

**FINAL**

**Solar Working Group Meeting Notes**

Dec. 18, 2013

5:30-7:30 pm, West Boulder Senior Center

**City of Boulder:** Heather Bailey, Yael Gichon, Kelly Crandall, Heidi Joyce

**Group Members:** Anne Guilfoile, Bill Ellard, Jason Wiener, John Street, Kai Abelkis, Ken Regelson, Matt Lehrman, Paul Melamed, Phil Wardwell, Puneet Pasrich, Todd Stewart, Scott Franklin, Ken Gamauf, Lynn Segal, Dave Hatchimonji, Kelly Simmons

The Solar Working Group has a city website available at: <https://bouldercolorado.gov/energy-future/energy-future-solar-community-working-group>.

**I. Overview of Solar in Boulder**

Kelly C. gave an overview of the city's existing solar policies and initiatives, including city facilities solar installations through an energy performance contract; zoning and permitting; and solar rebates and grants. Boulder has approximately 10-11 MW of solar installed locally. Comments and questions:

- **What is the status of solar gardens in Boulder?** Xcel has not approved solar garden installations within city limits.
- **What is the status of updating the solar map<sup>1</sup>?** Solar installation numbers are being verified and the map may be updated or the city may look for a different map format.
- **Will the city be analyzing solar potential in 2014?** The work plan has not been fully developed but staff anticipate looking at solar potential as part of a larger look at local energy potential.

**II. Existing Solar Contracts**

Yael refreshed the group on a key issue in the working group's purpose, which is identifying how to appropriately treat existing solar contracts with Xcel should the city municipalize. Given the group's interest in focusing on other issues related to solar, Yael suggested forming a subgroup that looks at this issue. The group indicated that this approach makes sense, so staff will ask for volunteers for a subgroup. Comments and questions:

- To some, stating that the city will make customers whole is enough; to others it isn't.
- This conversation is about the contracts for renewable energy credits (RECs), which are different from net metering issues, where customers have concerns about how much they are being compensated if they "cash out" each year.
- University of Colorado is harmed by legislative limitations like the 120% Rule and can't maximize solar even though students are interested in it and could drive it. There should be a subsequent conversation on the 120% Rule and maybe the overall state statutes.
- There are state laws, PUC rules, tariffs, and contracts, and the city could have an impact more quickly and easily on some than others.
- Need to ensure that residents feel nothing has changed with their contracts.
- Net metering may be a huge issue now but may not have the same impact in 5 years or more.
- Colorado's net metering rules are comparatively progressive but they could be even more so.

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<sup>1</sup> <https://bouldercolorado.gov/pages/solar-energy-installations-in-boulder>.

### **III. Net Metering/Update on Renewable Energy Standard Compliance Plan**

Jason gave a brief update on net metering issues in Colorado and nationally. He focused on Xcel's 2014 Renewable Energy Standard Compliance Plan (proceeding 13A-0836E) which proposes the following changes to distributed solar:

- Significantly reducing REC payments;
- Increasing the production meter tariff; and
- Classifying the difference between the wholesale rate (what customers are paid if they cash out excess solar generation) and the retail rate (excess solar generation can be netted one-to-one against consumption) as an "incentive." There are concerns this approach could lead to Xcel being compensated out of Renewable Energy Standard funds for the value of the "incentive."

The PUC is holding public comment from 4:30-7:30pm on Feb. 3, 2014, related to Xcel's RES Plan. Ken encouraged interested working group members to attend.

Jason mentioned other issues:

- In Arizona, a 74-cent demand charge per kW per month was allocated to solar by settlement.
- United Power proposed a \$1.70 per kW per month demand charge but the board voted to study the issue and hold a workshop instead.
- There was a rally in Denver last week to deliver petition signatures to Xcel to withdraw their net metering proposal.
- There will likely be a final PUC decision on the RES Plan proceeding by June, but the local solar industry expects that capacity will no longer be available under Xcel's program for small systems by then.

### **IV. Approach to Exploring New Opportunities**

Yael said the dialogue at the last meeting resulted in many good ideas, along with some discussion on barriers and setting goals to increase local solar in Boulder and to help direct ideas towards that goal. Staff provided a spreadsheet on Basecamp that attempted to capture that discussion. The idea is for the working group to identify opportunities to increase access to local solar with relevant barriers, prioritize, and select the ones to work on.

The group discussed this approach and shared some of their experiences:

- Scott described a recent permitting experience with the city over a large project where a fully engineered permit application had been submitted, the project had been built, and the inspector then asked for fusing different from the approved plans. The change would have been expensive and the timing was sensitive due to incentive deadlines. Scott met with Dave Thacker (Chief Building Official) to address the issue. He said that this led to a logical, fact-based solution in which the change was not needed. He suggested a technical working group of some kind to discuss these issues. He said that Boulder is the most difficult jurisdiction in the country to work with on solar but that this experience resulted in a good solution and paved the way for better communication in the future.
- Boulder should aim to be the most solar friendly community in the world!
- You need consistent and transparent policies so that the industry knows what to do. This is a huge opportunity for the city to work with the industry to make positive changes.
- Puneet pointed out that in Germany, solar installers are licensed/certified and then inspections are not required. There is a 48-hour turnaround from when a customer wants solar to when the solar is installed and generating power.

- Kai said this is an issue with permitting in other areas, not just solar—the city can slow things down and it costs money.
- Jason said he had a different experience in working with city building code officials on the code update related to fire safety issue. If the city were to adopt some rigid setback codes, it would have curtailed 50% of roof-top solar. There were discussions and the issue went to Planning Board and was resolved. This was a great example of working together and being creative to reach a fair decision.
- There needs to be a balance of interests at the table here (inspectors, zoning staff, permitting staff, etc.) to reduce soft costs.
- Another way to reduce soft costs is to require new roofs to be “solar ready.”

#### **V. New Opportunities to Explore**

Todd, Phil, and Puneet discussed the documents they posted to Basecamp on issues and opportunities the group could tackle. Together they have financial, legal, and technical expertise. They came from the perspective of looking to reduce costs in ways other than incentives and to tap community interest.

The group discussed the categories and examples laid out in the spreadsheet of opportunities to consider:

- Bill suggested piloting smart monitoring technologies and analytics with the current water utility.
- Anne suggested breaking “Legal” barriers into legislative, regulatory, and municipal, too.
- Jason suggested breaking the “Financial” barriers into those faced by the customer vs. those faced by an institution (such as a bank).
- It would be beneficial if a customer perspective was represented in identifying barriers.
- Dave said that Boulder County is convening building departments from multiple cities to develop regional consistency in permitting practices and reduce soft costs.
- Puneet suggested exploring water billing for on-bill financing.

The group asked some overarching issues that might help drive goals related to local solar:

- Should we keep a buyer-seller paradigm or create a partnership with the industry in which solar comes with the infrastructure, i.e., is the default?
- Why is food with pesticides “food” and food without “organic food”? Solar is the same way; renewable energy should be the default and fossil fuels the exception.
- What does grid parity mean? Is that a concept or a goal? It should be developed over time, not forced; solar companies need to plan to be more proactive to work with “prosumers” (different from passive customers).
- Boulder might want to join COSEIA’s Million Solar Roofs campaign.

#### **VI. Next Steps/Next Meeting**

- Yael and Kelly will circulate a revised version of the spreadsheet with instructions. The group members will then select categories of opportunities and fill them out for the January meeting.
- The 120% Rule and other state law issues will go on a future agenda.
- Yael and Kelly will set up a subgroup to discuss existing solar contracts.