

1 [Amendment to Solar Energy Incentive Program.]

2

3 **Ordinance amending the San Francisco Environment Code by amending Sections 18.2,**  
4 **18.4, 18.7-2, and 18.7-4, to: (1) require that all systems receiving City incentives be**  
5 **installed by individuals trained under the City workforce development program, and (2)**  
6 **eliminate increased incentives for residential properties in the case of systems**  
7 **installed by individuals trained under the City workforce development program.**

8 NOTE: Additions are *single-underline italics Times New Roman*;  
9 deletions are ~~*strike-through italics Times New Roman*~~.  
10 Board amendment additions are double-underlined;  
11 Board amendment deletions are ~~strikethrough normal~~.

12 Be it ordained by the People of the City and County of San Francisco:

13 Section 1. The San Francisco Environment Code Sections 18.2, 18.4, 18.7-2 and  
14 18.7-4 are hereby amended to read as follows:

15 **SEC. 18.2. INCENTIVE PAYMENTS.**

16 *(a)* The Program Administrator shall make incentive payments to applicants in respect  
17 of solar systems installed by qualifying applicants on the basis of the provisions of this  
18 Chapter, from the funds appropriated to the program from time to time.

19 *(b)* Applicants must be the owner of the system to be eligible to receive the incentive.

20 *(c) To be eligible for the incentive, a system must be installed by an individual trained under*  
21 *the City workforce development program. The Department of Economic and Workforce Development,*  
22 *which directs the City's overall workforce development efforts, will be responsible for developing and*  
23 *ensuring compliance with workforce criteria for the incentive payments.*

24 **SEC 18.4. LIMITS ON AMOUNTS OF ASSISTANCE.**

25

1           (a) **Limits for all types of systems.** No applicant may receive assistance in excess of  
2 the cost to design, purchase and install the system, net of incentives, rebates, tax credits or  
3 other payments received from other governmental entities.

4           (b) **Limits for photovoltaic panel systems for residential property.**

5           (i) Except as further provided in this clause (b), no residential applicant may  
6 receive assistance in excess of three thousand dollars (\$3,000.00) toward the cost to design,  
7 purchase and install photovoltaic panels. If the property is a multifamily residential project, the  
8 applicant may apply for and receive an incentive payment corresponding to each electricity  
9 meter served by the system, so long as the system provides each such electricity meter with a  
10 generating capacity of at least one (1) kilowatt or financial credits that result from a generating  
11 capacity of at least one (1) kilowatt from the energy generation system.

12           (ii) The limit of assistance shall be \$5,000.00 for applicants residing in an  
13 Environmental Justice District, as such district or districts are determined by the Program  
14 Administrator, or for applicants that are recipients of the California Public Utilities  
15 Commission's CARE (California Alternative Rates for Energy) rates that provide rate  
16 discounts for qualified low or fixed income households, or for building owners that are  
17 recipients of the California Department of Housing and Community Development's CalHome  
18 loan program, which provides low-interest, deferred rehabilitation loans to low-income  
19 homeowners.

20           (iii) CARE and CalHome participants or participants in the CPUC Low Income  
21 program under CSI, as well as households with incomes that are certified by the Mayor's  
22 Office of Housing pursuant to Section 18.7-5, shall be eligible for an additional \$5,000.00 if the  
23 application for the low income incentive is received before February 1, 2009.

24           (iv) CARE and CalHome participants or participants in the CPUC Low Income  
25 program under the CSI, as well as households with incomes that are certified by the Mayor's

1 Office of Housing pursuant to Section 18.7-5, shall be eligible for an additional \$7,000.00 if the  
2 application for the low income incentive is received by the Program Administrator on or after  
3 February 1, 2009.

4 ~~(v) The limit of assistance shall be \$6,000.00 for systems installed by an individual  
5 trained under the City workforce development program. The Department of Economic and Workforce  
6 Development, which directs the City's overall workforce development efforts, will be responsible for  
7 developing and ensuring compliance with workforce criteria for this incentive program. These criteria  
8 may include, but are not limited to: a minimum requirement for hours worked on the solar installation  
9 by an individual hired through the City workforce development system; a requirement that individuals  
10 hired through the City workforce development system perform skilled work on the installation;  
11 workforce training program or system prioritization of San Francisco residents who are low income  
12 and/or have barriers to employment; and other standards for workforce system programs. If in  
13 implementing the incentive program, the Program Administrator and the Department of Economic and  
14 Workforce Development determine that the terms of this clause do not provide the intended stimulus for  
15 the successful placement of workers trained under local workforce development programs, then the  
16 Program Administrator in coordination with the Department of Economic and Workforce Development  
17 may establish new criteria that it deems more effective in achieving such objectives of the program.~~

18 (vi) An incentive applicant whose system is installed by an individual, firm or  
19 organization whose principal office or offices are located within the City shall be eligible for an  
20 additional incentive up to \$1,000.00, subject to the limitations of Section 18.3. If in  
21 implementing the program the Program Administrator determines that the incentive identified  
22 in this paragraph does not provide the intended stimulus for the in-City installation industry,  
23 then the Program Administrator may amend the terms of this incentive to make it more  
24 effective in achieving the in-City job creation and installation market objectives of the program.

1 (c) **Limits for photovoltaic panel systems for commercial, industrial or**  
2 **manufacturing property.** No applicant may receive assistance in excess of \$1,500.00 per  
3 kilowatt of electric power a photovoltaic panel system is designed to generate. Regardless of  
4 system generating capacity, no applicant may receive assistance in excess of ten thousand  
5 dollars (\$10,000.00). ~~In order to receive assistance, an applicant must use installers trained through~~  
6 ~~the City's workforce development system.~~

7 (d) **Adjustments in limits.**

8 (i) The Program Administrator may adjust limits on the incentives paid for  
9 systems installed on commercial, industrial or manufacturing property upon a finding that such  
10 an adjustment advances the objectives of the program. Such adjustments may include an  
11 increase in the limit on the incentive paid in respect of (A) systems installed within an  
12 Environmental Justice District or (B) systems installed by an individual, firm or organization  
13 with an office or offices within the City (or bearing some other linkage to the in-City installation  
14 market as deemed appropriate by the Program Administrator).

15 (ii) Upon a demonstration of a reduction in average costs of solar  
16 improvements, including but not limited to an increase in incentives, rebates, tax credits or  
17 other payments provided by other government entities that serve to reduce the system costs  
18 borne by the consumer, the SFPUC shall have the discretion to decrease the limits set forth  
19 above by an amount reflective of the reduced need for the incentive payments.

20 (iii) With the concurrence of the Board of Supervisors, the Program  
21 Administrator may increase any of the limits set forth in this Section in connection with efforts  
22 to stimulate the development of a competitive in-City solar market, such as the establishment  
23 of an in-City photovoltaic panel production facility.

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25 **SEC. 18.7-2. INCENTIVE PAYMENTS.**

1 (a) A pilot program is established for a period of one-year from the date of this  
2 ordinance or until funds allocated under Section 18.7-5 are expended. The incentives paid  
3 under this program shall not exceed the amounts set forth in Section 18.7-5 below.

4 (b) Applicants must be the owner of a system installed on or after December 11, 2007,  
5 to be eligible to receive the incentive.

6 (c) To be eligible for the incentive, a system must be installed by an individual trained under  
7 the City workforce development program. The Department of Economic and Workforce Development,  
8 which directs the City's overall workforce development efforts, will be responsible for developing and  
9 ensuring compliance with workforce criteria for the incentive payments.

10  
11 **SEC. 18.7-4. LIMITS ON AMOUNTS OF ASSISTANCE.**

12 (a) **Limits for all types of systems.** No applicant may receive assistance in excess of  
13 the cost to design, purchase and install the system, net of incentives, rebates, tax credits or  
14 other payments received from other governmental entities.

15 (b) **Limits for photovoltaic panel systems.**

16 (i) Except as further provided in this clause (b), no residential applicant may  
17 receive assistance in excess of three thousand dollars (\$3,000.00) toward the cost to design,  
18 purchase and install photovoltaic panels. If the property is a multifamily residential project, the  
19 applicant may apply for and receive an incentive payment corresponding to each electricity  
20 meter served by the system, so long as the system provides each such electricity meter with a  
21 generating capacity of at least one (1) kilowatt or financial credits that result from a generating  
22 capacity of at least one (1) kilowatt from the energy generation system.

23 (ii) The limit of assistance shall be \$5,000.00 for applicants residing in an  
24 Environmental Justice District, as such district or districts are determined by the Program  
25 Administrator, or for applicants that are recipients of the California Public Utilities

1 Commission's CARE (California Alternative Rates for Energy) rates that provide rate  
2 discounts for qualified low or fixed income households, or for building owners that are  
3 recipients of the California Department of Housing and Community Development's CalHome  
4 loan program, which provides low-interest, deferred rehabilitation loans to low-income  
5 homeowners.

6 (iii) CARE and CalHome participants or participants in the CPUC Low Income  
7 program under CSI, as well as households with incomes that are certified by the Mayor's  
8 Office of Housing pursuant to Section 18.7-5, shall be eligible for an additional \$5,000.00 if the  
9 application for the low income incentive is received before February 1, 2009, subject to the  
10 limitations of Section 18.7-4(a) above.

11 (iv) CARE and CalHome participants or participants in the CPUC Low Income  
12 program under the CSI, as well as households with incomes that are certified by the Mayor's  
13 Office of Housing pursuant to Section 18.7-5, shall be eligible for an additional \$7000 if the  
14 application for the low income incentive is received by the Program Administrator on or after  
15 February 1, 2009, subject to the limitations of Section 18.7-4(a) above.

16 (v) ~~The limit of assistance shall be \$6,000.00 for systems installed by individuals  
17 trained through the City's workforce development system. The Department of Economic and Workforce  
18 Development, which directs the City's overall workforce development efforts, will be responsible for  
19 developing and ensuring compliance with workforce criteria for this incentive program. These criteria  
20 may include, but are not limited to: a minimum requirement for hours worked on the solar installation  
21 by an individual hired through the City workforce development system; a requirement that individuals  
22 hired through the City workforce development system perform skilled work on the installation;  
23 workforce training program or system prioritization of San Francisco residents who are low income  
24 and/or have barriers to employment; and other standards for workforce system programs. If in  
25 implementing the incentive program, the Program Administrator and the Department of Economic and~~

1 ~~Workforce Development determine that the terms of this clause do not provide the intended stimulus for~~  
2 ~~the successful placement of workers trained under local workforce development programs, then the~~  
3 ~~Program Administrator in coordination with the Department of Economic and Workforce Development~~  
4 ~~may establish new criteria that it deems more effective in achieving such objectives of the program.~~

5 (vi) An incentive applicant whose system is installed by an individual, firm or  
6 organization whose principal office or offices are located within the City shall be eligible for an  
7 additional incentive up to \$1,000.00, subject to the limitations of Section 18.3. If in  
8 implementing the program the Program Administrator determines that the incentive identified  
9 in this paragraph does not provide the intended stimulus for the in-City installation industry,  
10 then the Program Administrator may amend the terms of this incentive to make it more  
11 effective in achieving the in-City job creation and installation market objectives of the program.

12 (c) **Limits for photovoltaic panel systems for non-residential buildings owned by**  
13 **non-profits and non-residential buildings occupied by non-profits and owned by**  
14 **governmental entities.** No applicant may receive assistance in excess of \$1,500.00 per  
15 kilowatt of electric power a photovoltaic panel system is designed to generate.

16 (d) **Limits for photovoltaic panel systems for multi-unit residential buildings that**  
17 **are owned and operated by non-profit organizations.** No applicant may receive assistance  
18 in excess of \$4,500.00 per kilowatt of electric power a photovoltaic panel system is designed  
19 to generate, up to a total of \$150,000.00. An applicant may receive up to an additional  
20 \$100,000.00 in matching funds on a dollar per dollar basis, subject to a maximum of  
21 \$4,500.00 per kilowatt. Regardless of system generating capacity or matching funds, no  
22 applicant may receive assistance in excess of two-hundred fifty thousand (\$250,000.00).  
23 Buildings owned by for-profit entities may be eligible for the incentive designated in this  
24 paragraph if at least 75% of the residential units, excluding a manager's unit, are designated  
25 as affordable housing units under a Federal, State, or local government restriction recorded

1 against the property on which the building is located in a manner that maintains affordability  
2 for a term no less than 30 years.

3 (e) **Adjustments in limits.**

4 (i) If the program is continued after the one-year pilot, the Program  
5 Administrator may adjust limits on the incentives paid for systems installed on commercial,  
6 industrial or manufacturing property upon a finding that such an adjustment advances the  
7 objectives of the program. Such adjustments may include an increase in the limit on the  
8 incentive paid in respect of (A) systems installed within an Environmental Justice District or  
9 (B) systems installed by an individual, firm or organization with an office or offices within the  
10 City (or bearing some other linkage to the in-City installation market as deemed appropriate  
11 by the Program Administrator).

12 (ii) Upon a demonstration of a reduction in average costs of solar  
13 improvements, including but not limited to an increase in incentives, rebates, tax credits or  
14 other payments provided by other government entities that serve to reduce the system costs  
15 borne by the consumer, the SFPUC shall have the discretion to decrease the limits set forth  
16 above by an amount reflective of the reduced need for the incentive payments.

17 (iii) With the concurrence of the Board of Supervisors, the Program  
18 Administrator may increase any of the limits set forth in this Section in connection with efforts  
19 to stimulate the development of a competitive in-City solar market, such as the establishment  
20 of an in-City photovoltaic panel production facility.

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22 APPROVED AS TO FORM:  
23 DENNIS J. HERRERA, City Attorney

24 By: \_\_\_\_\_  
25 Jeanne M, Solé  
Deputy City Attorney

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