

CITY COUNCIL COMMUNICATION



MEETING DATE: January 5, 2010

ITEM NUMBER: 9C

TYPE OF ITEM: Consent

PRESENTED BY: Bill Ewer, LPC Customer Services and Marketing Manager, 303-651-8793, bill.ewer@ci.longmont.co.us

SUBJECT/AGENDA TITLE: GEO Solar PV Matching Grant Program Application

EXECUTIVE SUMMARY:

The Colorado Governor's Energy Office (GEO) is now accepting partnership applications for the 2010 Solar Photovoltaic (PV) Matching Grant Program to provide solar system rebates to residential and commercial customers. The GEO matching grant is available to local governments and utilities that sponsor solar rebate programs and wish to partner with the state to leverage funds, administration and marketing.

Longmont Power & Communications (LPC) sponsored a very successful solar rebate program in partnership with GEO in 2008-2009. The program resulted in the installation of 18 residential systems and 2 commercial systems with total electric generating capacity of 61.6 kilowatts. LPC issued \$175,000 in rebates to Longmont customers, with LPC and GEO each providing one half of the funding (\$87,500).

As a result of the 2008-2009 solar rebate program, LPC currently has 12 residential and 1 commercial solar rebate applications on a waiting list pending funding of a new 2010 solar rebate program. The 13 pending applications are for a total of 55.7 kilowatts of electric generating capacity and represent \$122,370 in total rebates if solar systems are installed as proposed. In addition, LPC has received numerous inquiries from residential and commercial customers who have indicated interest in installing solar systems if Longmont offers a solar rebate program in 2010.

If Council approves, LPC will apply for a GEO matching grant of \$150,000 to fund a Longmont Solar PV Rebate Program in 2010. If the application is successful, LPC will return to Council for approval of a state contract and a 2010 supplemental budget appropriation of \$150,000 to provide LPC matching funds for the solar rebate program. Total Longmont solar rebate program funding in 2010 would be \$300,000. The program would begin by April 1 and run through December 31, 2010.

COUNCIL OPTIONS:

1. Direct LPC staff to submit a GEO Matching Grant application for \$150,000 to fund a 2010 Longmont Solar PV Rebate Program.
2. Direct LPC staff to submit a GEO Matching Grant application for another amount determined by Council to fund a 2010 Longmont Solar Rebate Program.
3. Direct LPC staff to not submit a GEO Matching Grant application to fund a 2010 Longmont Solar Rebate Program.



RECOMMENDED OPTIONS:

Staff recommends approval of Option 1: Submit a GEO Matching Grant application for \$150,000 to fund a 2010 Longmont Solar Rebate Program.

FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION:

If Option 1 is pursued and the GEO Matching Grant application for \$150,000 is approved, LPC will return to Council for approval of a state contract and a 2010 supplemental budget appropriation of \$150,000 to provide LPC matching funds for a Longmont solar rebate program.

BACKGROUND AND ISSUE ANALYSIS:

The Colorado Governor's Energy Office (GEO) launched a Residential Solar Rebate Program in June 2008 and expanded to include a Commercial Solar Rebate Program in February 2009. The GEO offered matching grants to local governments and utilities willing to provide funds for local programs. LPC applied for and received a total of \$100,000 in matching grants from GEO in the 2008-2009 program timeframe. Council approved LPC supplemental budget appropriations of \$100,000 to match GEO funds. The LPC solar rebate program supported 18 residential and 2 commercial solar system installations and paid \$175,000 in rebates. In addition, about \$15,000 in GEO and LPC funds were expended on program marketing and administration. The 2009 solar rebate program ended on June 30, 2009 when the state fiscal year ended and program funding did not carry over.

Since the 2008-2009 program ended, LPC has received 12 residential and 1 commercial solar rebate applications that are on a waiting list for potential future program funding. In addition, LPC has received numerous inquiries from residential and commercial customers who have indicated interest in installing solar systems if Longmont offers a solar rebate program in 2010. The applications currently on the waiting list represent 55.7 kilowatts of solar electric generating capacity and \$122,370 in rebates if solar systems are installed as proposed.

GEO is now accepting applications for the 2010 Solar PV Matching Grant Program. The program benefits include:

- Secured state funding to match local funding for solar rebates in partner territory
- State matching funds will double the rebate amount in partner territories, making the incentive more attractive to local customers
 - The state will administer the rebate program on behalf of the partner, including rebate application processing, verification and check distribution (eliminating partner administrative expenses)
 - The state will provide monthly reporting to partners, including status of rebate funds, records of issued rebates and customers participating in the program
 - The state will implement intensive education and outreach to local residents, including co-branded marketing materials
 - Any unused local rebate funds will be returned to Longmont when the program ends.

If Council approves, LPC will apply for a GEO matching grant of \$150,000 to fund a Longmont Solar PV Rebate Program in 2010. If the application is successful, LPC will return to Council for approval of a state contract and a 2010 supplemental budget appropriation of \$150,000 to provide LPC matching funds for the solar rebate program. Total Longmont solar rebate program funding in 2010 would be \$300,000. The program would begin about April 1 and run through December 31, 2010.

LPC staff supports a matching grant partnership with GEO because (1 it will secure state rebate funding for Longmont solar installations, and 2) it will provide Longmont residents and businesses with a solar rebate of \$3.00 per watt of installed solar capacity, which is competitive with other utility solar rebates currently available in the state. (By comparison, Xcel Energy currently offers a rebate of \$3.50 per watt).

If LPC does not participate in the matching grant program, Longmont residents and businesses will still be able to apply for a state solar rebate of \$1.50 per watt. However, funding for the state solar rebate program is based on a first-come, first-served basis and is not guaranteed. In a partnership between LPC and GEO, state funding for Longmont customers is secured with a maximum rebate amount of \$9,000 for residential customers and \$30,000 for commercial customers. Without a partnership between LPC and GEO, the availability of state funding is not guaranteed and the maximum rebate amount will be \$4,500 for residential customers and \$15,000 for commercial customers.

ATTACHMENTS: