

Solar PV Rebate Program
PBI Stakeholder Meeting Notes
Friday, June 4, 2010 12:30 p.m.
811 Barton Springs, TLC Assembly Room

AE: This is the first review of the solar commercial PBI program.

From 2/4/10 to 6/4/10 we have received seven applications for a total of 106 kW (AC PTC). Only two of those have been issued a Letter of Intent, for total of 25kW (AC PTC). We would like to see more active participation. One existing requirement is that we need contracts between the contractor and the business entity to be executed. We may relax this requirement to stimulate more participation.

AE Change Proposal: Initial LOI issued with a 60 day life without signed contract; money will be locked into applications while bid packages are evaluated. Once a contract is signed and submitted, an LOI with the typical timeframe (120 days for existing or 180 days for new construction) will be issued.

Contractor concerns regarding proposal: The amount of design work that goes into the commercial project proposal can be damaging to a contractor when the customer takes it to shop around. Another company can then bid lower because the design work is already done.

AE Response: We do not have any regulations/opposition to contractors charging for design time. This could be a tool for the contractor to use to justify the time and effort of submitting an application.

Other concerns raised by contractors: We have found that 10-12% interest rates are typical for a loan on a system this size. Commercial customers are looking for a 15% ROI. In San Antonio there is a perception of a better return (rate increase announcement 7.5% now, 5.5% every other year). Have you looked into increasing the PBI payment/kW and decreasing the time of the term, or simply changing the PBI rate? Do we know for sure if PBI payments are taxable income to commercial customers? There seems to be a "cloud over solar," a perceived lack of commitment to solar in Austin. People do not understand that the solar program is still alive. Would Austin Energy be willing to make a public statement?

AE Responses: We are looking at ways of getting the program going without adding more money to the budget. Will the contract amendment help? We cannot talk in depth about the future budget until the city manager gets forwarded a copy (around the end of the month). A difference we have seen from our model is that applications for these systems are averaging at \$5/W installed, we had estimated \$5.50. Rebates for commercial installs are taxable, but we will look into the tax status of the PBI payments to see if it is the same. Solar contractors might have more authenticity speaking about the solar program in Austin. This is a difficult budget climate. Our programs' efforts have yielded many benefits. Austin has received federal funding for projects, for example Solar for Schools and Clean Energy Accelerator (a.k.a. PACE).

AE: By the end of the month we will have a conclusion on any PBI program changes, which should mesh with next fiscal year's budget proposal announcement.