



## Process Improvements

### Step 2, PR 2-A

#### Standardize Permit Fees: Fixed Fees for Residential Permits

##### Establish a fixed fee based on cost recovery for residential PV permit applications

The jurisdiction should begin with an assessment of the estimated hours required for a standard photovoltaic (PV) permit application, according to the following steps:

- Determine the staff time required to review and inspect an average project that will cover costs 80 percent of the time, assuming a well-trained staff and a professional permit submittal and installation.
- The average plan review time should allow for one second-cycle minor correction review, but should be based only on the number of required inspections. Additional plan reviews or inspections should be assessed additional fees based on actual incurred costs. This fee methodology rewards proficient customers with fees that reflect actual costs and does not subsidize the less competent.
- To estimate the permit fee, multiply the billable hourly rates for each job function by the staff time required for each task that will cover 80 percent of customer submittals.
- For exceptional cases that do not conform to the norm, simply charge by the hour for the staff time for both the plan review and inspections based on the billable hourly rate for the job function.
- This value would then determine the fixed residential PV permit fee based on the following assumptions:
  - A professional installation where the permit application meets permit submittal guidelines.
  - If possible, over-the-counter, same day permit issuance should be instituted. This can significantly reduce administrative processing, saving valuable staff time compared to taking in permits for later review.
  - Plan checkers and inspectors are trained in PV installations.

Jurisdictions should investigate if their state has legislation or regulations regarding solar permitting fee requirements or a permitting fee cap.

#### Examples

##### *Utah Model Solar Permit Fee Schedule*

Utah Clean Energy, a non-profit organization, manages a site called Solar Simplified which contains a model permitting fee schedule, based on project size. The schedule was based on the Solar ABC's *Expedited Permitting Guide* and input from Utah solar industry stakeholders.

<http://solarsimplified.org/permitting/solar-permitting-resources-for-permitting-officials-local-governments/sample-permitting-fee-schedule>

##### *Silicon Valley, CA Local Solar Permit Fee Changes*

Audits of residential PV permit fee schedules led to initiatives by 27 cities in Silicon Valley (and over 100 other cities in California) to significantly reduce their fees, removing an important barrier to the installation of solar PV.

[www.SolarPermitFees.org/NorCalPVFeeReport.pdf](http://www.SolarPermitFees.org/NorCalPVFeeReport.pdf)

*Fair Permit Act, Colorado House Bill 1199*

The Colorado House passed legislation which requires solar permitting fees to be cost-based. Fees cannot exceed a municipality’s incurred costs to process the permit. Residential permit fees are not to exceed \$500 dollars. The commercial installation permit fee cap was set at \$1,000.

[www.leg.state.co.us/clics/clics2011a/csl.nsf/billcontainers/F3B0ACABC05F4CEA8725781D0073A2EB/\\$FILE/1199\\_enr.pdf](http://www.leg.state.co.us/clics/clics2011a/csl.nsf/billcontainers/F3B0ACABC05F4CEA8725781D0073A2EB/$FILE/1199_enr.pdf)

*Arizona House Bill 2615*

Arizona House Bill 2615 states that permit fees cannot exceed the cost of issuing the permit. Municipalities are required to produce an itemized list of permitting costs if requested. Methods for determining permit fees must be made publicly available.

<http://www.azleg.gov/legtext/48leg/2r/bills/hb2615s.pdf>

**Sample Residential Fee Calculator  
Residential PV Fee Calculator**

Jurisdiction Billable Hour Rates	Enter Rate
Plan Check	\$ -
Inspections (two 30 minute inspections assumed)	\$ -
Administration Tasks (permit issuance, communication with applicant, filing, etc.)	\$ -

	Minimum Fee		Mid-Range Fee*		Maximum Fee	
	Time (hours)	Calculated Cost	Time (hours)	Calculated Cost	Time (hours)	Calculated Cost
Plan Check	0.50	\$ -	0.75	\$ -	1.00	\$ -
Inspection	1.00	\$ -	1.00	\$ -	1.00	\$ -
Administration Tasks	0.50	\$ -	0.75	\$ -	1.00	\$ -
<b>TOTAL</b>		\$ -		\$ -		\$ -

**Example of \$50 Billable Hourly Rate**

Jurisdiction Billable Hour Rates	Enter Rate
Plan Check	\$ 50.00
Inspections (two 30 minute inspections assumed)	\$ 50.00
Administration Tasks (permit issuance, communication with applicant, filing, etc.)	\$ 50.00

	Minimum Fee		Mid-Range Fee*		Maximum Fee	
	Time (hours)	Calculated Cost	Time (hours)	Calculated Cost	Time (hours)	Calculated Cost
Plan Check	0.50	\$ 25.00	0.75	\$ 37.50	1.00	\$ 50.00
Inspection	1.00	\$ 50.00	1.00	\$ 50.00	1.00	\$ 50.00
Administration Tasks	0.50	\$ 25.00	0.75	\$ 37.50	1.00	\$ 50.00
<b>TOTAL</b>		\$ 100.00		\$ 125.00		\$ 150.00

\* The Mid-Range Fee is the estimated reasonable PV permit fee for cost recovery of a residential project.

Source: Recommendations for Commercial & Residential Solar PV Permit Fees, Sierra Club, Kurt Newick, published in November 2011. [www.solarpermitfees.org/PVPermitFeeRecommend2010.pdf](http://www.solarpermitfees.org/PVPermitFeeRecommend2010.pdf)