

INCENTIVES

Lower Your Costs

A variety of incentives and tax credits are available to lower the costs of adding energy efficiency measures and photovoltaic (PV) system equipment in new home construction.

Incentives for PV Installations

As a builder in the California Energy Commission's New Solar Homes Partnership (NSHP) there are two incentive levels available for installing PVs on residential buildings. The NSHP provides an Expected Performance Based Incentive (EPBI) using a specific dollars-per-watt amount applied to the Energy Commission-specified reference solar energy system. The incentive amount for each applicant solar energy system is determined by analysis using the PV Calculator, and is paid when the solar system has been installed, approved by the local building authority, and all program requirements have been met. Detailed information on how the incentive amount is determined can be found in the NSHP Guidebook.

Incentives will decline over the life of the program with the program's application process closing no later than the end of 2016. Incentive levels and reserved volume are subject to funding availability.

Production Homes with Solar as a Standard

The EPBI amount is based on the reference system receiving \$2.60 per watt at the initial step. To qualify, the builder must commit at the reservation stage that a minimum of 50 percent of the homes/dwelling units in the subdivision or multifamily housing development with six or more homes/dwelling units will have solar systems that meet or exceed the California Flexible Installation criteria. Projects qualifying for this incentive will receive a 36-month reservation period.

Base Incentive

The EPBI amount is based on the reference system receiving \$2.50 per watt at the initial step. The base incentive applies to custom homes, small developments, reservations where solar is identified as an option, producing housing where solar will not be installed as a standard feature, as defined below, and common areas of residential developments. Projects qualifying for the base incentive will receive an 18-month reservation period.

The actual incentive amount for a particular system and installation depends on the EPBI calculation of the system's expected performance compared to the reference system. Incentive levels will decline when a specific cumulative megawatt volume of reservations, in terms of total-program capacity, has been reached.

NSHP PV Calculator

www.GoSolarCalifornia.org/nshpcalculator/index.html

- o \$2.60 per watt for production homes with solar as a standard feature
- o \$2.50 per watt for all other homes

Note: Affordable housing new construction receives a rebate of \$3.50 per watt for residential units and \$3.30 per watt for common areas.

Refer to the NSHP Guidebook for detailed information and qualifications at:

www.GoSolarCalifornia.org/documents

UTILITY PROVIDER NEW HOME CONSTRUCTION PROGRAMS

Additional energy efficiency incentives are available through various utilities' New Construction Energy Efficiency Programs. To determine the level of incentives that the utility offers for energy efficiency and information on their program requirements, see the specific utility below.

Pacific Gas and Electric New Solar Homes Partnership Performance Method

www.pge.com/mybusiness/energysavingsrebates/incentivesbyindustry/newconstruction/rncnshp/index.shtml

Southern California Edison California New Homes Program

www.sce.com/RebatesandSavings/BuilderandBuyer/CaliforniaNewHomesProgram/default.htm

San Diego Gas and Electric Advanced Home Program

www.sdge.com/construction/newHomes.shtml

FEDERAL TAX CREDITS

Solar Energy (Consumer or Builder)

The Federal Energy Policy Act of 2005 provides for a federal tax credit of 30 percent of the total system cost for a photovoltaic (PV) system, up to a maximum of \$2,000 per system. The credit is available for systems placed in service from January 1, 2006 through December 31, 2008. This credit can be retained by the builder or passed on to the home buyer. More information is available online at: www.irs.gov.

