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MAYOR JERRY SANDERS FACT SHEET

MAYOR SANDERS' CLEAN GENERATION PROGRAM PUTS SOLAR POWER WITHIN REACH FOR MORE SAN DIEGO HOMES, BUSINESSES

Mayor Jerry Sanders today unveiled a major initiative to make solar power accessible to significantly more residents and businesses.

The San Diego Clean Generation program — which will be the first of its kind for a large U.S. city — stems from the July passage of Assembly Bill 811, which allows municipal governments to provide financing to property owners for renewable-energy installations and energy-efficiency retrofits.

Property owners within the city who participate will be provided upfront financing to install solar or other renewable energy-generating devices. Participants agree to be part of an assessment district and will pay for the cost of the improvements, plus interest, over a 20-year period on their property tax bill. The obligation to pay the assessment will transfer to the new owner if the property is sold during the 20-year repayment period.

The San Diego Clean Generation program removes two of the primary barriers to installation of solar panels: the upfront cost — typically about \$25,000 — as well as the concern that the customer will move before the investment pays off through utility bill savings.

The expected cost to participants of approximately \$150 per month will be substantially offset by utility bill savings. In addition, all state and federal tax credits and rebates for solar installations will apply.

“This program further cements San Diego’s position as a leader in the clean technology arena,” Sanders said. “We have a forward-thinking citizenry who will embrace this opportunity for the betterment not only of our environment, but also the economy through creation of jobs in product sales and installation, construction and new-product innovation.”

Funding for the installations will be provided by a financing partner that will bundle the loans and sell them as taxable bonds. AB 811 allows the costs of administration of the program to be

passed on to participants — meaning there are no costs to the city for the program. The loans are secured through tax liens on the property.

Over the next several months, the Mayor's Office and city staff will work with experts in the clean energy community to design the program, which will be brought before City Council for their approval in early 2009. By next fall, the city should be ready to enroll several hundred participants in a pilot program.

The program need not be limited to solar installations; other renewable energy systems, as well as energy efficiency upgrades, are eligible under AB 811 as well and could be added as part of the program.

“We've had an extremely positive response from the clean energy, environmental and business communities on this,” Sanders said. “It's a win all around – for the economy, for the environment and for San Diego citizens who want to ‘green’ their homes and businesses.”

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