

Livable Places Update

Emerging Trends in Community Planning and Design

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A Critical Role for Local Government To Enable A More Sustainable Economy: It has been estimated by economic consultant AECOM that more than \$5 billion in economic growth could be generated in California just by adopting a simpler and more predictable local government permitting process for residential solar applications.



Workers constructing a rooftop solar installation.
Photo courtesy of Stephhicks68.hubpages.com.

By reducing the high cost of getting through unwieldy local permit processes, the report estimates that 20% more homeowners would be able to afford solar systems. This would generate a bigger economic impact in the long run, create more local jobs, and put more money in the local economy by reducing utility bills. For a copy of the report, *The Impact of Local Permitting on the Cost of Solar Power*, go to www.sunrunhome.com/permitting.

The local government solar permitting issue has been explored at two venues held in July of this year, one an LGC roundtable for East Bay local elected officials and solar businesses, hosted by Oakland Mayor Jean Quan, and Richmond's Mayor Gayle McLaughlin and Councilmember Tom Butt. The other venue was an invitation-only conference for 200 energy experts hosted by Governor Jerry Brown for the purpose of exploring opportunities for expanding local renewable energy resources. Governor Brown has a goal of installing 20,000 megawatts of new renewable energy by 2020 with 12,000 MW of it being locally distributed projects like rooftop solar and small biogas digesters on farms. Businesses at both events expressed the same concerns about the cost of the local permit process.

A handful of forward-thinking California local governments, wishing to do everything they can to promote residential solar applications, have eliminated the permit fee for such installations. However, local elected officials at the LGC event were shocked to hear solar businesses say that this measure doesn't do much to help. They say they would rather pay the fee, whatever it is, if they could avoid the time

and labor lost in permit delays and confusion regarding installation design requirements.

Businesses at both the LGC's and the Governor's events estimated that both the time required to get a building permit and the cost of redesigning systems in the face of no clear design guidelines can add up to 1/3 of the total cost of a new solar energy system. Because it is unclear up front what will be required of them, solar businesses are covering themselves by budgeting for the worst-case administrative scenario.

What businesses say they want are uniform, simple, predictable and efficient permitting processes that are consistent among all the cities and counties within a region. According to the previously mentioned report, improving the solar permitting process would reduce the average cost of home installation by \$2,500, making solar power affordable to more homeowners. Without this, it will be harder to realize the expected economic gain from natural solar market growth in California.

Some Local Governments Respond: Several years ago, mayors of eight cities in San Francisco's East Bay, from El Cerrito to Oakland, created the East Bay Green Corridor and hired a staff member to coordinate city efforts to make the region a hub of green business activity. At the LGC dinner/roundtable for mayors and council members from these cities, the Green Corridor staff member was directed to develop a standardized permit for residential solar installations, with a commitment from those elected officials in attendance that the draft document would be submitted to their Councils for approval. The document is to be prepared and submitted to all the cities by December 31, 2011.

The City of Sacramento is also moving ahead with numerous changes to make the building permit process easier — to save time, money, and trips to the public counter. The changes are projected to phase in over the next few months.

Permit submittal standards are under preparation with an expected completion date of September 2011. For small-scale solar projects, including solar water heating systems 50 gallons or less and photovoltaic systems of 4 kW or less, there will be a standardized permit that assumes a 1-hour plan check and a single-site inspection.

Permits for small-scale systems will be available through an on-line plan check and plan submittal and permit process, avoiding trips to the building inspection departments. Customers will also be able to check the status of their permit on line. An "express line" will be established for customer requests that take very little time. In addition, the city

will be rolling out a program next year to allow "Pre-Approved" businesses the ability to register to receive expedited plan review.

Finally, the City established a reduced solar fee available August 15 for small-scale solar projects. For more information, go to: www.cityofsacramento.org/dsd/customer-service/sacramento-streamline.cfm.

The U.S. Department of Energy is providing grants for city- and county-coordinated efforts to adopt standardized solar permits. Proposals are due in early September. Should California cities receive any of this money, they will provide more models for local governments anxious to improve the local economy by pursuing an effective and efficient solar permitting process.

Germany Tells California Their Secret to Success: In the early eighties, I was invited as LGC Executive Director to go on a speaking tour of Germany in order to share the success that California and our local governments were having in instituting energy efficiency and renewable energy programs. Thus, I found it hopeful and on the other hand, discouraging to hear at the recent Governor's Energy Conference that Germany has pulled way ahead of California in implementing solar projects.

Harry Lehman, of the Federal Ministry for Energy and the Environment in Germany was introduced at the conference as representing the country with the world's most successful renewable energy programs. Lehman explained, "When Germany was first starting, we looked to California which already had impressive wind installations and solar arrays in the 1980s." He added, "California is still at the start of a major transformation" but reported that several cities and regions in Germany have reached or are setting the goal to reach 100% renewable energy, and that this should not be considered a vision but a necessity.

He recommended that from his perspective of decades of trial and error, California should focus on three next steps. They include: 1) streamlining our complex and bureaucratic permitting process for renewables; 2) educating our population about the facts; and 3) implementing a strong feed-in tariff similar to Germany's that encourages localized renewable electricity. The need to learn from Germany's experience was a recurring theme throughout the conference.

While local governments have a key role to play in improving the permit process, Lehman said that city and county officials also have an important role to play in helping residents understand the critical importance of renewable, sustainable energy projects to local economic sustainability. Similarly when we have asked renewable energy businesses about the assistance they might need from local governments, LGC members

have been told that it would be a big help if local officials would communicate the advantages of sustainable energy supplies, providing a counter-point to opposition based on aesthetic or other concerns.

The enactment of a strong feed-in tariff is the third recommendation from the list of policies that worked in Germany. A feed-in tariff is a standard contract to purchase renewable energy. For residential rooftop solar, it would compensate the homeowner a specified amount for any energy generated in excess of the amount being consumed by the household.

AB 920, signed into law in 2009, requires utility companies to write a check to their customers for surplus solar electricity generated on an annual basis. Previously, the utility companies were allowed to receive surplus solar electricity from their customer for free. The policy applies, as well, to smaller public water and wastewater facilities. There has reportedly been little progress on implementation of this law by the privately owned utilities, due primarily to holdups at the federal level. However the Sacramento Municipal Utility District has been offering their customers cash for the excess electricity generated by renewable sources for some time. Every California municipal utility has the option legally of developing their own feed-in tariff.

Green Jobs Continue to Gain Traction: More than 500,000 people are employed in California and that number is expected to ramp up in the coming years, according to a report issued by the Environment California Research and Policy Center.

Their report, "*Building a Clean Energy Workforce: Preparing Californians for New Opportunities in the State's Green Economy*" additionally documents nearly 300 green job training programs at more than 130 institutions throughout the state. These programs have as many as 15,000 students enrolled annually.

Another report by Next 10 revealed that Energy Generation, Energy Storage, and Clean Transportation has persisted with above average employment gains in California between January 2008 and 2009. Expanding by 8% over a single year, Energy Generation added nearly 3,000 jobs. Similarly, employment in Energy Storage increased 11%. Also over the one-year span, employment in Clean Transportation surged 6%, driven primarily by increased activity related to motor vehicles. (Go to: www.next10.org/next10/publications/green_jobs.html)

In the past few months, we have learned a great deal about what local governments can do to expand a sustainable green economy. The LGC will be working with the Governor's Office, the PUC, the CA Energy Commission and the University of California to identify and share new ideas and local government policies with our members.