

# Introduction to SOMAH

## *Program Overview*



# About SOMAH

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- A billion-dollar incentive program to install solar electricity on multifamily affordable housing
- Provides significant financial incentives and energy cost savings to affordable housing providers and their tenants
- Up to \$100 million annual budget allocated by investor-owned utilities (IOU) from the California Public Utilities Commission



# Service Territories

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- PacifiCorp
- Pacific Gas and Electric
- Liberty Utilities
- Southern California Edison
- San Diego Gas & Electric



# Benefits of SOMAH

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- Incentives provided by the program will **significantly** reduce the cost of solar installation on your property
- Provide savings on energy costs for your common area and tenant loads
- Offer free support services to assist you throughout your solar installation and SOMAH application
- Provide long-term value to your multifamily affordable housing property



# Property Eligibility

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1. Have at least five (5) units
2. Be deed restricted low-income residential rental housing, including but not limited to manufactured and mobile home properties
3. Satisfy one of the following:
  - 66% of the property residents have incomes at or below 80% of the area median income (AMI)

**OR**

- Property is in a defined disadvantaged community (DAC) that scores in the top 25% of census tracts statewide in the CalEnviroScreen including property that is located on tribal land and is federally recognized

**OR**

- The property is owned by a California Native American tribe.

**OR**

- The property is rental housing property that is owned by a public housing authority or public housing agency.



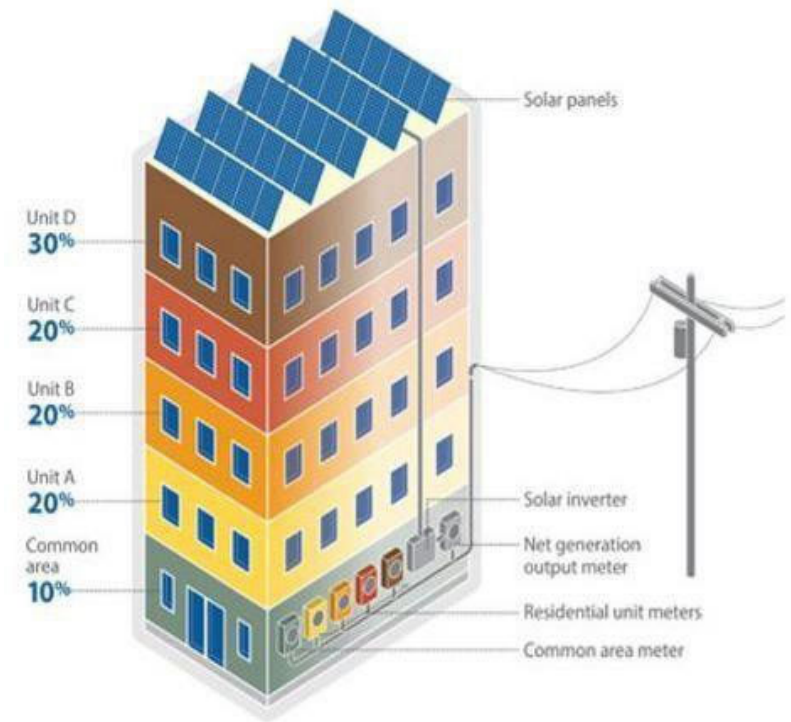
# Property Eligibility (cont.)

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4. Be an existing housing property or retrofit (with Certificate of Occupancy)
5. Have separately metered units
6. Be a utility or community choice aggregator (CCA) customer (with VNEM) in the following utility territories:
  - Pacific Gas and Electric (PG&E)
  - Southern California Edison (SCE)
  - San Diego Gas & Electric (SDG&E)
  - PacifiCorp
  - Liberty Utilities

# Separately Metered Units

- Virtual Net Energy Metering (VNEM ) is a special billing arrangement that provides credit to customers with distributed generation systems (such as solar PV systems) for the excess electricity their system generates.
- Projects must use VNEM to allocate a minimum of **51%** of the solar credits directly to the tenants.



# Incentive Rates

- Incentive rates vary based on:
  - Capacity of the installed system
  - Energy percentage split between tenant loads and common areas
  - Application of Federal Investment Tax Credit (ITC) or Low-Income Housing Tax Credit (LIHTC)

Tax Credits		\$ per AC Watt Incentive	
ITC	LIHTC	Tenant	Common Area
No	No	\$3.50	\$1.19
Yes	No	\$2.45	\$0.87
No	Yes	\$2.45	\$0.87
Yes	Yes	\$1.75	\$0.65

Incentive rates may be subjected to change. For updated information about the incentive rates, please visit the [Incentives & Finance](#) page.



## System Cost Example: Higher **Common** Area Allocation

- Example for a property with:
  - 55% tenant allocation
  - 45% common area allocation

Scenario	Total system size	Tenant allocation	Rate	Tenant incentive	Common area allocation	Rate	Common area incentive	Total incentives
No tax credits applied	27.3 kW (27,300 watts)	15 kW	\$3.50	\$52,500	12.3 kW	\$1.19	\$14,637	\$67,137
With ITC tax credits applied	27.3 kW (27,300 watts)	15 kW	\$2.45	\$36,750	12.3 kW	\$.87	\$10,701	\$47,451
With ITC and LIHTC tax credits applied	27.3 kW (27,300 watts)	15 kW	\$1.75	\$26,250	12.3 kW	\$.65	\$7,995	\$24,245

## System Cost Example: Higher **Tenant** Area Allocation

- Example for a property with:
  - 73% tenant allocation
  - 27% common area allocation

Scenario	Total system size	Tenant allocation	Rate	Tenant incentive	Common area allocation	Rate	Common area incentive	Total incentives
No tax credits applied	27.3 kW (27,300 watts)	20 kW	\$3.50	\$70,000	7.3 kW	\$1.19	\$8,687	\$78,687
With ITC tax credits applied	27.3 kW (27,300 watts)	20 kW	\$2.45	\$49,000	7.3 kW	\$0.87	\$6,351	\$55,351
With ITC and LIHTC tax credits applied	27.3 kW (27,300 watts)	20 kW	\$1.75	\$35,000	7.3 kW	\$0.65	\$4,745	\$39,745

# Application Timeline

