetti, Koretz Perry, Rosendahl and Smith and by a broad coalition of civic organizations including the Sierra Club, Global Green, Tree People, Los Angeles Area Chamber of Commerce, LA Conservation Corps, Clean Economy Network, Cal SEIA, Enterprise Community Partners, Faith 2 Green, BOMA, AIA-LA, USGBC, LA Family Housing, and the Union Roofing Contractors Association.

**For more information about the LABC go to [labusinesscouncil.org](http://labusinesscouncil.org)**

**The LABC/UCLA Program Key stats:**

- Generates 600 megawatts of solar energy over 10 years
- Utilizes LA's approximately 5.5 gigawatts of rooftop solar potential (estimated breakdown: 50% commercial, 25% single family homes and 25% apartment buildings)
- Powers 137,000 typical LA households
- Avoids an estimated 9 million metric tons of CO2 emissions
- Leverages over \$2 billion in private investment

