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The state of California currently has approximately a quarter of a million homes with rooftop PV arrays installed, which suggests that despite strong solar appetite, the state has some way to go to hit its targeted one million.

One in a million

Californian solar: New rooftop solar permitting guidelines may hasten California's one million solar rooftops goal – the aim of the aptly titled Million Solar Roofs initiative. Brian Nese of Stoel Rives law firm dissects the state's current latest round of legislation – the AB 2188 – and in doing so assesses what its immediate effects may be.

California has a goal to create a million solar roofs. The Million Solar Roofs initiative, which California launched in 2006, adopted policies and laid groundwork to facilitate installation of solar panels on a million rooftops. To date, the state has achieved over 20 percent of this goal, with more than 243,000 rooftop solar systems installed across the state. These installations account for 2,200 MW of capacity, which leads the nation.

California's nation-leading rooftop solar market has been fostered by several factors. First, California has consistently created policies and regulations condu-

cive to deployment of renewable energy, including customer-friendly net metering regulations and the California Solar Initiative's performance-based incentive that helped defray the cost of rooftop solar for system owners.

Additionally, the precipitous drop in solar equipment costs has also contributed to lower installed costs for residential customers. Finally, financing innovations, including the proliferation of third party-owned systems and no money down power purchase agreements, helped lower barriers to entry for many homeowners.

California, nonetheless, still has a long way to go – 750,000 plus rooftops – before hitting its goal. In fact, the view out of the Stoel Rives window in sunny San Diego does not show a single rooftop solar system. But the state, which consistently sets the leading edge on environmental and sustainability issues, apparently won't be deterred. Last month, in an effort to further bolster the state's rooftop solar initiative, the California legislature passed, and state Governor Jerry Brown signed, AB 2188, which is legislation designed to facilitate the further deployment of small rooftop solar systems through streamlin-

ing permitting requirements that have proven a barrier in the past.

Tearing down barriers

Industry commentators have cited various impediments to rapid deployment of rooftop solar in California, and one common gripe among such commentators is inconsistent and archaic permitting requirements.

In their June 2012 white paper titled California's Transition to Local Renewable Energy: 12,000 Megawatts by 2020, Jeff Russell and Steven Weissman surveyed industry participants on various issues including permitting barriers to the deployment of solar. Russell and Weissman heard consistent complaints about obsolete municipal codes, inconsistent ordinances across different cities and counties, lack of coordination across local, state and federal permitting authorities, expensive permitting fees, and protracted permit review periods. Citing a study performed by Sunrun that found that "local permitting and inspection processes add an average of \$2,516 per installation, or \$0.50 per watt," Russell and Weissman recommended certain remedial measures to break through these permitting roadblocks, including expediting the review of permit applications, reducing the cost of permit fees, and creating uniformity across jurisdictions.

Two years after Russell and Weissman issued their recommendations, the state government responded. AB 2188, which revises California Civil Code Section 714 and Government Code Section 714, mandates the following:

On or before September 30, 2015, every city and county is required to adopt an ordinance that "creates an expedited, streamlined permitting process for small [10 kW or less] residential rooftop solar energy systems."

In connection with this process, every city and county must adopt "a checklist of all requirements with which small rooftop solar energy systems shall comply to be eligible for expedited review."

If the city or county determines that an application satisfies the information requirements of the checklist, then the application is deemed complete.

Once the city or county confirms that an application is complete and meets the requirements of the checklist and the ordinance, the city or county must

approve the application and issue all required permits. If a city or county deems an application incomplete, it must notify the applicant of any deficiencies.

The notification must be in writing and within 45 days of receipt of the applica-

permit submittals would be too costly for certain cities. Fortunately, the LCC's arguments failed to persuade the legislature and Governor Brown. While cities will have to allocate funds to design and launch websites to enable online per-



California State Capitol passed the recent AB 2188 legislature, designed to aid solar's deployment.

tion if the application is denied; otherwise the application shall be deemed approved. Every city and county must publish the checklist and required permitting documentation on the internet and allow for electronic submittal of applications and documentation, as well as electronic signatures.

For small residential rooftop systems, "only one inspection shall be required, which shall be done in a timely manner and may include a consolidated inspection," except a separate fire safety inspection may be allowed under certain circumstances.

The California legislature is betting that AB 2188's requirements for promulgation of standardized checklists, 45 day review periods and electronic submission of permitting documentation will result in lower costs and faster project schedules for rooftop solar systems. Cheaper systems that can be permitted quicker and easier should result in the installation of more rooftop solar systems across the state, or so the thinking goes. The League of California Cities is not so sure. The LCC opposed AB 2188 on the grounds that moving to online

mit submissions, the state legislature has decided that the state's policy supporting rooftop solar deployment outweighs these costs to the local governments.

For the California solar industry to truly benefit from the potential efficiencies envisioned by AB 2188, however, the cities, counties and other authorities having jurisdiction must promptly implement the new law. The 30% federal investment tax credit for solar projects is set to step down to 10% at the end of 2015. If the cities and counties drag their feet or fail to promptly and effectively streamline their permitting requirements as dictated by AB 2188, then it is possible that the new law may not facilitate as many new solar installations as expected.

While the effect of AB 2188 remains to be seen, it is clear that California will continue to support policies that foster rooftop solar. Such policies have contributed to its impressive deployment in the state. If the state government continues to pass legislation like AB 2188, then it is possible that the costs to install rooftop solar in California will continue to decline, and California just may get its one million solar rooftops. ♦ Brian Nese