

City of Santa Monica

This page outlines solar PV incentives, financing mechanisms, permitting process, and interconnection information for the City of Santa Monica and the utility that serves its territory, Southern California Edison.

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Contact Information

City of Santa Monica
Building and Safety Division
1685 Main St. Room 111
Santa Monica, CA 90401

Phone:

Office: (310) 458-8355
Fax: (310) 396-6473
Inspection Request Line: (310) 458-2202
Inspectors' Lines: (310) 458-2201 [plus their extension](#)
Inspection Fax: (310) 458-2104

Website:

www.smgov.net/departments/buildingandsafety/

www.solarsantamonica.com

Hours:

Monday - Thursday 7:30AM - 5:30PM
Friday, 8:00AM - 5:00 PM

OVERALL SOLAR PROCESS:



Find an Installer

- **Qualified contractors are your key to getting the most productive solar energy system for your home or business.**
 - Typically solar installers will:
 - Locate financing programs to fit your needs
 - Apply for rebates and incentives on your behalf
 - Apply for local permits
 - Install your PV system
 - Arrange for your PV system to be interconnected to your utility's power grid
- **Solar Santa Monica provides a list of preferred solar contractors:**
 - <http://solarsantamonica.com/contractors.html>

- **California Solar Statistics provides a searchable/sortable list of Installers, Contractors, and Sellers by area who can help you in the process of going solar:**
 - <http://californiasolarstatistics.com/search/contractor/>
 - Important Notes:
 - Costs are measured on a per watt basis
 - It is important to remember that cost is not the only factor involved in system installation.
 - **It is highly recommended to contact *a minimum of three installers* to compare costs, system sizing, and services offered before signing a contract.**

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Financing Information

- **Federal Solar Incentives**
 - Residential Renewable Energy Tax Credit
 - A taxpayer may claim a credit of 30% of qualified expenditures for a solar system that serves a residence located in the United States that is owned and used as a residence by the taxpayer.
 - http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US37F&re=1&ee=1
 - Business Energy Investment Tax Credit (ITC)
 - This federal tax credit is equal to 30% of expenditures on a solar system, with no maximum credit.
 - http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=US02F&re=1&ee=1

Third Party Ownership

- Solar Power Purchase Agreements
 - A Solar Power Purchase Agreement is a financial arrangement in which a third-party developer owns, operates, and maintains the photovoltaic system, and a customer agrees to site the system on its property and purchase the system's electricity. This financial arrangement allows the customer to avoid upfront installation costs and usually have lower electricity costs.
- Solar Leases
 - Solar Leases are similar to Power Purchase Agreements in that a third party pays for and owns the system, but with this financing mechanism a customer pays a fixed monthly fee that is not tied to actual energy use and is responsible for system performance, operations and maintenance.

- www.energycenter.org/index.php/incentive-programs/california-solar-initiative/csi-latest-news/2167-why-pay-to-install-solar
- Southern California Edison Solar Rooftop Program
 - This commercial leasing program allows commercial building owners to lease their roof space to SCE to install solar systems. SCE will pay the building owners to lease their rooftop and generate electricity for the SCE energy grid.
 - www.sce.com/solarleadership/solar-rooftop-program/

Property Assessed Clean Energy (PACE) Programs

- Commercial PACE
 - The Los Angeles County PACE program offers funding for nonresidential solar projects. Under this program property owners can negotiate project-specific financing terms with the investor of their choice, and repay the cost of the upgrade over time through a voluntary contractual assessment on the property tax bill.
 - https://commercial-pace.energyupgradeca.org/county/los_angeles/overview

Secured Financing

Secured financing is a loan in which the borrower pledges some asset as collateral. Typically for a solar installation this collateral is a home or building. The following secured loans are available in the SCRC region:

- Home Equity Lines of Credit (HELOCs) and Home Equity Loans (HELs)
 - HELOCs are forms of revolving credit in which a home serves as collateral. A HEL is a loan that has a fixed rate and term and also uses a home as collateral. The major difference between these two types of financing mechanisms is that HELOCs are similar to a credit card – you can withdraw money as needed and pay back the debt indefinitely – whereas an HEL gives you a one-time lump sum of cash that is paid off over a fixed amount of time. These types of loans are typically available through banks.
 - Home Equity Lines of Credit: www.federalreserve.gov/pubs/equity/equity_english.htm
 - Home Equity Loans: <http://www.federalreserve.gov/pubs/bulletin/1998/199804lead.pdf>
- FHA 203(k) Rehabilitation Loans
 - The Federal Housing Administration (FHA) administers various single family mortgage insurance programs. These programs operate through FHA-approved lending institutions which submit applications to have the property appraised and have the buyer's credit approved. These lenders fund the mortgage loans giving a line of credit to the property owner to make property upgrades, such as solar PV installations.
 - For more information:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/203k/203kabou
[abou](#)

- HUD Title 1 PowerSaver Loans (Secured or Unsecured)
 - The PowerSaver program insures loans to finance small or moderate improvements to a home, such as a solar energy upgrade. Loans up to \$25,000 will be given to single family homeowners specifically targeting residential energy efficiency and renewable energy improvements.
 - For more information:
www1.eere.energy.gov/wip/solutioncenter/financialproducts/PowerSaver.html
- Los Angeles County Energy Loans
 - The Energy Upgrade California (EUC) Program in Los Angeles County offers property owners a 2% interest rate on eligible residential energy efficiency and solar projects. These loans are offered through Matadors Community Credit Union with support from Los Angeles County.
 - https://energyupgradeca.org/county/los_angeles/about_local_financing

Unsecured Financing

Unsecured financing is a loan that is not backed by any collateral. Credit cards and personal loans are the most common examples of unsecured financing. Unsecured financing products available for energy upgrades include personal loans and contractor-sponsored products. However, unsecured financing does come with drawbacks: a good line of credit is typically required with no collateral and the interest rates tend to be higher than with secured loans. However, with some publicly-supported programs, the jurisdiction will pay the interest rate down to attract borrowers.

- Fannie Mae Energy Loan
 - Fannie Mae offers a direct, non-recourse consumer loan program that will finance up to \$20,000 in energy improvements without putting a lien on your home. Energy Loan is a simple interest, fixed rate loan with longer terms available than typical bank financing.
 - www.energyloan.net/index.php
- Los Angeles County Energy Loans
 - As with the secured loan, Matadors Community Credit Union and Los Angeles County are offering low-interest loans for energy upgrades and renewable energy projects.
 - https://energyupgradeca.org/county/los_angeles/about_local_financing

- o The City of Santa Monica Municipal Facilities Revolving Loan Fund
 - The City of Santa Monica is developing an unsecured financing program in its jurisdiction: the Municipal Facilities Revolving Loan Fund (MFR). The MFR is a revolving loan program where the City will commit \$100,000 to develop solar projects on municipal buildings. Upon repayment the savings and incentives from State and Federal rebate programs will be added to the fund to cover administration, marketing and outreach.
 - www.solarsantamonica.com
- o Clean Energy Upgrade Financing Program - ABX1 14
 - ABX1 14 authorizes the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to administer a Clean Energy Upgrade Financing Program using up to \$25 million to finance the installation of distributed generation renewable energy sources, electric vehicle charging infrastructure, or energy or water efficiency improvements on homes or small commercial properties.
 - http://www.treasurer.ca.gov/caeatfa/abx1_14/index.asp
- **Other Financing Mechanisms**
 - o Feed-in Tariff (FIT)
 - Under a feed-in tariff, eligible renewable electricity generators are paid for the generating renewable electricity and feeding it into the utility grid.
 - [SCE FIT Program](#)
 - o Virtual Net Metering
 - VNEM is similar to ordinary Net Energy Metering (NEM) but is for multi-metered properties. VNEM is an agreement under which a share of production credits from a single solar system can be distributed to individual ratepayers in a multi-tenant property.
 - <http://www.sce.com/customergeneration/net-energy-faqs/net-energy-metering-faqs.htm#vnm>

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Incentive Information

- **Federal Solar Incentives**
 - o Residential Renewable Energy Tax Credit

Permitting Process Information:

Solar Contact Information

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Friday, 8:00AM - 5:00 PM

Permitting Process Flow Chart

Residential PV systems under 10kW can be over-the-counter with no electrical review

- Over-the-Counter Plan Check Flow Charts
 - [Electronic Plans are Submitted by Applicant](#)
 - [Paper Plans are Submitted by Applicant](#)

Before Obtaining a Permit

- To obtain your construction permit, you must have first completed any necessary plan review process for your project. Once complete, the property owner or a licensed contractor may obtain the permit.
- Contractors must provide the following: Proof of State Contractor's License Pocket Card, City Business License, Proof of valid and current Worker's Compensation Insurance and a Letter of Authorization if the applicant is not the license holder.
- Owner/Builders must provide the following: [Owner/Builder verification form](#) with original signature from the owner of the building, Proof of ownership if recent transfer or if owner is a

company/corporation or trust and a Letter of Authorization from the owner if applicant is a tenant or authorized agent.

Homeowner's Guide to Building Permits

http://www.smgov.net/uploadedFiles/Departments/Building_and_Safety/HomeownersGuidetopermits.pdf

ePermits Website

- <http://www.smgov.net/departments/buildingandsafety/permits.aspx>
- Who can use ePermits:
 - Both property owners and contractors may obtain building permits for simple improvements involving one construction trade or one contractor license classification such as roofing, electrical, plumbing or HVAC.

Plan Review Matrix (list of reviews for PV installations)

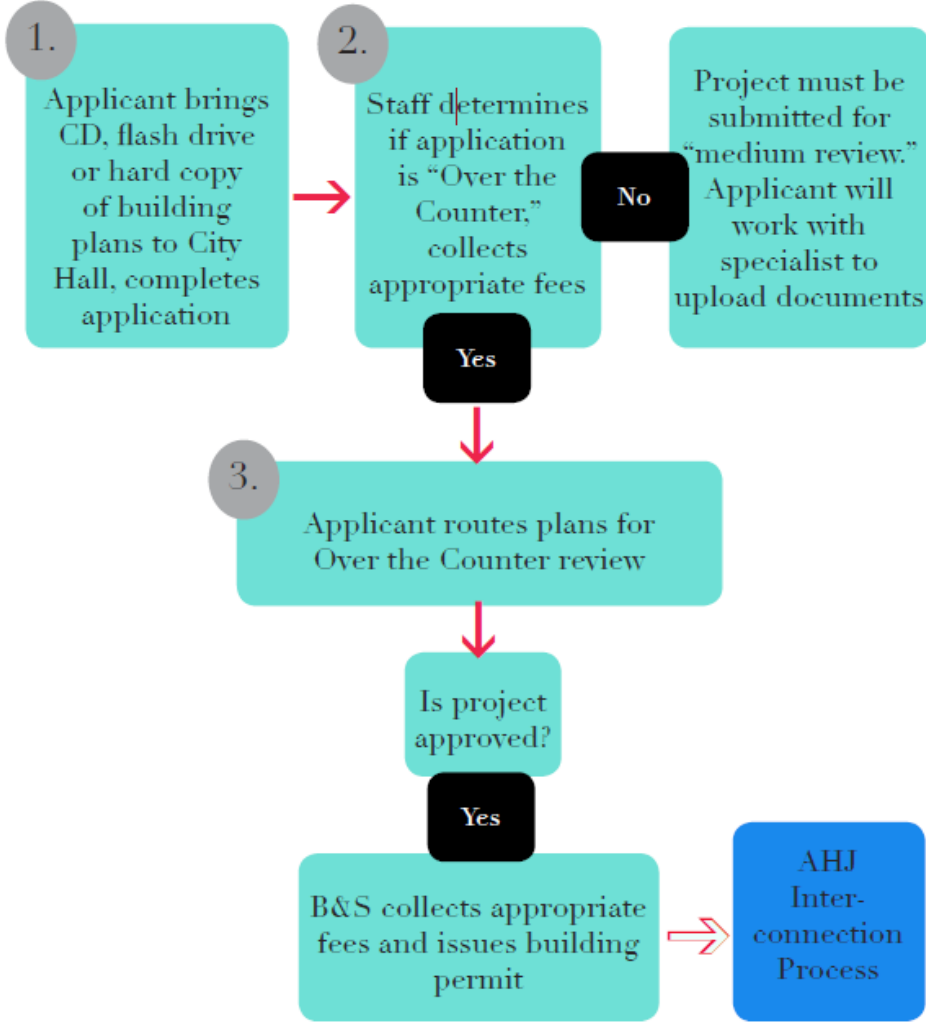
- http://www.smgov.net/uploadedFiles/Departments/Building_and_Safety/Plan_Check/Plan%20check%20requirements%20and%20streamlining%20process%20-%2009-06-11%20aa.pdf
- PV installations require the following reviews:
 - Residential photovoltaic systems less than or equal 10kw may be reviewed over the counter.
 - Electrical review required for photovoltaic systems greater than 10kw
 - Architectural Review Board review.

Basic Information Required for PV Plan Check Submittal

[http://www.smgov.net/uploadedFiles/Departments/Building_and_Safety/PV%20Submittal%20Requirements%20TT3%20\(2010\).pdf](http://www.smgov.net/uploadedFiles/Departments/Building_and_Safety/PV%20Submittal%20Requirements%20TT3%20(2010).pdf)

Step by Step Process for Obtaining a Permit

PERMITTING PROCESS: Santa Monica



- **STEP 1: Submit Building Plans**
 - Applicant arrives at City Hall with CD or Flash drive of building plans or two sets of paper plans:
 - Completes P/C application
 - Completes P/C submittal questionnaires

- **STEP 2: Building and Safety Department Staff determines if the project is eligible for over-the-counter process**
 - If the project is not eligible, it will be submitted as a “medium” review
 - The applicant will work with a Permit Specialist to upload the application to ProjectDox

- **STEP 3: The project is routed to the Building and Safety Department**
 - It is reviewed by Building and Safety, Planning, and Public Works
- **STEP 4: Permit issued**
 - If all documentation is approved and fees are paid, the permit will be issued.
- **STEP 5: Install the PV System**
- **STEP 6: Inspection**
 - To schedule an inspection:
 - Inspection Request Line: (310) 458-2202
 - Inspectors' Lines: (310) 458-2201 plus their extension
 - Inspection Fax: (310) 458-2104
- **STEP 7: Interconnection**
 - Southern California Edison is not notified by the City of Santa Monica upon completion of the inspection.
 - Installer must notify SCE to initiate the interconnection process

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Southern California Edison (SCE)

Interconnection Process

Southern California Edison (SCE) is the local utility for the City of Santa Monica. Upon installation of your solar system and completion of your building permit inspection from the City of Santa Monica, SCE will complete your interconnection agreement and connect your system to the electric grid so you can start generating electricity for your home or business.

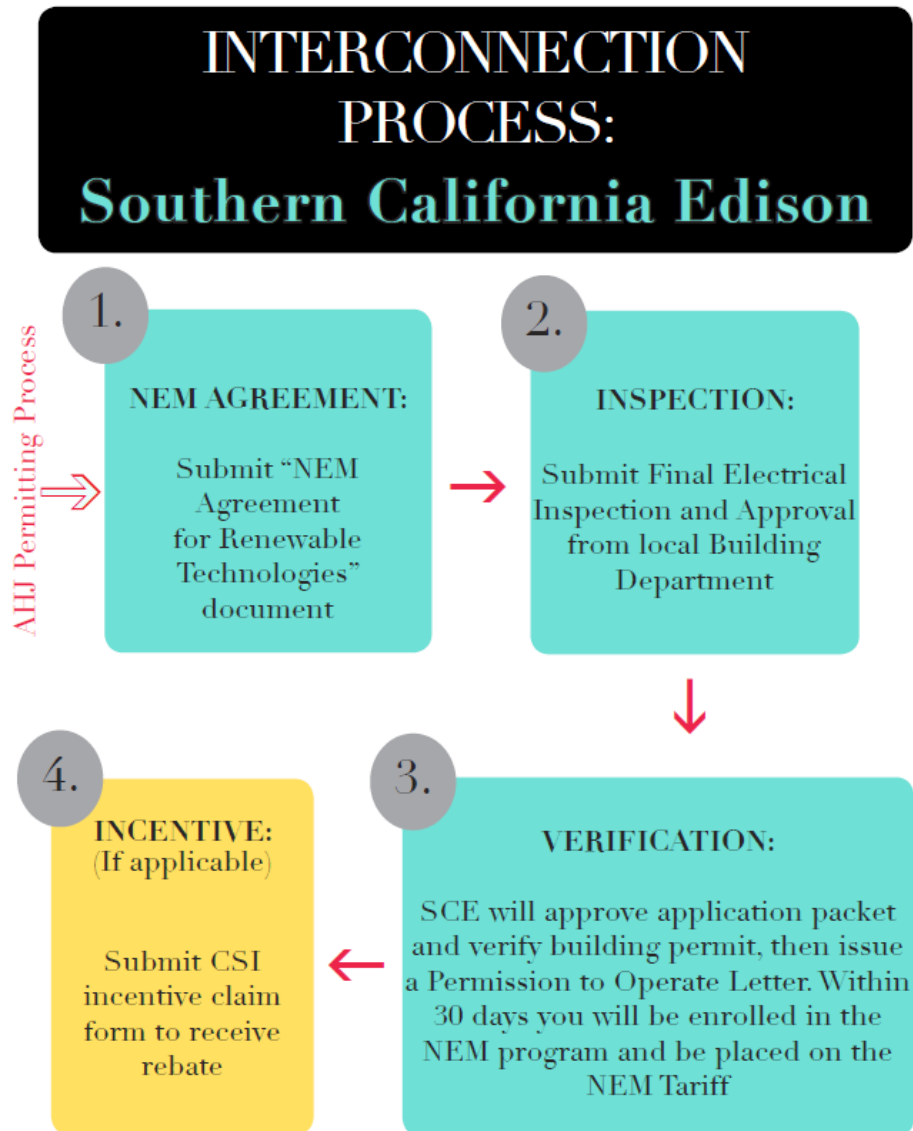
Contact Information

Phone:

(626) 302-9680

Website:

<http://www.sce.com/nem>



NEM Interconnection Handbook for Installers:

[http://asset.sce.com/Documents/NEM Interconnection Handbook.pdf](http://asset.sce.com/Documents/NEM%20Interconnection%20Handbook.pdf)

NEM Interconnection Checklist

<http://asset.sce.com/Documents/checklist-solarwind.pdf>

How do I apply for Net Energy Metering (NEM)?

NEM interconnection paperwork is typically submitted by your installer because it involves technical documentation of the proposed system.

Application checklists, required documents, and samples can be downloaded from www.sce.com/nem. Application documents may be submitted via email to customer.generation@sce.com or by fax to (626) 571-4272.

1. **Submit NEM Application Package and “NEM Agreement for Renewable Technologies” document**
 - Submit the initial Application Packet as early as possible, long before the system is installed and the final inspection by the local building and safety department is scheduled. The Application Packet consists of:
 - NEM Interconnection Application
 1. [Systems under 10kW](#)
 2. [Systems over 10kW](#)
 - [Single Line Diagram & Plot Plan](#)
 - NEM Interconnection Agreement signed by SCE’s customer
2. **Submit Building Permit Job Card from local Building Department**
 - Submit a copy of the Final Electrical Inspection and Approval from the local Building and Safety department as soon as it is issued.
3. **SCE Finalizes Application and Issue Permission to Operate letter**
 - Within 30 working days of receipt of all the required documents, SCE will:
 - Issue a Permission to Operate (PTO) letter so you can turn on your system. Enclosed with the PTO letter will be an NEM tag for you to place on your meter to notify SCE meter technicians about the presence of your generating system and as proof of your permission to operate.
 - Ensure your meter is capable of tracking your net generation.
 - Enroll you on the Net Energy Metering rate schedule.

For regulatory and safety reasons, your generating facility must not be interconnected prior to your receipt of the PTO letter and placement of the NEM tag on your meter.

Additional Interconnection Information

The parallel operation of a solar PV unit requires interconnection with SCE’s electrical grid. Electric Rule 21 is a tariff that describes the interconnection, operating and metering requirements for generation facilities to be connected to a utility’s distribution system, over which the California Public Utilities Commission

(CPUC) has jurisdiction. Note that the posted Rule 21 may not reflect updates to the tariff that may be pending before the CPUC:

- [SCE Rule 21](#)

The NEM Interconnection Handbook specifies the typical minimum technical requirements to interconnect generating facilities with SCE's electric system under the Net Energy Metering (NEM) program:

- [SCE's Net Energy Metering Interconnection Handbook](#)

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