



San Francisco Solar Task Force

MEMBERS

- Phil Ting – **Co-Chair**, Assessor-Recorder, City & County of San Francisco
- David Hochschild – **Co-Chair**, Solaria; SFPUC Commissioner
- Barry Cinnamon – CEO, Akeena Solar; CA Solar Energy Industries Association
- Tim Donovan – Assistant Business Manager, International Brotherhood of Electrical Workers Local 6
- Elliot Hoffman – Co-Founder, Just Desserts, New Voice of Business
- Sara Birmingham – California Policy Director, Solar Alliance
- Jill Kauffman Johnson – Principal, California Environmental Associates
- Guillermo Rodriguez – Executive Director, A. Philip Randolph Institute
- JP Ross – VP, Strategic Relationships, Sungevity
- Jeanine Cotter – CEO, Luminalt Energy Corporation
- Gwen Rose – Deputy Director, Vote Solar

TECHNICAL ADVISORY COMMITTEE

- Charles Hornbrook – Manager, Customer Generation and Emerging Products, PG&E Pacific Energy Center
- Molly Tirpak Sterkel – Supervisor, California Solar Initiative and Distributed Generation Section, Energy Division, California Public Utilities Commission
- Nathan Purkiss – Government Relations Manager, San Francisco Public Utilities Commission
- Johanna Gregory Partin – Renewable Energy Program Manager, San Francisco Department of Environment
- Laurence Kornfield – Chief Building Inspector, Department of Building Inspection
- Jennifer Entine Matz – Managing Deputy Director, Mayor’s Office of Workforce & Economic Development

Summary of Recommendations

December 2007

The San Francisco Solar Task Force (“Task Force”) assembled in February 2007, is a coalition of individuals representing labor, environmental advocacy, solar industry, business, and local and state government. The Task Force was formed to increase the use of solar energy in San Francisco by finding innovative solutions to achieving the City and County’s goal of 10,000 rooftops with solar panels by 2010 (the equivalent of 55.4 megawatts (MW) of solar energy) adopted in 2000 by then Mayor Willie Brown. To date, San Francisco has 666 solar rooftops generating approximately 5 megawatts of power. The Task Force determined that the best way to help us meet our local and state goals was to look for local solutions that not only encourage San Francisco homeowners and businesses to install solar energy systems, but also make the solar installation process faster, easier and more cost-effective. The Task Force recommendations focus on strategies that will support building owners in the residential and commercial sector going solar, rather than publicly owned buildings, which have been the focus of previous City efforts, such as the solar installation on Moscone Center.

San Francisco has many things to gain by actively scaling up the development of solar power. The installation of 55 megawatts of solar in San Francisco will:

1. Combat global warming which threatens San Francisco through rising sea levels and loss of water supply from reduced snowmelt in the Sierras;
2. Improve air quality by reducing pollution caused by electricity generation;
 - 55 MW of solar production saves over 26,000,000 pounds of CO₂
3. Add green collar jobs to our local economy by growing the local solar installer and manufacturing base;
 - 55 MW of solar will generate over 1,800 jobs in the solar industry
4. Generate increased property tax revenue based on expected increases in home values that leads to additional property taxes when solar homes are sold;
 - Based on average home turnover rates and their increase in value with the addition of solar, we anticipate the City and County of San Francisco would collect an additional \$2,240 in property taxes on every solar home sold.
5. Reduce the need for additional peaking power plants, such as those slated for development in the southeast portion of the City; and
6. Support the transformation of the market for solar energy by helping the State of California meet its target of 3,000 MW of new solar by 2016, a goal expected to support the transformation of the market for solar energy and bring down the cost of solar relative to the costs of grid-based electricity.

The following are the Task Force’s four recommendations:

Recommendation 1: Invest in solar through a City-backed financial incentive program.

The Task Force has a groundbreaking proposal that will truly tip the scales in our favor and make the City the nation’s renewable energy leader. Installing solar power in San Francisco costs

almost 10% more than the Bay Area's average cost of solar; almost \$10/watt compared to the \$9.36/watt Bay Area average. This cost differential is part of the reason why San Francisco ranks last among the ten Bay Area counties in terms of solar kilowatts installed per capita. In order to meet our goal of making solar more affordable for all San Franciscans who wish to install systems on their homes and businesses, we have to address the core economics - the average installation (factoring in commercial and residential averages) costs \$30,000 in San Francisco. Although state rebates from PG&E and federal tax incentives can reduce these costs by 40%, we can do more.

The San Francisco Solar Task Force is working with a number of City departments to help create programs that will offer both direct financial incentives and low-interest loans to solar customers. **The program outlined below would not have been possible without the intervention and guidance from the Office of Mayor Gavin Newsom.**

With the goal of increasing solar energy generation in the City, the Task Force proposed a local financial incentive program **to assist residents and businesses that install rooftop solar electric systems on their properties.** The criteria for this program were the establishment of a simple and efficient direct incentive process and a multi-year funding stream to support these solar incentive payments. **The program would use SFPUC renewable energy and energy efficiency funds to provide payments ranging from \$3,000-5,000 for residential installations and up to \$10,000 for commercial installations.** In order to help build a sustainable solar market, our proposal provides incentive levels of \$4,000 for solar installations completed by installers with offices in San Francisco. We are proposing a \$5,000 incentive for installations completed in Environmental Justice Districts (to be further defined by the program administrator) in order to boost solar installation in communities most adversely affected by the City's power generation. This direct incentive model has been implemented on the state level and doubled the number of solar roofs from approximately 15,000 in 2005 to approximately 32,000 solar rooftops in California. A San Francisco solar customer that receives the City's solar incentive would be eligible for both the state's incentive program and the federal solar tax credit. In order to keep the City's solar incentive program application process simple, solar property owners who qualify for the state rebate program also qualify for the City's.

In addition to the financial incentive payment program, the Task Force is **working to create a low-interest loan program via a ballot measure that will create the City's first renewable energy loan program.** This program, similar that which Berkeley announced in October, allows property owners to access below market rate loans through the City to finance solar installation. The property owners repay the loans via a monthly tax assessment that is added to the property owner's annual property tax bills. This loan program will be created through a voter-approved ballot measure to repurpose the General Obligation Bond Authority originally designed to support the seismic retrofit program, which has not been fully subscribed, to now also support a solar loan program. This program will create those loans without a general increase in property assessments. A loan program will help San Francisco leverage the funds available to go solar currently available through the California Solar Initiative and the City's proposed financial incentive program.

Recommendation 2: Create a fast-track solar permitting process. San Francisco’s permitting process was streamlined and costs for complex projects were reduced and fast-tracked. The prior solar permitting process had been limited in scope and contained complexities which made it expensive and time consuming for installers. The Task Force worked with the Department of Building Inspections (DBI), Planning Department, Fire Department, local solar installers and other interested parties to identify what could be done to reduce permitting time and cost without compromising safety. The resulting revised permitting guidelines allow for more flexibility at a lower cost as installers are required to obtain electrical permits only; no building permits or building permit fees are required. These revisions plus the elimination of the Planning Department from the standard permitting process has resulted in nearly all electrical photovoltaic applications being issued over-the-counter instead of in a matter of weeks. At a total cost of \$111.25 for most systems, **these permits are among the least expensive in California.**

Recommendation 3: Promote solar through a dedicated marketing, education and outreach effort. San Francisco can enhance public awareness of solar’s benefits by increasing public awareness. San Franciscans considering going solar will benefit from having information such as their property’s solar potential, where to find local installers, guidelines for qualifying for rebate and incentive programs, options for financing a solar installation, and tips on how to educate oneself when shopping around for solar. Much of this information is already provided on the Department of the Environment’s (SFE) solar mapping Web portal, www.sf.solarmap.org. We recommend that SFE and the SFPUC utilize funds available as part of our financial incentive program to do a comprehensive campaign to market the benefits of going solar and to ensure that residents and business owners are taking advantage of local resources. The state’s solar web portal, www.gosolarcalifornia.ca.gov, and PG&E’s solar link, www.pge.com/csi are also tremendous resources for San Franciscans.

Recommendation 4: Reducing barriers to solar. By supporting public policy proposals, the Task Force is working towards reducing barriers for those who want to go solar.

- **Shade:** Property owners want to know that their sunlight is protected. To address this, we advocated for a *local solar access ordinance* that would protect the right of property owners to retain access to sunlight necessary for rooftop solar panels. SFE, the Planning Department and the Board of Supervisors are in the process of crafting this legislation.
- **Tax incentives to support local installers:** The City should offer incentives to local solar installation companies in order to help offset the high costs of doing business in San Francisco. The Task Force recommends that the Board of Supervisors pass an ordinance to *extend the City’s “clean tech” payroll tax exemption to solar companies*. Currently, local businesses with up to 100 employees in the “clean tech” industry are eligible for this tax exemption for up to ten years, but solar installers are not.

The Task Force set out to help San Franciscans go solar by creating financial incentives and a low-interest loan program, streamlining the permitting process for going solar, helping to launch a helpful “one-stop shop” website and advocating for a comprehensive public education campaign. We are confident that these steps will help the City meet its 10,000 roofs goal and we look forward to working with all involved parties to make it happen.