



**CALIFORNIA SOLAR ENERGY INDUSTRIES ASSOCIATION**

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**SOLAR INDUSTRY SUPPORTS LOS ANGELES SOLAR PLAN, EXPRESSES CONCERNS  
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The proposed Los Angeles Solar Plan advocates a far reaching, comprehensive program that will increase the use of solar throughout Los Angeles to private citizens and businesses, and add utility owned solar generation. CALSEIA is generally supportive of the Los Angeles Plan but has concerns about how the plan will impact the private solar companies doing business in and around Los Angeles. CALSEIA has reviewed and discussed the plan with its proponents. CALSEIA has concerns.

The California Solar Energy Industries Association (CALSEIA) supports the expanded use of all solar technologies, including both residential and large-scale solar projects, as well as solar generation within a community (sometimes called distributed generation). Solar technologies include solar thermal, solar electric, and solar pool heating. Each of these technologies contribute to reduced demand for natural gas and electricity, reduced pollution in the community, and reducing greenhouse gas emissions. The solar industry is also creating new opportunities for jobs at all skill levels for a variety of occupations: administration, financing, installation, inventory/warehouse, etc.

- 1. ELEMENTS OF THE LOS ANGELES SOLAR PLAN ARE OUTSTANDING.** The Plan identifies elements that would address increasing private ownership of solar equipment, workforce training, permit streamlining, increased private sector participation, financing and standard power purchase contracts, low-income/economic justice, and greenhouse gas emission reductions through solar thermal programs. If successfully implemented, this program can serve as a Blueprint for other publicly owned utilities throughout the United States. As a result, CALSEIA is committed to helping the City and the Department of Water and Power at each step of the program's implementation to ensure its success.
- 2. ONE COMPONENT MAY CREATE UNNECESSARY HIGHER COST OF SOLAR GENERATION.** One aspect of the Los Angeles plan proposes that the City build 400 megawatts of solar generation. This component envisions using City employees, within the Department of Water and Power, to install the systems. We understand that LADWP will release a financial impact study in the upcoming weeks. This study should compare the costs of installation between the Department of Water and Power and industry to compare the cost to ratepayers, especially given that the ratepayers will bear the entire cost of installation and maintenance of the installed capacity as defined by the current plan. The long-term cost implications to the City to employ and maintain this workforce after the City has completed these projects should be assessed as well as its impact on decreasing employment opportunities for local solar business owners. Regardless of who installs, the installation and maintenance costs must be affordable to ratepayers. CALSEIA has already provided information to the City and the Department of Water and Power which identifies mechanisms to lower these costs, and looks forward to continuing to work with the City. (The City already requires prevailing wage rate be paid so this program component would have the effect of displacing good, private sector jobs). If this component was not implemented, it would be likely that the City would have to increase goals in other program elements – which may be a better approach.

3. **INACCURATE COST COMPARISON OF ENERGY RESOURCES.** The Plan includes a chart on page 7 comparing energy resource costs. While coal may be a baseload energy generation resource for the City of Los Angeles, it should not be included as a comparison against other in-basin generation. It simply is not an option for the City to build new in-basin coal generation and it is almost as likely that it will not build new in-basin natural gas generation. Therefore, it is misleading to include technologies that are not a possible option for the City. CALSEIA recommends that the chart be revised to show only the costs of generation that is possible in the basin. CALSEIA suggests that an out-of-basin generation chart be added showing true costs of new out-of-basin generation and related transmission costs from point of generation to point of delivery, factoring in transmission losses and transmission maintenance, environmental and greenhouse gas emission costs. This will be helpful for citizens assessing the rate impacts to understand that the options are more limited than the chart suggests.

**Measure B.** CALSEIA takes no position on Measure B. Whether Measure B passes or fails, CALSEIA believes the City of Los Angeles will take the necessary steps to meet its commitment to using renewable energy for 20% of retail electric sales by 2010 and 35% by 2020.

CALSEIA is committed to helping the City of Los Angeles successfully implement its Los Angeles Solar Plan. Notwithstanding its concerns, CALSEIA can support the majority of the Plan and recommends the City and Department of Water & Power move forward now to implement components of the plan that are not affected by Measure B.

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