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Private Warehouses at Port of LA to Anchor Nation's Largest Solar Feed-in Tariff Project

PermaCity's 16.4 megawatt project, announced at LABC's Sustainability Summit, will create enough clean energy to power 5,000 homes, while bringing hundreds of jobs to an underserved neighborhood

LOS ANGELES – April 29, 2016 – A Los Angeles-based solar developer will build the largest solar Feed-in Tariff project in the nation this year, a 2 million-square-foot rooftop solar array that will power Los Angeles homes with clean energy while generating hundreds of jobs in low-income neighborhoods near the Port of Los Angeles.

The project on the roofs of the Westmont Drive buildings will generate 16.4 megawatts of solar energy for Los Angeles Department of Water and Power (LADWP) customers, more than triple the capacity of the next largest Feed-in Tariff project, located in East Los Angeles.

The Westmont project will produce enough clean energy to power 5,000 Los Angeles homes, and in the process eliminate carbon emissions equivalent to taking 6,000 cars off the streets. Over the life of the 20-year lease, it's estimated the project will generate **\$76 million in revenue** from clean energy sold back to LADWP, with 85 to 90 percent of revenues going back to the building owner. The project will create 500 new local jobs.

PermaCity CEO Jonathan Port announced the groundbreaking solar project at the 10th anniversary of the Los Angeles Business Council's Sustainability Summit, where hundreds of leaders from across the public and private sectors gathered to discuss the most pressing sustainability issues of our day, including solar power, sustainable water and energy and climate change.

The Westmont project is the latest, and largest, project to take advantage of LADWP's Feed-in Tariff (FiT) program, which enables building owners to turn their rooftops into solar power plants and sell the power they generate for distribution on the City's power grid. The result is zero-carbon, renewable energy that also supports local jobs and fuels private investment.

LABC Study: Feed-in Tariff Attracts Investment and Generates Returns

In Los Angeles, the FiT encourages major private investment rather than relying on public money to fund large infrastructure projects. The UCLA Luskin Center for Innovation estimates that when fully implemented, the 150 megawatt FiT pilot program in Los Angeles will have attracted an **\$500 million in direct private investment**, according to a new LABC Institute (LABCi) report, ***FiT Pays***, released by the LABC at today's summit. The report provides new data on first-year revenues and projected long-term returns from Los Angeles' first Feed-in Tariff projects.

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"The FiT program is a win for all parties and interests – it creates valuable jobs and compensates business owners while providing a huge environmental win of reducing greenhouse gas emissions, combatting the 'heat island' effect, and moving Los Angeles closer to its clean power generation goals," according to **Jonathan Port**, CEO of PermaCity.

"PermaCity's announcement as well as the findings of the new *FiT Pays* report provides incredible business validation and momentum for local solar in Los Angeles," said LABC President **Mary Leslie**. "We are leading the region and the nation with FiT. This is a very proud moment for the city of Los Angeles. Led by Mayor Garcetti and LA City Council President Wesson and the LABC, together we have fought hard for local solar programs and spearheaded the Clean LA Solar coalition that has worked to bring the nation's largest feed-in tariff program to Los Angeles."

According to Leslie, PermaCity's new project at the Port of Los Angeles will be a model not just for creating clean energy but for bringing jobs to our communities and profits for local business owners. "Every time we flip the switch on a new FiT project, we're closer to Mayor Garcetti's Sustainability pLAN goal of bringing 1,500 megawatts of local solar to L.A. by 2025," she said.

Said **Nadine Watt**, LABC Board Chair, and President of Watt Companies: "In Los Angeles, local solar brings significant benefits to property owners, neighborhoods, and small businesses owners investing in our clean future. Attracting private investment will enable Los Angeles to expand the solar FiT program which is quickly becoming a model for the nation."

The FiT Brings Value to Disadvantaged Communities

More than 40 percent of installed Feed-in Tariff projects are located in "solar equity hotspots," areas with abundant rooftops and large low-income populations in need of jobs and new economic opportunities. The Westmont FiT project is adjacent to two solar equity hotspots, in Wilmington and San Pedro. "The Westmont FiT project promises to deliver on the potential to generate good jobs and benefit disadvantaged communities which have traditionally borne the brunt of industrial pollution," said Dr. Manuel Pastor, director of the University of Southern California's Program for Environmental and Regional Equity (PERE)." PermaCity's new Westmont project illustrates that cities like Los Angeles can and should advance solar-related equity goals where they're needed most."

Among the employment and cost-savings benefits the Westmont FiT project will create:

- 500 prevailing wage installation and construction jobs;
- Up to \$400,000 in annual energy savings at Westmont facilities while cooling the area's microclimate;
- Hiring U.S. military veterans through the non-profit Empower America. The installation effort will be led by a U.S. military veteran with 30 years of solar experience, and work will be completed by International Brotherhood of Electrical Workers (IBEW) Local 11 members;
- A state-of-the-art SolarStrap™ roof and training facility for the Local 300 Laborers Union in downtown Los Angeles to train its members to become best-in-class solar installers. PermaCity's new SolarStrap™ panels to be installed on Westmont generate up to 45 percent more power than standard solar panels.

Said Tres Reid of CBRE, which represented the Westmont owner: "The property owner has seen dozens of solar proposals over the years, but the LADWP's Feed-in Tariff proposal was the first the owner could back wholeheartedly. The benefits are so compelling that there was no question it was a win-win. It provides a great incentive for building owners while creating jobs and pumping clean energy into the grid at the same time."

Well-Positioned for Growth

Since the launch of the FiT program in 2013, 23 projects have been completed, generating a total of 14 megawatts of renewable energy. As many as 88 additional megawatts are expected to come online within the next year to help LADWP meet its state-mandated renewable energy requirement, according to the LABC.

The Westmont project is more than triple the size of the 5.1 megawatt project at the headquarters of fashion retailer Forever 21 in East Los Angeles, which ranks among the largest such projects in the world. That facility is now carbon neutral and 100 percent powered by solar. The Forever 21 project also put to work nearly the entire graduating class from Los Angeles Trade-Technical College's solar job training program.

Forever 21's Feed-in-Tariff project was among those featured in the ***FiT Pays*** report. Among the report's findings:

- A FiT installation at CRAFTED, a handmade goods marketplace at the Port of Los Angeles, is expected to gross **\$5.6 million over 20 years** according to an LABC Institute estimate. CRAFTED receives a percentage of an estimated \$280,000 annual gross revenue, which it passes on to its small business tenants.
- A combination of FiT and net metering to offset energy use at the headquarters of fashion retailer Forever 21 is providing **16 percent more return than predicted**, and is expected to **pay for itself within five years**.
- At the family-owned Southern California Trophy Building in downtown Los Angeles, revenue over the 20-year contract with the utility is **expected to exceed \$670,000**.

To learn more about the LADWP's Feed-in Tariff program, please visit www.cleansolar.org or visit www.ladwp.com/fit.

About the Los Angeles Business Council

The Los Angeles Business Council is one of the most effective and influential advocacy and educational organizations in California. For over 70 years, the LABC has had a major impact on public policy by harnessing the power of business and government to promote environmental and economic sustainability in the Los Angeles region. For more information, visit www.labusinesscouncil.org.

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About the LABC Institute (LABCi)

The LABC Institute is a forward-thinking research and education organization dedicated to strengthening the sustainable economy of California, particularly the Southern California region. Founded in 2010, the LABC Institute provides a bridge between the business, government, environmental, labor and nonprofit communities of Southern California to develop policies and programs that promote investment, jobs and business development.

The LABC Institute collaborates with diverse community stakeholders and world-class institutions – USC, UCLA, CalTech and others – to produce influential research that helps advance the region’s economic sustainability.

About PermaCity

PermaCity is an innovative leader in specialized energy solutions. Since our inception, we’ve remained 100% committed to solar innovations and execution. Our growth is based on a long, successful track record with multiple big--box stores and industrial projects as well as the strong relationships we have forged with clients such as Forever 21, Cathay Bank, Samsung and Costco. Because we’re solar specialists, we understand exactly how to strategically develop and seamlessly execute solar installation projects that deliver ROI for your business.

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