The Power of Partnerships: Transforming California’s New Home Market

SOLAR POWER 2007
September 27, 2007
Long Beach, CA

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Today’s Housing Market News

Home sales thud to 5-year low point
- CNNMoney.com, September 25, 2007

Housing Price Drop Looms

U.S. Economy: Consumer Confidence Slumps, Home Sales Decline
- Bloomberg.com, September 25, 2007
How does California rank vs. the Nation?

- Foreclosures are on the rise in California

- Percentage of California mortgage foreclosures surpasses the national average in the second quarter of 2007
The Good News…
Solar and Energy Efficiency Sell!

Builders are saying…

- “In the beginning some of the other developers probably thought we were crazy to go solar on this project. Now, especially in a down market, they’re all looking to our success and acknowledge that the PV panels make it easy for buyers to choose our community over the rest.”
  - Grupe Homes

- “The upfront cost was a bit of a hurdle for us. Most buyers would rather select granite countertops than solar panels. But once we could demonstrate the long-term savings, and could back that up with real numbers, buyers soon saw the value.”
  - Shea Homes
Solar Homes are in the News...

*Sun-Powered Homes defy a cool housing market*
- *Los Angeles Times, September 25, 2007*

*Builder: Solar Energy Systems will be Standard on New Homes*
- *San Jose Mercury News, August 22, 2007*

*Forecast for Solar Power: Sunny*
- *USA Today, August 26, 2007*

*Stunning Solar Powered Homes*
- *Forbes, August 16, 2007*

- *Los Angeles Times*
What New Home Buyers Want...

• “It not only helped reduce my monthly bills, added resale value and helps the environment, but it’s a cool technology to show my friends and family when they come over to visit.”

• “I wanted to do as much as I could for the environment while still enjoying a new home.”

• “The cost was the same as other builders without the panels.”
What is our role?

- New residential and affordable housing construction
- $400 million over ten years
- 160,000 energy-efficient solar homes
- Solar as a standard feature
- Exceed Title 24 requirements for energy efficiency
NSHP exceeds Building Standards

• NSHP Requires Energy Efficiency Beyond Standards

◊ Minimum is Tier I: 15% savings beyond 2005 Building Standards, consistent with current utility “New Construction” efficiency programs

◊ Preferred is Tier II: 35% savings beyond 2005 Building Standards, plus 40% beyond cooling budget

• Both levels include Energy Star appliances, where applicable

• Efficiency incentives from utility programs
The Power of Partnerships

• With Builders: Increasing sales of new homes

• With Solar Industry: Opportunities to work with major builders

• With Utilities: Connections to customers and builders

• With Efficiency Providers: Minimize energy use in a new home

• With Local Communities: Help with “smart” growth

• With CPUC: Coordination between programs
NSHP Builder and Solar Industry Partnerships

• Increase partner recognition
• Provide marketing support
• Higher adherence to program goals

◊ Platinum  - - - - -  Highest EE/Solar Standard
◊ Gold  - - - - - - -
◊ Silver  - - - - - - -
◊ Bronze  - - - - - - -  Lowest EE/Solar Option
NSHP Utility Partnerships

• Contract With Utilities for Program Administration

• Significant Synergy with Utilities
  ◊ New Construction Planning
  ◊ Energy Efficiency Administration
  ◊ Interconnection Services
  ◊ Solar Rate Designs
  ◊ Advanced Metering Infrastructure Rollout
NSHP Local Government Partnerships

- Model Ordinances
  - Assist local governments to advance high energy efficiency, solar communities

- Building Official Outreach
  - Education-Develop a uniform solar energy code

- Smart Growth and Land Use
  - Reduce the need for future development of power plants and to ensure that the State meets AB 32 greenhouse gas emission reductions
Increasing Public Awareness of Solar and Energy Efficiency

• Marketing Research
• Engage and Educate Builders through Outreach
• Solar Education Workshops
• Community Events
• Media Relations
NSHP Market Research-Consumers Want Solar!

The NSHP survey of recent and prospective new home buyers found:

- 91% of Californians view a home’s energy efficiency as an important factor when considering the purchase of a new home
- 70% said that the cost of the monthly electricity bill was an important factor in their decision to buy a new home
- Over 50% of Californians think home builders should definitely make roof-top solar electric systems a standard feature in all new single residence homes they build
NSHP Program Participation

- 1119 home applications to date
- Includes 34 affordable housing applications
Go Solar California!

California has set a goal to create 3,000 megawatts of new, solar-produced electricity by 2017. From this page, you'll be able to go to the websites for solar on new or existing homes and solar for businesses, schools and public buildings.