



# Vote Solar White Paper Solar Permit Fees

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## **Think globally, act locally**

If you've heard it once, you've heard it a thousand times, but it's particularly true when it comes to making our communities more solar-friendly. While federal and state incentives, such as the Million Solar Roofs Initiative, are helping to make solar energy more accessible to homeowners, there is a lot that can be done at the local level to bring residential solar energy into the mainstream.<sup>i</sup>

This paper looks at one of the ways that cities and counties can encourage their citizens to "go solar" – making the permitting process for installing photo voltaic (PV) solar panels on residences cheaper and easier. Following is a summary of the findings of several recent studies of solar permit fees conducted by the Loma Prieta chapter of the Sierra Club in the San Francisco Bay Area and the Utility Consumers Action Network (UCAN) in San Diego. Both reports generated practical recommendations that if implemented can dramatically improve a costly and cumbersome permitting process that prevents many homeowners from adopting solar technology.

## **Cleaner Energy, Cheaper Energy**

America's ever-increasing appetite for energy, soaring fossil fuel prices, concerns over environmental quality and our dependence on foreign energy are all contributing to a surge of interest in solar power<sup>ii</sup>. The Sierra Club report cites a recent Roper poll showing that 79 percent of Americans want homebuilders to offer solar power as an option for all new homes.<sup>iii</sup> Solar power is a clean, reliable, and renewable solution that can address many of our energy problems and their contribution to global warming. Residential PV technology enables homeowners to be part of the solar solution. These systems generate safe, clean, renewable energy source and allow homeowners to save on their heating and electricity bills.<sup>iv</sup>

Once a PV system is installed, it generates energy for free, requires minimal maintenance, and can last 35 years. PV is more efficient than traditional energy sources, as it virtually eliminates long-distance electric transmission losses (which are around 7%) because the individual home is both the source and destination of the energy.<sup>v</sup>

Given the many benefits of solar energy and the documented rise in public interest in solar, the question remains, why aren't more people using solar power at home? The short answer is: long wait, high price.<sup>vi</sup> Industry analysts have long identified the up-front cost of solar power systems as an obstacle to mainstream adoption.<sup>vii</sup> Part of the cost is the system itself, but permit fees, charged at the local level to ensure engineering and safety standards, also make a substantial difference in the price of a home installation.<sup>viii</sup> And because there is only one local permitting authority per municipality, no competitive market forces influence solar permit fees.<sup>ix</sup> Costs in the

San Francisco Bay Area ranged from a low of \$0 to a high of \$1,074.<sup>x</sup> In San Diego County, fees ranged from \$22.50 to \$500.<sup>xi</sup>

Widely varying and often unnecessarily high permitting fees are only part of the challenge for homeowners who want to install PV systems. Lengthy approval and permitting processes are also a deterrent. The long wait often associated with installing these systems is largely due to the fact that solar technology is still new and there are no standardized guidelines for municipalities to follow.<sup>xii</sup> Lack of staff trained to inspect PV systems and lack of standardized permit requirements contribute to a lengthy approval and inspection process.<sup>xiii</sup> The UCAN study of San Diego County found that out of 17 permitting departments, no two had similar procedures, fees or requirements for homeowners installing PV systems. Streamlining and standardizing the permit process will make it significantly easier for people to bring solar home.<sup>xiv</sup>

### **Recommendations**

The Sierra Club and UCAN studies recommend that local governments lower permit fees and expedite permitting processes in order to create incentives for homeowners to install PV systems.<sup>1</sup> Specific recommendations are:

- Lower permit fees to \$300 or less for residential PV systems that are flush-mounted to rooftops. This level of fee allows for cost re-capture by local government agencies.
- Use a flat-fee method instead of a valuation-based method to assess permit fees. It takes roughly the same amount of time to permit a small or large residential PV system.
- Revise permit fees downward to account for the new California Solar Rights Act (<http://www.eesolar.com/rights.shtml>). This legislation requires minimal permit fees for solar-energy systems and makes prohibitions based on aesthetic concerns illegal.
- Streamline permit processes to reduce costs and delays. Half- to one-day solar workshops for staff can make a critical difference in process expenses.
- Standardize permit requirements to minimize bureaucratic challenges for permitting departments and the PV industry.
- Show permit fees and requirements on the city web site to facilitate the application process for solar contractors and for homeowners.
- Consider fast-tracking applications for solar contractors who have reliable track records for PV installations.<sup>xv</sup>

Some cities are leading the way in empowering homeowners to go solar. For example:

- In 2006, Mill Valley reduced its permit fee for standard PV systems to a flat \$3.29, one of the cheapest PV fees anywhere. It also issues permits over-the-counter for systems that meet its design guidelines.
- Novato, San Jose, Saratoga and Palo Alto also issue solar permits over-the-counter without delays.
- San Jose sends inspectors to solar workshops to familiarize them with solar technology. During inspections, San Jose inspectors also use a standardized

checklist tailored for PV systems, saving time and money for the city, solar contractors, and solar customers.<sup>xvi</sup>

### **What You Can Do to Help**

If you'd like to see your local government adopt policies like those featured, above, start by contacting your city manager. The Sierra Club study found that the attitude of the city council was a contributing factor in establishing progressive solar policies.<sup>xvii</sup>

Local government staff and elected officials have resource available to them as well. A variety of organizations conduct workshops on permitting and approving residential solar projects. The International Association of Electrical Inspectors ([www.iaei.org](http://www.iaei.org)) and the Southwest Technology Development Institute ([www.NMSU.Edu/~tdi](http://www.NMSU.Edu/~tdi)) both offer workshops for reviewing and inspecting PV systems.

A complete list of resources is available in the Sierra Club report found online ([http://lomaprieta.sierraclub.org/global\\_warming/pv\\_permit\\_study.pdf](http://lomaprieta.sierraclub.org/global_warming/pv_permit_study.pdf)).

For more information, please contact Kurt Newick, Global Warming Committee Chair, Loma Prieta Chapter, Sierra Club at [KurtNewick@yahoo.com](mailto:KurtNewick@yahoo.com).

The UCAN study is available online ([www.ucan.org/consumer\\_info/Elec\\_Bill/PVfees.htm](http://www.ucan.org/consumer_info/Elec_Bill/PVfees.htm)).

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<sup>i</sup> Mills, Carl, "Solar Electric Permit Fees In The Greater San Francisco Bay Area, A Comparative Study" Sierra Club, [http://lomaprieta.sierraclub.org/global\\_warming/pv\\_permit\\_study.pdf](http://lomaprieta.sierraclub.org/global_warming/pv_permit_study.pdf), accessed October 15, 2006, p.1

<sup>ii</sup> Ibid, p. 4

<sup>iii</sup> Ibid, p.8

<sup>iv</sup> <http://www.ci.minneapolis.mn.us/council/2006-meetings/20060818/Docs/solar-fees-supporting-info.pdf>, accessed November 3, 2006

<sup>v</sup> Mills, Carl, "Solar Electric Permit Fees In The Greater San Francisco Bay Area, A Comparative Study" Sierra Club, [http://lomaprieta.sierraclub.org/global\\_warming/pv\\_permit\\_study.pdf](http://lomaprieta.sierraclub.org/global_warming/pv_permit_study.pdf), October, 2006, p.8

<sup>vi</sup> Ibid, p9

<sup>vii</sup> <http://redherring.com/Article.aspx?a=19224&hed=Solar+Gets+Home+Financing>, accessed October 15, 2006

<sup>viii</sup> Mills, Carl, "Solar Electric Permit Fees In The Greater San Francisco Bay Area, A Comparative Study" Sierra Club, [http://lomaprieta.sierraclub.org/global\\_warming/pv\\_permit\\_study.pdf](http://lomaprieta.sierraclub.org/global_warming/pv_permit_study.pdf), accessed October, 2006, p9

<sup>ix</sup> Ibid, p8

<sup>x</sup> Ibid, p.3

<sup>xi</sup> [http://ucan.org/energy/electricity/solar\\_panel\\_permitting\\_fee\\_white\\_paper](http://ucan.org/energy/electricity/solar_panel_permitting_fee_white_paper), accessed October, 2006

<sup>xii</sup> Mills, Carl, "Solar Electric Permit Fees In The Greater San Francisco Bay Area, A Comparative Study" Sierra Club, [http://lomaprieta.sierraclub.org/global\\_warming/pv\\_permit\\_study.pdf](http://lomaprieta.sierraclub.org/global_warming/pv_permit_study.pdf), accessed October, 2006, p.15

<sup>xiii</sup> Ibid, p.19

<sup>xiv</sup> Ibid

<sup>xv</sup> Ibid

<sup>xvi</sup> Ibid, p15

<sup>xvii</sup> Ibid