

Cities' charges for solar ripped

PERMITS CALLED TOO COSTLY FOR CHURCHES, SCHOOLS, BUSINESSES

By Paul Rogers, Mercury News, posted: 04/27/2009 12:00:00 AM PDT
http://www.mercurynews.com/news/ci_12222237

Is your church, school or business interested in installing solar panels on the roof?

If so, you'll win accolades for being green. But how much green you'll spend to obtain a city permit for the job varies widely depending on where you live, and some cities are overcharging, say solar advocates who are releasing a new survey today comparing prices.

In Cupertino, it costs \$11,737 for a permit to install a mid-size solar system with about 250 panels on a commercial building; \$2,539 for the same system in unincorporated Santa Clara County; and just \$324 in Morgan Hill.

"A lot of the cities charge too much. It creates a big barrier," said Kurt Newick, chairman of the Global Warming & Energy Committee of the Sierra Club's Loma Prieta chapter, based in Palo Alto. "Lower fees make it affordable, especially for churches, nonprofits or small businesses."

Newick and other Sierra Club volunteers surveyed all 49 cities and three county governments in Santa Clara, San Mateo and Alameda counties. They hope the results persuade cities to reconsider their fees.

The group has produced results in the past.

In 2005, its survey of 41 South Bay cities found widely varying permit costs to install solar panels on homes. After the report came out, city councils scrambled to lower costs, taking the average residential solar permit fee from \$652 in 2005 to \$211 today.

"The cheaper we can do solar, the more competitive it is with dirty fossil fuels," Newick said.

High fees also may be illegal. State law prohibits cities from charging more for building permit fees than they spend to provide their service.

The latest survey is believed to be the first review of commercial permit costs in the United States, Newick said. Sierra Club volunteers asked planning departments by telephone what the cost would be to obtain permits for three different-size solar systems professionally installed on nonresidential buildings:

- An 8-kilowatt system valued at \$74,000, which is roughly twice the size of a solar system on a typical home.

- A 49-kilowatt system valued at \$475,000 on a two-story commercial building.
- And a 131-kilowatt system valued at \$1.2 million on a two-story commercial building.

The findings?

Five cities waived all solar permit fees several years ago to encourage renewable energy. They are Los Altos Hills, Monte Sereno, Hillsborough, Belmont and Foster City.

Cupertino, Emeryville and Daly City had the highest fee costs for the mid-size system, at \$11,737, \$9,543 and \$8,426, respectively. The trio also had the highest fee costs for the largest system, with Cupertino charging \$39,573 — while average permit for such a system is \$4,631.

Cupertino began working to reduce its fees after it learning it is the priciest.

Greg Casteel, Cupertino's chief building official, said Friday that he is drafting a recommendation to cut the solar fees by roughly two-thirds. The proposal goes to the Cupertino City Council May 5.

"Right now, they are too high. Solar is a really good idea," Casteel said. "The fees are a small part of costs. But every little bit helps."

After the 2005 Sierra Club survey, Cupertino cut its residential solar permit fees from \$1,002 to \$200.

To create the fees, Casteel said, officials estimated how long it takes to review blueprints, inspect electrical wiring and make other checks on each installation. But because the city has had only a few large solar installations, it didn't have much to base those estimates on, he said.

In San Jose, the survey found, the fee was a flat \$2,750 for all three different-size commercial installations.

That number puts San Jose in the upper third of cities for the mid-size system and large systems, but the most expensive for the smaller 8-kilowatt system, where the average cost was \$680.

"We think our fees are fair," said Sal Yakubu, permit center manager for the San Jose Planning, Building and Code Enforcement Department. "We basically try to break even. We don't rely on general fund money or city subsidies.

Yakubu disputed the Sierra's Club figure on Friday and said San Jose charges \$2,354. However, that still makes the city the priciest for small commercial systems.

The Sierra Club's Newick, who also works for Horizon Energy Systems, a solar installation company based in San Jose, said San Jose has a reputation among solar companies for providing permits quickly and efficiently. But he said the fees for the smaller commercial installations are unreasonably high.

"It shouldn't cost \$2,750 to get a permit for a small commercial system. That works out probably to \$1,000 an hour," he said.

Some customers have fought City Hall and won.

Last year, Bethel Lutheran Church in Cupertino installed 150 solar panels on its roofs, lowering its electricity costs 40 percent. But when the church was hit with a \$5,700 bill for its permit fees, Pastor Randy Pabst asked Cupertino City Council members to lower the fees. After three council meetings, the city did, to about \$1,000.

Now the church says its utility savings will pay off the \$144,000 system in 10 years. And children at the church school are being taught about renewable energy by studying their roof.

"We wanted to reduce our carbon footprint in the church," Pabst said. "We wanted to set an example in our community and neighborhood. It's been a positive experience all around."