

SUCCESS STORY

Roadblock Removed for Northern California Solar Projects



PROPERTY INFO

Mt. Senior Center & Burney Villa

LOCATION

Burney, Shasta County

UNITS

80

RESIDENT PROFILE

Senior & Family

PAID JOB TRAINEES

4

INCENTIVES

\$902,705 (Combined)

SYSTEM INSTALLED

Mt. Senior Center

- 141.75 kW DC
- Tenant: 80.8%; Common: 19.2%

Burney Villa

- 336.96 kW DC
- Tenant: 80.8%; Common: 19.2%

IOU TERRITORY

Pacific Gas & Electric

ENVIRONMENTAL IMPACT

- **Reduces 133 tons of CO₂ emissions per year**
- **Reduces 2,660 tons of CO₂ emissions over 20 years**

Background

Multifamily affordable housing owners and solar developers have long struggled to access SOMAH Program incentives for projects in Northern California. That changed in November 2024 when the California Public Utilities Commission (CPUC) suspended a key program requirement, creating a pathway for broader participation.

How SOMAH projects are financed

Most SOMAH installations are developed and financed by solar developers or contractors through **power purchase agreements (PPAs)**:

- **Property owners** pay no upfront or ongoing costs and lock in stable, often lower, electricity rates.
- **Developers** earn revenue from long-term energy sales and leverage SOMAH incentives with federal tax credits and other clean energy incentives to improve project economics.
- **Tenants** receive utility bill savings through on-bill credits and gain access to clean energy – a step toward environmental equity.

To boost project viability, SOMAH offers an upfront incentive known as the **Expected Performance-Based Buydown (EPBB)**. It calculates incentive amounts based on system design, location, expected energy production and other factors, generating a design factor that determines the final award.

Why EPBB was suspended

In practice, EPBB created stark regional disparities. For instance, a system in Los Angeles might qualify for 99% design factor providing almost the maximum incentive, while a comparable system in Eureka would get only 77% – due mainly to EPBB geographic adjustment factors based on a reference site in Southern California.

With Northern systems typically unable to pencil out financially or meet tenant savings thresholds, participation largely stalled.

Recognizing this inequity, the CPUC **suspended EPBB in November 2024** for:

- Liberty Utilities
- PacifiCorp
- Areas north of 39°N latitude in PG&E territory

These regions may now apply a **100% design factor**, increasing incentive amounts and making solar more financially viable.

The decision aligns with SOMAH's overarching goal to deliver renewable energy benefits to low-income property owners and tenants throughout the state, ensuring that all communities, regardless of location, have equitable access to solar energy benefits.

Projects re-entering the SOMAH pipeline

Developers are once again planning projects in small towns and tribal communities previously left out. For some property owners, the new incentive formula means the difference between installing a system and walking away.

To date, **13 projects** have benefitted from the EPBB change, receiving over **\$900,000** in increased incentives and impacting **520 households**.

Among them are two projects in **Burney, Shasta County**, led by The Michaels Organization and Sunrun that saw substantial incentive increases:

- **Mt. Senior Center:** \$161,400 → \$269,475 (+67%)
- **Burney Villa:** \$183,640 → \$633,230 (+245%)

Together, they bring solar to more than **80 units** in a rural town where solar was previously out of reach.

Conclusion

As the SOMAH Program continues advancing energy equity across California, its ability to adapt and remove barriers is key to maximizing its impact. And, when financing is successfully navigated, it creates a win-win-win for developers, property owners and tenants alike.

Empowering tribal communities

In Mendocino County, the Round Valley Indian Housing Authority and GRID Alternatives collaborated on a 55.82 kW system for 90 households. The EPBB suspension boosted their incentive 28%, from \$127,150 to \$162,390 – finally allowing the project to move forward after nearly four years stalled.

This milestone underscores the power of program adjustments to support equitable solar access for Tribal communities and honor their leadership in sustainable development.



The **Solar on Multifamily Affordable Housing** (SOMAH) Program provides financial incentives for installing photovoltaic solar energy systems and delivers clean power and energy bill credits to residents.

To find out how to bring solar to your community, visit CalSOMAH.org
858-244-1177 ext. 5 | contact@CalSOMAH.org