

REVISED LEGISLATIVE DIGEST
(2/16/2017, Amended in Committee)

[Environment Code - Revisions to the Solar Energy Incentive Program]

Ordinance amending the Environment Code, Chapter 18, to adjust the incentives in the Solar Energy Incentive Program to (1) adjust the incentives and (2) revise certain program requirements; and affirming the Planning Department's determination under the California Environmental Quality Act.

Existing Law

Chapter 18 the Environment Code created a Solar Energy Incentive Program (GoSolarSF). GoSolarSF is administered by the San Francisco Public Utilities Commission (SFPUC) and offers incentives for installation of solar systems to all qualified residents and businesses in San Francisco. GoSolarSF requires most installers to participate in City work force development programs and includes additional incentives for low-income homeowners and households, applicants in Environmental Justice Districts, and installers having their principal office or offices located in San Francisco. Chapter 18 allows the SFPUC to extend program eligibility to other types of customer-owned distributed renewable energy generation systems. It also still includes a one-year pilot program for low income customers that is no longer in effect.

Amendments to Current Law

This ordinance would:

- Limit eligibility for GoSolarSF incentives to customers of San Francisco municipal electric utility or community choice aggregation program (CleanPowerSF).
- Simplify and put into place annual step-downs of incentives to reflect the lower cost of solar power and to extend the program budget through 2021;
- Modify the requirements for local workforce development and the qualifications for additional incentives for low-income customers as recommended by the Office of the Controller;
- Provide that the SFPUC may extend program eligibility to complementary distributed energy programs, such as incentives for inverter replacement, energy storage or electric vehicle infrastructure;
- Delete references to the one-year pilot program that is no longer in effect.

Background Information

GoSolarSF was established in 2008 by Ordinance 102-08. Since 2008, the cost of solar power has declined significantly in San Francisco, and the world. As a result, in 2014, the California Public Utilities Commission (CPUC) concluded that California's Solar Incentives (CSI) program has largely achieved its goals of stimulating widespread solar adoption and creating a self-sustaining market. The 30% federal tax credit for solar power has been extended and the CPUC has put into place net-energy metering terms for Pacific Gas and Electric Company customers installing solar power. San Francisco offers similar net-energy metering terms to CleanPowerSF customers. GoSolarSF is now supporting more projects than ever before with less money and many projects are going forward in San Francisco without any GoSolarSF or CSI incentives.

In 2015, the SFPUC launched CleanPowerSF, San Francisco's community choice aggregation program. CleanPowerSF offers Standard, Green and SuperGreen options. The SFPUC intends to market GoSolarSF with the SuperGreen CleanPowerSF option to maximize participation in both programs. This ordinance would limit incentives to San Francisco electric customers in order to maximize the benefit of GoSolarSF to San Francisco.

In 2016, the San Francisco Office of the Controller audited GoSolarSF and recommended improvements to the requirements for the qualifications for additional incentives for low-income customers. In addition, SFPUC has identified additional opportunities to promote distributed energy technologies, including incentives for inverter replacements, energy storage and electric vehicle infrastructure.

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