Date of Hearing: April 19, 2017

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Cecilia Aguiar-Curry, Chair
AB 1414 (Friedman) – As Amended March 22, 2017

**SUBJECT**: Solar energy systems: permits.

**SUMMARY**: Reduces the maximum permit fee a city or a county may charge for residential rooftop solar energy systems, applies these caps and commercial permit fee caps to a broader range of solar energy systems, and makes additional changes to existing law governing permit fees for rooftop solar energy systems. Specifically, **this bill**:

1) Expands a provision in existing law that prohibits a city, county, city and county, or charter city (city or county) from charging a fee that exceeds the estimated reasonable cost of providing the service for which the fee is charged when permitting a rooftop solar energy system that produces direct current electricity (photovoltaic or "PV" systems), by applying this prohibition to solar energy systems generally (which encompasses installations of PV solar energy systems on areas other than a rooftop, and installations of solar thermal systems).

2) Reduces the maximum allowable permit fee that a city or a county may charge for a residential rooftop solar energy system from $500 to $350, and applies this cap to a broader array of residential solar energy system installations as follows:

   a) For PV systems, the fee shall not exceed $350 plus $15 per kilowatt (kW) for each kW above 15kW; and,

   b) For thermal systems, the fee shall not exceed $350 plus $15 per kW thermal (kWth) for each kWth above 10kWth.

3) Maintains an existing $1,000 cap on commercial rooftop solar energy systems and applies this cap to a broader array of commercial solar energy system installations as follows:

   a) For PV systems, the fee shall not exceed $1,000 for systems up to 50kW plus $7 per kW for each kW between 51kW and 250kW, plus $5 per kW for each kW above 250kW; and,

   b) For thermal systems, the fee shall not exceed $1,000 for systems up to 30kWth, plus $7 per kWth for each kWth between 30kWth and 260kWth, plus $5 per kWth for each kWth above 260kWth.

4) Maintains an existing provision that allows a city or county to charge a residential or commercial permit fee for a rooftop solar energy system that exceeds the fee caps specified in 2) and 3), above, if the city or county provides substantial evidence of the reasonable cost to issue the permit, as part of a written finding and an adopted resolution or ordinance.

5) Prohibits the duration of any excess permit fee specified in 4), above, from extending more than two years from the date of adoption of the resolution or ordinance that first establishes the excess fee.

6) Requires an ordinance adopted pursuant to 4), above, for residential solar energy systems to fully describe the permitting process, including requirements for electronic submission, with electronic signature, of a permit application and supporting materials and single inspection requirements for small residential rooftop solar energy systems pursuant to existing law governing expedited permitting for small residential rooftop solar energy systems, as specified.

7) Requires a written finding adopted pursuant to 4), above, to include the following:

   a) A determination that the municipality has adopted appropriate ordinances, permit fees, and processes to streamline the submittal and approval of permits for solar energy systems pursuant to the checklists and standard plans in the California Solar Permitting Guidebook (Solar Guidebook); and,

   b) A calculation related to the administrative cost of issuing a solar rooftop permit that includes consideration of any reduction in costs to issue the permit or inspect a solar energy system pursuant to existing law governing expedited permitting for small residential rooftop solar energy systems, as specified.

8) Deletes the January 1, 2018, sunset date in existing law governing permit fees for rooftop solar energy systems, thereby making those provisions as amended by this bill permanent.

9) Provides that no reimbursement is required by this bill pursuant to the California Constitution because a local agency has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this bill.

**EXISTING LAW**:

1) Provides for the adoption and administration of zoning laws, ordinances, rules, and regulations by counties and cities.

2) Provides that, notwithstanding any other provision of law, when a local agency charges fees for zoning variances, zoning changes, use permits, building inspections, building permits, and other specified fees, those fees may not exceed the estimated reasonable cost of providing the service for which the fee is charged, unless a question regarding the amount of the fee charged in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

3) Specifies that the fees listed in 2), above, may include the costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and determinations.

4) Enacts the Solar Rights Act and declares that it is the policy of the state to promote and encourage the use of solar energy systems and to remove obstacles to their installation.

5) Prohibits, for a residential or a commercial rooftop solar PV energy system, a city or county from charging a residential or a commercial permit fee that exceeds the estimated reasonable cost of providing the service for which the fee is charged.

6) Caps the fees that a city or a county may charge for permit fees for rooftop solar PV energy systems as follows:

   a) A residential permit fee for a residential rooftop solar energy system may not exceed $500 plus $15 per kW for each kW above 15kW; and,

   b) A commercial permit fee for a commercial rooftop solar energy system may not exceed $1,000 for systems up to 50kW plus $7 per kW for each kW between 51kW and 250kW, plus $5 per kW for each kW above 250kW.

7) Allows a city or a county to charge a permit fee that exceeds the limits outlined in 6), above if it provides substantial evidence of the reasonable cost to issue the permit, as part of a written finding and an adopted resolution or ordinance. The written finding must include all of the following:

   a) A determination that the municipality has adopted appropriate ordinances, permit fees, and processes to streamline the submittal and approval of permits for solar energy systems pursuant to the practices and policies in state guidelines and model ordinances;

   b) A calculation related to the administrative cost of issuing a solar rooftop permit; and,

   c) A description of how the higher fee will result in a quick and streamlined approval process.

8) Provides the following definitions for purposes of the provisions outlined in 5) through 7), above:

   a) "Administrative costs" means the costs incurred in connection with the review, approval, and issuance of the permit, and the hourly site inspection and follow-up costs, and may also include an amortization of the costs incurred in connection with producing a written finding and adopting an ordinance or resolution pursuant to the above provisions; and,

   b) "Residential permit fee" means the sum of all charges levied by a city or county in connection with the application for a rooftop solar energy system.

9) Repeals the provisions outlined in 5) through 8), above, on January 1, 2018.

10) Requires every city or county to adopt an ordinance that creates an expedited permitting process for small, residential rooftop solar energy systems, as specified, and defines "small residential rooftop solar energy system" to mean all of the following:

   a) A solar energy system that is no larger than 10 kW alternating current nameplate rating or 30 kW thermal;

   b) A solar energy system that conforms to all applicable state fire, structural, electrical, and other building codes as adopted or amended by the city, county, or city and county and meets all applicable safety and performance standards established by the California Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited

testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability;

c) A solar energy system that is installed on a single or duplex family dwelling; and,

d) A solar panel or module array that does not exceed the maximum legal building height as defined by the authority having jurisdiction.

**FISCAL EFFECT**: This bill is keyed fiscal and contains a state-mandated local program.

**COMMENTS**:

1) **Bill Summary**. This bill makes a number of changes to existing law governing permit fees for rooftop solar energy systems. This bill expands a provision that prohibits cities and counties from charging a fee that exceeds the estimated reasonable cost of providing the service for which the fee is charged when permitting PV rooftop solar energy systems, by applying this prohibition to solar energy systems generally. This change additionally encompasses installations of PV energy systems on areas other than a rooftop, and installations of solar thermal systems.

   This bill also reduces the maximum allowable permit fee that a city or a county may charge for a residential rooftop solar energy system. The existing fee cap is $500. This bill reduces the fee cap to $350. This bill also applies this cap beyond rooftop solar PV installations only, to include any PV systems and solar thermal systems, with specified size limitations. This bill maintains the existing permit fee cap of $1,000 on commercial rooftop solar energy systems, but also applies this cap beyond rooftop solar PV installations to include PV systems generally and solar thermal systems, also with specified size limitations.

   This bill continues to allow a city or a county to charge a permit fee that exceeds the specified caps if the city or county makes a written finding and adopts a resolution or ordinance that provides substantial evidence of the reasonable cost to issue the permit. However, this bill additionally prohibits the duration of any excess permit fee from extending more than two years from the date the resolution or ordinance that establishes the excess fee is adopted. Effectively, this bill will require cities and counties to revisit any such ordinance every two years.

   This bill also requires an excess-permit-fee ordinance for residential solar energy systems to "fully describe the permitting process, including requirements for electronic submission, with electronic signature, of a permit application and supporting materials and single inspection requirements for small residential rooftop solar energy systems" pursuant to existing law that requires expedited permitting for small residential rooftop solar energy systems.

   This bill also requires additional elements in the written finding that must be adopted before a city or county can charge permit fees that exceed the caps in existing law and this bill. This bill deletes the January 1, 2018, sunset date in existing law governing permit fees for rooftop solar energy systems, thereby making those provisions as amended by this bill permanent.

   This bill is sponsored by the author.

2) **Author's Statement**. According to the author, "In California's 540 local jurisdictions solar permitting costs vary widely – even for the exact same system in neighboring cities. To encourage access to solar across all income levels and in all communities, to drive down the costs of solar, and to help meet the state's clean energy and climate goals, SB 1222 (Leno) in 2012 capped residential and commercial permit fees for rooftop solar PV systems at $500, and at $1,000 for systems 15 kW and 50 kW, respectively. Additionally, SB 1222, which sunsets in 2018, authorized higher fees for larger systems and for those jurisdictions that adopted a streamlined permit process based on state-sanctioned best practices.

"However, based on data from the California Solar Energy Industries Association (CALSEIA), building permit fees for residential rooftop solar installations continue to vary widely – from $0 up to $850, with an average fee of roughly $350. As the installed cost of solar has decreased, more Californians across the economic spectrum are going solar. Since 2014, 53% of residential solar installations were in zip codes with median incomes of $55,000 - $70,000 per year. Despite this progress, the 'soft costs' of installation, including permitting and interconnection, have not decreased as rapidly as hardware costs and continue to be a barrier to greater solar adoption. According to the Lawrence Berkeley National Laboratory, these soft costs comprise over half of total installation costs. Reducing permit fees will help drive down the overall costs for all types of solar installations and increase the accessibility of solar to even more Californians.

"In 2014, another permit-related bill, AB 2188 (Muratsuchi) helped standardize permit requirements for small residential rooftop solar PV and solar thermal systems by requiring local jurisdictions to adopt streamlined requirements based on the California Solar Permitting Guidebook, developed by the Governor's Office of Planning and Research. While many jurisdictions have made progress in complying with AB 2188, others have either not complied or failed to implement important elements (e.g., electronic submittal of permit applications) required by the law, perhaps due to resource constraints. AB 1414 helps address this challenge by authorizing jurisdictions to temporarily impose higher fees in order to recoup the costs of full compliance with AB 2188. Given all of those reasons, AB 1414 revises and extends a critical law that helps lower the cost of solar for homes and businesses across the state. Given the sunset of SB 1222 at the end of 2017, there is a clear urgency to pass AB 1414."

3) **Background**. The California Legislature enacted the Solar Rights Act in 1978 to protect a homeowner's right to install a solar energy system by limiting a homeowner association's ability to object to such installations through its covenants, conditions and restrictions (CC&Rs). The Solar Rights Act allows CC&Rs to include provisions that impose reasonable restrictions on solar energy systems. Reasonable restrictions include those that: do not significantly increase the cost of the solar system; do not significantly decrease the system's efficiency or specified performance; and, allow for an alternative system of comparable cost, efficiency and benefits. "Significant" is further defined as those restrictions that increase the system's cost by more than 20% or decrease the system's efficiency by more than 20%.

AB 2473 (Wolk), Chapter 789, Statutes of 2004, updated the Solar Rights Act by specifying standards for what constitutes "significant" increases in solar energy system costs or decreases in those systems' efficiency. The bill also declared that solar energy system installation is a matter of statewide concern, and made a local government's grant of permission to install a solar energy system ministerial rather than discretionary, unless the

permitting agency has good cause to believe doing so would create an adverse impact on public health or safety, in which case an application for a discretionary permit may be required. The local government cannot refuse to approve that application unless it makes detailed written findings based on substantial evidence that granting the permit will create specific adverse impacts on public health or safety. If conditions are placed on an approval to mitigate public health or safety impacts, the required mitigation must be designed to accomplish its goal at the lowest possible cost.

In 2005, the California Public Utilities Commission through regulations established subsidy programs for the installation of solar PV systems administered by the California Energy Commission. These programs, known collectively as the California Solar Initiative, provide $3.2 billion in subsidies through rebates for the installation of PV projects. In 2006, the Legislature passed SB 1 (Murray), Chapter 132, Statutes of 2006, the Governor's Million Solar Homes Program, which established the goal of installing 3,000 megawatts of solar generation capacity, establishing a self-sufficient solar industry, and placing PV systems on 50% of new homes in 13 years.

4) **Local Permit Fees**. Current law prohibits local agencies from charging fees for permit processing and inspection that exceed the reasonable cost of providing the service for which the fee is charged. Fee revenue must only be used to defray the cost of permit processing and enforcement and cannot be used for general revenue purposes.

   Proposition 26 amended Article XIII C of the California Constitution to broaden the definition of what constitutes a tax to include many payments previously considered fees or charges. The language of Proposition 26 lists seven exceptions to what constitutes a local tax, including three that are relevant to this bill. Article XIII C excludes from the new definition of "tax":

   a) A charge imposed for a specific benefit conferred or privilege granted directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege;

   b) A charge imposed for a specific government service or product provided directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; and,

   c) A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.

   Proposition 26 also added the following language regarding the burden of proof: "The local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is not more than necessary to cover the reasonable costs of governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from the governmental activity."

5) **Soft Costs of Solar Energy Systems.** It is widely acknowledged that the cost of installing solar energy systems in California and the United States has dropped dramatically over the

past decade. Initial reductions were attributed to cheaper solar panels. In recent years, though, this decline has been due to decreasing soft costs. Soft costs include sales taxes, supply chain costs, installer/developer profit, indirect corporate costs, transaction/financing costs, customer acquisition, permitting, and other non-hardware costs. Although soft costs have been declining, they have not dropped as dramatically as hard costs and now account for one-half to two-thirds of the total system price for residential, small and large commercial PV systems.

According to the U.S. Department of Energy's SunShot Initiative, permit fees constituted a very small percentage of all soft costs during the first half of 2012. Nonetheless, permitting has been identified as a soft cost that can be reduced to help spur additional investment in solar energy systems. According to the 2014 edition of the Solar Guidebook, "While the cost of solar hardware has declined significantly over the past several years, the 'soft' costs including permitting have remained high, in part due to difficult and widely varying permitting requirements in different jurisdictions."

6) **Solar Energy System Permit Fees**. SB 1222 (Leno), Chapter 614, Statutes of 2012, placed caps on the amount of permit fees a city or county can charge for residential or commercial rooftop solar energy systems. For a residential rooftop solar energy system, a city or county may not charge a permit fee that exceeds $500 (plus $15 per kW for each kW above 15kW). SB 1222 bill also prohibited, for a commercial rooftop solar energy system, a city or county from charging a permit fee that exceeds $1,000 for systems up to 50kW (plus $7 kW for each kW between 51kW and 250 kW, and $5 per kW for each kW above 250 kW). These caps are limited specifically to rooftop PV systems, and do not apply to PV systems installed elsewhere on a building, or to solar thermal systems.

   SB 1222 allowed a city or county to charge permit fees exceeding these caps, provided the city or county made a written finding and adopted a resolution or ordinance showing substantial evidence of the reasonable cost to issue the permit. SB 1222 contained a sunset date of January 1, 2018.

7) **Solar Energy System Permit Process**. AB 2188 (Muratsuchi), Chapter 521, Statutes of 2014, required every city and county, by September 30, 2015, to adopt an ordinance that creates an expedited, streamlined permitting process for small residential rooftop solar energy systems. AB 2188 defined "small rooftop solar energy systems" as systems that meet all of the following:

   a) A solar energy system that is no larger than 10 kW alternating current nameplate rating or 30 kW thermal;

   b) A solar energy system that conforms to all applicable state fire, structural, electrical, and other building codes as adopted or amended by the city, county, or city and county and applicable safety and performance standards established by the California Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability;

   c) A solar energy system that is installed on a single or duplex family dwelling; and,

d) A solar panel or module array that does not exceed the maximum legal building height.

AB 2188 required each city and county to develop a checklist of all requirements that allow rooftop solar energy systems to be eligible for expedited review, and requires all complete applications that meet the requirement for expedited review, and meet the requirements of the checklist, to be approved and all permits and authorizations to be issued.

AB 2188 also required each city and county to publish its application checklist and document requirements on a publicly accessible Internet Web site if the local agency maintains one, and to allow for the electronic signature on all forms, applications and other documents. In developing its ordinance, each city or county must substantially conform its expedited, streamlined permitting process with the recommendations for expedited permitting, including the checklists and standard plans contained in the most current version of the Solar Guidebook adopted by the Governor's Office of Planning and Research.

A city or county is allowed to adopt an ordinance that modifies the checklists and standards found in the Solar Guidebook due to unique climactic, geological, seismological, or topographical conditions. If a city or county determines that it is unable to authorize the acceptance of an electronic signature on all documents in lieu of a wet signature, the city or county must state, in the required ordinance, the reasons for its inability to accept electronic signatures. In this case, acceptance of an electronic signature is not required.

AB 2188 required all cities and counties to accept permit applications and all associated documents via email, the internet, or facsimile. The bill also specified that only one inspection is required for small residential rooftop solar energy systems that qualify for expedited review, as specified.

8) **Solar Thermal vs. Photovoltaic.** Solar thermal electric energy generation concentrates the light from the sun to create heat. This heat is used to run a heat engine, which turns a generator to make electricity. The working fluid that is heated by the concentrated sunlight can be a liquid or a gas. Different working fluids include water, oil, salts, air, nitrogen, helium, etc. Different engine types include steam engines, gas turbines, Stirling engines, etc. All of these engines can be quite efficient, often between 30% and 40%, and are capable of producing 10's to 100's of megawatts of power. Solar thermal power is usually used for water heating.

   Photovoltaic, or PV energy conversion, directly converts the sun's light into electricity. This means that solar panels are only effective during daylight hours because storing electricity is not a particularly efficient process. Heat storage is a far easier and efficient method, which is what makes solar thermal so attractive for large-scale energy production. Heat can be stored during the day and then converted into electricity at night. Solar thermal plants that have storage capacities can drastically improve both the economics and the dispatchability of solar electricity.

9) **Building-Integrated PV.** Building-integrated photovoltaics (BIPV) are dual-purpose: they serve as both the outer layer of a structure and generate electricity for on-site use or export to the grid. BIPV systems can provide savings in materials and electricity costs, reduce pollution, and add to the architectural appeal of a building. Though they can be added to a structure as a retrofit, the greatest value for BIPV systems is realized by including them in

the initial building design. By substituting PV for standard materials during the initial construction, builders can reduce the incremental cost of PV systems and eliminate costs and design issues for separate mounting systems.

Building-integrated PV systems are planned during the architectural design stage and are added during initial construction. Building-added PV (BAPV) is planned and built during a retrofit. Both BIPV and BAPV lack the racks and mounting equipment of traditional PV systems. Most designers of integrated solar system will consider the array of solar technologies and their possible uses compared to the specific needs of building occupants. For example, semi-transparent thin-film PV can allow for natural day lighting and solar thermal systems can capture heat energy to generate usable hot water or provide space heating and cooling capacity.

BIPVs have many applications, including facades, glazing and rooftop material that replaces roofing material or, in some cases, the roof itself. Some companies offer an integrated, single-piece solar rooftop made with laminated glass; others offer solar "shingles," which can be mounted in place of regular roof shingles.

10) **Policy Considerations**. The Committee may wish to consider the following:

a) **Too Much, Too Soon**? SB 1222, which established the existing caps on rooftop solar PV systems, has been in effect for just over four years. SB 2188 has been effective for an even shorter time period, since September of 2015. While the existing sunset date of January 1, 2018, in SB 1222 needs to be addressed this year in order for those provisions to remain in effect, this bill makes far greater changes to that law. The Committee may wish to consider whether the multiple expansions of SB 1222 contained in this bill are appropriate now and all at once, rather than incrementally over time.

b) **Limits on Types of Solar Installations**. Both SB 1222 and AB 2188 contained specific limitations on the types of solar installations that are subject to permit fee caps and expedited permitting. SB 1222 is limited to rooftop PV, while AB 2188 is limited to small residential rooftop PV or solar thermal. While this bill automatically allows higher permit fees for larger systems, the Committee may wish to consider the impact of applying permit caps to solar thermal systems and to PV installations that are not rooftop systems.

c) **Local Ordinance Limitation**. This bill effectively requires cities and counties to revisit every two years any ordinance they adopt to impose permit fees that exceed the caps contained in this bill and current law. The Committee may wish to consider whether this is a reasonable requirement to place on California's local governments.

d) **Compliance with AB 2188**. The stated intent of this bill is to require cities and counties to comply with the requirements of AB 2188 if they wish to adopt an ordinance that allows them to charge higher permit fees for residential solar energy systems. The language in this bill is unclear with regard to this intent. The Committee may wish to consider whether this language needs to be clarified.

11) **Committee Amendments**. The Committee may wish to consider amending the bill as follows, to address some of the policy considerations raised above:

a) **More Modest Decrease of Residential Cap**. Change this bill's cap for residential solar permit fees to $400;

b) **Reduce Burden on Local Agencies**. Allow any excess permitting fees that a city or county adopts via resolution or ordinance to remain in effect for five years, rather than two years as proposed by this bill; and,

c) **Retain Legislative Review**. Add a sunset date of January 1, 2025, to allow the Legislature to evaluate the impact of the provisions of this bill.

12) **Related Legislation**. AB 546 (Chiu) requires cities and counties to accept electronic submissions of permit applications for advanced energy storage installations, and requires the creation of a California Energy Storage Permitting Guidebook.

13) **Arguments in Support**. The California Solar Energy Industries Association, in support, writes, "AB 1414 would increase clean energy benefits for California by making permanent the objectives established in 2012 by SB 1222 (Leno), which sunsets in 2018. SB 1222 set reasonable limits on residential and commercial building permit fees for rooftop solar photovoltaic (PV) systems. AB 1414 would remove the 2018 sunset and expand eligible technologies, which will enable greater solar adoption, further reduce greenhouse gases, and support job growth. The bill would also revise and extend existing law regarding solar permit fees charged by local jurisdictions for residential and commercial solar photovoltaic (PV) and solar thermal projects to ensure reasonable and consistent statewide fees reflecting the costs to issue such permits, while incentivizing jurisdictions to streamline and standardize permit requirements.

"AB 1414 would also lower the permit fee cap to $350 for residential installations, reflecting the average permit fee among California's 540 local jurisdictions. Unfortunately, the "soft costs" of solar installation – including permitting and interconnection – still remain stubbornly high comprising over half of total installation costs according to the Lawrence Berkeley National Laboratory. Studies show that as the installed cost of solar decreases, more Californians across the economic spectrum adopt solar. By lowering the solar permit fee cap to $350 for residential installations, AB 1414 will widen the accessibility of solar to even more Californians.

"This bill will also authorize local jurisdictions to assess permit fees above the $350 cap for residential PV and thermal systems, if they adopt an ordinance to streamline their permitting process consistent with existing law. In 2014, AB 2188 (Muratsuchi) required local jurisdictions to streamline solar permitting processes consistent with the California Solar Permitting Guidebook. Some jurisdictions have yet to comply or have failed to implement important elements of the law. AB 1414 targets this problem and enables jurisdictions to access additional resources to recoup the costs of full compliance with AB 2188. California continues to lead the clean energy economy, particularly with innovative solar policies. This bill would reinforce California's leadership."

14) **Arguments in Opposition**. The League of California Cities, California State Association of Counties, Rural County Representatives of California, Urban Counties of California and American Planning Association, California Chapter, in opposition, state, "Our organizations support expanding access to renewable energy resources, including solar, however, we are troubled by the proposal to cap permit fees for all solar installations. Local building permit fees can and do vary by jurisdiction due to issues such as the size and type of the solar installation, installations that require multiple on-site inspections until all building requirements are met, additional engineering costs required due to inadequate roof structures, and distance for inspectors to travel to building sites. Aside from rooftop solar, no other cap exists on permit fees because of the recognized need for local government protocols that are sufficient to ensure the safety of the public. Whether intended or unintended, this measure creates barriers for cities and counties to charge permit fees that cover their costs. We do not believe the state should undermine local decisions by setting the level of the fee in statute.

"The ability of local governments to impose fees are already limited. Under both Proposition 26 and the Mitigation Fee Act, when a local government imposes a permit fee, it may not exceed the estimated reasonable cost of providing the service. If a local government fee exceeds the reasonable cost, then the local government is required to submit the fee to the voters. Cities and counties each set their own fees and many utilize the permit fees that are based on the State Building Standards Code because they find those fees reflect the reasonable costs of providing the related services. In addition, many local governments already lower their building permit fees for solar systems by subsidizing their permit costs with funds from their General Fund. This is an individual decision by the city or county based on local budget priorities.

"California cities and counties have long been supportive of residential solar as a way for community members to be both energy efficient and environmentally friendly. However, we believe a broad cap on permit fees will not be an effective tool. Instead, we believe the Governor's Office of Planning and Research California Solar Permitting Guidebook, as well as guidance from the California County Planning Directors Association on solar energy facility permit streamlining, provides a strong base of information and guidance for local agencies to appropriately permit residential solar systems. While we appreciate the desire to encourage lower building permit fees for solar systems, the approach taken in AB 1414 would hamstring the ability of local governments to inspect and conduct other activities associated with permitting. For these reasons, our organizations oppose AB 1414."

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Audubon California
California League of Conservation Voters
California Solar Energy Industries Association
Center for Sustainable Energy
Coalition for Clean Air
Environment California
Sierra Club California
SolarCity
Sunrun, Inc.

Voices for Progress

**Opposition**

American Planning Association, California Chapter
California State Association of Counties
League of California Cities
Rural County Representatives of California
Urban Counties of California

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