

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, DECEMBER 17, 2013**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, December 17, 2013, commencing at 7:00 a.m.

Present: Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Hansen, and Mayor Katzakian

Absent: Council Member Nakanishi

Also Present: Deputy City Manager Ayers, City Attorney Schwabauer, and City Clerk Johl-Olson

B. Topic(s)

B-1 Lodi Solar Program Update (PW)

Business Development Manager Rob Lechner and Electric Utility Director Elizabeth Kirkley provided a PowerPoint presentation regarding the solar program update. Specific topics of discussion included program summary, developing issues, renewable portfolio standard (RPS), net energy metering (NEM), program participation, solar costs, and future of the program.

In response to Mayor Pro Tempore Hansen, Mr. Lechner stated the One Million Homes Program appears to be on target based on the fact that the program funds are being used in their entirety and Lodi has approximately 180 homes.

In response to Mayor Katzakian and Mayor Pro Tempore Hansen, Ms. Kirkley stated the solar rate applies to both residential and commercial properties. She stated the rate is available all year round on a retail basis to offset excess solar generation. Ms. Kirkley also explained the annual true-up process for excess generation above what is actually used.

In response to Council Member Johnson and Mayor Pro Tempore Hansen, Mr. Lechner and Ms. Kirkley stated the consultant will do a rate study for all electric rates and will also look at solar rates and charges during that review.

In response to Mayor Pro Tempore Hansen, Mr. Lechner confirmed there are zero days for solar energy generation based upon the number of foggy and cloudy days.

In response to Mayor Pro Tempore Hansen, Ms. Kirkley stated a low-income customer that pays into the solar program will likely be unable to purchase a solar system and therefore there is an equity issue.

In response to Mayor Pro Tempore Hansen, Mr. Lechner stated pay back on a solar system is typically about 7 to 10 years currently.

Discussion ensued amongst Mayor Pro Tempore Hansen, Ms. Kirkley, and Mr. Lechner regarding the timeline for future hydro and geo projects and RPS qualifications and eligibility.

In response to Mayor Katzakian, Ms. Kirkley stated there are no customers right now in the City that are generating excess solar energy.

In response to Mayor Pro Tempore Hansen, Mr. Lechner stated he cannot think of any reason the City would want to stop or prevent the NEM legislation.

In response to Mayor Katzakian, Mr. Lechner confirmed that solar systems are most beneficial to keep customers out of the Tier 4 and Tier 5 energy usage.

In response to Council Member Mounce, Mr. Lechner stated there is generally little incentive for a property owner to install a solar system for a rental property, which is likely true for east side properties.

In response to Mayor Pro Tempore Hansen, Mr. Lechner confirmed that 2010 legislation requires new homes to be solar ready and may also require some solar paneling.

In response to Council Member Johnson, Mr. Lechner stated shading in an area, along with the direction the house is facing and roof condition, may affect the effectiveness of a solar system.

In response to Council Member Johnson, Mr. Lechner stated there is no pre-approved list for solar system contractors although he does provide several names verbally if asked.

A brief discussion ensued amongst the City Council regarding the pros and cons of establishing a pre-approved list of solar installation contractors.

In response to Mayor Katzakian, City Attorney Schwabauer stated solar contractors are licensed and bonded through the State and the City also requires a business license.

In response to Mayor Pro Tempore Hansen, Mr. Lechner stated the City has a rebate program, there is a federal tax credit available, and the State tax credit has expired.

In response to Mayor Pro Tempore Hansen, Mr. Lechner stated three years ago a non-residential lottery was held for six slots and ten entries were received for the rebate program.

In response to Mayor Pro Tempore Hansen, Mr. Lechner stated there have been no complaints received to date regarding the rebate program.

In response to Mayor Pro Tempore Hansen, Mr. Lechner stated the rebate program is first come, first serve unless there are more applications received than slots available.

In response to Mayor Katzakian, Mr. Lechner stated of the \$450,000, \$210,000 is for residential and the remaining is for non-residential. Mr. Lechner stated any unused funds from one side will be combined with the other side as necessary.

C. Comments by Public on Non-Agenda Items - None

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:00 a.m.

ATTEST:

Randi Johl-Olson
City Clerk