

City of Piedmont  
COUNCIL AGENDA REPORT

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DATE: June 5, 2017

TO: Mayor and City Council

FROM: Paul Benoit, City Administrator

SUBJECT: Consideration of Authorization for the City Administrator to Sign a Letter of Support Authorizing Participation in the 2017 Bay Area SunShares Program

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RECOMMENDATION:

Authorize the City Administrator to sign the attached Letter of Support (Exhibit A, page 5), authorizing the City of Piedmont's participation in the 2017 Bay Area SunShares program.

BACKGROUND:

The City of Piedmont has participated in the SunShares program, a residential solar photovoltaic bulk purchase program, in both 2015 and 2016. The goal of the SunShares program is to encourage the installation of rooftop solar energy systems by homeowners of single-family residences through education and the creation of reduced overall acquisition and installation costs produced by economies of scale. Bulk purchase solar programs typically reduce the cost for homeowners that want to install solar energy systems on their rooftops. The 2016 Bay Area SunShares program also included rebates to facilitate the purchasing of zero emission vehicles (ZEV).

Piedmont's two years of SunShares participation has resulted in eight contracts for solar installations totaling over 26 kilowatts (kW). Additionally, 17 residents signed up to learn more about residential solar and ZEVs. Program-wide, over 1,580 kW of new residential solar contracts were signed during the 2015 and 2016 campaigns. Twenty-five leases were signed for the Nissan Leaf electric vehicle and four for the Toyota Mirai hydrogen fuel cell vehicle.

The Business Council on Climate Change (BC3) will act as the program administrator for the 2017 Bay Area SunShares program. Similar to the program offered by BC3 last year, after cities and businesses commit to participate, BC3 will manage a procurement process that includes the issuance of Request for Proposals (RFP) to qualified solar installers and EV manufacturers. This year, incentives for the purchase and installation of electric vehicle (EV) chargers will also be included in SunShares' offerings. A community evaluation committee will be recruited to review proposals and select the programs' vendors. BC3 will act as the group's technical advisor, answering participant questions throughout the program. The program is estimated to launch August 7 and homeowners will have until November 10 to sign-up and until December 31 to sign a contract. Contracts for installation on private homes will be between the individual

property owner and the selected solar vendor. The property owner's participation in the program is completely voluntary.

### PROGRAM SUMMARY:

#### **Benefit to Homeowners**

With a nominal amount of City staff time and no direct cost to the City, the 2017 SunShares program will be available to homeowners in participating cities and those who work for one of the participating cities or businesses and own a home in one of the nine Bay Area counties. In addition, the installers will offer the program pricing to any homeowner who registers through the SunShares program website and lives in the nine bay area counties. Multiple financing options will be offered to homeowners including direct purchase, leasing, power purchase agreements and Property Assessed Clean Energy (PACE) financing.

Each home is unique, but it is estimated that the bulk purchase of equipment will enable participating homeowners to enjoy an estimated 15 percent reduction from the \$4/watt market rate cost of solar systems in the Bay Area, which is the cost before any tax credit or other financial incentives are calculated. Solar installations on Piedmont homes generally range in size from about 3 kW to about 9 kW. For example, the market rate cost of a 5 kW solar system would be about \$20,000, which may be reduced to an estimated \$17,000 if purchased through the SunShares program. SunShares participants are also eligible for the 30 percent federal tax credit for solar installations through 2019, after which it is slated to decrease to 26 percent in 2020 and 22 percent in 2021, dropping to zero after 2023. With the current 30 percent federal tax credit, costs would be further reduced to \$11,900. With an estimated electric bill savings of approximately \$200 per month, the payback period for a 5 kW system would be approximately five years. Please note that this is a direct purchase scenario and not a lease, or lease to own calculation.

SunShares once again intends to include rebates for ZEV purchases. Last year, the SunShares program partnered with San Jose Nissan to offer a \$4,389 rebate on the Nissan Leaf electric vehicle and San Francisco Toyota to offer a \$2,290 rebate on the Toyota Mirai hydrogen fuel cell vehicle. Dealerships also provided additional financing incentives. Additionally, vehicle purchases are eligible for a \$7,500 Federal tax credit and \$2,500 State rebate. The exact details of the ZEV incentives and EV chargers for 2017 will be determined during the RFP process.

#### **Program Administration**

Business Council on Climate Change (BC3), a 501c(3) non-profit, will once again serve as the program administrator. BC3 is a network of large companies and government agencies dedicated to working together to reach climate action goals and was selected based on the organization's past experience with developing climate strategies that bring institutions together around the same table to develop model solutions that can be scaled over time. BC3 will manage all program components, creating a custom campaign targeted at an organization's members and employees throughout the community to generate excitement and participation. The education and outreach components of the 2017 SunShares program is expected to include a dedicated registration website, promotional materials to attract and encourage participation, and group workshops and webinars.

## **Benefit to the City**

By joining the 2017 Bay Area SunShares program, Piedmont will be provided the outreach materials and services supplied by BC3. Given the limited three-month window of opportunity for homeowners to participate and sign a contract with one of the program installers by the end of November 2017, a concerted outreach effort will be essential in creating any sort of groundswell of homeowner participation in Piedmont, and thereby generating a measurable reduction in greenhouse gas (GHG) emissions. However, should the City decide not to join the SunShares program, Piedmont homeowners would still have the ability to participate in the program and enjoy the discounted price in solar and electric vehicles by signing up for the program through the SunShares website during the program's active registration period, but the City would not be provided with support and materials for outreach, presumably decreasing participation within the City of Piedmont.

## **Responsibility of Partner Agencies**

If the City of Piedmont opts to become a partner city in the 2017 Bay Area SunShares program, the City will be responsible for the following:

1. Identifying marketing opportunities and promoting the program during the active registration period; and
2. Facilitating connections between BC3 and potential customers, with residents initially contacting Piedmont staff and BC3 taking responsibility for the follow-up, should a homeowner express interest.

## **Resource Impact on Piedmont**

Overall, there are no direct costs to the City for participating in SunShares and does not necessitate increased budget or staff resources. As noted above, BC3 will administer the RFP with some help from participating cities and community representatives. Piedmont's participation does require minimal staff time dedicated to an outreach program that may include news releases, website news items, mail inserts, a community workshop and/or community group involvement. To facilitate these efforts, an outreach program with template collateral materials (electronic) will be developed by BC3 for use by participating cities.

## **PIEDMONT'S CLIMATE ACTION GOALS:**

On April 6, 2009 Council adopted an updated General Plan that includes a City of Piedmont Sustainability Policy that includes seven goals, one of which is: "Reduce greenhouse gas emissions, specifically by reducing landfilled waste, energy consumption, and water consumption, and by encouraging walking, bicycling and other alternative travel modes."

On March 15, 2010 Council adopted the Piedmont Climate Action Plan (CAP), which includes 32 measures that the City can implement in order to reach its greenhouse gas (GHG) emissions target of 15 percent below 2005 levels by the year 2020 (a reduction of approximately 41,000 metric tons of CO<sub>2</sub>e). Of these, Measure BE-2.2 is "Identify and consider developing financial

incentives and low-cost financing products and programs that encourage investment in energy efficiency and renewable energy within existing residential buildings.” To achieve the City’s GHG emissions reduction target by 2020, the CAP estimates that approximately 2,150 residences (55 percent of the houses in Piedmont) will need to reduce their energy consumption by at least 20 percent either through improved energy efficiency or the employment of renewable energy systems, such as solar panels.

Piedmont’s largest sources of GHGs are transportation and residential energy. On May 5, 2014, staff provided Council with a 2010 Greenhouse Gas Emissions Inventory, revealed that 52 percent of Piedmont’s 2010 GHG emissions originated from the residential sector and 41 percent from transportation. In 2014, transportation took first place with 48 percent of emissions and residential reduced to 45 percent. Most recently, in the 2015 inventory, 47 percent of Piedmont’s community emissions were from transportation and 46 percent from residential energy.

Solar installations are becoming increasingly popular within the City of Piedmont. As of December 2016, 312 permits were finalized for the installation of residential solar systems. This is approximately 8.2 percent of Piedmont homes. Additionally, approximately 7.5 percent of Piedmont households own an electric vehicles based on the California Clean Vehicle Rebate Project data. The high adoption rate of solar and alternative fuel vehicles in Piedmont shows there is a demand for these technologies within the City. The education and financial incentives provided by SunShares are important to continue and encourage these trends in order to reduce Piedmont’s greenhouse gas emissions.

CONCLUSION:

At the minimal expense of City staff time towards an outreach campaign, and with no direct costs, the City’s participation in the 2017 Bay Area SunShares program will enable homeowners living or working in Piedmont to install rooftop solar energy systems and to purchase zero emissions vehicles and electric vehicle chargers at a reduced cost. In addition, the program will help the City meet its climate action goals, as transportation and residential energy use have consistently been Piedmont’s largest sources of greenhouse gas emissions. The 2015 and 2016 SunShares programs were successful in Piedmont, demonstrating that residents have an interest and a need for such solar and ZEV purchasing options. The addition of electrical vehicle chargers in the 2017 SunShares program should further increase the usefulness and applicability of the program to Piedmont residents.

By: Emily Alvarez, Assistant Planner

ATTACHMENTS:

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|-----------|-----------|--|
| Exhibit A | Page 5    | Letter of Commitment to Participate in the 2017 Bay Area SunShares Program |
| Exhibit B | Page 6-10 | 2017 SunShares Program Overview  |



# CITY OF PIEDMONT CALIFORNIA

Christina Armor, Program Director – SunShares Manager  
Business Council on Climate Change  
1455 Market Street, 12<sup>th</sup> Floor  
San Francisco, CA 94103

## **Re: Participation in the SunShares 2017 Program**

Dear Miss Armor:

I am pleased to provide this letter in support of the collaborative solar and zero-emission vehicle (ZEV) education and discount “SunShares” program now being developed by the Business Council on Climate Change (BC3).

The City of Piedmont believes the proposed program, which will be administered by BC3, will help to continue to overcome soft-cost barriers impeding broad market transformation of residential rooftop solar and ZEVs by enabling homeowners to voluntarily participate in a group education and discount program. Participating as a partner city/company can help to meet our goal to increase the amount of residential solar within Piedmont.

The City of Piedmont welcomes the opportunity to collaborate with BC3 and its program partners on this innovative program and will use our communication channels to reach our residents. We may also promote the program to local business employees and community group members throughout the program term. The City of Piedmont commits to the following:

1. Provide BC3 with contact information of, and make introductions to, relevant City staff and community stakeholders who can reach City residents as a part of the programs outreach strategy. The main City staff point of contact is: Emily Alvarez, Assistant Planner, E-mail: [ealvarez@piedmont.ca.gov](mailto:ealvarez@piedmont.ca.gov), Phone: (510) 420-3094.
2. The City of Piedmont understands that it will initiate contact with community groups on behalf of the “SunShares” program, which will enable BC3 to follow up with interested community groups to coordinate outreach efforts.
3. The City of Piedmont conduct outreach to residents/employees to promote program availability using internal communication channels which may include email blasts, utility bill inserts, neighborhood associations, social media outlets, newsletters, and posters. The City will report back to BC3 on the number of outreach contacts made.
4. BC3 will provide the City and our community partners with formatted electronic files to conduct outreach to community members.

Sincerely,

CITY OF PIEDMONT

Paul Benoit  
City Administrator



May 2017

## SunShares - Program Description

### **Concept:**

SunShares is a limited-time, group buying, clean energy procurement program offering discounts and education on residential solar and zero-emission vehicles (ZEVs).

In conjunction with their work on achieving climate action goals and reducing greenhouse gas emissions, a group of Bay Area communities and their program partner, the Business Council on Climate Change (BC3, the Program Team), are for the second year offering corporate employers, municipalities and organizations an opportunity to participate in SunShares. BC3 will provide administrative program support to reduce the complexity and cost of residential solar. The program this year will again include a component aimed at reducing the complexity and cost of buying/leasing electric vehicles (EVs). Additionally, SunShares will offer residential EV charging stations for the first time this year.

The goal of the program is to reach solar and ZEV customers via targeted outreach through community organizations including local governments, private employers, neighborhood groups and non-profit organizations. Organizations participating in the program will offer their members/employees/residents (i.e., the individual participants) the opportunity to become a part of a community-wide sustainability initiative.

Additionally, aggregating a group of homeowner sites (or potential customers for ZEVs) and soliciting bids from potential contractors can attract more competitive proposals, accomplish community goals faster, and reduce transaction costs.

In 2015, the cities of Walnut Creek, Fremont, Piedmont, and Lafayette participated in the SunShares program, which was then administered by the Vote Solar Initiative and did not yet include an EV component.

More than 600 residents signed up to learn more about residential solar, and over 850 kw of new residential solar contracts were signed via a three month campaign. In 2016, BC3 took the reigns as the SunShares Program Administrator. With 37 Outreach Partners participating the program installed 150 solar systems and saw 30 new ZEVs on the road.

**Benefit to Local Government and Partners:**

SunShares is an initiative that engages residents, businesses and the local community in shared sustainability efforts and is a key component in achieving local and regional renewable energy goals. Provides an opportunity to build stronger relationships with community organizations, by combining efforts to educate residents/members.

**Benefit to Participating Corporate Partners:**

Collaborative purchasing programs, for solar and ZEVs, offer a unique opportunity for corporations to engage their employees in helping to achieve community-wide, clean energy goals while investing in their well-being at home.

**Benefit to Participants:**

Homeowners want to save on their utility and driving costs while using more clean electricity. Often though they aren't sure how to go about it and don't have time to research all the options themselves.

SunShares pre-vetted solar providers and ZEV manufacturers evaluating their products, warranties, financing options and customer service. The Program pools the buying power of the community to secure lower up front purchase pricing and highly attractive financing options for both solar and ZEVs. Participants also benefit from free educational workshops and webinars run by BC3, the program administrator.

**How it works:** The SunShares Program Team will manage all program components, creating a custom campaign targeted at an organization's members/employees/residents throughout the community to generate excitement and participation.

As program administrator, BC3 will manage a procurement process that includes the issuance of Request for Proposals to qualified solar installers ZEV manufacturers and EV Charging Station companies. A community evaluation committee will be recruited to review proposals and select the programs' vendors based on proposal evaluation criteria and scoring. BC3 will act as the group's technical advisor, answering participant questions throughout the program.

The education and outreach components of the SunShares program include a dedicated registration website, promotional materials to attract and encourage participation, as well as group workshops and webinars.

**Outreach Partners - Local Government and Corporate Partnerships:**

Outreach Partners have two distinct opportunities to participate in the SunShares program. The first is directly as an employer, by conducting internal outreach to employees (corporate and city). The second is as a community champion, by recruiting local community organizations/corporate partners to the program, which will in turn act as a network of outreach partners that spread the message to individual participants. Once an individual organization is informed of the opportunity and responds positively, BC3 staff will handle ongoing communication regarding program implementation.

The Program Team requests that a director or executive from each participating organization provide an affirmative letter indicating their participation in the SunShares program. Each participating organization will inform its employees/ residents/ members about the program in a similar manor to other member engagement and/or benefit efforts. A minimal amount of staff time will be needed to assist the Program Team with reserving meeting space for onsite workshops and contacting employees/residents through approved channels of communication including email, newsletters, intranet sites and posters.

**SUNSHARES TIMELINE \*****Confirm participation as an Outreach Partner Deadline: June 30**

Issue Request for Proposals May 31

Form evaluation committee June

RFP Proposals Due June 30

Firm(s) Selected July 15

**Program Registration launch August 7**

Education &amp; Outreach Aug., Sept., Oct.

**Program Registration closes November 10**

Deadline: Homeowner contracts signed December 31, 2017

**Installations Complete Spring 2018**

\*Timeframes indicated are approximate – any specific step may require additional time, particularly recruitment and installation.

**Liability or Risk:** The procurement process documents issued by the Program Team on behalf of the employee group and all contracts between the Program Team and the selected solar firm(s) specify that the participating organizations have no fiscal or legal liability. All contracts for solar installations are between the selected firm(s) and individual homeowners.

**Example Legal statement to be included in RFP:****Outreach Partner, Participating Organizations**

Each of the participating organizations, on behalf of their membership groups, will collaborate with the Business Council on Climate Change and the selected Firm(s) on Program implementation. Organizations will identify approved communication channels and promote education and information sessions including webinars and onsite presentations to their employees.

While the SunShares Program is being offered to the members of each participating organization, these organizations do not endorse any Firms and will not endorse the selected Firm(s). Any participant who enters into the Program does so in his/her personal capacity and at

his/her own risk and will expressly hold each of the participating organizations harmless from any liability associated with his/her decision to participate in this Program for services for his/her personal, non-work related projects.