

City of Brisbane

Agenda Report

To: Honorable Mayor and City Council

From: Caroline Cheung via Clay Holstine, City Manager

Date: Meeting of November 6, 2014

Subject: Residential Solar Bulk Purchase Program – “Peninsula Sunshares”

PURPOSE

To make it as affordable as possible for individuals/families to install solar on residential rooftops.

BACKGROUND

The City of Foster City has for the past couple of months been working on the creation of a residential solar bulk purchase program, which was a recommended action in their draft climate action plan. The program is also anticipated as part of the Sustainable Foster City Plan. In researching the program further and speaking with a few other cities that elected to participate in exploratory conversations, Foster City staff determined that the savings in a residential solar bulk purchase program are achieved through economies of scale – expanding the “reach” of the program allows for greater potential to improve pricing for program participants. They also at this time reached out to non-profit organizations that have experience and might be interested in serving as the program’s administrator. The Vote Solar Initiative (www.votesolar.org), a non-profit grassroots organization sponsored by the Tides Center “working to fight climate change and foster economic opportunity by bringing solar energy into the mainstream,” was selected as the Program Administrator based upon written proposals received.

DISCUSSION

In residential bulk solar purchase programs, a vendor (or vendors), selected through a Request for Proposals process, offers pricing at a bulk rate to individual homeowners for solar installation on their residences. Commercial solar is not included in this type of program, given the complexities of commercial energy rate rules and the variety of installation options. Through the RFP process, vendors propose pricing for solar technology, typically for direct purchase, long-term lease, and power purchase agreement financing configurations. The expected outcomes of such a program are to encourage the

installation of renewable energy systems on private homes through reduction in overall acquisition and installation costs produced by economies of scale and simplicity of vendor selection. Vendors proposing on the program would be expected to view the concentrated marketing effort with outreach to potential customers across a large area as incentive to offer aggressive pricing to drive their bottom-line.

For this project, Vote Solar has identified 40,000 residential contacts as minimum scope to assume the financial risk for program administration. So far, Foster City has received positive responses from the cities of Belmont, Burlingame, Half Moon Bay, Millbrae, Redwood City, and Palo Alto about participating in the program. A formal invitation was sent out to the city managers of all of the other cities in the County as well as the City of Palo Alto. Participating agencies must sign a “letter of commitment” (see Attachment 1) to provide marketing assistance, mainly in the form of communication pathways and public information support with residents and relationship connections with businesses. There would be no financial commitment from the participating agencies.

The proposed program timeline is as follows:

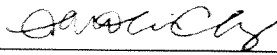
- August 4, 2014 (Completed)
 - Foster City City Council approved a contract with Vote Solar for program administration.
- October 2014 (Completed)
 - The Brisbane Facilities Subcommittee met and gave direction to proceed
- September – November 2014
 - Agencies and organizations sign on as participating agencies and/or co-sponsors
- December 2014
 - Foster City and Vote Solar assess whether the 40,000 contact target is achievable, based upon the commitments from participating agencies
- January – March 2014
 - Vote Solar creates and issues the RFP to vendors and makes vendor selection with Vendor Selection Committee
 - Vote Solar develops marketing and outreach materials
- April – June 2014
 - Customer registration period open
 - Installations begin
- Fall 2015
 - Program evaluation

FINANCIAL IMPACT

The only cost associated with the commitment are staff time in providing contacts for the relationships between Vote Solar and businesses and/or customers, and forwarding the marketing material of the program provided by Vote Solar to those contacts provided by the City.

MEASUREMENT OF SUCCESS

Soft costs to install residential solar would be reduced, allowing Brisbane homeowners to install solar on their rooftops at a heavily discounted price.



Caroline Cheung, Sr. Management Analyst



Clay Holstine, City Manager

ATTACHMENTS

1 – Sample Letter of Commitment



CITY OF BRISBANE

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Brisbane, California 94005-1310
(415) 508-2100
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November 6, 2014

Andra Lorenz, Management Analyst
City of Foster City
610 Foster City Boulevard
Foster City, CA 94404

RE: Participation in 'Peninsula SunShares' Program

Dear Ms. Lorenz:

I am pleased to provide this letter in support of the collaborative solar education and discount program now being developed between the City of Foster City ("Peninsula SunShares") and the Vote Solar Initiative (VSI).

The City of Brisbane believes the proposed program, which will be administered by VSI, will help to continue to overcome soft cost barriers impeding broad market transformation of residential rooftop solar by enabling homeowners to voluntarily participate in a group education and discount program for solar photovoltaic (PV) panels on their homes. As a Peninsula municipality, The City of Brisbane looks forward to offering our residents and community members working in the City limits, the opportunity to participate in this program.

The City of Brisbane welcomes the opportunity to collaborate with the City of Foster City and its program partners on this innovative program and will use our internal and external communication channels to reach our residents and business community throughout the program term. We also reserve the right to opt out of the program at any time.

The City of Brisbane commits to the following:

1. Provide Vote Solar with contact information of, and make introductions to, internal and external stakeholders who can reach residents and/or businesses (employees) as a part of the programs outreach strategy. We understand that these contacts will be made on behalf of the program by our organization, which will enable Vote Solar to coordinate outreach efforts. Our organization has the means and plans to directly contact at least 2,300 residents, City employees and employees of businesses within our community.
2. Conduct outreach to community members (residents, members of faith based organizations and/or local non-profits, neighborhood associations, etc.) to promote program availability using internal communication channels which include but are not limited to email blasts (ex. council member list serve, internal workforce email, utility bill inserts, neighborhood association social media outlets, etc.), intranet posts, newsletters, and posters. We will forward all material as long as it is ethical and provides accurate and transparent information.
3. Report the number of contacts that are made on behalf of the Peninsula SunShares program by the City.

It is our hope that our joint work will continue the progress that SunShares has made in expanding the number of solar installations in California.

Sincerely,

W. Clarke Conway
Mayor, Brisbane, CA


Providing Quality Services
