12/18/2007

AGENDA REPORT

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TO: Dave Adams, City Manager

FROM: Nasser Abbaszadeh, Engineering and Building Director

SUBJECT: Consideration of Adoption of a Solar Energy Incentive Program

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RECOMMENDATION:

By motion, adopt a Solar Energy Incentive Program as presented by staff, to be effective from January 1, 2008 to December 31, 2008.

Background:

Renewable energy is a natural choice. Harnessing the earth's own inexhaustible energy, whether from the sun, wind, fuel cells, or other renewable sources, can reduce dependence on fossil fuels and provide clean, affordable electricity.

The state of California has made a bold decision, to place 3,000 megawatts of new, solar produced electricity systems on rooftops by 2017. Governor Arnold Schwarzenegger's goal is to put solar systems on a million California roofs.

In 2002, California established its Renewable Portfolio Standard Program, with the goal of increasing the percentage of renewable energy in the state's electricity mix to 20 percent by 2017. The California Energy Commission has recommended accelerating the goal of 20 percent by 2010 and increasing the target to 33 percent electricity from renewable energy by 2020. The state's Energy Action Plan supports this goal.

Benefits of Renewable Energy

Choosing renewable power provides many benefits:

- Making use of secure, indigenous, and sustainable natural resources.
- Helping to keep our air clean.
- Potential to reduce the production of carbon dioxide - a leading contributor to global climate change.
- Helping to create jobs for Californian and American workers.
- Reducing dependence on imported oil nationwide.

By purchasing electricity generated from renewable resources or installing a renewable energy system on a home, one can demonstrate a commitment to a healthy environment and a thriving economy.

Today, thousands of Californians have already made the switch to renewable energy, producing clean, "green energy" for themselves.

Why Solar?

Those who are putting solar on their homes, businesses or other buildings are making a difference. The highest level of electricity usage in California is during our hot, dry summers.

Air-conditioners are one of the largest usages of energy. So, powering our air-conditioners and other electrical needs with our abundant sunshine makes sense.

Photovoltaic (PV) power systems convert sunlight directly into electricity. A residential PV power system enables a homeowner to generate some or all of their daily electrical energy demand on their own roof, exchanging daytime excess power for future energy needs (i.e. nighttime usage). The house remains connected to the electric utility at all times, so any power needed above what the solar system can produce is simply drawn from the utility.

1. A PV system reduces, or can completely eliminate, the amount of electricity you have to purchase from the utility or electric service provider.
2. A PV system can save you money on your electricity bill and act as a hedge against future price increases.
3. The electricity generated by your PV system is clean, renewable and reliable.
4. You help your community by reducing the electricity demand and provide additional electricity for the grid when you generate more than you use during the day, when this demand is highest.

Promoting PV and providing incentives to San Juan Capistrano residents and businesses is a natural continuation of the City's commitment to the environment, and a way to reduce the City's carbon footprint.

Staff recommends to the City Council the following program:

From January 1, 2008 to December 31, 2008, the City will provide the following incentives to promote the installation of PV in the City:

1. Residential (single family) = $350
2. Commercial, industrial, and multi residential, up to and including 3000 SF footprint = $350
3. Commercial, industrial, and multi residential, over 3000 SF footprint = $700

Staff will provide public education material at the front counter and on the City's website on PV. Staff will research all available rebates and make them available to the public

on the City's website. In addition, staff will host public workshops if needed to educate citizens on PV and available rebates.

As a further incentive, staff will continue the present policy of not routing rooftop proposed PV system permits through its discretionary DRC process, as long as the system is within 12" of the existing roof plane. This policy will serve to continue to minimize aesthetic and view blockage issues while also saving property owners time and money.

Staff will provide an update to the City Council in November 2008 on the PV status and on the number of permits issued, and if the rebate program should be continued for another year or discontinued. In the past year, the City had only three PV permits.

COMMISSION/BOARD REVIEW AND RECOMMENDATIONS:

Staff met with the Mayor's Environmental Sub-Committee and presented the Solar Energy Incentive Program and the Sub-Committee concurred with staff recommendation.

FINANCIAL CONSIDERATIONS:

The Building Division will realize some reduction in fees to be collected. However, the reduction will be offset by environmental gains.

NOTIFICATION:

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RECOMMENDATION:

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Respectfully submitted,

Nasser Abbaszadeh, PE
Engineering and Building Director

Prepared by,

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