DOCKETED	
Docket Number:	21-SOLAR-01
Project Title:	California Automated Permit Processing Program (CalAPP)
TN #:	241467
Document Title:	California Automated Permit Processing (CalAPP) Program Preliminary Program Design Proposal
Description:	Preliminary Program Design Proposal for a planned public workshop on February 8, 2022.
Filer:	Geoffrey Dodson
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	2/7/2022 7:44:40 PM
Docketed Date:	2/8/2022

California Energy Commission

PRELIMINARY PROGRAM DESIGN PROPOSALS

February 8, 2022

California Automated Permit Processing (CalAPP) Program

DISCLAIMER

Staff members of the California Energy Commission (CEC) prepared this report. As such, it does not necessarily represent the views of the CEC, its employees, or the State of California. The CEC, the State of California, its employees, contractors, and subcontractors make no warranty, express or implied, and assume no legal liability for the information in this report; nor does any party represent that the uses of this information will not infringe upon privately owned rights. This report has not been approved or disapproved by the CEC nor has the Commission passed upon the accuracy or adequacy of the information in this report.

Background & Program Purpose

Senate Bill 129 (Skinner, Budget Act of 2021) appropriates $20 million in funding to the California Energy Commission (CEC) to support a funding program for cities, counties, or cities and counties to establish automated, online solar permitting. The CEC is in the process of developing the California Automated Permit Processing (CalAPP) program to provide funding for cities and counties to establish automated online solar permitting, including the adoption of *SolarAPP+* and potentially other automated permit processing systems. *SolarAPP+* is a standardized plan review software developed and made available by the National Renewable Energy Laboratory (NREL) that can run compliance checks and process building permit approvals for eligible rooftop solar systems. Staff is interested in receiving additional information on the integration of the *SolarAPP+* tool as well as other potential online automated permitting solutions. The purpose of this document is to outline initial staff proposals on preliminary program design in preparation for a public workshop planned for February 8, 2022, to solicit public feedback.

Program design proposals in this document are preliminary and informed in part by staff research and input received from representatives of various local building departments and other program partners, including the National Renewable Energy Laboratory (NREL).

Eligibility Requirements

Applicants: Funding distributed through CalAPP will be made available for all cities, counties, or a city and county in California.

Funding will be provided for eligible costs to support the adoption of an online, automated permitting platform for jurisdiction-wide solar permit request processing.

Proposed Funding Award Structure

CEC staff anticipate awarding funds under a grant solicitation. Under this structure, CEC staff will issue a Notice of a Grant Funding Opportunity, which will detail all final program requirements and eligible costs. Applications are anticipated to be a very simple, limited application identifying the jurisdiction, funding level based on population size as described below, and acceptance of all terms and conditions. CEC staff are exploring any additional other requirements that may be needed to demonstrate the proper parties have approved the jurisdiction to apply for funding and enter into a grant agreement.

Staff propose that CalAPP funding award amounts will be a predetermined amount based on population size to account for a range of costs associated with potential complexity of software integration and the volume of staff and participant training. The funding award is intended to cover a portion, or all, of the eligible costs incurred by the applicant to adopt an online, automated solar permitting platform.

The table below summarizes the proposed tiered funding award structure.

Table 1: Proposed Funding Award Structure

Applicant Population	Maximum Funding Award Amount
Less Than 50,000	$40,000
50,000 to 99,999	$60,000
100,000 to 200,000	$80,000
Greater Than 200,000	$100,000

Source: California Energy Commission

CEC staff further propose that awards will be made on a first-come, first-served basis for all complete applications and that any jurisdiction will be limited to one award. The CEC will continue to accept applications until all available funds have been awarded or no later than May 15, 2023, to allow sufficient time to enter into grant agreements prior to the statutory funding encumbrance deadline of June 30, 2023.

Following completion of activities, verification that the automated solar permit system is functioning, and submittal of a final payment invoice and supporting documentation, the CEC will issue payment for a maximum of the total grant award for all eligible costs paid or incurred by the grant awardee. The claim for payment must be supported by proof of costs incurred, including a summary of staff completing grant activities, time spent and associated salaries, invoices for services related to the adoption of the software and training, and receipts for costs associated with the development of training materials and any training events. Should the total costs incurred be less than the funding award, the remaining funds will be returned to the CEC.

City, county, or city and county populations are determined by the latest published estimates from the State of California Department of Finance. Population tables can be accessed at https://www.dof.ca.gov/forecasting/demographics/estimates/e-1/.

Allowable Costs

CalAPP funding is intended to reimburse a grantee's eligible expenditures supporting the adoption of an online, automated permitting platform. CEC staff are exploring the range of activities and costs associated with adoption of an online, automated permitting tool to establish final eligible and ineligible costs and seek stakeholder feedback on the following proposed eligible and ineligible costs:

Proposed Eligible Reimbursable Costs

- Staff costs associated directly with the adoption and launch of an automated, online permitting platform, including:
    - In-house staff time, including IT resources
    - Third-party consultation services
- In-house staff time spent on staff training specific to the online, automated permitting platform

- Costs associated with training installers, developers and other external parties in the use of the system, including but not limited to:
  - Facility rental
  - Training materials development (in-person and on-line)

Proposed Ineligible Costs

- Computer hardware and computer equipment
- Software not related to the adoption of the online, automated permitting platform
- Maintenance and subscription costs for permit tracking software
- Any costs incurred or activities conducted prior to award of the grant
- Typically excluded items such as food for training events
- All other costs not proposed as eligible

Payment of Funds

- Payment will be issued as reimbursement for eligible costs
- Staff propose a single payment to be issued following completion of all activities, verified launch of the solar permitting tool and completion of associated eligible expenditure activities
- Funding generally serves as reimbursement for paid costs. Paid costs are expenses which the recipient provides paid invoices/receipts. Supporting documentation for payment invoices must identify billable staff hours specific to eligible budget expenditures

Questions for Public Feedback

The questions below are provided for stakeholders to consider as part of their public feedback and comment.

1. Energy Commission staff are aware of one tool, *SolarAPP+*, this is available for the specific purpose of this funding program and anticipate municipalities will primarily adopt *SolarAPP+* as their automated, online permitting solution. Are there other solutions including custom IT development that should be supported by this funding program?
    a. What is needed for your jurisdiction to make the decision to adopt *SolarAPP+?*
    b. What is the likelihood that you would choose to implement a different solution than *SolarAPP+?*

2. What does the process to implement *SolarAPP+* or another automated permitting solution include?
    a. Are there key decisions makers that must approve the use of a new system?
    b. What is the timeframe for approval and adoption of a new system?

3. The *SolarAPP+* tool integrates with existing municipal automated permit processing software or alternatively can be used as a stand-alone tool.
    a. Do you currently have an automated permit process?
    b. If not, would you adopt *SolarAPP+* as a stand-alone solution or seek to automate the permit process in addition to adopting the solar system permit validation provided by *SolarAPP+*.

4. Application Process - Funding Levels: Please provide feedback on our proposed funding levels.
    a. Are the proposed funding amounts for your jurisdiction sufficient to cover costs associated with adopting *SolarAPP+* or launching an online, automated solar permitting software and training both staff and affected permit applicants?

5. Eligible Costs -Are the eligible costs proposed inclusive of all costs related to adopting an automated permitting system and training staff and affected parties in the use of the system?
    a. Are there other costs associated with automated solar permitting software that we did not propose as eligible?

6. Typically, CEC grant programs only fund activities completed after a final grant agreement is approved, which for purposes of this program staff estimate to be no earlier than Fall 2022. Does this impact your plans to adopt an online automated solar permitting tool?

7. Reimbursement model - CEC staff are proposing that payment will be made on a reimbursement basis after all activities are completed. Does this funding model meet jurisdictions' needs sufficiently to encourage and support adoption of an online automated permit platform?

8. New homes permitting – Currently *SolarAPP+* does not support permitting for new construction however NREL and its partners are working on this addition as well as permitting support for storage systems. Does this current limitation pose a barrier to adoption of the *SolarAPP+* tool?