

Meeting Notes

Solar on Multifamily Affordable Housing (SOMAH) Advisory Council Meeting

August 12th, 2020
Remote Meeting

Attendees

SOMAH Program Administrators

Chris Walker | SOMAH Program Director (SOMAH Program Administrator)

Jae Berg | SOMAH Program Manager

Luis Amar | SOMAH Technical Coordinator

Marisa Villarreal | SOMAH Program Manager (SOMAH Program Administrator)

Sarah Salem | SOMAH Tenant Services Manager

Srinidhi Sampath | SOMAH Policy and Programs Manager

SOMAH Advisory Council Members

Agustin Cabrera | Senior Community Organizer, Los Angeles Alliance for a New Economy

Andrea Barnier | Senior Asset Management Specialist, Self-Help Enterprises

Andres Ramirez | Policy Director, Pacoima Beautiful

Lauren Randall | Director of Public Policy & Market Development, Sunrun

Cynthia Strathman | Executive Director, Strategic Actions for a Just Economy

JB Tengco | West Coast Director, BlueGreen Alliance

Kenneth Wells | CEO & Founder, O&M Solar Services (Chair)

Sochiata Vutthy | Senior Asset Manager, Community Housing Works

Meeting Agenda

1. Welcome, Introductions, & Intention-setting
2. Member Spotlight/Report-out
3. Advisory Council Business
4. SOMAH Program/COVID-19 Update
5. Proposed Updates and Recommendations to SOMAH
6. AC visioning
7. Next Steps/Wrap-up

Welcome, Introductions

Kenneth Wells, O&M Solar Services

Kenneth Wells opened the meeting and led introductions for the Advisory Council (AC) member. Kenneth also reviewed the meeting goals and agenda.

Member Spotlight/report out

Agustin Cabrera, AC Vice chair

In this new standing agenda item, members of the Advisory Council volunteer to share updates, highlights and successes about their work, and any intersections their current work may have with the SOMAH program. Agustin volunteered to share their work for this meeting

Agustin leads a coalition of 30 groups called RePower LA. They have been advocating for clean energy jobs and have shifted priorities due to COVID-19 to call for utility debt relief and asked the LA Department of Water and Power (LADWP) to forgive debt from low-income households with support of others such as IBEW Local 18, Pacoima Beautiful and Strategic Actions for a Just Economy (SAJE). They are beginning a public facing campaign starting the following week, because there is a consistent rate of unemployment in environmental justice communities and they need relief now.

RePower LA focuses on healthy housing, tenant rights and equitable development, and currently have 3 major campaigns including: the right to counsel if tenants are being evicted due to COVID-19 (working with Healthy LA on this); and working on relief for post-pandemic. After the 2008 economic downturn a lot of corporations built housing and that helped drive up prices. RePower LA is looking at actions that will keep housing affordable, and tenants from being evicted (i.e. helping to pass eviction freezes)

Discussion

- Q: How likely is it that this campaign is going to be successful, what are the roadblocks?
- A: It's hard to say but they've gotten interest from key City Councilmembers in LA who are interested in the program. Cost is a main challenge, this is a more focused way to approach bad debt at Los Angeles Department of Water and Power (LADWP)

- Q: Has the aftermath been discussed regarding when the moratorium ends how households and communities are going to be impacted?
- A: Conversations have been around, rental assistance -- landlords are highly incentivised to get low paying tenants out and there is no current plan against this. Ideally RePower would like to see mortgage relief tied to rent forgiveness. A lot of large investors are the ones that might survive this and are often the worst actors. RePower is also concerned about protecting landlords from going out of business even though the organization doesn't favor them. Housing has built wealth previously but this era is coming to an end, there is currently no answer on what to do after eviction freezes ends but it's going to be terrible.

- Q: Are landlords going to recoup the money?
- A: Yes, more and more landlords are looking to make an income in addition to paying the mortgage by the tenants. There would be some that will give rent forgiveness, but probably not the majority.

- Q: A lot of utilities have moratoriums on electric bills, is this the case for LADWP?
- A: LADWP's moratorium is until the end of the year, and it's expected that they will want their payments in full, and that more shut-offs will occur because tenants won't have this money. This will be a huge problem for low income communities.

Advisory Council Business

Chris Walker, SOMAH Program Director

Chris Walker opened the floor to discuss the process for removing an Advisory Council member. Earlier in the month an Advisory Council member was removed unilaterally by the SOMAH PA on grounds pursuant to Article V1, Section 7 of the SOMAH AC Bylaws. Chris and the SOMAH PA requested feedback on the removal process, and whether a unilateral decision was appropriate in this case.

The Advisory Council was in agreement that while a unilateral decision was appropriate, that the bylaws should be clear and explicit about the decision-making process around removals -- i.e. when a unilateral decision by the PA is allowed. The SOMAH PA will update the bylaws to make this more explicit.

The SOMAH PA will initiate the process to replace the removed member with a new member, as it has done in the past for a member who resigned, where three replacement candidates are interviewed and one is selected by the Advisory Council

to replace the previous member. This process will replace the Environmental Justice "seat" on the Advisory Council.

The Advisory Council also discussed whether a short-term proxy to participate on behalf of members taking a leave of absence (i.e. parental leave or sickness) should be allowed. The Advisory Council was in general consensus that a proxy could be allowed for longer-term leaves, but not for single meetings. The SOMAH PA will follow up with additional questions and a survey to vote on this topic post-meeting.

Discussion:

- Q: Would the advisory council want a more member driven decision?
- A: There are degrees of violations, someone may have said something offensive but something pursuant to the reasons laid out in Section 7 doesn't need to be discussed. It's OK for the SOMAH PA to make a quick decision.

- Q: Is a more explicit rule needed?
- A: It might be best to spell out who is making which decisions, and whether an appeals process is possible. Some of the vagueness can lead to problems in the future clarifying what is allowed.

- A: Replacement candidates representing the geographic location that the removed member represented -- the Inland Empire -- should be prioritized, in order to ensure those communities are represented on the Council.

- Q: There are 3 more meetings, if another person is brought on does the term limit them to 3 meetings? What will the member be committed to?
- A: The term for the replacement would be for the original term -- through Q2 of 202 -- and will be required to participate in the next three meetings for this term. This will be clarified in the Bylaws update.

SOMAH program / COVID-19 update

Luis Amar, SOMAH Technical Coordinator; Marisa Villarreal, SOMAH Program Manager

Luis Amar and Marisa Villarreal gave an update on the SOMAH program and its response to impacts from COVID-19, presenting key stats.

SOMAH Program Update: Key Stats

SOMAH is a year old! These are the program's impacts:

- There were 380 applications

- 26% of applications are in disadvantaged communities DAC's
- 32000 tenant units will be served
- 90% of the electricity savings go to tenants
- 80 job training organizations are working with the program
- 700 job training opportunities are created with the applications
- The top 5 counties by number of applications are:
 - San Diego: 47
 - San Bernardino: 38
 - Sonoma: 34
 - Santa Clara: 33
 - Los Angeles: 32
- Number of applications by utility:
 - PG&E: 208
 - SCE: 138
 - SDG&E: 46
 - Liberty: 2
 - Pacificorps: 1
- There are 94.4 MW in projects out of 300 MW goal:
 - PG&E 48MW
 - SCE 33MW
 - SDG&E 12.7MW
 - Liberty 223 kW
 - Pacificorp 149 kW
- There are 118 SOMAH-eligible contractors but only 10 have applications.
- 2 projects are completed: A 50.5 kW system in San Luis Obispo with 25 tenant units and will start receiving credits in 1- 2 months. A 49 kW system in Carlsbad with 28 tenant units.

Regulatory and Reporting Update:

- Sunrun released a Petition for Modification concerning the incentive step-down : SOMAH incentives are reduced annually. The PA released the analysis and reduced the incentive by 5% on July 1st.
- Handbook "2.0" has been finalized and posted to CalSOMAH.org. This updated version of the Handbook disallows MASH+SOMAH incentive "stacking" for the same equipment. There is one active application with this stacking which is pending for rehearing.
- Semi Annual Progress Report (SAPR): The SOMAH PA is required to provide a progress update via a report to the CPUC semi-annually. The SOMAH PA filed its required report on 7/31, which was posted to CalDGStats, and sent to CPUC's DAC Advisory Group and Low Income Oversight Board

CBO Partners and Tenant Education

- CBO outreach has changed to be fully remote or digital in response to the COVID-19 pandemic and to prioritize safety, all in-person community events have been cancelled.
- CBO's have been finding that technology and internet access has been a barrier, and are working to support their communities in addressing these barriers, as well as finding other ways to conduct outreach.
- The SOMAH PA renewed contracts with its four existing CBO Partners to go through June 30, 2021.
- A new CBO is also being onboarded to join the other four CBOs partners -- Self-Help Enterprises -- to cover outreach gaps in the Central Valley
- CBOs will also be conducting a new Tenant Service Pilot, limited to 4 properties
- CBOs are continuing to develop the Train-the-Trainer curriculum for property owners and contractors to support their tenant education activities.
- IOU Tenant Friendly VNEM bills were added to the tenant education materials

Workforce Development Updates

- The SOMAH PA two SOMAH trainee stories: Dorothy Watts, a trainee in Richmond CA and Oscar Florez Sanchez, a trainee in Loma Linda, CA.
- The PA gave a 3-part career development webinar series that was one of the most well attended webinar series the PA has had to-date
- The PA also offered a COVID-19 safety webinar with a Cal/OSHA Sr. Safety Engineer that was also well attended
- The PA is prioritizing several projects for the rest of this year and into 2021:
 - Re-strategizing job training organization (JTO) engagement
 - Identifying compliance mechanisms
 - Creating safety training and resources
 - Creating a contractor peer review group to review job training and safety resources
 - Building onboarding resources for trainees
- The JTO Task Force continues to have quarterly meetings, similar to the AC. The inaugural meeting was in March 2020, with an ad-hoc meeting in May 2020. The Q2 meeting was in June 2020. Some of the recommendations from the Task Force to-date have been:
 - To implement more safety training and requirements -- require OSHA-10 training for any trainees going on jobsite. Some form of COVID-19 safety training is also recommended
 - To foster relationships between JTOs and SOMAH contractors to ensure local, targeted trainees are accessing job training opportunities
 - To develop feedback mechanisms for trainee performance and skill-development resources
 - To require more trainees and hours for larger SOMAH projects

- To have the SOMAH PA provide personalized, 1:1 job trainee support
- The next quarterly meeting for both the JTO Task Force and the Advisory Council will be a combined, “crossover” meeting

COVID-19 Update

- The SOMAH PA created a Task Force to review COVID-19 news, updates, and policies that are relevant to SOMAH from the Center for Disease Control (CDC), the World Health Organization (WHO), Occupational Health and Safety Administration (OSHA), Cal/OSHA and the California Department of Public Health.
- The SOMAH PA has also created a website (<https://calsomah.org/COVID19>), to share updates and resources about COVID-19 and safety and the program.
- The initial 60-day extension that was put in place for applicants to account for project delays has been removed, but applicants can still request it.
- The SOMAH PA is working on a building a more robust safety program, including a framework for Illness and Injury Prevention Program IIPP
- The SOMAH PA will provide OSHA 10 training online in Q4
- The SOMAH PA's progress payments proposal was pursued, partly in response to COVID-19 impacts on contractors.
- The PA has shifted all outreach programming to be completely virtual

Future Outreach During COVID-19

- The SOMAH PA will continue to participate in virtual conferences, events, and provide monthly webinars to continue to engage it's key audiences.
- For property owners, the SOMAH PA is being mindful of their capacity and trying to adapt outreach tactics that support affordable housing owners in order to stay visible. The SOMAH PA will also target properties with no rent impact due to COVID-19 (e.g. senior and RA), and continuing with ongoing efforts to identify upcoming TCAC/CDLAC resyndication projects
- The SOMAH PA is also launching a survey targeting hard to reach owners and support Track A participation.

Discussion

- Q: Sunrun uses a lot of subcontractors, could Sunrun help with listing the subcontractors?
- A: CSE will be gathering subcontractor information at one of the milestones and making sure that they are licensed.
- Q: [FROM the SOMAH PA] What are Advisory Council members seeing around COVID-19 and how it's impacted the communities/groups they are working with?
- A: In properties there has been an increase in cases in the LA region -- residents are not required to tell property management if they have the virus. When

consultants or inspectors are needed to go inside the units, there are guidelines but they are not always effective. It's a scary situation, people are getting upset about it.

- A: The great thing about this program is that there is no need to access tenant units. The hope is that tenants are doing the right thing and coming to the property manager.
- A: The rent impacts have been very severe, in many cases tenants are unable to pay rent, or are paying partial rent.
- A: Families are very stressed and making difficult choices, reliable access to the internet is also a challenge as many things are moving online for community participation and engagement. Some organizations are prioritizing clean energy as a recovery aspect, particularly with clean jobs, and have seen an uptake of toxic facilities in these communities. The hope is that the government doesn't shift away from renewable energy due to COVID.

- Q: Is there guidance as to who can come in and out of the units? What is the reach of the property managers?
- A: Most properties are open garden-style, some are gated. There is no restriction on guests or the number of guests. Property managers are trying to regularly sanitize common spaces, sometimes multiple times per day. Everyone is encouraged to take extra precautions, and are asking difficult questions to our management companies.
- A: Some properties are only doing emergency maintenance
- A: On the tenant side some landlords are insistent on gaining access to units and tenants are resistant. Also, some landlords don't want to do repairs at this time because of the safety risk involved.

Session 2: Proposed Updates and Recommendations to SOMAH

Chris Walker, SOMAH Program Director

Chris Walker: Handbook 1.0 was the one that the program started with, and the handbook 2: disallowed the stacking with MASH.

Handbook 3 Update: Content Review:

- Substantive changes are:
 - The pipeline management process
 - The required notification for early trainee termination
 - The system changes affecting the incentive amounts
- Minor changes are:

- There will be no reservation transfers
- The wage requirement and required job posting timeline
- The extended Energy Efficiency milestone: Creating a pathway to the look back period
- The change to electronic incentive payments as opposed to checks
- The grounds for SOMAH incentive payment clawback
- The grammatical and content reorganization

The Pipeline Management Process:

- The replacement of the blanket first-come, first-served approach with language that provides the PA flexibility to change the process
- To add new Handbook language that provides the PA flexibility to change approaches to pipeline/waitlist management in consultation with stakeholders & use the website as the main forum to have the current process posted
- This change is in force for SOMAH's 2021 third budget cycle
- NB: CPUC Energy Division advice to explore a general rather than a specific update to allow more flexibility for future changes to prioritization. Track A is the priority, other priorities could include:
 - Emphasizing DACs
 - Emphasizing high-fire hazard severity zones
 - Emphasizing HUD properties and USDA properties
 - Emphasizing the San Joaquin Valley
 - Emphasizing properties in areas with high share of energy disconnections or high energy costs

The PA did a lot of stakeholder engagement:

Regulatory Process

- The Handbook 3 and Advisory Letter submission: 6/26/2020
- The protest by Sunrun: 7/16/2020
- The PA reply to protest: 7/23/2020
- The Sunrun response to PA reply: 7/30/2020

Stakeholder Engagement

- The Advisory Council meetings were on 10/6/2019; 11/18/2019; 2/6/2020
- The Public forums were on 10/25/2019; 3/19/2020; 6/23/2020
- The IOU working group meetings were on 12/12/2019; 2/24/2020
- The CBO-PA summits were on 11/15/2019; 2/7/2020
- The CPUC *ex parte* meeting was on 2/14/2020

Progress Payment Update:

Why are progress payments needed?

- The SOMAH incentive is paid post-install, inspection and permission to operate PTO
 - The projects typically use most of their 18-month reservation period
- Because contractor business models have been impacted by COVID-19
- Because there is a potential for significant project attrition due to cash crunch
- Because milestone-based progress payments are a potential solution to alleviate cash flow issues

Consultation:

- The PA engaged with contractors, IOUs, CBOs, financiers, etc. to understand the different options
- Project financing was also identified as a barrier to smaller contractors, and to host customer-owned systems
- The PA is balancing the responsiveness to needs against safeguarding program funds as a key consideration, losing funds from companies going out of business was not an option
- Two major potential pathways have emerged, in addition to the status quo single payment

3 Payment Pathway: This was the previous option

- A first payment of 30% at Proof of Project Milestone (PPM)
- A second payment of 30% after completed the installation
- A final payment ~40% after interconnecting, inspection and ICF approval
- It would be open to all participating contractors, with limits on the amount of advances by contractor

The Pros:

- The first payment helps with upfront project and installation costs such as labor and materials
- It would provide robust and immediate relief to “jobs in jeopardy” due to capital issues
- It could increase contractor participation/diversity
- It could lead to more cash purchase vs. third-party owned systems

- The PA is not anti-TPO, but cash purchase systems typically have better financials for the property owner or homeowner over the long-term

The Cons:

- The initial 30% payment is considered at high-risk
 - There is a high attrition rate in the MASH program (20-30%) at Proof of Project Milestone
 - The contractor may be unable to refund the advance payments
- There would be a high administrative burden and cost for the PA and the utilities
- There are surety bonds (performance, advance payment) to secure the payments, that are common for public works, but are not a feasible option for SOMAH
 - They are a bad user experience for the property owner
 - They require more contracts
 - They are not as accessible to smaller contractors
 - The legal, collections capacity required is out of scope

The two payment pathway: This is what we propose, it doesn't resolve all the problems but is better

- The first payment of 60% is paid after completed installation
- A final payment of 40% after interconnection, inspection and ICF approval
- It would be open to all participating contractors

Contractors are not done after installation, they still have 4 months to pass IOU inspections, AHJ inspection, the PA inspection, the submittal, and after the PA reviews all of this they send the payment.

The Pros:

- There is a very low-risk; extremely unlikely project will not be interconnected once its installed
 - There are no known examples from MASH
- The 60% payment will come months earlier than status quo
- The contractor participation benefits would be higher than status quo
- It would be less administratively burdensome than the 3-payment option
- There would be no need for surety bonding as safeguard

The Cons:

- The contractor and/or the Host Customer must still float the initial cost
 - Contractor participation benefits lower than 3-payment option

- It is more administratively burdensome and costly than status quo
- Some additional considerations are:
 - The SOMAH PA will need to identify bridge loan providers and assist with the underwriting – e.g. NEIF, Inclusive Prosperity Capital
 - The IOUs would need to adapt the GHG fund reporting to CARB (also applies to three-payment pathway)

This has taken longer than expected, we got early opposition from a utility and research had to be done.

- The PA supports the two-payment pathway
- The PA wants it as a permanent offering rather than a pilot
- It has long-term relevance for (post-COVID-19) economic recovery
- The necessary due diligence, iterative stakeholder engagement, early opposition, and PA capacity has meant a much longer timeline than anticipated

The next steps are, with the hope is to avoid a protest:

1. The PA seeks the Energy Commission feedback and guidance
2. The PA presents this design to AC, CBOs, and the IOU working group
3. The PA submits a Tier 2 advisory letter detailing a handbook change (Handbook 3.0*)
4. The Advisory letter approval
5. The PA and the IOUs would need to amend the incentive contracts
6. The PA creates forms and processes, and updates the website
7. The PA holds informational webinars for all audiences
8. The rollout
9. Monitoring and reporting the progress payments

Poll: Do you support the PA's proposal for a two-payment option?

- (4) Unqualified Support answers
- (1) Strong support answer
- (1) General support
- (1) Qualified disagreement answer

Q: Are the IOU's the only stakeholders to raise a concern about this approach?

A: One IOU opposed the progress payments and they said they would have to be forced to do it. Otherwise all other stakeholders CBO's, contractors, CALSSA, have been in support.

Q: Will the member in a qualified disagreement share some feedback?

A: The member had been hearing about the three payments for a while, the member was removed from the team and didn't want to speak on behalf of Sunrun. This is the first time the member is hearing of the 2 progress payments, if appropriate the member would like to circle up with the people involved building these projects to not create confusion about our stance.

A: The PA have had discussions with Sunrun and are supportive of the two payment pathways.

A: The PA is talking to the right people then, so yes.

A: The PA asks members to chime in their personal view, The PA thinks that you shouldn't have to coordinate with your organization but could revisit that.

A: That would be good, the member is sort of a difficult spot, the member got into that with the handbook changes too. Yeah, the member looks forward to that conversation, the member wants to be helpful, thank you.

A: The PA is not going to talk about the Third Party Evaluation, it's a draft at the moment and it's going to change very soon. The PA will share it when the final is received, the PAI wants to check to see if the council wants to have an Ad Hoc meeting about this. The PA would share the report on email in advance and can have a meeting to discuss.

Q: How long would the meeting be? The member is interested in spending an hour but don't want to cut it off if others want to spend more and don't have a problem not attending if it's going to be a long meeting. Can the member vote yes and not go?

A: The PA can do it in an hour to an hour and a half tops, the PA will be coming to the council with the recommendations.

Poll: What is the level of interest in an Ad Hoc meeting?

There is consensus, if the member is unable to attend the PA will provide a way to provide feedback.

AC Visioning

Marisa Villarreal, SOMAH Program Manager

Part 1

- Value of different experience and ways of thinking to make program as equitable as possible - a whole program and not just what we think should be how program is administered
- Want to see workforce standards improve in the solar industry and uplift wages and that workers have the opportunity to make more in this industry. Other elements that need to happen before.
- Not repeating sins of oil and gas -- how do we create more robust pipelines into the industry -- come be an installer and it's an opportunity for leadership too.
- Nice for group to bring in cross sector for group bringing in different perspectives -- getting more 1:1 time together to get to know one another willb

Part 2

- Think about impact of pandemic as a priority -- what kind of impact a year in the pandemic has impacted the work and what needs to be prioritized
- Talked about how contractors are the biggest stakeholders that come to equity and access aspects of this -- the challenges that contractors face -- it costs a lot of money and time and capacity. To prioritize equity and access is going to take more of a profit first mentality.
 - The promise of the SOMAH Program -- given that workforce and job training is a requirement, how do we continue to diversify the pool of applicants, JTO orgs, and build a pipeline into companies so it's not just a stop-w-SOMAH so it's actually transformative for the industry.
- Prioritized: PO diversity, job training, contractor, tenant ed, equity and considered and upheld throughout.
 - These seemed the most crucial
 - These are the keystone nature of some of these - key audiences so without them the program kind of collapses
- Scope of AC feels so big --encompasses all of the program -- PA spends a lot of time reporting out in the meetings - if we refined scope that could generate additional discussion and engagement across members.
- Talked about job training and local hiring as key priority -- high road contractor participation and incentivizing that.
 - **As SOMAH grows how do you ensure we're also incentivizing contractors who are paying good wages and are thinking about healthcare and ensuring they're creating careers.**
 - **On** trade side -- workers that have a lot of skills -- working on solar one day and a building on nahter day -- you have such a diversity of skills - you're thinking about building a career looking at energy efficiency -- can develop a workforce where workers have a multitude of skills so they're not as negatively impacted.
 - Most ppl can shift within the trades -- electrical, hva space, how do you incentive this

Part 3

- Success: 1) this being a new program -- AC ability to ramp up has gotten better over time -- been an adjustment that is needed for the AC to onboard and learn about the program 2) better geographic considerations -- overrepresentation from Bay and LA, what about CV and far north how does this body reflect that. 3) Better sense of metrics and scorecard to provide better guidance -- experience to be able to adapt w what's raised, but be able to have refined metrics so that we are assessing
- Success -- for social justice advocates were in a different situation for information sharing -- wanting to make more space around voting -- so things feel in alignment
- AC is coming from all different sectors -- so it's not just a personal capacity that we're representing and sharing.

Next Steps and wrap up

Questions, answers and notes doc:

<https://docs.google.com/spreadsheets/d/1TARkPgCmYQHHLcYtTN33J2BxWQlBmhVYxiWD7eXDuGs/edit#gid=2021522947>

Action Items:

- Bylaws: The SOMAH PA will update the bylaws language around:
 - The removal process
 - clarify terms for replacement members
 - leave of absences
- Replacement process: The PA will follow up with AC with candidates and interview process materials for the environmental justice EJ seat replacement
- The PA will draft and post the meeting notes
- The PA will follow up with a synthesis of recommendations from the visioning session to create a mini "proposal" and we'll share it for comments

The cross over meeting with JTOs as the next meeting:

Q: Will around mid November be a good time?

A: Not sure what will happen in November, the PA will let you know and plan for as late as possible in Q4.

Q: Proxy for member: Would the member know about the bylaw change for a proxy in the next couple of weeks?

A: The PA will follow up with you at the latest next week.