SOCO south robertson neighborhoods council



Doug Fitzsimmons President

Brian Kite Vice-President

Terrence Gomes Treasurer

Beth Ryan Secretary

South Robertson Neighborhoods Council

PO Box 35836 Los Angeles, CA 90035

P: (310) 295-9920

F: (310) 295-9906

E: info@soronc.org

soronc.org



City of Los Angeles Certified Neighborhood Council

Motion to support the suspension and re-evaluation of DWP's FIT-100

program

Agenda Item:	GB071813-10
Date:	15 August 2013
Proposed By:	Terrence Gomes

Introduction

On January 11, 2013, the Board of Water and Power Commissioners (Board) approved the 100 MW Feed in Tariff (FiT) Set Pricing Program as the first component of the 150 MW FiT Program. LADWP's 100 MW FiT Set Pricing Program seeks to encourage renewable energy development within the Los Angeles Basin and help meet the 33% Renewable Portfolio Standard mandate by 2020. The FiT Program will allow the LADWP to partner with program participants to purchase, under a standard power purchase contract, energy generated from a participant's renewable energy generating system. These systems will be located within the LADWP's service territory and interconnected to the LADWP electrical distribution system. All the energy generated by these systems will be purchased at a fixed price, subject to time-of-delivery multipliers, for a term of up to 20 years. The program includes five 20 MW tranches (100MW) scheduled to be made available every six months through 2016. The initial power purchase price will be 0.175/kWh for the first 20 MW, with sequential price drops of 0.01/kWh scheduled to kick in for each subsequent tier.

Overall, LADWP aims to install 100 MW of solar and other renewable energy projects in the department's service territory by 2016. However, already in the opening week of its new FIT program, the first 20 MW allocation has been oversubscribed to. Both customers and developers have submitted applications totaling 107 MW of solar projects to be installed across the city and in the Owens Valley service area, including 2 MWs worth of projects 30 to 150 kW in size, and 76 MW worth of projects 151 kW to 3 MW in size.

Costs for the LADWP will include hiring 30 additional administrative staffers to operate the program which is not included in the fixed price.

Full Proposal

At a recent meeting of the LA Neighborhood Council Coalition, Department of Water and Power Ratepayer Advocate Dr. Fred Pickel. He discussed the Feed-In Tariff Set Price (FIT-100). His PowerPoint presentation is attached.

From the LANCC minutes:

"Dr. Pickel accepts the FIT-50 program but not the FIT-100. As explained in the power point, ratepayers are not getting a fair or reasonable program from DWP on the FIT-100 program. The price that DWP is proposing to pay for solar power under the Feed-in-Tariff is over market by about \$250 million over the next 20 years. For the first 20 megawatts of the 100 megawatt program, DWP is proposing to pay 17 cents per kilowatt hour. This amount declines by 1 cent for the next 20 megawatts to 16 cents. Then 15, 14 and 13. But when these prices are compared to current market prices, we are paying \$250 million over market. Dr. Pickel recommends suspension of the FIT-100 program until it can be re-evaluated."





Dr. Pickel asked for a suspension of the FIT-100 program until the end of September, by which time its offering rate could be reevaluated. His point is that while the city is obligated to purchase renewable energy, it is not obligated to purchase it at rates above market price. He believes that ratepayers will be able to buy twice as much green energy for the same money they are now pledging for 20 years to vendors under the FIT-100 program. The solar companies and property owners would be directly benefiting from what Dr. Pickel is essentially saying is a subsidy for private businesses by the LADWP ratepayers.

Proposed Motion

I. To support the Rate Payer Advocate Dr. Fred Pickel's request that the FIT-100 Program be suspended and support the subsequent reevaluation of the FIT-100 Program as suggested by the Office of Public Accountability.

Considerations

Committee review: (highly recommended)	Votes For: n/a	Against: n/a		
Amount previously allocated in Committee's working budget: n/a (applies to funding motions only)				
Arguments for:	Argume	nts against:		
The motion was passed un LANCC	animously by The NC I issue.	The NC hasn't been briefed on the issue.		





Doug Fitzsimmons President

Brian Kite Vice-President

Terrence Gomes Treasurer

Beth Ryan Secretary

South Robertson Neighborhoods Council

PO Box 35836 Los Angeles, CA 90035

P: (310) 295-9920

F: (310) 295-9906 E: info@soronc.org

E. IIII0@301011C.0

soronc.org



City of Los Angeles Certified Neighborhood Council

Motion to support the DWP's Feed In Tariff aka "FiT-100 Program"

Agenda Item:GB071813-10 (Substitute motion)Date:September 17, 2013Proposed By:Green Team Committee

Introduction

On Jan. 11, 2013 the Board of Water and Power Commissioners approved the 100MW feed in Tariff Set Pricing Program as the first component of the 150 MW FiT Program. This program seeks to encourage renewable energy development within the Los Angeles basin and help meet the 33% Renewable Portfolio Standard mandate by 2020.

The FiT Program will allow the LADWP to partner with program participants to purchase energy generated from a participant's renewable energy generating system such a rooftop solar. Energy generated by these systems will be purchased by the DWP at a fixed price, for a term of up to 20 years. The program includes five 20 MW tranches totaling 100MW of power, made available every six months through 2016. The initial 20MW power purchase was at \$0.175/kWh issued in January 2013. The second 20MW tranche was issued in July 2013 as \$0.165/kWh with a sequential price drop of \$0.01/kWh for each subsequent tier and released every 6 months over a total of 2.5 years.

Overall, LADWP aims to support the installation of 100MW of solar and other renewable energy projects in the department's service territory by 2016. In the opening week of the FiT program, the first 20MW allocation was oversubscribed. Both customers and developers have submitted applications totaling 107MW of solar projects to be installed across the city and in the Owens Valley service area.

Costs for the FiT Program will include hiring 30 additional administrative staffers to operate the program which is not included in the fixed price.

At a recent meeting of the LA Neighborhood Council Coalition, Dr. Fred Pickel, DWP Ratepayer Advocate showed a power point presentation in which he outlined his objections to the FiT-100 Program. He feels the program is \$250 million dollars over market price over the life of the 20 year contract. Dr. Pickel recommends suspension of the program until it can be re-evaluated. His objections are outlined below under Arguments AGAINST the FiT Program..

The Board asked the Green Team Committee to study Dr. Pickel's request to suspend the feed in tariff program. In order to do this, the committee asked Dr. Pickel's office to send them a detailed discussion of their objections to the program (See "Arguments Against the LADWP's FiT 100 Program, Submitted by Camden Collins....") and asked the same from supporters of the FiT Program and invited both groups to attend two consecutive committee meetings. Attached are the salient documents used to do our research. A summary of the pros and cons are listed under "Arguments".

Full Proposal

After considering all the submissions for and against the program, the committee determined that the FiT 100 Program should not be suspended.





Over a five year period beginning in 2009, the program was researched by academic energy policy experts resulting in a report published by UCLA in 2010 (See attachment: "Designing an Effective Feed-In Tariff Program for Greater Los Angeles", UCLA Luskin Center for Innovation, commissioned by the Los Angeles Business Council, Solar Working Group. It was also vetted in multiple public workshops.

The program fulfills the objectives of specific public policy mandates: reach 33% renewable energy by 2020, develop in-basin solar, and improve LA's economy by creating local, high-waged jobs. Dr. Pickel's proposal, to buy out-of-basin energy at less expensive rates, does not specifically address these mandates.

Larger imported solar projects such as the one Dr. Pickel references in Palo Alto, put important Federal tax credits, which end in 2016, at risk. This project has yet to pass an Environmental Impact Report which could take years. Furthermore, any jobs created, would probably not benefit LA residents. In addition, there are hidden costs to imported solar power such as expensive transmission lines, and substations, and a c. 3% power loss when brought in from distances. Single, large installations are more susceptible to weather conditions. Power distributed throughout the DWP service area is quick to install, easy to connect to the grid, and less vulnerable to cloud cover.

We asked both sides to put the rate increases in perspective for us by answering the question of how the cost of the Fit Program would impact the average ratepayer. The Ratepayer Advocate said that there were too many variables. (See a detailed response a the end of Arguments AGAINST) A DWP report stated that the Fit 150 MW program will add \$.000075/kWh to the ratepayer's bill, resulting in an average monthly electric bill increase of c. \$0.04. In addition, 75 of 150 megawatts of the FiT program are mandated by the State. Therefore, if one considers only the optional amount that is being debated for suspension, ratepayers will be responsible for, on average, 2 cents more per month.

The Ratepayer's Advocate made a strong case for establishing the price paid for rooftop solar by public bidding so that it reflects current fair market value. (See their discussion in Arguments AGAINST and "Frequently Asked Questions..." attached.) Detractors of this idea explain that an auction method was tried and failed. Bidding was used in a smaller 10MW program. The price came in higher than \$.17 and the program was under subscribed. Among the major criticisms of the bidding method are that it is harder for small and midsized firms to arrange financing without a projected rate of return. The set price in the first issue of \$0.175/kWh reflects this early bidding program and is an average of other comparable municipal programs within the US. (One should be reminded that 40% of the program has already been contracted out. The next tier will be issued at \$0.155/kWh.)

Finally, a survey of 400 DWP Ratepayers conducted by Fairbank Maslin, Maullin, Metz & Associates indicates that 57% of the respondents would pay \$1.00 per month more to expand in-basin solar. 76% felt that the DWP should do more to expand use of local rooftop solar.

In summary, doing a cost/benefit analysis, the committee felt that there was a negligible investment for the substantially beneficial economic, and environmental FiT 100 energy program. In defense of the Ratepayer Advocate, and considering the immense costs associated with climate change (such as fire and water scarcity), the committee suggested that cheaper, out-of-basin programs such as the one Dr. Pickel sites in Palo Alto, should be pursued in addition to expanding rooftop in-basin programs in Los Angeles.



Proposed Motion

That the South Robertson Neighborhoods Council support continuing the DWP's FiT 100 Program as currently structured.

Considerations

Committee review: Votes For: 6

For: 6 Votes Against: 0

Arguments FOR the Fit

Arguments AGAINST the Fit

See Attachment, p. 4.







Arguments for the FiT Program

- FiT Program study was pub. in 2009-2010 by two respected academic organizations: UCLA and USC. DWP introduced the proposal in public workshops months before DWP Board approved plan. Hence the Office of the Ratepayer Advocate had ample time to weigh in on the pricing recommendations.
- According to the DWP, the rate increase from the combined FiT150MW program will be \$.000075/kWh, resulting in an average monthly electric bill increase of \$.04.
- An independent survey of 400 DWP ratepayers indicates that 57% would pay \$1/mo. or more to expand in-basin solar. 76% felt DWP should do more to expand use of local rooftop solar.
- Program covers only100 MW of power, which is a small portion of the 6000MW's of demand in LA.
- It fulfills the objectives of its public policy mandate: reach 33% renewable energy goal by 2020, develop in-basin solar, improve LA economy by creating local, high-waged jobs
- The starting tranche price of \$.17 for the first 20 MW of the 100MW program is an average of other comparable FiT Programs according to statistics supplied by UCLA
- Lower prices can be acquired from larger, imported solar projects such as the one in Palo Alto (\$.07 to \$.09/kWH). However there are problems and hidden costs with these programs and they do not fulfill all the requirements of the policy mandate:
 - require EIR's which can take years. If projects fail to pass, Federal tax credits disappear in 2016. In-basin rooftop solar installs quickly.
 - importing power requires building expensive infrastructure: transmission lines, substations (\$50 million each) and there's up to a 3% loss of power when brought in through transmission lines
 - solar power is affected by cloud cover. Power is less vulnerable when distributed throughout the DWP service area than if coming from a single geographic source.
 - imported solar creates fewer local jobs
- The reduction of the price from \$.17 to \$.13 over 2.5 years encourages efficiency and reduces costs quickly.
- Not all FiT Programs are successful. Solar power is expensive. Successful programs have set tariffs based on installing & operating costs plus a reasonable profit and include a goal of economic development.
- Without a guaranteed rate of return, it is difficult to get financing.
- 20-35 projects are projected for low income LA areas where sun is optimal for solar, therefore creating jobs where they are most needed.
- Problems with the auction mechanism:
 - smaller companies have trouble competing against larger, more sophisticated companies. The more complicated the process, the greater the barrier to participation.
 - industry collusion is possible.
 - industry professionals prefer competitive bidding for larger projects and fixed pricing for smaller (in-basin) projects
 - o harder to arrange financing without a projected rate of return
 - the auction method was tried and failed. Bidding was used to set the original price, which came in higher than the \$.17 ultimately set, and the program was undersubscribed.





Arguments against the FiT Program

- The Office of the Ratepayer Advocate (begun in 2012) has objected to this program since it was first aware of it and had less than one day to consider the **final** terms of the project before it was considered by the LADWP Board in Jan. 2013.
- It is not a small project. It represents \$500 million of power that is not competitively solicited but based on prices the *industry* claims it needs. Bidding is normal practice in this industry.
- The first two rounds (20 MW @\$.17 in Jan. 2013; 20MW @ \$.16 in July 2013) of the FiT100 MW Program were oversubscribed, indicating the price had been set too high and did not reflect current market conditions.
- Wholesale energy prices run \$.03 to \$.04/KWh. When you include costs to maintain, distribute and transmit energy, embedded costs for all power has been \$.06 to \$.07/kWh. The difference b/n the cost of retail and wholesale power generation represents the funds used in maintaining aging infrastructure.
 Paying more than twice that for wholesale power compromises the stability of future solar programs and maintenance of the grid.
- The program should be fixed at the outset to insure that solar will continue to develop in LA and that future programs are not hampered by known shortcomings.
- Some auctions can, and will fail due to unknown variables causing lack of participation, but this does not mean the process is flawed. Auctions can be conducted as desired, taking advantage of current market values.
- Money saved thru a bidding process can be used to fund additional solar rebates for net-metered solar (residential programs), or additional rounds of procurement from feed in tariffs. This in turn would generate more solar projects, and jobs over a longer period of time.
- The disadvantages to setting prices instead of allowing competitive bidding are:
 - o does not allow the rate payer to have renewable resources that reflect current market conditions
 - o an overheated market can exhaust resources
 - o set prices can make the industry reliant on subsidies
 - o lack of competition reduces incentives to efficiency
 - o tariff profits benefit the installers and are not passed on to the renters.
 - o excess FiT program costs are born by the rate payer
 - o improperly set fixed prices can lead to boom and bust cycles as in Spain
- According to the Office of the Ratepayer Advocate, when asked their analysis of how this would actually impact the cost per kWh of Tier #1 and Tier #2:

"OPA has noted that it is difficult to put a rate impact on such a bad precedent. It is hard to determine the full extent of unreasonable procurement practices once they start. This program costs about \$120 to \$250 million more than it needs to, depending on many assumptions. One of those assumptions has to do with market conditions, which are better determined by bidding than estimating. Also, these commitments will be irrevocable for 20 years. That financial inflexibility, at these wholesale price levels and this large size, combined with the many other major initiatives, has adverse consequences that are difficult to put into a rate impact analysis."

Synopsis of Articles and Submissions in Favor of the FiT 100 Program

(as currently structured)

"FiT" stands for "Feed in Tariffs" which is the price the DWP is willing to pay for solar energy supplied by businesses, schools, and multifamily dwellings from panels installed on their buildings. On the website below, are fact sheets, power points, and articles on the disputed DWP's FiT 100 Program. For those with limited time, I have tried to write a synopsis of the arguments so that we can vote this Wednesday night on whether or not to support a suspension of this program.

https://drive.google.com/folderview?id=0B4LRzXs07KpWWTk3SUV6SkNsS2c&usp=sharing

SYNOPSIS: FACT SHEETS (Consult above website for power point discussions and DWP websites)

I. LADWP FIT RATES...COMPARABLE PROGRAMS (See attached graph from the above web site)

II. Clean LA Solar

- California is required to get 33% of energy portfolio from renewables by 2020
- FiT Program developed by Los Angeles Business Council in conjunction with UCLA Luskin School of Public policy, USC Program for Environmental & Regional Equity, & DWP
- Program authorized by LA City Council and DWP Commission in January 2013 and will...

-Create 4500 jobs

-Power 34,250 households

-Generate \$500,000,000 in private investments, \$300,000,000 in federal tax credits

-Place ½ of the installations in solar "hot spots" (warmest areas of LA with high solar potential and where there is high economic need)

III. James Brennan : Synopsis of talking points in response to Fred Pickel's presentation to the Harbor Alliance of NC's (items 2 – 9 only)

- **#2** Agrees with Fred Pickel that FiT Program favors vendors not customers because multi-dwelling property owners are not required to pass on energy savings to customers. This problem could be solved by "bill credits" and other measures.
- **#3** LADWP purchase price was based on an average of an auction based pilot program which was (40% undersubscribed) and the purchase price does not include the cost on connecting installations to the grid. These revenues will cover DWP's program administration fees.
- **#4** FiT energy purchase rates will not rise as the cost of energy rises (5%/year). Therefore these rates will look better over time.
- **#5** FiT Program was first suggested in 2008 not Jan. of 2013.
- **#6 and 8** Dr. Pickel estimated first that the program would cost \$100million over 20 years, six months late the figure rose to \$230-300 million (now it is at \$500million). The DWP and a private firm claim that the FiT Program will be a money maker. Furthermore, his figures do not take into account infrastructure savings and energy delivery reliability resulting from in-basin rooftop solar. (Substations are \$50million each).
- If he is worried about ratepayer burdens, he should be more concerned with the high cost of LADWP salaries totaling \$800million over the next 20 years.
- **#7** Dr. Pickel claims that we can achieve same carbon reduction at \$.07 to \$.09/kWh using large scale projects bringing energy from external sources. There are inherent problems with these projects:

- they are risky and require environmental impact reports which take years
- require building expensive transmission lines
- 3% of power lost when it has to be imported
- power from one geographical source is vulnerable to cloud cover. Smaller arrays, geographically distributed through-out the city are a more reliable source

ADDITIONAL POINTS SUBMITTED BY JOHN BRENNAN

- The FiT program is the only program available for condo's and multi-family residents
- Suspending the DWP's FiT program is not necessary to evaluate the program.

SYNOPSIS: REPORTS, STUDIES, ARTICLES

I. "Survey Conducted by Fairbank Maslin, Maullin, Metz & Associates"

- Sampled 400 DWP ratepayers
- 59% would like to see DWP increase electricity it generates from renewables
- 76% want DWP to expand rooftop solar
- 57% willing to pay \$1.00/month more to increase amount of electricity LA gets for rooftop solar
- 32% were willing to pay more than \$1.00/month to expand rooftop solar

II. "Designing an Effective Feed-In Tariff Program for Greater Los Angeles", study conducted by UCLA Luskin Center for Innovation, commissioned by the Los Angeles Business Council, Solar Working Group.

"A Feed In Tariff is a policy that requires a utility (DWP) to buy solar power that residents, businesses, and public organizations produce by installing solar panels on rooftops, parking lots, and vacant land."

- This study begun in 2009 resulted in guidelines for the FiT-100 Program Design.
- Purpose of the study: to analyze how best to implement Mayor Villaraigosa's long term comprehensive solar plan proposing a solar FiT program administered by the DWP of 150MW and Gov. Schwarzenegger's executive order mandating a 33% renewable standard by 2020. Also SB1 70% renewables generated in California.
- Solar power from FiT programs is an expensive type of renewable energy...So in ...places...where feed-in tariffs are adopted, policy makers place a priority on creating local high-waged jobs, supporting local green business, and expeditiously meeting renewable energy goals.
- Some programs have not been successful...Successful programs have set...tariffs based on actual cost of installing and operating solar, plus a reasonable rate of return...and achieve the dual goals of renewable energy generation and economic development.
- Policies enable regions to take advantage of tax benefits and subsidies from state and federal solar programs...resulting in a flow of financial resources into the region.
- The most significant barrier to solar ownership is economic...To facilitate ownership, the recurring benefits must be sufficient to pay back the systems costs and provide a reasonable return on investment...but also predictable to facilitate external financing.
- FiT Programs work well because they

-Are the fastest way to bring clean energy on line resulting in immediate environmental and economic benefits

-Expands the solar market

-Reduces economic barriers to ownership

-Guaranteed tariffs lower cost and access to financing

- Germany : program begun in 1990. It stalled until 2000 when laws allowed tariffs to move with market conditions and production costs and relaxed access to the program. Tariffs were high enough to cover installation costs and ensure a reasonable profit. Renewables cost households in 2008 \$4.64/month of which 6% is from solar. 117,000 jobs were created since 2004 generating 28.7 billion euro in 2008. (Population of Germany is 81.8 million, California 38 million, 39,000 jobs)
- Spain: poorly designed, inflexible FiT Programs led to a boom/bust cycle magnified by the recession.
- Sacramento: has a cost based program/ economic development not a component in goals. Goal was energy at the lowest cost. Started Jan. 2010. Seems successful. Attracted larger solar developers.
- IMPORTANT! Policy goals must be decided first. FiT program design follows from this decision.
- Cost based tariffs (tariffs based on the cost of installation, and specific rate of return) incentivize solar energy and create opportunities for local employment.
- Value based tariffs based on prevailing market price of electricity set by fossil fuel generation (negatives: do not cover costs, do not consider reduced environmental costs in pricing, low rate of return for project's risks...positives: minimize ratepayer impact, prices reflect competition, contribute to long term stability)
- California Public Utilities Commission: Renewable Auction Mechanism: developers submit long-term, non negotiable bids to procured a mandated quantity of energy. Bids must cover costs and incentivized to be efficient.
- Problems with Auction Mechanism:

-smaller companies in competitive process against large, more sophisticated companies. The more complicated the application process, the greater the barrier to participation.

-industry collusion is possible.

- Industry professionals prefer competitive bidding for larger projects and fixed pricing for smaller in-basin projects.
- CONCLUSION: If California is to realize the aggressive goals established by policy makers, LA must have aggressive programs. Therefore the paper recommends:
- A Cost Based Tariff program which includes participation from non profit solar owners, small project owners, and which covers costs and provides a dependable rate of return.

III. "Making the Market: Multi-Family roof-top solar and Social Equity in LA" Vision of privately funded, publicly incentivized market for multi-family, rooftop solar, reduces owner/renter utility costs, provides new revenue stream for owners, creates jobs for locals.

• Incentive: A Fit program priced at 24-26 cents per KWh would create 300MW of power to 30.000 households of average size. It would create 4500 jobs (with local job requirements) and reduced energy costs to renters (with a renters benefit program).

IV. "Solar in Southland: The Benefits in Achieving 20% Local Solar Power by 2020"

- Result in clean air and reduced global warming
- Save water: replacing 1200MW of power generated from natural gas plants saves 435 million gallons of water.

• Create Jobs: 1200 MW of power =32,000 job years (LAUSD's current program saves \$800,000/month which is money they can spend on more teachers)

V. "In L.A. Getting Paid to Go Green" by Catherine Green Re: the Clean LA solar aka "FiT 100 Program"

- Solar Provider Group plans to invest \$50million in 17 projects and hire 30 more employees as a result of the FiT Program
- Program will help meet 25% of the state mandate by 2016.
- The hope is to expand the program from 150MW to 600MW
- 20-35 projects are in low income "hot spots" neighborhoods.

VI. "KCET: Expert Gives Thumbs Up to LADWP's CLEAN Program" by Chris Clark

• Program will cover 100 MW of power, small portion of total 6000MW's of demand in LA. Approved by John Farrell, of the Institute for Local Self Reliance. "17 cents is average offering compared o other cities and states. US total FiT industry is 132MW which is equal to 1 four-hundreth the size of Germany's program."

Arguments Against the LADWP's FiT 100 Program Submitted by CAMDEN COLLINS

Office of the Ratepayer Advocate

Frequently Asked Questions About The FiT 100 Solar Program

Q: What is the FiT 100 program, and how does it differ from residential solar net metering?

A: The FiT 100 program is for the sale of power from intermediate scale projects. This is for projects up to 600 times larger than the typical single family residential installation. The FiT 100 projects sell their entire project output to the LADWP, a wholesale transaction, with no power used at the project site.

Q: Why does the ratepayer advocate recommend suspending or fixing the LA<u>DWP's</u> FiT 100 program?

A: It is over \$500 million of power that is not competitively solicited, but is being awarded based on the prices the industry said it needed before current market conditions could be evaluated. Accepting bids is normal practice in both this industry and in public contracting. LADWP's prior two rounds have had far more participants and quantity offered than are <u>currently</u> being awarded.

Giving awards to those who bid the lowest price has well established public benefits. Awarding the volume based on a lottery, because the industry does not like and does not want to bid, has no identified ratepayer or public benefits when participation is this robust.

Q: Was not the program developed with this in mind?

A: It is often said that many stakeholders spent many hours developing the FiT program. Would you put your house on the market on a price many people discussed last year? A public bidding process allows the ratepayer to have renewable resource, as defined, in a way that reflects current market conditions.

The Office of Ratepayer Advocates has objected to this program since it was first made aware of it., <u>The Ratepayer Advocate was informed of the</u> final version of the <u>program</u> which was less than one business day before the LADWP Board was asked to <u>consider it</u>.

Q: This program is so small, why not just let it finish and then fix it?

A: Projects below 150 kw are small, and it is a policy option to allow projects that are small to finish as initially intended. But projects over 150 kw are not small and spending \$500 million is <u>excessive</u>. The principle of competitive awards is important if solar is going to continue to develop in Los Angeles without fits and starts. Programs that are new and experimental in nature should be fixed as soon as possible, <u>so that subsequent programs are not hampered by known shortcomings</u>.

Q: Won't LADWP make money selling this power later?

A: No. This program is not like net metering, where a retail customer is using the power. Every time LADWP pays retail prices for wholesale power, they erode their financial capability to maintain the distribution and transmission wires that all producers and consumers need. Wholesale prices in the short run have been 3 to 4 cents/kwh, DWP's embedded costs for all power has been 6 to 7 cents/kwh. Paying more than twice that for <u>wholesale</u> power further compromises the stability of the solar programs and the maintenance of the grid. The difference between retail and wholesale generation is an essential gap which is used to fund the aging wires infrastructure both buyers and sellers need.

Q: Bidding failed when it was tried. Why try it again?

A: Because the <u>DWP</u> FiT 100 program has successfully attracted a large amount of participation. There are many poorly designed auctions that fail for lack of participation. But that does not necessarily mean that bidding does not work in general. Many other factors can lead to failed auctions. Finally, it should not be considered a failure if 30MW was put out to bid and only 5MW is awarded. Such an auction can be done as often as desired, to ensure reasonable costs of procurement for the ratepayers.

Is it really a "success" to protect larger projects from the discomfort of having to compete, if the money saved could have been used to fund additional solar rebates for net metered solar, or additional rounds of procurement from feed in tariffs? That would generate more solar <u>projects</u> and solar jobs, for <u>a longer period of time</u>. The more often bidding is used, the more all can observe the price trends <u>allowing</u> uncertainty <u>to</u> fall.

Since there is not an unlimited amount of funds, why not give the cheapest projects, with the best roof top opportunities, a merit-based allocation of the feed in tariff quantities made available?

Other arguments for suspension taken from UCLA Luskin Center:Report, ". "**Designing an Effective Feed-In Tariff Program for Greater Los Angeles**"

Setting prices:

- 1. can exhaust resources
- 2. can make the industry reliant on subsidies
- 3. reduces incentives to efficiency
- 4. tariffs benefit the installers and are not passed on to customers
- 5. cost of FiT Programs are born by the ratepayers
- 6. can lead to boom and bust industry cycles as in Spain





Doug Fitzsimmons President

Brian Kite Vice-President

Terrence Gomes Treasurer

Beth Ryan Secretary

South Robertson Neighborhoods Council

PO Box 35836 Los Angeles, CA 90035

P: (310) 295-9920

F: (310) 295-9906

E: info@soronc.org

soronc.org



City of Los Angeles Certified Neighborhood Council

Funding SORO NC Town Hall 2013 up to \$500

Agenda Item:GB091713-4Date:9/17/13Proposed By:Marjan Safinia

Full Proposal

SORO NC's Bylaws call for us to organize an annual Town Hall event where we offer stakeholders the opportunity to interact directly with City officials about issues that affect their lives.

The Outreach Committee has spent some time discussing different ideas for a Town Hall, and is aiming to host one in November 2013 around the issues of traffic, Robertson Blvd and Planning. While the specific details of the event have yet to be finalized, we would like funds available to start outreach planning as soon as we are able.

This funding motion is to cover the costs associated with hosting and spreading the word about the Town Hall, so that we may organize a successful event. \$500 was assigned for Town Hall events in the budget

Proposed Motion

I. That SORO NC approve up to \$500 of funding for costs associated with the production and outreach for SORO NC's 2013 Town Hall Event

Considerations

Committee review:	Votes For: 7	Against: 0

Amount previously allocated in Committee's working budget: \$500

Arguments for:	Arguments against:
It's a valuable opportunity to allow stakeholders to better understand planning and transportation issues that affect them.	Cost.
It is a chance to start a cohesive community conversation so that we can better understand a vision for SORO NC from a variety of stakeholder viewpoints.	There may be other topics that we could explore.





Doug Fitzsimmons President

Brian Kite Vice-President

Terrence Gomes Treasurer

Beth Ryan Secretary

South Robertson Neighborhoods Council

PO Box 35836 Los Angeles, CA 90035

P: (310) 295-9920

- F: (310) 295-9906
- E: info@soronc.org

soronc.org

City of Los Angeles Certified Neighborhood Council

Motion to support a system-wide NC grievance and complaint process

Agenda Item:

GB091713-5 17 September 2013

Date: Proposed By:

Doug Fitzsimmons & Terry Gomes

Full Proposal

The City Charter requires that NCs have a process for hearing community grievances, but does not specify what that process should be. As a result, each NC has developed its own procedures without any right of appeal to a higher body.

Unfortunately, those home-grown processes vary widely in effectiveness and fairness. There is also general confusion about what constitutes a grievance (directed to an NC about their actions and decisions) and what constitutes a complaint (directed to the Department of Neighborhood Empowerment [DONE] about a Charter violation that may result in NC decertification).

On the one hand, grievances and complaints arguably are an important public check on the actions of the NCs. Having a process that is uniformly fair can strengthen the entire system. An appeal process would give Stakeholders an opportunity to be heard in cases where an NC is unwilling to make acceptable changes.

On the other hand, the system is also plagued by "serial grievers" who often tie up NCs with endless spurious complaints.

After much work and public comment, DONE and the Board of Neighborhood Commissioners developed a proposal for regional appeal panels. Each NC would have the opportunity to first resolve its own grievances. There would be no further appeal allowed beyond the regional panels. Their system would also have DONE pre-screen grievances to make sure they are legitimate (see attached workflow). The NC Plan Review committee and LANCC have also endorsed the plan.

Proposed Motion

That sections of the City's Administrative Code which touch upon Neighborhood Council grievances and complaints procedures be amended as follows:

- I. That the grievance procedure and the complaint process be merged into one system;
- II. That the Department of Neighborhood Empowerment (DONE) establish a single set of procedures with a regional grievance panel empowered to render a final decision on a grievance without further right of appeal, which shall be based on the grievance policy recommendations already made by DONE as reflected in its report dated November 22, 2011, and contained in Council File Number 11-1018;
- III. That BONC and DONE develop a set of potential consequences for NCs who do not comply with the regional panel's recommendations (up to and including decertification) and that when applied, those penalties be recommended by DONE and approved by BONC;





- **IV.** That the regional panels be conducted in accordance with the Brown Act to ensure a public process, but that since they are not courts of law, attorney representation should not be allowed;
- V. That stand-alone elements of the new procedures that do not require Administrative Code changes be implemented within 90 days of this motion.

Considerations

Committee review: (highly recommended)	Votes For:	0 Against:	
Amount previously allocated in Committee's working budget: \$ (applies to funding motions only)			
Arguments for:		Arguments against:	
Helps reinforce a sense of fairness, predictability and legitimacy within the grievance process and NC system as a whole.		For problems short of fraud or fiscal malfeasance, the proper corrective to Board issues is an election.	
Will limit the number of nu complaints that seek only proper functioning of an N	to derail the	The filters for stakeholder grievances may be too restrictive; why limit the ability to petition for redress of grievances?	

Agenda Item 10b

11-1018

EDUCATION & NEIGHBORHOODS

MOTION

JUN 1 5 2011

When a stakeholder files a complaint against the action(s) taken by a Neighborhood Council, there is no system-wide standardized process for handling that grievance. Furthermore, processes that do exist are established by the Neighborhood Council against which a grievance is filed, which leads many stakeholders to question the validity of Neighborhood Council actions when it comes to controversial issues.

In those circumstances, it is critical for the integrity of the Neighborhood Council system that the complaints be handled swiftly, transparently and fairly.

I THEREFORE MOVE that the Council DIRECT the Department of Neighborhood Empowerment, the City Attorney, City Administrative Officer and Chief Legislative Analyst to report back to Council in 90 days with a plan for the implementation of a system of regional complaint panels composed of board members of various Neighborhood Councils from similar regions that will convene to address stakeholder and board member grievances as-needed, and at the request of the General Manager for the Department of Neighborhood Empowerment. The report should consider guidelines for panel selection, implementation and range of authority.

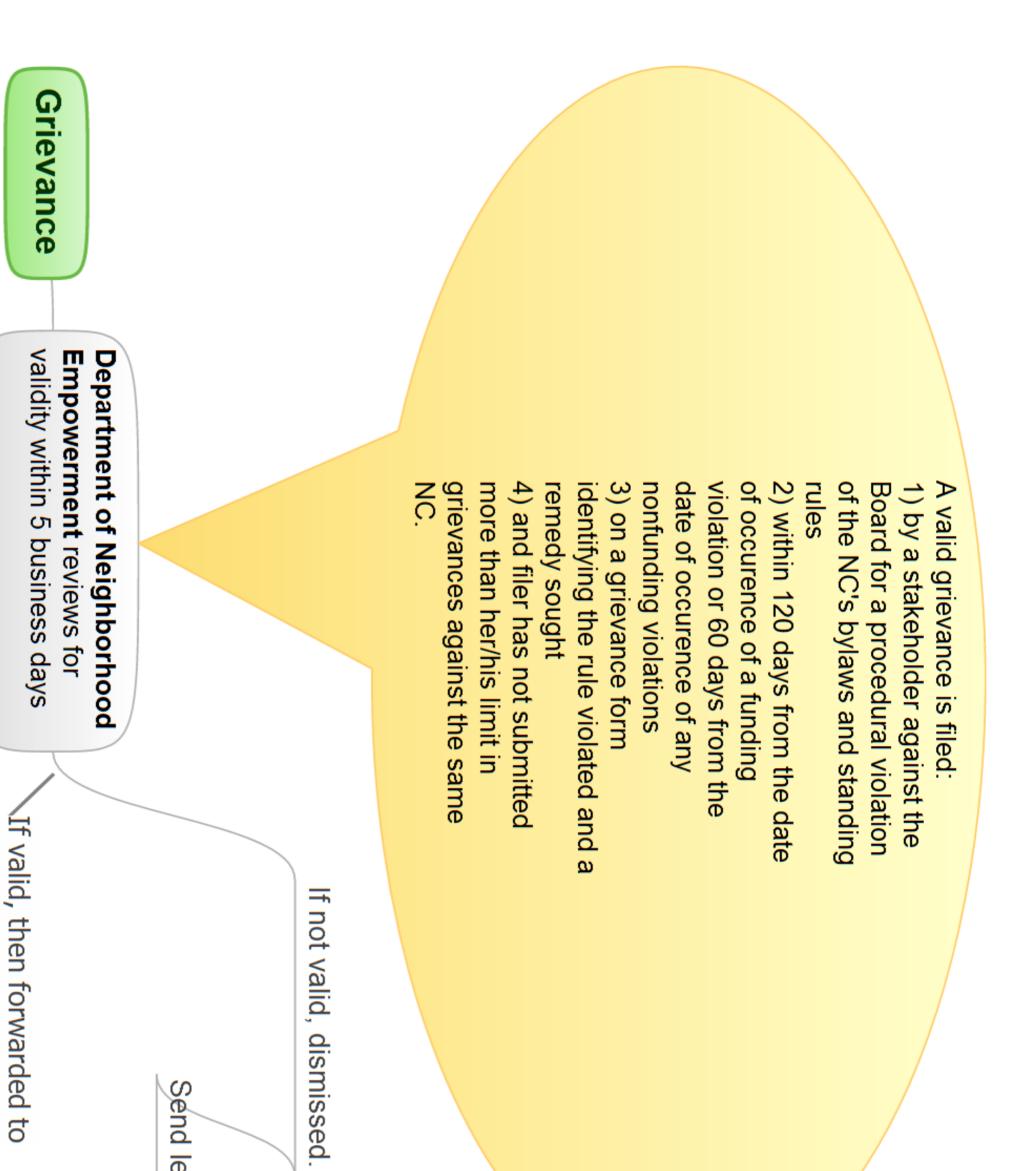
Presented by:

PAUL KREKORIAN Councilmember, 2nd District

Seconded by



5 2011



parties agree and the holidays or summer if the NC is grievance comes in during the Can extend time limit if both on hiatus. Department can extend if the

point timelines

the hearing.

and filer does not agree with remedy and chooses to appeal NC determines grievance valid to the Peer Grievance Panel

Panel appeal to Peer Grievance valid and filer chooses to NC determines grievance not

60 calendar days - goes back to or does not respond within 45grievance via Board resolution NC chooses not to deal with the **Grievance** Panel Department to go to Peer

or City Councilmember staff. selected by the NC's in a region staff should also be present. stakeholders. They will be and can be Board members or Department and City Attorney Neighborhood Commissioners that the panel will have a procedures. It's also possible as well as NC policies and trained in conflict resolution skills Peer Grievance Panelists are member of the Board of

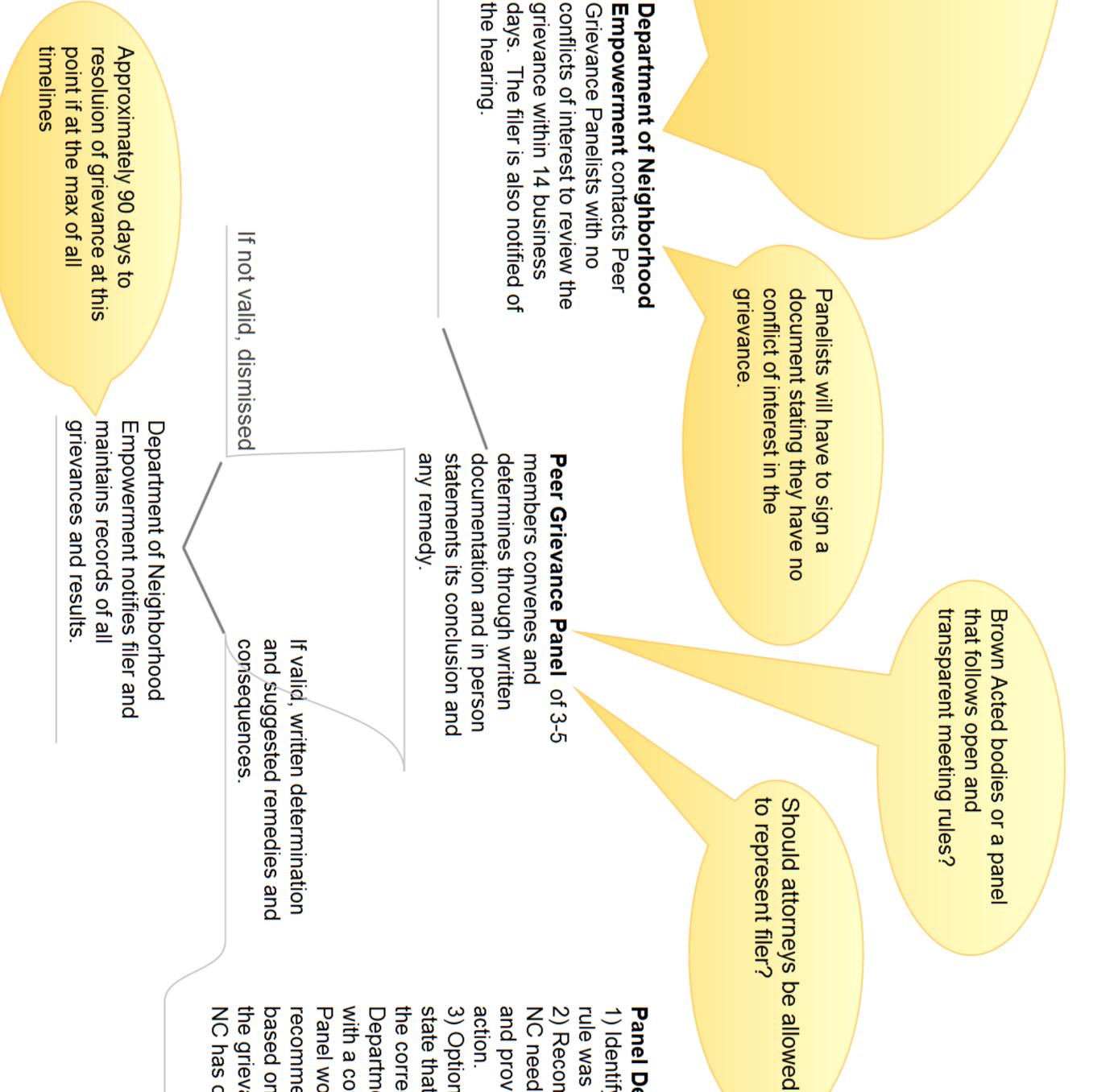
letter to filer

days acknowledge receipt and will resolve in 45 to 60 calendar 5-10 calendar days to Neighborhood Council has

Neighborhood Council

grievance form back grievance valid and to Department to filer's satsifaction send letter

send completed NC determines NC remedies to



and provide a time from for NC rule was involved, and NC needs to make a correction Recommendation of what the Identify what occurred and Determination includes:

 Optional - Panel could also the grievance and how often the recommended consequences Panel would chose off a list of with a consequence that the the correction, then the NC has done this before Department would then follow up based on the type and severity of that if the NC did not make

PROPOSED Types of

3 Consequences:

2 Freeze Funds Financial penalty against an

Facilitation/receivership of warning; Panel can also prevent decertification by the Board of Refer to District/City Attorney more checks and balances a certain time period, too. 4) Mandatory training for the taken or reholding a meeting N C Neighborhood Commissioners Department, which could lead to Vacating the Board for prosecution bylaws/standing rules to create Board meetings by the Board members from running for member or voting rights, removal, suspension of Board their NC capacity via censure, or individuals who took action in 5) Sanctions against the Board Board or a specific person Reversal of Board action 10) Exhaustive Efforts by the Required changes to the Department/mentor

CITY OF LOS ANGELES

CALIFORNIA

BOARD OF NEIGHBORHOOD COMMISSIONERS

DANIEL GATICA

CARLENE DAVIS

LINDA LUCKS KAREN MACK PAUL PARK LEONARD SHAFFER

JANET LINDO Executive Administrative Assistant TELEPHONE: (213) 485-1360

November 22, 2011

Council File No. 11-1018

Honorable Members of the Los Angeles City Council Room 395, City Hall 200 North Spring Street Los Angeles, California 90012

REPORT RE: NEIGHBORHOOD COUNCIL SYSTEM GRIEVANCE POLICY AND PROCESS

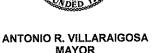
Honorable Members:

As requested by your Honorable Body, the Department of Neighborhood Empowerment (Department) has prepared and now transmits for your consideration recommendations regarding a Neighborhood Council Grievance System.

Background

Currently, under the Plan for a Citywide System of Neighborhood Councils (Plan), there are two (2) ways which stakeholders can complain about a Neighborhood Council's actions: grievances and complaints. Grievances are filed with the Neighborhood Council and handled by the Neighborhood Council through the grievance procedures in their bylaws. Complaints are filed with the Department of Neighborhood Empowerment and can cause a Neighborhood Council to be placed into exhaustive efforts, which can ultimately lead to decertification by the Board of Neighborhood Commissioners (Commission).

Each year, between twenty (20) to fifty (50) grievances are filed against Neighborhood Councils. Many of these grievances then become complaints to the Department when the filer feels that the Neighborhood Council's grievance process was unfair. The Department receives complaints weekly about various Neighborhood Councils though many are never converted into formalized complaints because the Department either handles them outright or the complainant refuses to file a formal complaint.



DEPARTMENT OF NEIGHBORHOOD EMPOWERMENT

> 334-B EAST SECOND STREET LOS ANGELES, CA 90012

TELEPHONE: (213) 485-1360 TOLL-FREE: 3-1-1 FAX: (213) 485-4608 E-MAIL: done@lacity.org

BONGHWAN (BH) KIM, MPA GENERAL MANAGER

www.EmpowerLA.org

Honorable Members of the Los Angeles City Council November 22, 2011 Page 2 of 4

Collaboration Process for Feedback

The Department collaborated with the Neighborhood Council regional alliances across the City to solicit feedback from Board members and stakeholders on this motion. Starting in September and continuing through the beginning of October, the Department cosponsored mini town halls with the Los Angeles Neighborhood Councils Coalition, the Harbor Alliance of Neighborhood Councils, the Valley Alliance of Neighborhood Councils, the Northeast Los Angeles Coalition, the Westside Regional Alliance of Councils and the South Los Angeles Alliance of Neighborhood Councils. Approximately, one hundred and fifty (150) Board members and stakeholders provided their feedback at the town halls. In addition, the Department created an online survey for feedback on the motion where seventeen (17) Board members and stakeholders provided detailed input. We invited Board members and stakeholders via our bi-monthly eblast to participate in the town halls, survey, blog and work group meetings.

In October, the Department held three (3) work group meetings on Regional Governance and Grievances to delve further into the details of a grievance process. Between five (5) to six (6) Board members participated in each of these work group meetings. All of the minutes for the town halls and work groups meetings were uploaded to a blog for further comments though we did not receive any.

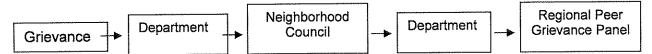
Proposals

The proposals presented here are a compilation of the feedback we received in the town halls, online survey and work group process. In addition, the Commission and the South Los Angeles Alliance of Neighborhood Councils provided their own recommendations on the grievance system, which are attached to this report for your consideration as well.

While we did receive feedback that total elimination of the grievance process through a robust elections system was the best way to handle grievances, the general input we received was that there should be some type of effective grievance system that has an appeal process, but still allows Neighborhood Councils the first opportunity to address the matter.

Based on this premise, the work group developed a regional peer grievance panel that combined the grievance and complaint process into one (1) system, which starts at the Department, and would take approximately ninety (90) days to resolve. The Department would play an administrative role in tracking and sending the grievances to the Neighborhood Council and the Regional Peer Grievance Panel as well as recording and executing final determinations or recommendations of the Regional Peer Grievance Panel.

Grievance Process Flow Chart



The Commission's recommendation adds a secondary appeal process beyond the Regional Peer Grievance Panel whereby the Commission or another neutral entity could review the grievance if the Department determined "intentional malfeasance on Honorable Members of the Los Angeles City Council November 22, 2011 Page 3 of 4

the part of a Regional Grievance Panel." Once the Commission or neutral entity makes a final determination, an appeal can then be filed with the City Council as well.

The recommendation of the South Los Angeles Alliance of Neighborhood Councils keeps grievance resolution at the Neighborhood Council with the ability to appeal for review to the Commission. Any Commission review could then be appealed to the City Council, too.

A valid grievance that would be accepted for processing by the Department would have the following components:

- 1. Filed by a stakeholder against the Board for a procedural violation of the Neighborhood Council bylaws and/or standing rules on a grievance form identifying the rule violated and the remedy sought; and
- 2. Addressed an act within one hundred and twenty (120) days from the date of occurrence of a funding violation or sixty (60) days from the date of occurrence of any non-funding violations.

The work group believed if Regional Peer Grievances Panels were created, they should have the authority to make a determination which:

- 1. Identified what occurred and which rule was involved;
- Recommended what action the Neighborhood Council needed to take to make a correction and also provided a time frame for the Neighborhood Council action; and
- 3. As an option, could state that if the Neighborhood Council did not make the correction, then the Department would then follow up with a consequence that the Panel could choose off a list of recommended consequences based on the type and severity of the grievance and how often the Neighborhood Council has acted in the same manner in the past. This list would be to ensure the same consequences citywide.

A list of proposed types of consequences was also put forth by the work group:

- 1. Freeze Neighborhood Council funds.
- 2. Financial penalty against a Neighborhood Council.
- 3. Reversal of Board action taken or reholding a meeting.
- 4. Mandatory training for the Board or a specific person.
- 5. Sanctions against the Board or individuals who took action in their Neighborhood Council capacity via censure, removal, suspension of Board member or of voting rights, or a warning. This authority can also include preventing Board members from running for the Board for a certain time period, too, if they are removed.
- 6. Facilitation/receivership of Board meetings by the Department or a mentor.
- 7. Required changes to the Neighborhood Council bylaws and/or standing rules to create more checks and balances.
- 8. Referral to the District or City Attorney for prosecution.
- 9. Vacating the Board.
- 10. Exhaustive Efforts by the Department, which could lead to decertification by the Board of Neighborhood Commissioners.

Honorable Members of the Los Angeles City Council November 22, 2011 Page 4 of 4

Regional Peer Grievance Panelists could be selected by the Neighborhood Councils in a specific region and can be Board members or stakeholders. They would be trained in conflict resolution skills as well as Neighborhood Council policies and procedures. The work group also entertained the possibility that the panel could have a member of the Commission or City Councilmember staff on it. The Department and City Attorney staff should be present, too.

Implementation Costs

The current staffing of the Department cannot support the administrative function of reviewing, tracking and recording the grievances as developed by the work group, the Commission or the South Los Angeles Alliance of Neighborhood Councils. This work would require at least one Project Coordinator level position and costs associated with a webbased case management system that can process and track all grievances as well as for records retention purposes.

In addition, staffing time of the Department and the Office of the City Attorney would be necessary to prepare the changes to the Plan and ordinances for implementation.

Conclusion

Although the work group did develop detailed time lines for the grievance process, more meetings are required by the Department, Board members, Commission and the Office of the City Attorney to establish the exact type of consequences available should Neighborhood Councils not attend to grievances as well as how the existence of the Regional Peer Grievance Panels are authorized. The type of authorization would affect whether these panels would be subject to the Ralph M. Brown Act. While the Department supports fully open and transparent meetings for the Regional Peer Grievance Panels, staffing for Brown Acted panels would likely not be possible at the current staffing levels.

If you have any questions regarding this matter, please contact me at (213) 485-1360. I will be available when you consider this matter in order to answer any questions you may have.

Sincerely,

BONGHWAN (BH) KIM General Manager

Attachments

RESOLUTION

Be it resolved that the Board of Neighborhood Commissioners is endorsing and making a formal recommendation to the Department of Neighborhood Empowerment and the Los Angeles City Council related to the establishment of a standard and system-wide Grievance Policy and Process for Neighborhood Councils.

Neighborhood Council System Grievance Policy and Process

WHEREAS, Section 902 (b) Article IX of the new Charter and Section 22.805 of the Los Angeles Administrative Code provides that the Board of Neighborhood Commissioners shall be responsible for setting and overseeing policy, approving contracts and leases and promulgating rules and regulations,

WHEREAS, it is the responsibility of the Board of Neighborhood Commissioners to periodically review the citywide system of Neighborhood Councils, conduct public hearings to seek input from the various constituencies regarding various concerns, issue and problems to be addressed, and to develop policies to improve the program,

WHEREAS, the Plan for a Citywide System of Neighborhood Councils calls for Neighborhood Councils to include a grievance procedure within their bylaws, but does not provide any uniform auidelines for the implementation of a grievance procedure,

WHEREAS, at the direction of Los Angeles City Council, the Neighborhood Council Review Commission was established and charged with reviewing the system of Neighborhood Councils and to recommend changes that would improve the workings of the system,

WHEREAS, in 2007, the Neighborhood Council Review Commission transmitted to Los Angeles City Council its final report, including a proposed model for a Regional Mediation Authority Grievance and Conflict Resolution Process,

WHEREAS, the Los Angeles City Council has directed the Department of Neighborhood Empowerment to present the Council with a plan for implementing a system-wide standardized process for handling grievances,

WHEREAS, it is the intention of the Board of Neighborhood Commissioners to fully exercise its advisory role as it relates to the establishment of a standard and system-wide process for handling grievances,

NOW, THEREFORE, IT BE RESOLVED that the Board of Neighborhood Commissioners endorses and recommends that the Neighborhood Council grievance process should be standardized by City Council ordinance and should, at a minimum, include the requirements set forth herein:

BOARD OF NEIGHBORHOOD COMMISSIONERS ENDORCEMENTS AND RECOMMENDATIONS ON A STANDARD AND SYSTEM-WIDE NEIGHBORHOOD COUNCIL GREIVANCE PROCESS

Definition of a Grievance– Grievances are intended to address only those Neighborhood Council Board actions that are in violation of the official rules and regulations that govern and apply to Neighborhood Councils. Disputes by Stakeholders who simply disagree with official actions taken by the Board or have complaints against individual Board Members are not considered grievances.

Neighborhood Council Resolution of Grievances – Neighborhood Councils shall have 60 days to resolve a grievance; if a Neighborhood Council does not resolve a grievance matter within 60 days, the matter may be forwarded to a Regional Grievance Panel for final resolution; furthermore, if a Neighborhood Council fails to respond or take any actions towards the resolution of a grievance within 30 days, the matter may be forwarded to a Regional Grievance Panel for final resolution.

Establishment and Authority of Regional Grievance Panels— Grievances that cannot be resolved at the Neighborhood Council level shall be forwarded to Regional Grievance Panels who will be authorized to hear and adjudicate grievances. City Planning areas shall be used to determine the boundaries for each of the Regional Grievance Panels.

Resolution Neighborhood Council System Grievance Policy and Process Page two

Membership of Regional Grievance Panels— To promote system-wide inclusion, diversity and participation, each Neighborhood Council shall elect one Board Member or Stakeholder from their area to serve as the pool of representatives that will sit on the Regional Grievance Panels. No selected representative of a Regional Grievance Panel shall hear or act upon a grievance matter related to their Neighborhood Council or to the Neighborhood Council that selected them to be a Grievance Panel representative.

Training Program for Regional Grievance Panels— A mediation and dispute resolution training program must be developed for the Regional Grievance Panel process and all representatives must complete the training before being allowed to hear or act upon a grievance matter.

Resolution Timeline for Regional Grievance Panels – Regional Grievance Panels shall have 45 days to resolve and make a final determination on grievances filed with a Regional Grievance Panel. Regional Grievance Panels cannot hear any matters that have not first been submitted to Neighborhood Councils for resolution; Regional Grievance Panels shall not hear matters that have not gone through a grievance process at the Neighborhood Council level, unless the Neighborhood Council has failed to respond or take any action on a grievance within 30 days.

Resolution and Enforcement of Grievance Panel Findings – The determination of the Regional Grievance Panel shall be considered final and the Department of Neighborhood Empowerment shall be given the authority to monitor and ensure that Neighborhood Councils comply with the final determination of the Regional Grievance Panel.

Role of Board of Neighborhood Commissioners – In almost all cases, the determination of the Regional Panel shall be considered final. Appeals to the Board of Neighborhood Commissioners will only be considered upon the Department of Neighborhood Empowerment confirmation of intentional malfeasance on the part of a Regional Grievance Panel; The Department of Neighborhood Empowerment is authorized to determine whether an appeal will be forwarded to the Board of Neighborhood Commissioners reserves the right to hear or not hear appeals; The Board of Neighborhood Commissioners will be authorized to establish a third-party or process (e.g. administrative judge, mediator, ad-hoc hearing council, etc.) to hear and adjudicate the appeal on behalf of the Board of Neighborhood Commissioners based on policy guidelines approved by the Board of Neighborhood Commissioners and the City Council.

Grievance Process Bylaws Incorporation - Upon approval and adoption of a standard and systemwide Neighborhood Council grievance process, Neighborhood Councils shall have 45 days to incorporate the grievance language into their bylaws through their amendment process.

These endorsements and recommendations are immediately official upon adoption

Moved by:	Kinda Kucho
	Member/Board of Neighborhood Commissioners
Seconded by:	Member, Board of Neighborhood Commissioners
Witnessed by:	Staff, Department of Neighborhood Empowerment
VOTES:	
Ayes: <u>5</u>	alihi
Nays:	DATE: <u>7/6///</u>