
Going, Going, Gone . . . California's Solar Incentives for Builders/Developers . . . Don't Delay . . .



Kathleen F. Carpenter

Partner

415.356.4622

kcarpenter@luce.com

www.luce.com/kathleencarpenter



Rachelle A. Costa

Associate

619.233.2974

rcosta@luce.com

www.luce.com/rachellecosta

Contact Us

Please contact any member of our team for assistance:

Kathleen F. Carpenter

Tony Toranto

Partner

www.luce.com/tonytoranto

Rachelle A. Costa

Over the past few months the California Energy Commission has reported a substantial increase in the number of rebate reservation applications received for New Solar Homes Partnership (NSHP) funding. **Due to this surge in program activity, the amount of monies requested will exceed current program funding.**

The California Energy Commission will hold a hearing on November 15, 2011 to address the shortfall in program funding. At present, commission staff is proposing to establish a waiting list for the NSHP and criteria for processing rebate reservation applications. If the staff recommendations are adopted at the upcoming hearing, incomplete rebate reservation applications will *not* be added to the waiting list and will be returned to the applicant. Builder applicants with incomplete applications would be permitted to re-apply for program funding by submitting a new rebate reservation application. However, the new rebate reservation application would be subject to any new requirements adopted, including any declining rebate levels.

Thus, it is critical that any builder with incomplete or yet unsubmitted NSHP rebate applications complete the application process right away before the rules for applying for the NSHP rebate change. Additionally, builders should confirm that all applications are complete and error free to prevent the application from being returned to the builder.

Background On the New Solar Homes Partnership

The California Solar Initiative (CSI) created a statewide solar program that includes the New Solar Homes Partnership. The New Solar Homes Partnership provides financial incentives and other support for installing eligible solar energy systems on new homes that receive electricity from certain investor-owned utilities (PG&E, SCE and SDG&E). The partnership is administered by the California Energy Commission. See the *New Solar Homes Partnership Guidebook* (Third Revised Edition) - <http://www.gosolarcalifornia.org/documents/ns hp.php> - for program details.

To qualify for an incentive, the solar system and the residence must meet the requirements of the New Solar Homes Partnership Guidebook and the Energy Commission's Overall Program Guidebook for the Renewable Energy Program (Overall Program Guidebook). Builders, developers and building owners may apply for incentives for energy efficient, newly constructed residential buildings (including qualifying total rehabilitations), which include single family residences, condominiums, and apartments. Solar energy systems that may also be eligible for incentives include those servicing (i) mixed-use residential and commercial buildings, or (ii) common areas of residential and mixed-use communities.

Incentive levels decline over the life of the program and are based upon many factors, some of which include (i) the estimated performance of the system, (ii) whether solar is a standard feature or is offered as an option, and (iii) the type of community (e.g. market rate vs. affordable housing)."

The solar incentives may be reserved for up for 36 months for communities in which solar is a standard feature, and up to 18 months for communities in which solar is an option. As set forth in the Guidebook, there are different application procedures for solar-as-option communities and solar-as-standard communities. See: <http://www.gosolarcalifornia.org/builders/applying.php> to learn more about the application process.