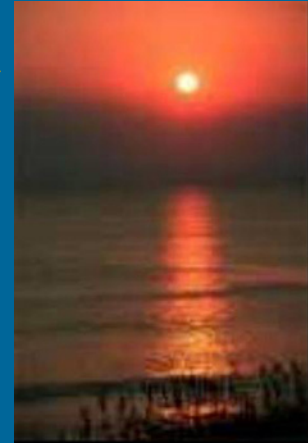


Solar and Energy Efficiency District



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AB 32

- Reduce greenhouse gas emissions to 1990 levels by 2020



AB 32 Compliance

- Residential, commercial, and electricity sectors contribute 32% of the state's total greenhouse gas emissions
- Significant energy conservation potential in retrofit market
- Local governments have pioneered new financing mechanisms
 - City of Berkeley – Berkeley FIRST
 - City of Palm Desert – Energy Independence Program
 - Other programs are underway

Barriers to Energy Efficiency & Solar Investments

- Large initial investment
- Concerns about impacts to property values
- Lack of standards
- Lack of confidence in “solar power” technology
- Lack of an effective channel to serve small accounts

Solar & Energy Efficiency District

- Create a community facilities district on behalf of ABAG members
- Finance up-front cost of solar and energy/water efficiency projects on private property
- Joint venture proposal with PG&E
- Provide comprehensive services to individual customers
- Link to green jobs and permitting issues

Consumer Benefits (1 of 2)

- Up-front cost financed over 20 years through property tax bill (even if property is sold)
- Potentially lowers energy bill to lifeline level
- Lower energy bills offset costs
- Acts as a hedge against future energy price inflation

Consumer Benefits (2 of 2)

- Easier to access financing
- Maximizes available state and federal subsidies (up to 40-50% of solar PV cost)
- Works with existing state and PG&E initiatives
- Provides quality control over contractors

Benefits of Regional Administration

- Spreads costs over a large market
- Shares overhead costs
- Program administration is complex
- Bond financing needs to be large enough to trade in market (\$3 to \$5 million)
- Bond financing is renewable and transferable

Next Steps

- Refine program scope
- Define administrative responsibilities
- Source of seed and start-up money
- Research green jobs component
- Passage of SB 279 (Hancock)

Time Frame: Assumes SB 279 Passes as Urgency Bill

- Passage of SB 279 7/09
- Governor's Signature no later than 8/09
- Effective Date of SB 279 9/09
- Form Financing District 11/09
- Validation Judgment 2/10
- Initiate Program 3/10

Recommendation for CEC Next Steps

- Allocate portion of SEP funds for regional & local government comprehensive community-scale retrofit and solar programs
 - Establish a revolving fund to provide interim financing
 - Provide grants for start-up funds to regional & local governmental entities for program assembly, setup, and operations
 - Create loan loss and interest rate float reserve fund
 - Establish statewide public education and marketing fund