

<b>001451</b>		<b>REQUEST FOR COUNCIL ACTION</b> CITY OF SAN DIEGO		1. CERTIFICATE NUMBER (FOR AUDITOR'S USE ONLY) N/A			
TO: CITY ATTORNEY		2. FROM (ORIGINATING DEPARTMENT): Environmental Services Department		3. DATE: 06/28/2007			
4. SUBJECT: Accept Solar America Cities Grant from U.S. Department of Energy							
5. PRIMARY CONTACT (NAME, PHONE & MAIL STA.) Tom Blair, MS1101B (858)492-6001			6. SECONDARY CONTACT (NAME, PHONE & MAIL STA.) Linda Giannelli Pratt, MS1101B (858)492-5088		7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED <input type="checkbox"/>		
<b>8. COMPLETE FOR ACCOUNTING PURPOSES</b>							
FUND				9. ADDITIONAL INFORMATION / ESTIMATED COST: The City anticipates receiving from the U.S. Department of Energy a Solar America Cities grant award of \$200,000 and equivalent technical assistance from DOE at National Research Labs. The City will provide matching in kind staff effort up to 57% of the total grant award.			
DEPT.							
ORGANIZATION							
OBJECT ACCOUNT							
JOB ORDER							
C.I.P. NUMBER							
AMOUNT							
<b>10. ROUTING AND APPROVALS</b>							
ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIGINATING DEPARTMENT	<i>[Signature]</i>	7/2/07	8	DEPUTY CHIEF	<i>[Signature]</i>	7-12-07
2	EAS	<i>[Signature]</i>	7/3/07	9	COO	- Not required -	
3	EOC	<i>[Signature]</i>	7-5-07	10	CITY ATTORNEY	<i>[Signature]</i>	7-13-07
4	LIAISON OFFICE	<i>[Signature]</i>	7/6/07	11	ORIGINATING DEPARTMENT	<i>[Signature]</i>	7/13/07
5	FM	<i>[Signature]</i>	7/6/07	DOCKET COORD: <i>[Signature]</i> COUNCIL LIAISON: <i>[Signature]</i>			
6	AUDITORS	<i>[Signature]</i>	7/11/07	COUNCIL PRESIDENT <input type="checkbox"/> SPOB <input checked="" type="checkbox"/> CONSENT <input type="checkbox"/> ADOPTION <input type="checkbox"/>			
7	GRANTS COORD.	<i>[Signature]</i>	7/11/07	REFER TO: _____ COUNCIL DATE: 7/31/07			
11. PREPARATION OF: <input checked="" type="checkbox"/> RESOLUTION(S) <input type="checkbox"/> ORDINANCE(S) <input type="checkbox"/> AGREEMENT(S) <input type="checkbox"/> DEED(S)							
1. Authorize the Mayor, or his designee, to apply and take all necessary actions to secure funding from the Solar America Cities Grant from the United States of America Department of Energy (DOE) for developing a San Diego solar implementation plan; and 2. Authorize the City Auditor and Comptroller to accept, appropriate and expend grant award funds if grant funding is secured; and 3. Authorize the City Auditor and Comptroller to establish a special non-interest bearing fund for the grant; and 4. Authorize the City Auditor and Comptroller to appropriate and expend \$200,000 for the purpose of developing a San Diego solar implementation plan, contingent upon receipt of a fully executed agreement.							
11A. STAFF RECOMMENDATIONS: Approve the Resolutions							
12. SPECIAL CONDITIONS:							
<u>COUNCIL DISTRICT(S):</u>		ALL					
<u>COMMUNITY AREA(S):</u>		ALL					
<u>ENVIRONMENTAL IMPACT:</u>		THIS ACTIVITY IS NOT A "PROJECT" AND IS, THEREFORE <del>NOT</del> SUBJECT TO CEQA PURSUANT TO STATE CEQA GUIDELINES SECTION 15060(C)3.					
<u>HOUSING IMPACT:</u>		NONE					
<u>CITY CLERK INSTRUCTIONS:</u>		SEND ALL COPIES OF RESOLUTIONS VIA BECKY GRANT, MS#1101B					
<u>OTHER ISSUES:</u>		THIS ITEM NEEDS TO BE DOCKETED BY JULY 17, 2007 <del>MEETINGS</del> TO MEET DOE GRANT AWARD TIMELINE					

**001453**

**EXECUTIVE SUMMARY SHEET**  
CITY OF SAN DIEGO

DATE ISSUED:

REPORT NO:

ATTENTION: Council President and City Council

ORIGINATING DEPARTMENT: Environmental Services Department

SUBJECT: Solar America Cities Grant Award from the United States of America Department of Energy

COUNCIL DISTRICT(S): All

CONTACT/PHONE NUMBER: Tom Blair, Deputy Director / 858-492-6001

REQUESTED ACTION:

Council authorization for the Mayor or designee to negotiate and execute all agreements necessary to comply with grant requirements; and to accept the Solar America Cities Grant Award.

Authorization for the City Auditor and Comptroller to accept, appropriate and expend funds received from the United States of America Department of Energy (DOE).

STAFF RECOMMENDATION:

Adopt the Resolutions

EXECUTIVE SUMMARY:

The City of San Diego has made a tremendous investment in solar energy systems, and has an ongoing commitment to renewable energy in the future. The goal is to produce 50 megawatts (MW) of renewable energy within the City limits, with five (5) MW on City buildings in no more than 10 years. The City currently has 13 photovoltaic self-generation systems with a combined capacity of 1.2 MW at City-owned facilities and incentive funds reserved for an additional two (2) MW.

In January 2006, President George Bush announced his Advanced Energy Initiative, which provides for a 22-percent increase in funding for clean-energy technology research for the Department of Energy (DOE). In an effort to change how we power our homes and offices, the DOE will invest more in revolutionary solar and wind technologies. An integral part of this initiative is the DOE's *Solar America Initiative* (SAI). The goal of the SAI is to reduce the cost of solar photovoltaic technologies so that they become cost-competitive by 2015. The SAI represents a significant enhancement of DOE's business strategy of partnering with key stakeholders to accelerate commercialization of photovoltaic system research and development to meet aggressive cost and installed capacity goals.

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The City of San Diego Environmental Services Department and the California Center for Sustainable Energy (formerly SDREO) collaborated on a SAI grant proposal that would begin to address challenges and barriers to increasing solar energy in the San Diego region. The goal is to develop a local model that can be replicated nationwide. The scope of work includes analysis of current and future solar installation locations using geographic information systems (GIS), obtaining stakeholder input, evaluating the impact of solar on property values, producing outreach materials, and developing a solar implementation plan entitled the "Sustainable Energy 2050 Plan."

On June, 27, 2007, the DOE named thirteen Cities in the United States as inaugural Solar America Cities, including San Diego, to share \$2.6 million in funds that would facilitate the acceleration of solar adoption through innovative efforts. The DOE acknowledges the commitment of all Solar America Cities as partners in advancing solar technology at the local level. Through the DOE's financial and additional technical assistance provided by the national research labs, the City of San Diego Environmental Services Department will have exposure to national laboratories, experts in the field of city planning, technology selection, project financing, building codes, architecture and community outreach.

Our specific objectives for attaining San Diego's "Sustainable Energy 2050 Plan" are both ambitious and achievable. The technical and policy expertise from the DOE and National Research Labs, in conjunction with the insights of the City of San Diego and the California Center for Sustainable Energy, form an essential partnership for advancing solar and other distributed generation.

### FISCAL CONSIDERATIONS:

The Solar America Cities Grant will fund \$200,000 of program related expenses. In kind services (City staff time) not to exceed the grant award amount will be provided by the City in conjunction with the California Center for Sustainable Energy, which is the regional implementer of the California Solar Initiative (SB1). It is anticipated that approximately 43% of the grant match requirement will be funded by the California Center for Sustainable Energy and the remaining 57% will be funded by the Energy Conservation Fund (10231).

### PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None

### COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

None

### KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders are the citizens of the City of San Diego.

**001455**



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Elmer L. Heap, Jr., Director  
Originating Department



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R.F. Haas  
Deputy Chief/Chief Operating Officer

Attachment: DOE Press Release: DOE to Provide Nearly \$60 Million for Solar Energy Research

001457



United States Department of Energy  
Office of Public Affairs  
Washington, DC 20585

NEWS MEDIA CONTACT:  
Julie Ruggiero, (202) 586-4940

FOR IMMEDIATE RELEASE  
Wednesday, June 20, 2007

**DOE to Provide Nearly \$60 Million for Solar Energy Research**  
*Strengthens the President's commitment to increasing the use of clean energy technologies*

NEW YORK, NY – U.S. Department of Energy (DOE) Secretary Samuel W. Bodman today announced that DOE will make available nearly \$60 million to increase the use of solar power across the country, building on the President's commitment to further the development of clean, renewable energy technologies. Secretary Bodman announced: up to \$2.5 million for Solar America Cities cooperative agreements, in which thirteen selected cities will receive awards to promote increased use of solar-powered technologies throughout each city; the issuance of a Funding Opportunity Announcement (FOA) for up to \$30 million for universities to research near-term improvements in solar products; and the competitive selection of ten cost-shared Photovoltaic (PV) Module Incubator projects that will receive up to \$27 million in DOE funding over 18 months.

"We believe these projects will stimulate activity in the marketplace and create a ripple effect that will boost the use of solar energy across the country," Secretary Bodman said. "Harnessing more of the sun's power is central to reaching the President's goal of increasing our nation's energy security by pushing forward clean, renewable technologies that will allow us to become less reliant on imported sources of energy."

Secretary Bodman made today's announcements while delivering keynote remarks at the American Council on Renewable Energy (ACORE) Renewable Energy Finance Forum in New York. Secretary Bodman highlighted President Bush's Solar America Initiative (SAI), which seeks to make solar energy cost-competitive with conventional sources of electricity by 2015, and is integral to the President's Advanced Energy Initiative (AEI). The AEI seeks to change the way we power our homes, offices, and vehicles by increasing the use of clean, renewable energy technologies.

**UP TO \$2.5 MILLION FOR SOLAR AMERICA CITIES**

The 2007 Solar America Cities are: Ann Arbor, MI; Austin, TX; Berkeley, CA; Boston, MA; Madison, WI; New Orleans, LA; New York, NY; Pittsburgh, PA; Portland, OR; Salt Lake City, UT; San Diego, CA; San Francisco, CA; and Tucson, AZ.

Subject to negotiation of final terms, DOE will provide a total of \$2.5 million in financial assistance to the thirteen competitively selected, cost-shared, two-year projects. Additionally, DOE will provide hands-on assistance from technical and policy experts to help cities integrate solar technologies into city energy planning, zoning, and facilities; to streamline city-level regulations and practices that affect solar adoption by residents and local businesses; and to promote solar technology through outreach, curriculum development, and incentive programs.

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Solar America Cities have been identified as large cities with high electricity demand, and represent a diverse geography, population, and maturity of solar infrastructure. Cities were selected based on their plan and commitment to a comprehensive, citywide approach to the deployment of solar technologies. Their efforts will improve the ability of citizens and businesses to adopt solar technology locally, and will provide a model that other cities across the country can follow. Subject to evaluation by DOE's Office of Energy Efficiency and Renewable Energy, as well as appropriations from Congress, DOE plans to select a new round of Solar America Cities in 2008.

### **UP TO \$30 MILLION FOR UNIVERSITY RESEARCH**

In support of research and development that will lower costs, increase availability, and improve the efficiency of photovoltaic (PV) solar products, Secretary Bodman today also announced the issuance of a \$30 million (FY 2008-2010) Funding Opportunity Announcement (FOA). Over the next three years, this funding will support university work on materials and process research to yield near-term improvements in solar products. Funding is subject to Congressional appropriations. Projects funded through this solicitation also further President Bush's American Competitiveness Initiative, which commits to investing in our next generation of scientists, engineers and educators so America can continue to successfully compete in the 21st century global marketplace. The FOA is available at: <http://www.grants.gov>.

### **UP TO \$27 MILLION FOR PHOTOVOLTAIC MODULE INCUBATOR PROJECTS**

While delivering keynote remarks to ACORE's Renewable Energy Finance Forum, Secretary Bodman also announced the competitive selection of ten cost-shared Photovoltaic Module Incubator projects. In total, these projects, subject to negotiation of final terms and Congressional appropriations, will receive up to \$27 million in DOE funding over 18 months (Fiscal Years 2007-2009). With a minimum 20 percent cost share from industry, the total research investment is expected to reach \$71 million. In these projects, businesses will address the challenges related to reducing cost, improving performance, and expanding manufacturing capacity of innovative PV technologies to move from small-scale to pilot production.

Incubator project funding is structured so that companies receive funding from the Department only upon successful performance of pre-specified new hardware. This approach allows the Department to remove some administrative reviews and planning paperwork so early-stage companies can focus on technology development; taxpayers are also assured real value for their investment in these high-risk/high-return projects. Contingent on congressional appropriations, the Department will provide opportunities for new companies to enter this program every nine months.

The following companies have been selected to participate in the PV Incubator Projects: AVA Solar (Fort Collins, CO); Blue Square Energy (North East, MD); CaliSolar (Menlo Park, CA); EnFocus Engineering (Sunnyvale, CA); MicroLink Devices (Niles, IL); Plextronics (Pittsburgh, PA); PrimeStar Solar (Golden, CO); Solaria (Fremont, CA); SolFocus (Palo Alto, CA); and SoloPower (Milpitas, CA). For more information on the awards, funding opportunities and facts about the Solar America Initiative, visit [www.eere.energy.gov/solar/solar\\_america/](http://www.eere.energy.gov/solar/solar_america/).

The Energy Policy Act of 2005 (EPAAct), signed by President Bush in August of 2005, provides incentives for purchasing and using solar equipment. Now extended through 2008, these incentives provide a credit equal to 30 percent of qualifying expenditures for purchase of commercial solar installations, with no cap on the total credit allowed. EPAAct also provides a 30 percent tax credit for qualified PV property and solar water heating property. Private property owners of qualified property could be eligible for a credit up to \$2,000 for either property, with a maximum of \$4,000 allowed if both photovoltaic and solar hot water qualified properties are installed. More information on available incentives for solar installations is available at: [http://energystar.gov/index.cfm?c=products.pr\\_tax\\_credits](http://energystar.gov/index.cfm?c=products.pr_tax_credits).

RESOLUTION NUMBER R-\_\_\_\_\_

DATE OF FINAL PASSAGE \_\_\_\_\_

A RESOLUTION OF THE CITY OF SAN DIEGO AUTHORIZING  
A GRANT APPLICATION AND RELATED ACTIONS FOR  
SOLAR TECHNOLOGY FUNDS UNDER THE SOLAR AMERICA  
CITIES PROGRAM.

WHEREAS, the Council has adopted sustainable energy goals for the City, including the installation of 50 megawatts of renewable energy; and

WHEREAS, the U.S. Department of Energy has grant funding available to the City under its Solar America Cities program for sustainable energy needs; and

WHEREAS, such grant funding, if received, would be used by the City to develop and implement solar technology; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. That the Mayor or his designee is authorized to apply for and take all necessary actions to secure funding from the Solar America Cities Grant Program of the United States Department of Energy, and to negotiate final terms for acceptance of a grant to advance deployment of solar electric generation in San Diego.

2. That, subject to approval by the Mayor of final grant terms, the City Auditor and Comptroller is authorized to accept, appropriate, and expend grant award funds, and to establish a separate non-interest bearing account for such grant funds consistent with grant requirements.

3. That the City Auditor and Comptroller is further authorized to appropriate and expend \$200,000 from such grant funds to develop a San Diego solar implementation plan, contingent on approval by the Mayor of an agreement from the U.S. Department of Energy.

4. That the above activity is not a project and therefore is not subject to the California Environmental Quality Act pursuant to CEQA Guidelines section 15060(c)(3).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By Frederick M. Ortlieb  
Frederick M. Ortlieb  
Deputy City Attorney

FMO:mb  
07/12/07  
Aud.Cert:N/A  
Or.Dept:ESD  
R-2008-43

I hereby certify that the foregoing resolution was passed by the Council of the City of San Diego, at its meeting of \_\_\_\_\_.

ELIZABETH S. MALAND, City Clerk

By \_\_\_\_\_  
Deputy City Clerk

Approved: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor