



Office of the City Manager

CONSENT CALENDAR  
June 13, 2017

To: Honorable Mayor and Members of the City Council  
From: Dee Williams-Ridley, City Manager  
Submitted by: Timothy Burroughs, Interim Director, Planning and Development Department  
Subject: Regional Solar Electric Installation Program (Bay Area SunShares)

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a letter of commitment to the Business Council on Climate Change (BC3) to affirm the City of Berkeley's participation in the Regional Solar Electric Installation Program (Bay Area SunShares).

SUMMARY

The City of Berkeley is planning to participate again this year in a regional solar electric bulk-purchasing and installation program, to help reach the City's Climate Action Plan goal of an 80% reduction in greenhouse gas emissions by 2050. The program is administered by Business Council on Climate Change (BC3), and will assist Berkeley property owners who wish to obtain solar electric systems to offset grid energy use. BC3 will partner with multiple Bay Area entities to create a larger market for bulk purchase, to spur lower pricing. These entities will market the program to their constituents and employees. BC3 will work with partner entities to develop and issue a Request for Proposals and select a contractor(s) to furnish and install the systems.

FISCAL IMPACTS OF RECOMMENDATION

Financial impacts to the City will be limited to existing staff time to market the program. The Program Administrator, BC3, will provide all program information, webinars and other marketing materials to the partner agencies.

CURRENT SITUATION AND ITS EFFECTS

More solar installations are needed in order for the City to achieve its climate action goal of an 80% reduction in emissions by 2050. The Bay Area SunShares program will reduce the cost and complexity of installing solar electric systems, which should lead to additional installations.

State rebates for solar installations have been exhausted. The Federal Renewable Energy Tax Credit of 30% has been extended through 2019. After 2019, the Federal Tax Credit will gradually decline.

Bay Area SunShares will be administered entirely by BC3 and targeted to single family homes and multifamily properties which consume above-baseline quantities of electricity. It is expected that there will be three contracting options: 1) full ownership, with 10-year warranty; 2) pre-purchased power, with full maintenance for 20 years and an option to purchase; or 3) a leased system, with full maintenance for 20 years, and an option to purchase. Contracts will be between the homeowner and the installing contractor, not with BC3 or its partnering agencies. Installation contractors will be California Solar Initiative-qualified and listed, and must meet all licensing and bonding requirements for this State program. Solar electric system pricing excludes any added costs – for instance, if the roof must be replaced first, or if the electric panel or wiring needs to be upgraded, these will be extra costs to be borne by the homeowner, in addition to the cost of the solar electric system. This year the program will encourage homeowners to upgrade their electrical service panel to increase capacity, so that they may add new electrical appliances in the future, including electric space heating and water heating, as a way to move towards Zero Net Energy homes. All of this furthers our Climate Action Plan goals.

Because contracts are strictly between the homeowner and the installing contractor, there is no risk to the partnering agencies. Homeowners must have a current homeowner's insurance policy, and be current with their payments.

BC3 will assess a small fee per project to cover its expenses. The City of Berkeley and other partnering agencies will not be obligated to provide any funding to BC3 or the solar installers. BC3 will provide program information, webinars, and other marketing materials. All that is required of the City of Berkeley is to submit a letter of commitment to BC3 and to support the effort through existing marketing and outreach channels, as well as by working with the BC3 to host community educational workshops and outreach events.

#### BACKGROUND

Berkeley participated in the 2016 SunShares program, with eleven homes installing solar electric systems, for a total of 42.71 kW in renewable energy projects. Berkeley had the third greatest number of installations, behind Fremont with 24 and Oakland with 17.

According to the bid responses received by previous versions of the Bay Area SunShares program, solar contractors have been able to provide low cost installations. By bidding on bulk purchasing jobs, contractors are better able to provide cost-effective solar installations.

The Bay Area SunShares program has been successful in Berkeley, Oakland, Alameda County, Contra Costa County, Albany, Concord, Lafayette, Fremont, Hayward, Walnut Creek, the City and County of Denver, CO, the State of Colorado, the City and County of San Francisco, UC San Francisco, the City of Tucson, AZ, the University of Arizona,

and PG&E. Similar programs have been launched through the Silicon Valley Leadership Group, and have included Adobe, Genentech, Infinera, ETM-Electromatic, Synaptics, and Aviat Networks. Public uptake was high in the Tucson program, with 800 signed customers, and 620 kW of installed capacity. San Francisco's SunShares program exceeded its goal of 800 members, and had contracts for more than 215 kW of energy.

#### ENVIRONMENTAL SUSTAINABILITY

This program supports the City's Climate Action Plan goals of reducing greenhouse gas emissions by 80% by the year 2050. This program also supports the City's Solar Plan goal of deriving 50% of our energy from solar by 2030.

#### RATIONALE FOR RECOMMENDATION

There will be minimal cost of staff time to implement this program and have it operate successfully. There may be considerable potential benefit to Berkeley community members to have access to solar electric at a reduced cost, as well as reduced energy bills.

Participating in the program will also help significantly in reaching Berkeley's Climate Action Plan goals, reduce the dependency on grid energy during peak energy hours, and potentially increasing energy independence.

There is no financial or legal risk to participating in this program, since the City does not sign any contracts, place any liens on property, or pay up front for any materials or equipment. The action requested of the Council in this report would authorize the City Manager to execute a letter of commitment for the program to operate within the City of Berkeley, so that property owners may take advantage of the program should they choose to do so.

#### ALTERNATIVE ACTIONS CONSIDERED

None.

#### CONTACT PERSON

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Attachment 1: Resolution

RESOLUTION NO. ##,###-N.S.

**Authorizing the City Manager to execute a letter of commitment to the Business Council on Climate Change (BC3) to affirm the City of Berkeley's participation in the Regional Solar Electric Installation Program (East Bay SunShares)**

WHEREAS, the City of Berkeley has a Climate Action plan goal of an 80% reduction of greenhouse gas emission by 2050; and,

WHEREAS, property owners in Berkeley have expressed an interest in a low-cost program for installing solar electric systems for their homes; and

WHEREAS, the East Bay SunShares program was successful in 2016 for the City of Berkeley; and,

WHEREAS, the State of California has eliminated all rebates for solar electric system installations; and,

WHEREAS, the Federal Energy Tax Credit will provide a 30% tax credit for the total cost of the system installation, including the cost of re-roofing and upgrading the electric panel service; and,

WHEREAS, the East Bay Sunshares program supports Berkeley's Climate Action Plan goals; and,

WHEREAS, there is no risk to the City in participating in this program since all contracts are between the homeowner and installer, and the City is only giving consent for the program to operate within its boundaries for the convenience of the homeowners.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a letter of commitment with the Business Council on Climate Change (BC3) to affirm the City of Berkeley's participation in the Regional Solar Electric Installation Program (East Bay SunShares).