

SAN FRANCISCO - It doesn't seem like an ideal place to promote solar energy, but foggy San Francisco has come up with an ambitious plan to encourage businesses and homeowners to tap the sun's power for their energy needs.

The program announced Tuesday would offer companies and residents government-funded loans and rebates to offset the costs of installing solar panels, city officials said.

"There is a perception, a myth in our city, that because of our climate we are not ideally situated for solar," Mayor [Gavin Newsom](#) said. "The reality is the climate in the Bay Area, the climate in San Francisco specifically, is ideally situated for solar."

Many states, including California, offer [tax credits](#) or rebates to encourage solar power, and some small utility companies provide financing incentives.

But San Francisco's program may be the most ambitious because it couples refunds and loans, said Monique Hanis, a spokeswoman for the Washington-based Solar Energy Industries Association.

"As far as we know, this is probably the most sweeping program seen on a municipal level and even compared to some on the state level," Hanis said.

Berkeley's big incentive

The initiative comes on the heels of a solar incentive plan approved last month in the neighboring city of Berkeley, which is financing the cost of solar panels for homeowners who agree to pay the money back through a 20-year property tax assessment. Marin County offers a \$500 rebate to property owners who install rooftop solar systems.

Under San Francisco's proposal, which must be approved by voters and legislators, businesses would be eligible for rebates of up to \$10,000. Residents would receive \$3,000 to \$5,000 off the cost of installing solar panels depending on whether they use a local contractor and are working on property in a neighborhood near a power plant.

The city would underwrite the cost of the loans, which commercial and residential owners would be expected to pay back through annual tax assessments on their properties.

About 660 homes and other buildings in San Francisco already have solar installations. Officials said they hope to bring the number up to 10,000 over the next decade by cutting property owners' out-of-pocket costs by half, if not more.

The loan piece of the program would need to be approved by voters as a ballot initiative, while the refund part would need the support of the Board of Supervisors, San Francisco's equivalent of a city council. Newsom said he hopes to have the whole package in place by summer.