
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: August 9, 2002

SUBJECT: Million Solar Roofs (MSR) Partnership Grant

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CC: Cindy Gust-Jenson, Rocky Fluhart, Steve Fawcett, David Nimkin, Sherrie Collins, and Lisa Romney

Document Type	Budget-Related Facts	Policy-Related Facts	Miscellaneous Facts
Briefing	\$64,125 Total Partnership budget: \$50,000 grant, \$5,000 financial contribution and \$9,125 in-kind from City Attorney's Office/Mayor's Office. The actual budget allocation will be considered as part of Budget Amendment #9. The Council could recognize that the Administration will be incurring expenditures in advance of the allocation.	This proposed acceptance of grant and other funds could make renewable energy options more widely available for the entire State of Utah. A resolution accepting the grant awards will be considered at the same time Budget Amendment #9 is considered.	The Administration needs verbal or "straw poll" acceptance of this program and grant funds in advance of Budget Amendment #9 to take advantage of an opportunity to testify at Public Service Commission proceedings.

The Administration is asking that the Council review the Million Solar Roofs (MSR) Partnership Grant and partnership program in advance of Budget Amendment #9. The complete budget request and accompanying grant acceptance resolution will be contained in the transmittal from the Administration for Budget Amendment #9. To effectively participate in the partnership and use the funds for which they were granted the Administration will need to incur expenses in advance of the allocation of program funds. The U.S. Department of Energy grant funds, State funds from the Utah Energy Office and in-kind service from the Attorney's Office will be used to retain two consultants for their technical expertise to testify in formal and informal regulatory proceedings held before the Utah Public Service Commission (PSC). The proceedings of the PSC will be held before the City Council considers amendments to the fiscal year 2002-2003 budget during Budget Amendment #9.

The City Council may wish to straw poll members to ascertain whether the Council is comfortable allowing the Administration to incur expenses relating to this program in advance of the requested budget allocation on Budget Amendment #9.

MATTERS AT ISSUE/POTENTIAL QUESTIONS FOR ADMINISTRATION:

- The Administration in the transmittal to the City Council indicates that the testimony and intervention in Public Service Commission proceedings will

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focus on removing financial barriers associated with the installation of solar rooftop photovoltaic systems in Salt Lake City. – Are all other ordinances, zoning requirements and material requirements being addressed by the City to allow the installation of rooftop solar systems? Will the successful removal of financial barriers associated with the installation of solar rooftop systems be adversely affected by City ordinances that may prohibit or restrict the use of such systems?

ANALYSIS:

The Million Solar Roofs (MSR) Partnership request encourages solar power as a clean and renewable energy source. This partnership grant, which commits \$50,000 to Salt Lake City, would provide for two technical consultants. The grant also includes an additional cash commitment of \$5,000 from the Utah Energy Office and an in-kind service commitment of \$9,125 by Salt Lake City through the Attorney's Office and the Mayor's Office of Environmental Affairs.

These two consultant positions would serve as intermediaries between Salt Lake City and the Utah Public Service Commission to overcome financial obstacles of implementing solar energy systems. The Administration indicates that a successful measure of the consultants' mediation would be the Utah Public Service Commission's realization that Photovoltaic (PV) rooftop units satisfy their public service obligation. This would result in financial assistance of the installation for Photovoltaic (PV) rooftop units as a solar energy system; making a more feasible energy option for Salt Lake City residents and businesses. A letter received from Lisa Romney, dated August 5, 2002 stated, "The actions of the MSR Partnership will in no way promote an additional charge to the taxpayer."

The Mayor's Office of Environmental Affairs has identified this program as consistent with standards set by the Kyoto protocol, which was signed by the Mayor on February 5 of this year. Additionally, this partnership is in line with other "Salt Lake City Green Initiative" efforts. As noted in Ms. Romney's letter, the legislature passed two bills: HB7, "House Metering of Electricity" and SB152, "Electric Energy Efficiency and Conservation Tariff", both of which concern energy use. The details of these two bills have not been decided. A goal of efforts funded by this grant is to ensure that solar energy use is defined within these bills.