California votes to make solar panels mandatory on all new homes by 2020

California's move to make solar panels mandatory on new homes has been met with both applause and concern over its impact on the state's notoriously high real estate prices.

On Wednesday, the California Energy Commission (CEC) voted to instate a standard that makes solar panels mandatory on all new homes built beginning in 2020. The mandate, which was unanimously approved by the five members on the commission, makes California the first state in the nation to require solar panels on all new homes.

"Standards ensure that builders use the most energy-efficient and energy conserving technologies and construction practices while being cost effective for homeowners over the 30-year lifespan of a building," Amber Pasricha Beck, the CEC's spokesperson, told Inman on Thursday. The plan, which comes as part of the state's Building Energy Efficiency Standards, will only apply to newly-constructed homes.

The measure, which the state organization heralded as a way to curb greenhouse emissions and promote clean energy, has received support from local government administrators, builders associations and clean energy advocates like Sean Gallagher, vice president of state affairs for the Solar Energy Industries Association. The CEC estimates that the mandate will also reduce energy use by as much as 50 percent.

The new requirement, however, is also expected to drive up the cost of California's already sky-high real estate. In the past four years, the average price of a California home jumped 34.1 percent, to $1.18 million. The CEC estimates that the solar roof standard will increase the cost of building a new home by $9,500.

"On average, the 2019 standards will increase the cost of constructing a new home by about $9,500 but will save $19,000 in energy and maintenance costs over 30 years," Beck said. She added that the new standards will add residential homeowners approximately $40 a month to a 30-year mortgage but save them $80 a month on heating, cooling and lighting bills.

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Across the U.S., California boasts the largest market for residential and commercial solar panels and in 2014 produced more solar energy than the rest of the country combined.

Nonetheless, the move has been met with some pushback on social media, with both homeowners and real estate professionals arguing that the measure will drive up prices more than it will help the environment.

“California’s new solar roof mandate will make housing more expensive, increase electricity prices, and transfer wealth upwards,” Mike Shellenberger, a California environmental policy expert who is currently running for state governor, wrote on Twitter. “What it won’t do is significantly reduce carbon emissions.”

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>
> What it won’t do is significantly reduce carbon emissions. https://t.co/gaANsTMRkt
>
> — Mike Shellenberger (@ShellenbergerMD) May 10, 2018

“That’s just going to drive the cost up and make California, once again, not affordable to live,” California Assemblyman Brian Dahle said, according to ABC News.

Zillow’s Chief Economist Svenja Gudell said California must balance its need for eco-friendly

housing with the cost of real estate.

“A large share of homes in some of California’s biggest cities already feature and prominently advertise their eco-friendly features, catering to local home buyers that may have come to expect and certainly appreciate the added value these amenities can bring,” Gudell told Inman in a statement.

“But technology like solar panels also isn’t cheap, and it’s difficult to quantify how much any potential savings from this technology will offset its sometimes substantial upfront cost — if at all.”

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