



Council Communication

City Council Meeting: 07 Mar 2011

Prepared: 02 Mar 2011

Number of Attachments: 1

Subject: RESOLUTION OPPOSING XCEL SOLAR REBATE REDUCTION

Presenter: TBD

Recommended City Council Action:

Support resolution.

Summary Statement:

On February 16th, 2011 Xcel Energy announced that they filed a request with the Public Utilities Commission to reduce the current Solar Rebate from \$2.00 per watt to \$0.25 per watt. At the same time, Xcel lowered the amount they pay for the Renewable Energy Credits from \$0.35 to \$0.01 per watt. These two actions account for an 88% decrease in the total rebate received by customer's installing solar PV. The rebate program is also closed until the Public Utility Commission hearing in May. If Xcel's actions are approved by the PUC, the solar industry predicts that as much as 75 percent of these jobs will be lost by the end of this year, causing Colorado to lose valuable solar industry infrastructure that took five years to build. Commerce City is home to one solar installation company, Douglass Roofing. Douglass has reported to us that job loss for them will be immediate if this proposal moves forward. Commerce City has taken huge strides in the past few years to promote clean energy and new jobs. Commerce City urges the PUC to support small business and reject Xcel Energy's request to dramatically reduce the solar rebate.

Next Steps:

Expenditure Required: 0

Source of Funds:

Policy Issue: Economic Development and Sustainability.

Alternative:

Background Information:

On February 16th, 2011 Xcel Energy announced that they filled a request with the Public Utilities Commission to reduce the current Solar Rebate from \$2.00 per watt to \$0.25 per watt. At the same time, Xcel lowered the amount they pay for the Renewable Energy Credits from \$0.35 to \$0.01 per watt. These two actions account for an 88% decrease in the total rebate received by customer's installing solar PV. The rebate program is also closed until the Public Utility Commission hearing in May.

Closing the Solar Rewards program not only prevents customer's from accessing the rebates paid for by all Xcel customers, but also stops solar business dead in their tracks. Installers cannot sign up new customers for the rebate program, nor can customers access the rebates which are part of Amendment 37 approved by voters in 2005.

Xcel energy, for the past three and half years, has collected a percentage of every customer's utility bill to pay for a portion of the solar rebates. Currently Xcel is collecting 2% of each customer's bill.

The rebate program had been working well. Spurred by the passage of Amendment 37, there are now roughly 5,300 solar jobs and more than 400 solar businesses in Colorado. Colorado is now the #2 state in the US for solar jobs per capita.

If Xcel's actions are approved by the PUC, the solar industry predicts that as much as 75 percent of these jobs will be lost by the end of this year, causing Colorado to lose valuable solar industry infrastructure that took five years to build.

Commerce City is home to one solar instillation company, Douglass Roofing. Douglass has reported to us that job loss for them will be immediate if this proposal moves forward.

Commerce City has taken huge strides in the past few years to promote clean energy and new jobs.

Commerce City urges the PUC to support small business and reject Xcel Energy's request to dramatically reduce the solar rebate.

**RESOLUTION OPPOSING XCEL REQUEST TO REDUCE
SOLAR REBATE
NO. 2011-15**

WHEREAS, the Public Service Company of Colorado (Xcel Energy) recently reduced the amount they pay for the Renewable Energy Credits from \$0.35 to \$0.01 per watt and filed a formal request with the Colorado Public Utilities Commission to reduce the current Solar Rebate from \$2.00 per watt to \$0.25 per watt; and

WHEREAS, if approved, Xcel's actions would result in an 88% decrease in the total rebate received by customer's installing solar photovoltaic; and

WHEREAS, the rebate program, spurred by the passage of Amendment 37, resulted in 5,300 solar jobs and more than 400 solar businesses in Colorado; and

WHEREAS, the global economic crisis and recession made it difficult to operate businesses of all shapes and sizes, restricting access to capital, delaying hiring decisions and decreasing personal spending; and

WHEREAS, municipalities such as Commerce City are equally affected by these economic uncertainties and ability to provide services and amenities; and

WHEREAS, Commerce City implemented unique incentives to support new and existing business investment during these challenging economic times, with additional funding if "green" improvements such as solar energy are included; and

WHEREAS Commerce City has taken tremendous strides to become a sustainable municipality and attract clean energy industries; and

WHEREAS, it is anticipated as much as 75 percent of the solar jobs created by the rebate program will be lost by the end of this year, if not sooner should the Public Utilities Commission approve Xcel's request, causing Colorado to lose valuable solar industry infrastructure that took five years to build; and

WHEREAS this industry is important to Commerce City's long-term economic growth and development.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COMMERCE CITY, COLORADO AS FOLLOWS:

1. The City of Commerce City, Colorado opposes the request made by Xcel Energy to excessively reduce the amount of the Solar Rebate.
2. The City of Commerce City urges the Colorado Public Utilities Commission to reject Xcel Energy's request to reduce the amount of the Solar Rebate and

advance a more equitable agreement for rebate amounts that support the recovery of Colorado's economy in a more sustainable manner.

RESOLVED AND PASSED THIS _____ DAY OF _____, 2011.

CITY OF COMMERCE CITY, COLORADO

BY: _____
Paul Natale, Mayor

ATTEST:

Laura J. Bauer, City Clerk