

COUNCIL ACTION FORM

SUBJECT: **REQUEST FROM AMES PROGRESSIVE ALLIANCE FOR
THE CITY TO PARTICIPATE IN THE SOLSMART PROGRAM**

BACKGROUND:

The City Council received the attached letter dated May 15, 2016 from the Ames Progressive Alliance, requesting that the City Council direct staff to apply for a fully funded SolSmart Advisor who will provide technical assistance aimed at reviewing, updating, and streamlining the City's solar energy system permitting and interconnection ordinances and addressing other "soft costs." The City Council asked that this request be considered at the June 14, 2016 meeting.

SolSmart is a new national designation program funded by the U.S. Department of Energy through the Solar Powering America by Recognizing Communities (SPARC) initiative, designed to acknowledge communities that have taken key steps to address local barriers to solar energy and to foster the growth of mature local solar markets. (See attached Program Guide.) The SolSmart program primarily seeks to address "solar soft costs," or business process or administrative costs that can increase the time and money it takes a customer to install an individual solar energy system.

There are three levels of SolSmart designation for communities. As shown on the SolSmart web site, listed below are the requirements for each:

Bronze:

- Provide a Solar Statement outlining your community's solar goals, and commit to tracking key metrics such as number and capacity of installed Photovoltaic (PV) systems.
 - Fulfill required actions in both of the Foundational Categories:
 - Permitting
- Planning, Zoning, and Development
- Earn at least 20 points in each of the two Foundational Categories (above).
- Earn a total of 20 points from actions across the six Special Focus Categories: Inspection; Construction Codes; Solar Rights; Utility Engagement; Community Engagement; and Market Development and Finance. Actions in any of the Special Focus Categories count toward the 20-point target.
- Note: Early Adopter communities will receive 10 extra points applied toward a category of their choice.

Silver:

- Fulfill the requirements to become a SolSmart Bronze Community.
- Complete the two Silver-required actions in the Planning, Zoning, and Development and Inspection categories.

- Earn 100 points overall from actions taken in any combination of categories.

Gold:

- Fulfill the requirements to become a SolSmart Silver Community.
- Complete the Gold-required action in Permitting.
- Earn 200 points overall from actions taken in any combination of categories.

Special Awards:

- Communities that earn 60% of the points in a given category are eligible for special recognition.

A recent conversation with Zach Greene, a Project Specialist for the program, indicated there are two options for the City to consider.

OPTION 1 – Technical Advice

The City Council could instruct the staff to complete an intake application to participate in this designation program. Even if the City does not score very high on this evaluation sheet, **as long as the City is committed to pursuing some level of SolSmart designation**, the City will be eligible to receive assistance from outside experts to review our ordinance requirements and approval processes for the installation of individual solar systems and to provide suggestions for improving our designation under their program. There is no application deadline under this option.

OPTION 2 – Technical Advice Plus On-site Advisor

The second approach is to complete the intake application and seek participation in the more competitive portion of the program which provides the services of a SolSmart Advisor who will come to the City for a six month period. This on-site Advisor will assist in the implementation of any recommendations to improve the designation level under this program. Because of the cost, there apparently are a limited number of Advisors available. The deadline for the first round of this Advisor Program is June 30, 2016.

ALTERNATIVES:

- 1) The City Council can instruct the staff to complete the intake application, which commits the City to pursue a designation under one of the SolSmart categories, and to work with the assigned group of outside experts to review our ordinances and approval processes for those seeking to install individual solar systems.
- 2) The City Council can instruct the staff to complete the intake application with the intent to secure one of the six-month Advisor positions for the City.
- 3) The City Council can decide not to participate in the SolSmart designation process as this time.

If the Council does not want to invest the needed staff time in this project or commit to pursuing a SolSmart designation, along with its accompanying stipulations, then this alternative should be selected.

MANAGER’S RECOMMENDED ACTION:

An important question is how much time will be required in the initial evaluation or any follow-up effort to improve our ordinances or procedures required under this program. Unfortunately, at this time it is unclear what amount of time commitment will be needed. However, because this request by the Ames Progressive Alliance to participate in the SolSmart program seems to be in keeping with the City Council’s goal to expand our sustainability efforts, it seems appropriate to pursue a designation under this program.

It is staff’s understanding that the City is under no obligation to ultimately or timely adopt any of the recommendations provided through participation in the program. Therefore, the City Council will retain the final decision-making authority on whether or not to pursue a designation under the SolSmart program. Assuming that the initial steps to assist outside experts in reviewing our procedures and ordinances do not require an extensive amount of staff time, it is the recommendation of the City Manager that the City Council approve Alternative #1 and instruct the staff to complete an application form. This action would commit the City to pursue a designation under one of the three SolSmart categories, and to work with the assigned group of outside experts to review our ordinances and approval processes for those seeking to install individual solar systems.

A request for on on-site Advisor appears to be premature at this time. As the plans to develop a community solar system are finalized, it is possible that this type of assistance could benefit the project in providing customer acquisition, marketing, promotion, etc. Apparently, the opportunity to pursue this option will be available again next year when another round of applications are solicited.

AMES PROGRESSIVE ALLIANCE

May 15, 2016

Dear Mayor Campbell and Members of the Ames City Council,

The U.S. Department of Energy recently announced a new program designed to work with cities and counties to foster solar growth in their communities. The SolSmart program provides no-cost technical assistance aimed at reviewing, updating and streamlining the permitting and interconnection ordinances and addressing other “soft costs.” Communities can also apply for a fully funded SolSmart Advisor who will engage with the community for up to six months (a maximum of 100 hours). ***The application deadline is June 20, 2016.***

The online application process is available and we encourage the City of Ames to apply for selection as one of 40 SolSmart communities. Bob Haug, retired Executive Director of the Iowa Association of Municipal Utilities and Ames resident, has offered his volunteer services to assist in completing the application. Bob has already visited with the Solar Foundation, which is one of two awardees for the federal program, and it appears Ames would be an excellent candidate.

Participation in the program is a great way for city leaders, and residents, to better understand the future role of renewable power in Ames’ energy generation portfolio. Recognition as a SolSmart community would serve our community well in attracting new businesses, many of which place high value on environmental stewardship and renewable energy.

Thank you for your support to move forward with a community solar project. We look forward to visiting with you regarding the SolSmart program as it will be another important step forward for Ames.

Sincerely yours,

Victoria Szopinski, Co-Chair
Ames Progressive Alliance

Keri Katz, Co-Chair
Ames Progressive Alliance

Elizabeth Baird, Chair
APA Solar Committee

Ames Progressive Alliance Steering Committee:

Diane Birt
Jess Calhoun
Dave Carter
Jamet Colton
Matthew Goodman
John Klaus
Anne Kinzel
Lisa Lai
Sandra Looft
Torey Looft
Jodi O'Donnell
Jim Popken
Lewis Rosser
Jesse Turk
Elizabeth Wade
Nathaniel Wade



Ames Progressive Alliance



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PROGRAM GUIDE

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APRIL 2016

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WHAT IS SOLSMART?

SolSmart is a new national designation program, funded by the U.S. Department of Energy through the Solar Powering America by Recognizing Communities (SPARC) initiative, designed to recognize communities that have taken key steps to address local barriers to solar energy and foster the growth of mature local solar markets. The SolSmart program primarily seeks to address “solar soft costs,” or business process or administrative costs that can increase the time and money it takes to install a solar energy system — costs which are then passed on to solar customers. While only certain local government policies and processes (such as permitting, planning, and zoning) are the source of some soft costs, local governments are in a unique position to reduce soft costs and take action to promote the use of solar locally.

The SolSmart designation program will provide high-profile, national recognition for communities that have made it cheaper and easier for solar customers to invest in solar energy. In addition, achieving designation will send a signal to solar companies that a community is “open for business,” attracting new businesses and helping designees share in the economic development benefits attached to the solar industry.

Interested communities can apply for designation at www.solsmart.org using a simple online intake form (“application”). Upon receipt of this application, the Designation Program Administrator (led by the International City/County Management Association) will conduct a baseline assessment to determine which criteria the community currently meets based on previous efforts and which actions are still required before designation can be granted. Communities committed to pursuing SolSmart designation will be eligible for no-cost technical assistance (“TA”) from the Technical Assistance Provider (led by The Solar Foundation) and its team of national solar and local government experts to help communities meet the criteria for designation.

DESIGNATION PROGRAM ADMINISTRATOR	TECHNICAL ASSISTANCE PROVIDER
INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION	THE SOLAR FOUNDATION
National Civic League	National Renewable Energy Laboratory
Home Innovation Research Labs	Meister Consultants Group
Meister Consultants Group	National League of Cities
The Solar Foundation	National Association of Counties
	Solar Energy Industries Association
	Regulatory Assistance Project
	Electric Power Research Institute
	Brooks Engineering

BENEFITS OF PARTICIPATION

Benefits of Addressing Soft Costs

Addressing soft costs and other barriers can deliver a number of valuable benefits for key local stakeholders.

- Reducing soft costs can deliver an **increased return on investment for solar customers**. Complex or poorly-defined permitting processes can add significantly to the average cost of solar photovoltaic (PV) systems. For a typical five kilowatt (kW) system, onerous permitting processes can increase prices for solar customers by up to \$700. Combined with other local regulatory policies and processes, the total price impact of local government “red tape” surrounding solar can be as high as \$2,500 for a typical installation.¹
- Reducing red tape and more efficient approval processes can result in a **time and money savings for local governments**, representing a more productive use of constrained budgets and limited taxpayer resources. Improving access to information on technical and process requirements can decrease the volume of questions or requests for information from installers and the number of incomplete permit applications, reducing demands on staff time.²
- Improving the processes and policies giving rise to some soft costs can result in **improved business prospects for solar companies**. More than 33% of installers say there are at least three communities they avoid because of permitting difficulties.³ Those communities are missing out on local revenue and affordable solar. Addressing these and other local regulatory issues can open your community for solar business, resulting in **positive impacts on jobs and economic development**.
- Lowering soft costs encourages more residents to go solar and dramatically **reduces greenhouse gas emissions**. A five kW solar photovoltaic system can reduce carbon dioxide emissions equivalent to that produced from 500 gallons of gasoline (nearly as much consumed by a typical passenger vehicle in a single year) or the amount of carbon dioxide sequestered by nearly four acres of U.S. forests each year.

1. Burkhardt, J., Wiser, R., Darghouth, N., Dong, C.G., Huneycutt, J. (2014). *How Much Do Local Regulations Matter? Exploring the Impact of Permitting and Local Regulatory Processes on PV Prices in the United States*. Retrieved April 15, 2016 from https://emp.lbl.gov/sites/all/files/local_regulations_and_pv_report.pdf

2. Interstate Renewable Energy Council. (2012). *Sharing Success: Emerging Approaches to Efficient Rooftop Solar Permitting*. Retrieved April 15, 2016 from <http://www.irecusa.org/publications/sharing-success/>

3. Clean Power Finance. (2012). *Nationwide Analysis of Solar Permitting and the Implications for Soft Costs*. Retrieved April 15, 2016 from https://solarpermit.org/media/CPF-DOE_Permitting_Study_Dec2012_Final.pdf

BENEFITS OF PARTICIPATION

Benefits of Designation

Pursuing SolSmart designation through actions to reduce soft costs and foster a positive solar market environment can provide communities with a number of more specific benefits, including:

- **National recognition** on the SolSmart website, through media campaigns, and other means.
- An opportunity to **receive awards for exceeding basic program requirements** and further distinguish your community from its peers.
- The ability to apply to host a SolSmart Advisor, **fully-funded temporary staff** assigned to between 30 and 40 communities for up to six months to help communities achieve SolSmart designation.

What We Can Achieve Together

The U.S. Department of Energy SunShot Initiative has set a goal to reduce the installed cost of residential solar to \$1.50 per watt by the year 2020. Though costs have declined dramatically over the last decade (and by over 40% since 2010), the national average cost for residential solar is still around \$3.50 per watt — suggesting much still needs to be done to achieve the SunShot goal. Further complicating this issue is the fact that much of the observed reductions in installed costs over the last few years have come from declines in hardware costs. Soft costs have yet to experience the reductions required to maximize the affordability of solar.

Fortunately, local governments are in a prime position to address soft costs and enhance the affordability of solar for customers in their jurisdiction. While a single local government taking action may only have a local impact, the SolSmart goal of designating at least 300 U.S. communities by 2018 will allow these collective impacts to be felt across the nation.

APPLICATION PROCESS AND TIMELINE

Process

The SolSmart designation program is focused on recognizing communities that have worked to improve the solar friendliness of their community and encourage solar market development. The first step for communities pursuing SolSmart designation is to establish a vision and concrete goals for the adoption of solar within the community via a **formal letter of commitment** and commitment to tracking key metrics. Details on requirements for the letter of commitment can be found in the designation criteria document and the help sections of the online application.

Secondly, communities complete actions in two **Foundational Categories**: Permitting and Planning, Zoning and Development. These two categories are areas where local governments can have significant influence on the ease, time, and cost to go solar. Previous SunShot Initiative projects have confirmed that transparency and clarity in local regulations are building blocks that set the stage for subsequent progress on soft cost reductions.

There are two prerequisites in the Permitting and Planning, Zoning and Development categories which communities must complete to receive SolSmart Bronze (create a permit checklist and conduct a review and develop a memo on existing barriers to solar in the zoning code). To receive SolSmart Silver, there are additional prerequisites in the Planning, Zoning and Development category, and the Inspection category. In addition to completing the SolSmart Silver prerequisites, there is a prerequisite in Permitting for SolSmart Gold.

Communities can earn points by taking actions across **Special Focus Categories** of their choice, which also encourage solar cost reductions. These categories include: Inspection, Construction Codes, Solar Rights, Utility Engagement, Community Engagement, and Market Development and Finance. **Special Awards** are available for communities that demonstrate significant achievement in any of these categories. Communities can submit projects that are not listed under the pre-determined designation criteria to receive Innovation points. These programs or policies will be eligible for credit as determined by a panel of experts and can potentially be selected to be showcased on the SolSmart website.

APPLICATION PROCESS AND TIMELINE

Timeline

The SolSmart program will accept applications on a rolling basis. Upon receipt, applications will be sent to a designation review team. Within one week of submission, the team will provide a confirmation that a community's application is under review. This process of review may take up to two weeks. Upon completion, SolSmart will inform the community whether they have earned designation.

Following receipt of a community's application status, both designated and non-designated communities can proceed towards these next steps:

- If a community is deemed **not ready for designation**, the review team will inform the applicant and connect the program's TA lead with the community to help address areas of improvement based on the original application.
 - Upon completion of TA, communities that were deemed not ready for designation will be encouraged and better positioned to re-submit their application for review.
- If a community is deemed **ready for designation**, a final check-in process will include the review team's formalization of your designated status and an announcement that your community has satisfied all program requirements via press release, social media and website announcement.
 - Additionally, communities deemed ready for designation will receive a tiered designation and recognition at the annual SolSmart award ceremony.
 - All communities who are deemed ready for designation will also be given the opportunity to access TA through the program to continue improving local solar market conditions.

ACCESSING TECHNICAL ASSISTANCE

Each community committed to pursuing SolSmart designation will be eligible to receive no-cost TA from the Technical Assistance Provider and its team of national solar and local government experts. As the goal of this TA is to help communities achieve designation, any assistance provided must be directed toward attaining of one or more SolSmart designation criteria.

Communities can access TA in two distinct ways. First, communities that apply to the program but that do not meet the requirements for designation upon initial review will be able to access TA services to help them achieve SolSmart designation. Members of the Technical Assistance Provider team (see the full list of organizations on page 1) will work with communities to meet the program prerequisites and address any additional actions necessary to achieve the points required to earn designation. Alternatively, communities that have already satisfied enough criteria to achieve the Bronze or Silver level of designation may indicate during the application process whether TA in achieving a higher level of designation is desired. While communities seeking higher levels of designation are eligible for TA, communities that have yet to achieve any level of SolSmart designation will be prioritized for service.

Communities can receive TA on any of the following actions to help them achieve SolSmart designation:

- Overall program prerequisite actions
- SolSmart Bronze prerequisite actions listed in the Permitting and Planning, Zoning, and Development categories
- SolSmart Silver prerequisite actions
- SolSmart Gold prerequisite actions
- Additional actions within any of the eight criteria categories
- Approved innovation actions

ACCESSING TECHNICAL ASSISTANCE

SolSmart Advisors Program

In addition to the standard no-cost TA services offered through the SolSmart program, communities pursuing designation can also apply to host a SolSmart Advisor – temporary, fully-funded staff provided through SolSmart to help host communities achieve designation. Advisors will evaluate existing local government policies and processes, develop plans for guiding their host communities toward designation, and apply proven industry-leading best practices in the execution of these plans. SolSmart Advisors will assist communities through engagements lasting up to six months.

Host communities will be selected through a highly competitive process. Factors for selection include: level of community need (based on benchmarking results from the designation application process) balanced with the achievability of what the applicant hopes to accomplish through an Advisor; potential for impact (based on population served; smaller communities can apply as a group or through a regional organization such as a Council of Governments or Regional Planning Commission); a plan for efficient use of the Advisor; geographic and socioeconomic diversity; previous engagements with the SolSmart program (e.g., Early Adopter status), and; commitment to attaining SolSmart designation. Additional factors — including long-term opportunities for Advisors in the community and an ability and willingness to cost share — are not required but will help make the community a more competitive applicant.

Applications for the first round of host communities will be accepted through the end of June 2016.

HOW TO GET HELP

For questions about the designation program, please contact:

Phone: 202-962-3622

Email: SolSmart@icma.org

For questions about technical assistance, please contact:

Phone: 703-828-4531

Email: phaddix@solarfound.org