Solar Permit Fee Caps: New Caps Take Effect 1/1/2018

Starting 1/1/2018, new solar permitting fee caps will take effect in all cities and counties across California. AB 1414 (Friedman) extended the cap on permit fees for seven more years to January 1, 2025. The new law lowers the residential permit fee from $500 to $450, and expanded the cap to ground-mount and solar thermal systems. See summary tables here:

<table>
<thead>
<tr>
<th>Residential – PV and Thermal</th>
<th>Commercial—PV and Thermal</th>
</tr>
</thead>
<tbody>
<tr>
<td>• PV: $450 up to 15 kW</td>
<td>• PV: $1000 up to 50 kW</td>
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<tr>
<td>o (+$15 ea. kW above 15kW)</td>
<td>o +$7 per kW for 51-250 kW</td>
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<tr>
<td>• Thermal: $450 up to 10 kWth</td>
<td>o +$5 per kW above 251 kW</td>
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<tr>
<td>o (+$15 ea. kWth above 10 kWth)</td>
<td>• Thermal: $1000 up to 30 kWth</td>
</tr>
<tr>
<td>• Sum of ALL charges for solar permit application must be less than $450</td>
<td>o +$7 per kW for 30-260 kWth</td>
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<tr>
<td>• Cap was $500 before 12/31/17</td>
<td>o +$5 per kW above 260 kWth</td>
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<tr>
<td>• NOT explicitly sum of all charges: fire, electrical, structural might be separate charges</td>
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</tbody>
</table>

If City/County Exceeds Fee
If a city or county exceeds these permit fees, you can cite Section 66015 of the Government Code to prove they need to lower their permit fee (section below). A city or county can only exceed these caps if it passed a resolution or ordinance and presented “substantial evidence of the reasonable cost to issue the permit.” The ordinance must show that the city/county has adopted streamlined permitting processes (checklist, electronic submittal), and describe how the higher fee would result in a quick and streamlined approval process.

Residential Fee Cap Sum of All Charges / Commercial Fee – Fire, Electrical and Structural Permits Might be Separate
For residential fees, it is clear from existing law SB 1222 and AB 1414 that it is all-inclusive of all charges levied by the city or county, per this line:

Section 66015(e) of the Government Code:
(e) For purposes of this section, “residential permit fee” means the sum of all charges levied by a city, county, city and county, or charter city in connection with the application for a rooftop solar energy system.

However, for a commercial system, it is not explicit by state law that the sum of all charges falls under the cap. A jurisdiction may choose to issue separate fire, structural, and electrical permits with separate fees, and the total of all three permits may exceed $1000. Nevertheless, state law is clear that the total fees cannot exceed the reasonable cost of providing the service, per these lines:

Section 66015(b) of the Government Code:
(b) For a commercial rooftop solar energy system that produces direct current electricity:
   (1) A city, county, city and county, or charter city shall not charge a commercial permit fee that exceeds the estimated reasonable cost of providing the service for which the fee is charged.
AB 1414 Expanded Cap to Ground Mounts and Solar Thermal

Ground mounts and solar thermal are now included for both residential and commercial systems permit fee caps, starting 1/1/2018. If a city or county asks how the cap was expanded, AB 1414 removed the words “rooftop” and “system that produces direct current electricity” from the existing law SB 1222, per these lines:

**Section 66015 of the Government Code is amended to read:**
(a) For a residential rooftop solar energy system that produces direct current electricity:
(b) For a commercial rooftop solar energy system that produces direct current electricity:

The term “solar energy system” is defined as either (1) or (2) below, and (1) includes all forms of solar – PV, thermal, rooftop, ground mount, per these lines:

**Section 801.5 of the Civil Code**
As used in this section, “solar energy system” means either of the following:
(1) Any solar collector or other solar energy device whose primary purpose is to provide for the collection, storage, and distribution of solar energy for space heating, space cooling, electric generation, or water heating.
(2) A structural design feature of a building, including either of the following:
   (A) Any design feature whose primary purpose is to provide for the collection, storage, and distribution of solar energy for electricity generation, space heating or cooling, or for water heating.
   (B) Any photovoltaic device or technology that is integrated into a building, including, but not limited to, photovoltaic windows, siding, and roofing shingles or tiles.

Note: AB 1414 also added in (2)(B) above, which expands the definition of a solar energy system and the cap on permit fees to solar-integrated roofs.

**Relevant State Law Section Establishing Permit Cap Dollar Amounts (Effective 1/1/2018)**

**Section 66015 of the Government Code**
(a) For a residential solar energy system:
(1) A city, county, city and county, or charter city shall not charge a residential permit fee that exceeds the estimated reasonable cost of providing the service for which the fee is charged. Except as provided in paragraph (2), for photovoltaic systems, that fee shall not exceed four hundred fifty dollars ($450) plus fifteen dollars ($15) per kilowatt for each kilowatt above 15kW. Except as provided in paragraph (2), for thermal systems, that fee shall not exceed four hundred fifty dollars ($450) plus fifteen dollars ($15) per kilowatt thermal for each kilowatt thermal above 10kW.

(b) For a commercial solar energy system:
(1) A city, county, city and county, or charter city shall not charge a commercial permit fee that exceeds the estimated reasonable cost of providing the service for which the fee is charged. Except as provided in paragraph (2), for photovoltaic systems, the fee shall not exceed one thousand dollars ($1,000) for systems up to 50kW plus seven dollars ($7) per kilowatt for each kilowatt between 51kW and 250kW, plus five dollars ($5) per kilowatt for each kilowatt above 250kW. Except as provided in paragraph (2), for thermal systems, the fee shall not exceed one thousand dollars ($1,000) for systems up to 30kWth, plus seven dollars ($7) per kilowatt thermal for each kilowatt thermal between 30kWth and 260kWth, plus five dollars ($5) per kilowatt thermal for each kilowatt thermal above 260kWth.