

## DWP SOLAR - CONSULTANTS FINDINGS:

1. This proposal is "extremely risky."
2. DWP cannot accomplish this program in the time-frame and manner in which it is laid out.
3. This is an extremely aggressive proposal. The 400 MW represents 143% of the solar installed in the entire state and 85% of the solar installed in the entire nation.
4. Due to the aggressive move towards renewables, materials shortages which are already being experienced will worsen. This proposal would put significant additional pressure on supply shortages. This would not only delay implementation of DWP's programs but likely result in significant cost increases for materials.
5. While costs should go down over time as technology is perfected, materials manufacturers come on line and the infrastructure is in place, there is no indication that such will occur over the next few years.
6. Their reasonable estimate of total cost is \$3.6 billion but they believe that the program would cost much more. It is not feasible to do this program at the \$1.5 billion "low-end" estimate provided by DWP.
7. At \$3.6 billion, it is likely that the ECAF would have to be increased by 2.5 to 3 times (from 4% per year max to 10% to 12% per year max) in order to maintain sufficient revenue flows to maintain bond coverage requirements and the department's bond ratings. This would be in addition to the base rate increases needed.
8. While it is reasonable to assert that some of the additional costs would be offset by jobs creation and economic development, no analysis has been done relative to the number and quality of jobs which will be created and the time-frame over which the jobs will be created.
9. Contracting out this work in the early years until the jobs are in place would be difficult if not impossible due to the size of the program and lack of availability of contractors and materials.
10. There is probably enough roof space to do this. However, no other utility is pursuing such an aggressive roof top program. PGE has the largest effort in the State, but the vast majority of theirs is solar thermal, which is expressly prohibited in the proposed ordinance and the labor reps are adamant about that not being included.
11. A program like this should not be undertaken until there is a thoroughly vetted approach for encouraging private property owners to participate and a secure supply/materials line. PGE has already entered into agreements with their suppliers for their materials. It should be assumed that it is unlikely that those suppliers could provide panels for the DWP's program.
12. The DWP does not have the planning mechanisms and resources in place to accomplish this program or, for that matter, their entire 20% by 2010 requirement.
13. Due to the DWP's high vacant rate, reliability mandates and other issues, it does not appear that DWP has the capability to adequately take on this program.