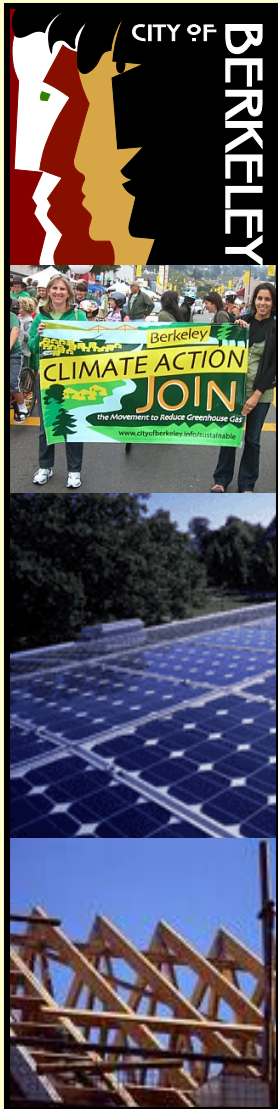


# A Workshop for Property Owners

## The Berkeley FIRST Program

Financing Initiative for  
Renewable and Solar  
Technology

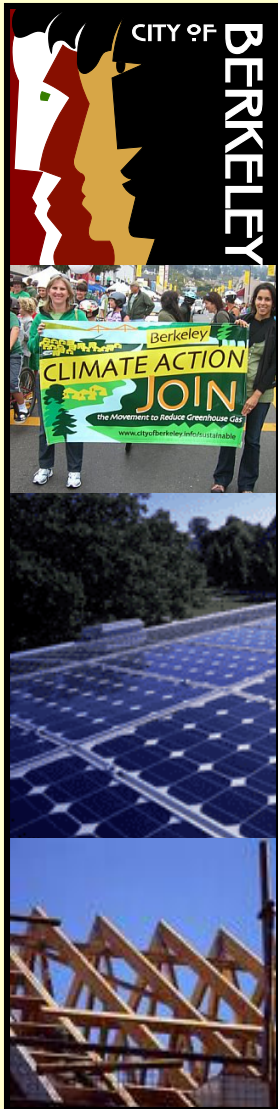


# Workshop Presenters

**Office of Energy and Sustainable  
Development, City of Berkeley**

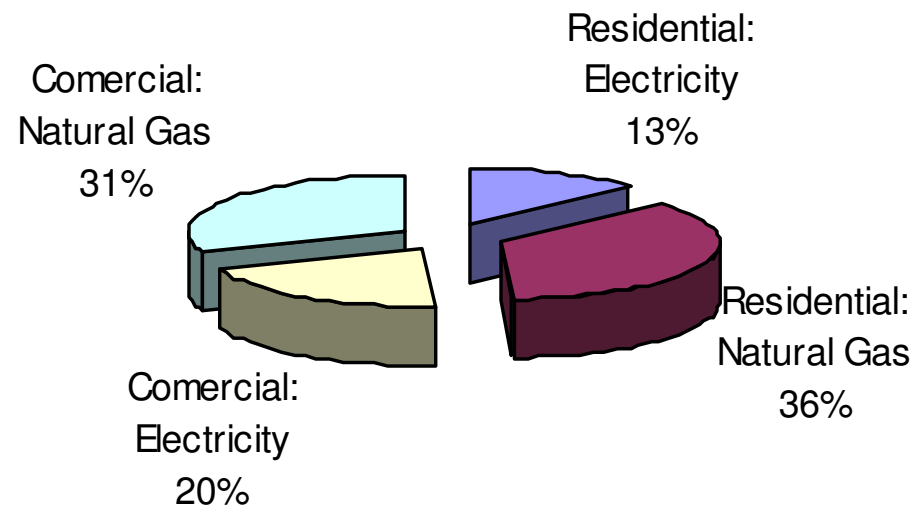
**Renewable Funding, LLC**

**California Solar Initiative**



# FIRST an outcome of Climate Action Plan

**Berkeley Building Energy Use Emissions by Energy and Building Type**





# Program Design Overview

- City formed a “sustainable energy financing district” - a city-wide special tax district
- Authority to issue bonds up to \$80 M for renewable and energy efficiency improvements
- 2008 Initial Pilot Program – issue bonds up to \$1.5 M for 40 solar PV installations only
- Initial Allocation of 5 projects per City Council District

# Program Design Overview (cont.)



- Property owners borrow funds from the City's Sustainable Energy Financing District (max. \$37,500)
- Repayment for 20 years through an annual special tax on their property tax bill.
- Tax only paid by Berkeley property owners who voluntarily participate in program.



# Special Tax District

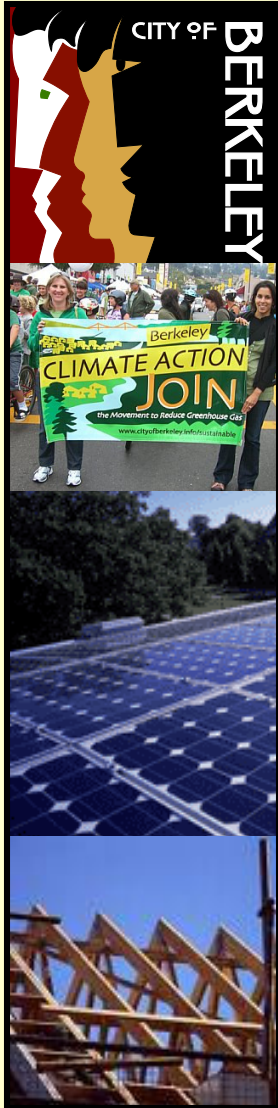
## Property Owner agrees to:

- “Opt in” annex property to Special Tax District No. 2008-1
- Special Tax Lien recorded against property until tax is fully paid
- Annual Tax for 20 Years equal payments
- Waive right to appeal special tax



# Tax Calculation

- Installation cost (less CSI rebate)
- Interest Rate on Bonds  $\geq 6.75\%$ 
  - 10 Year US Treasury Rate (rate at time of payment request)
  - +3.25% financing cost (fixed)
- City/County Property Tax and Bond Administration (approx. 1% above interest rate)



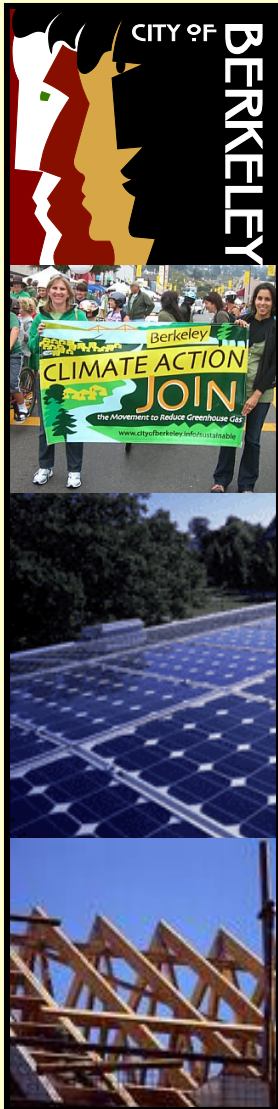
# Tax Calculation Example

Solar Project Cost	\$28,077
CSI Rebate	(6,108)
City Program Cost	<u>600</u>

Financed Amount	\$22,569
Interest	7.77%*

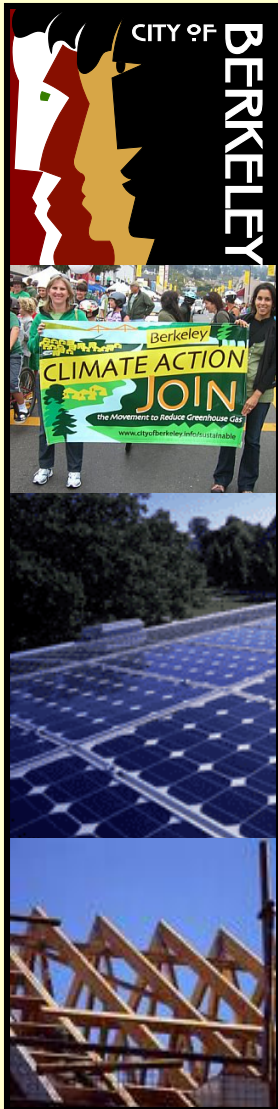
Annual Tax Payment \$ 2,199

\* Based on 10 year Treasury on October 10, 2008 at 3.43%  
will fluctuate until locked down



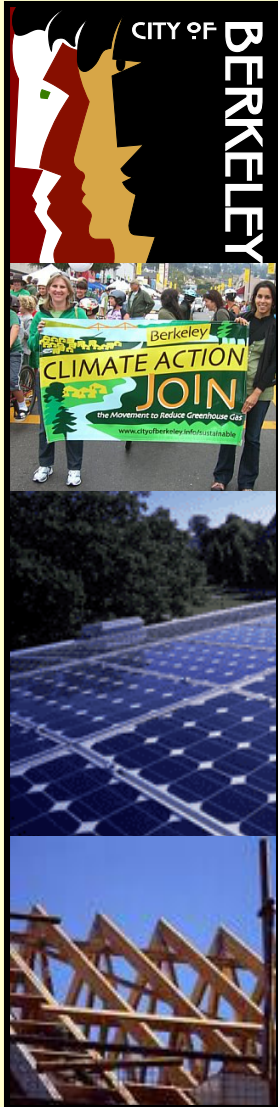
# Benefits of Berkeley FIRST

- **Addresses financial hurdles for small-scale solar/ energy efficiency projects**
  - Little or no upfront cost to property owner
  - Special tax transfers with property
  - When bundled with efficiency, utility cost savings may cover most of special tax from year one



# Issues to be Resolved

- Continuation after pilot
- Expansion to include solar thermal and energy efficiency component
- Federal solar tax credit – IRS rules



# Basic Eligibility for Program

- Solar Installers – Must be registered with the California Solar Initiative (CSI)
- Property Owners – City of Berkeley Residential and Commercial Properties



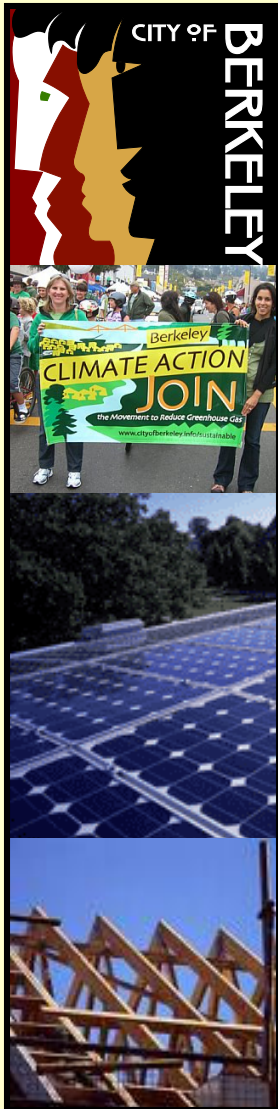
# How It Works

- Property Owner gets quotes for PV installation from CSI registered Installers
- Property Owner applies for funding on-line
- Third Party Administrator approves funding reservation
- Property Owner contracts with Installer



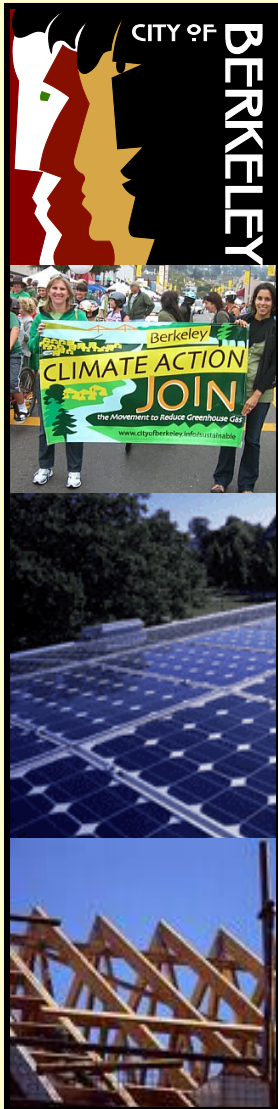
## How It Works (cont.)

- Property owner applies for CSI reservation number
- Property owner complies with Residential / Commercial Energy Conservation Ordinance (BMC 19.62 & 19.20)
- Installation completed within 270 days
- Property owner requests payment from District



# Technical Assistance

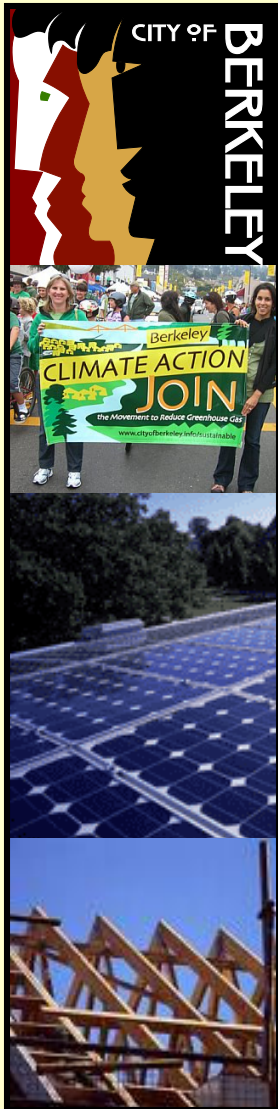
- Cost-Benefit Calculator - UCB RAEL  
[www.rael.berkeley.edu/projects](http://www.rael.berkeley.edu/projects)
- Residential and Commercial Energy Conservation Ordinance  
[www.ci.Berkeley.ca.us/ContentPrint.aspx?id=19562](http://www.ci.Berkeley.ca.us/ContentPrint.aspx?id=19562)  
For current RECO status call 981-7440 press \*
- Solar Permits Check List  
[www.ci.berkeley.ca.us/onlineservice/forms.htm](http://www.ci.berkeley.ca.us/onlineservice/forms.htm) and  
[www.cityofberkeley.info/sustainable](http://www.cityofberkeley.info/sustainable)
- California Solar Initiative



# Draft Climate Action Plan

Public comment period open thru Nov. 7

- 2<sup>nd</sup> draft now available for public review and comment:
  - [www.BerkeleyClimateAction.Org](http://www.BerkeleyClimateAction.Org)
  - Several public workshops are scheduled on the plan at the N. Berkeley Senior Center on Oct. 15, 16, 22 and 27.
- December: Hear Council comments/questions on plan
- January '09: Bring final plan before Council



# Contact Information

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[www.cityofberkeley.info/sustainable](http://www.cityofberkeley.info/sustainable)