



SOLAR ON MULTIFAMILY AFFORDABLE HOUSING

PUBLIC FORUM: *May 25, 2022*



SOMAH Stands with Black Lives Matter



SOMAH stands in solidarity with Black Lives Matter and with all who are fighting for an equitable and just future. These are SOMAH's driving principles, a program that exists, thanks, in large part, to the advocacy of frontline communities striving for energy equity and environmental justice. We remain steadfast in our commitment to equity through a community-based approach that amplifies the voices of frontline communities and ensures we listen to and are responsive to the communities the program serves through public forums, direct outreach and education.

SOMAH Celebrates Asian American Pacific Islander (AAPI) Heritage Month



Mural by YoungSmith, celebrating Asian student heritage, past and present

AAPI Month is a celebration of the culture, traditions, and history of Asian Americans and Pacific Islanders in the United States, including cultures from East, Southeast and South Asia, and the Pacific Islands of Melanesia, Micronesia, and Polynesia.

SOMAH wants to recognize the work of our AAPI staff, program participants, and community-based organization (CBO) partners like Asian Pacific Environmental Network (APEN).

For more information please visit:

asianpacificheritage.gov

Welcome & Introductions

Agenda Overview

1:00 - 1:10	Welcome & Introductions
1:10 - 1:20	SOMAH Program Update <ul style="list-style-type: none">• Key program stats & updates• Q&A / Discussion
1:20 - 2:05	Streamlining SOMAH's Application Process <ul style="list-style-type: none">• Participant and evaluation feedback• Proposed updates to SOMAH's application process• Q&A / Discussion
2:05 - 2:15	Break
2:15 - 2:55	Incentive Stepdown Updates <ul style="list-style-type: none">• Proposed updates to SOMAH's annual incentive step down• Q&A / Discussion
2:55 - 3:00	Looking Ahead & Next Steps

Welcome & Introductions

Access & Follow Up

- Forum is recorded but not publicly available
- This slide deck will be emailed and posted to CalSOMAH.org next week
- Notes will be compiled and edited for release as soon as possible
- Additional questions and comments:
contact@CalSOMAH.org (858-244-1177, ext. 5)

Welcome & Introductions

SOMAH Program Administrator Team



Program Administration

Jae Berg | SOMAH Program Manager

Chris Walker | SOMAH Program Manager

Hannah Warner | SOMAH Program Manager

Marisa Villarreal | SOMAH Program Manager

Luke Ballweber | SOMAH Program Manager

Laura Wong | SOMAH Program Manager

Valery Franco | SOMAH Program Coordinator

Victoria Leslie | SOMAH Program Coordinator

Stacey Lee | SOMAH Program Coordinator

Joyce Tang | SOMAH Program Coordinator

Technical Assistance

Sarah Hill | SOMAH Program Manager

Staci Givens | SOMAH Program Manager

Luis Amar | SOMAH Technical Assistance Manager

Zara Jamshed | SOMAH Technical Assistance Manager

Workforce Development

Staci Hoell | SOMAH Workforce Development Manager

Ingrid Murillo | SOMAH Workforce Development Coordinator

Welcome & Introductions

SOMAH Program Administrator Team



Marketing, Education & Outreach

Brittany Chenier | SOMAH ME&O Manager

Vallerie Gonzalez | SOMAH ME&O
Manager

Poolak Forutanpour | SOMAH ME&O
Manager

Margee McDonnell | SOMAH ME&O
Manager

Omar Rocha | SOMAH ME&O Coordinator

Lucy Moua | SOMAH ME&O Coordinator

Mai Fang | SOMAH ME&O Coordinator

Monica de la Cruz | SOMAH ME&O
Coordinator

Sarah Salem | SOMAH Senior Tenant
Services & CBO Manager

Sana Sheikholeslami | SOMAH Tenant
Services & CBO Specialist

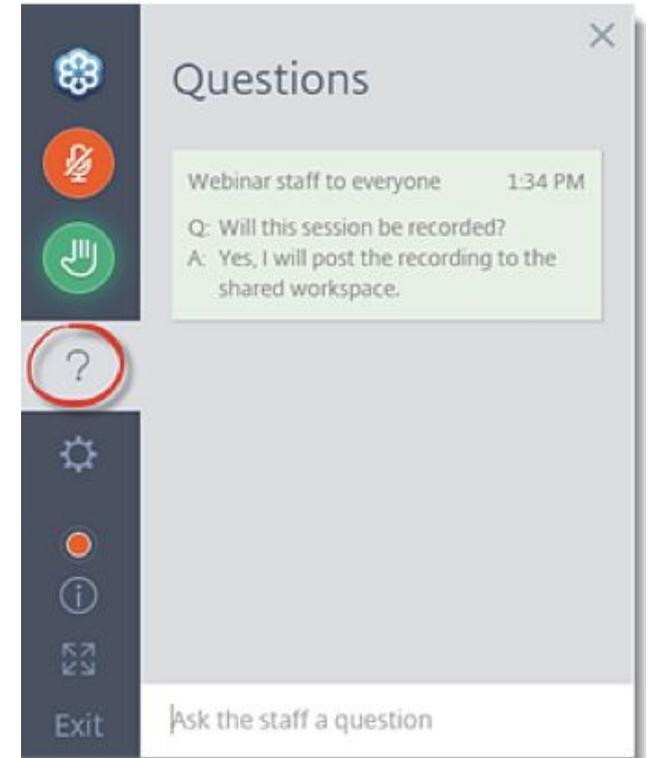
Blanca de la Cruz | Sustainable Housing
Program Director, CA Housing Partnership

Rachael Diaz | Sustainable Housing
Program Associate, California Housing
Partnership

Welcome & Introductions

Meeting Guidelines

- Q&A will follow after each session
- Verbal comments and questions
 - Muted by default; use the hand-raising feature to be unmuted
 - Please say your name and organization
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Session 1: SOMAH Program Update



Marisa Villarreal

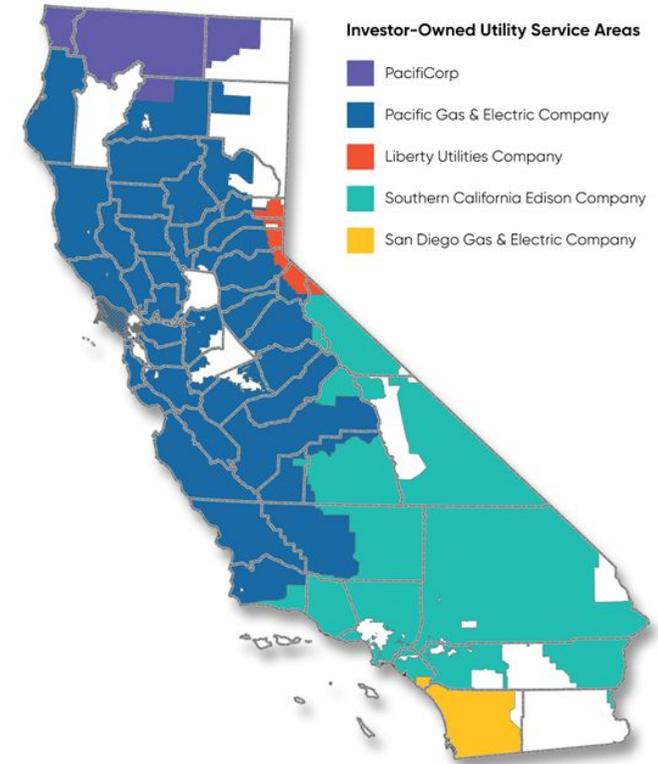


Session 1: SOMAH Program Update

Application Breakdown



Utility Territory	# of Active Applications
Pacific Gas & Electric	255
Southern California Edison	145
San Diego Gas & Electric	53
PacifiCorp	1
Liberty Utilities	2
Totals	456



Session 1: SOMAH Program Update

Where We Are Today



All territories are open to new applications with no waitlists

Utility	Available Funding
Liberty Utilities	~\$1,470,907
PacifiCorp	~\$5,596,771
PG&E	~\$111,388,401
SCE	~\$145,547,249
SDG&E	~\$31,845,867

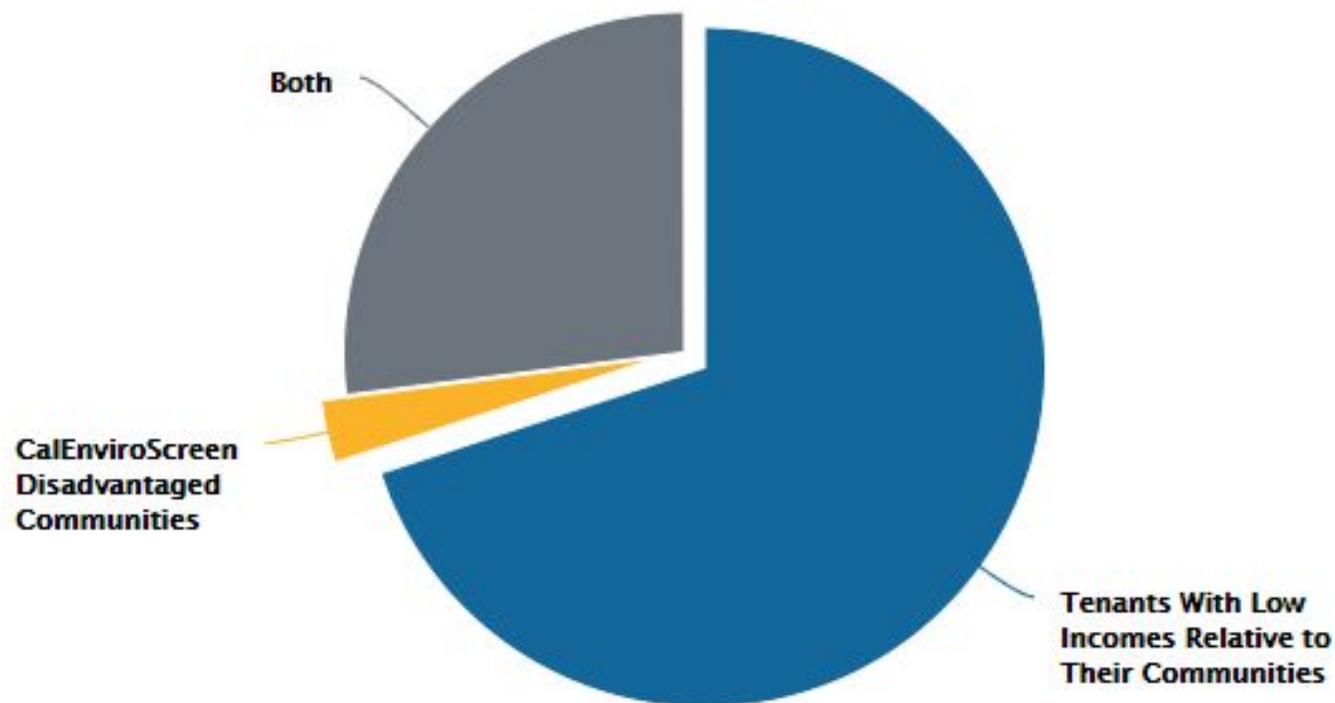
- **\$148.88 million** in funding that's already been reserved
- **\$295.84 million** funding remaining

Session 1: SOMAH Program Update

Where We Are Today



- **34%** of SOMAH's active applications are located in Disadvantaged Communities (DACs)*
- Tenants are slated to receive **~87%** of the electricity generated from SOMAH installations



*DACs are defined as “the top 25% scoring areas from [CalEnviroScreen](#) along with other areas with high amounts of pollution and low populations” SB 535

Session 1: SOMAH Program Update

Additional Program Statistics

- Serving **36,633** tenant units
- Average system size: **188** kW
- 13 participating contractors
 - **13** subcontractors reported
- Pipeline supports **838** job training opportunities
 - Nearly **55,000** projected training hours
 - Approx. **\$1.1M+** in projected wages
 - Leveraging over **60** job training organization relationships



Session 1: SOMAH Program Update

Application Statistics



- Progress Payments
 - 16 progress payments issued (\$3,604,674)
 - 27 under review
- Incentive Claims
 - 28 final incentive payments issued (\$8,971,398)
 - 29 close behind at Incentive Claim Milestone, inspection, and pending payment
- Upcoming activity
 - 43 projects have upcoming incentive claim due dates in Q2 2022
 - 175 projects with incentive claim due dates in Q3 & Q4 2022

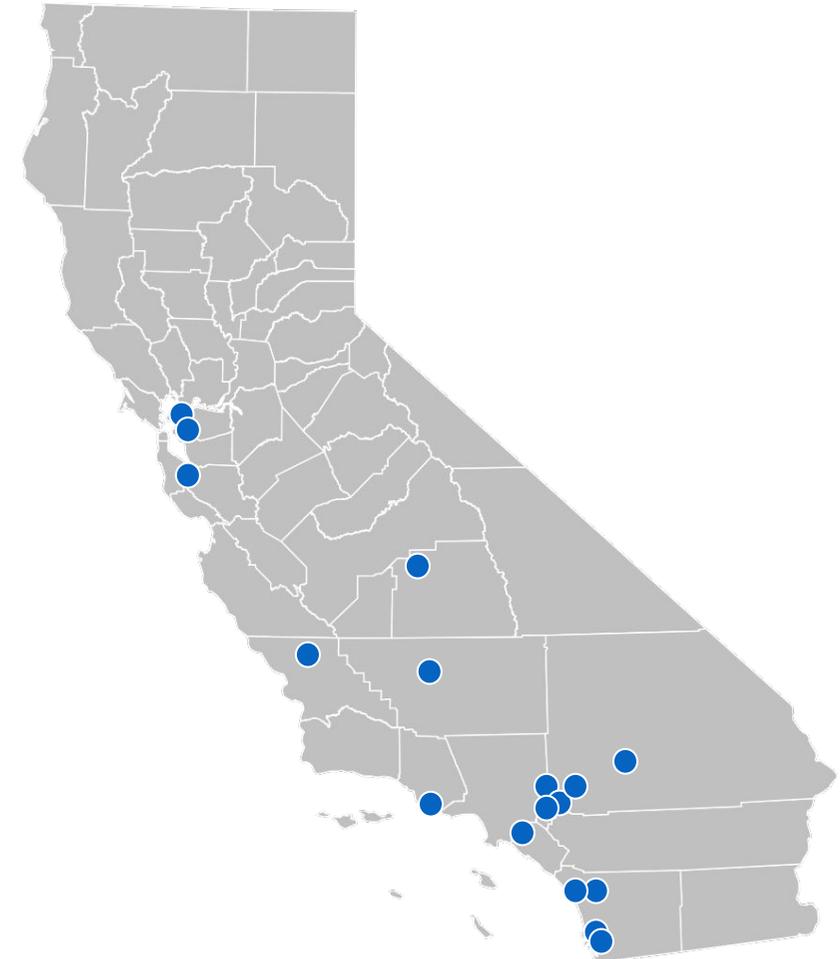
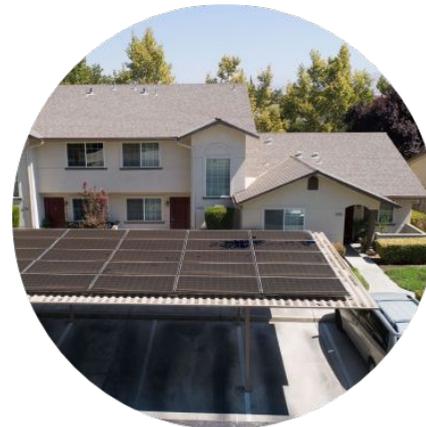


Session 1: SOMAH Program Update

Completed Projects



28 completed projects, with **4.9** MW of electricity serving over **2,491** tenant units across the state!



Session 1: SOMAH Program Update

Other Program Updates & Announcements

SOMAH Program Handbook Update

- Handbook 5.0 approved!
 - Roll out of app deposit waiver for priority groups
- Substantive updates include:
 - Application deposit waiver for priority applications (i.e. DACs)
 - DACs benchmark (40% by 2026)
 - Code of Conduct
 - Compliance with Job Training & Tenant Ed. Requirements
 - CalEnviroscreen 3.0 to 4.0
 - Option to submit PPM with EECM
 - Minimum time requirement for Progress Payment filing from 4 to 2 months
- Next steps: Final Handbook will be uploaded to CalSOMAH.org/somah-program-handbook by early June

CalEPA updating DAC status to include tribes in [SB 535](#)
[Disadvantaged Communities](#)

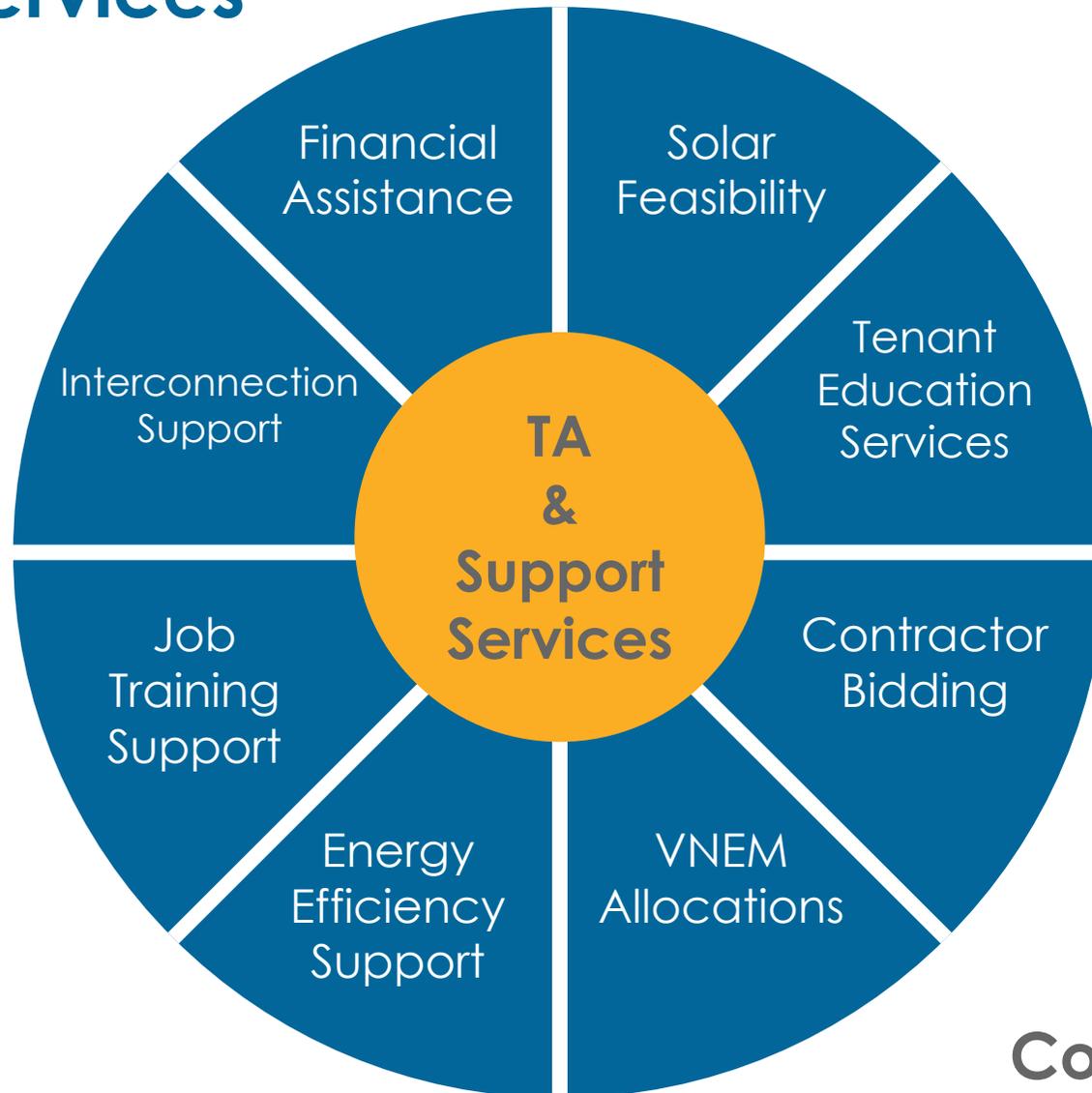
- CalEPA proposes to designate all areas within the boundaries of federally-recognized Tribes as DAC status
- SOMAH PA is also working with the SOMAH Advisory Council to address barriers to access for tribes, and to increase participation.

SOMAH 3rd Party Evaluation Update

- Phase II eval RTR completed in Q1 - PA response and public comment
- Vendor eval RTR wrapping up - public comment period closed, final posting shortly

Session 1: SOMAH Program Update

SOMAH Resources - Suite of TA & Support Services



TA & Support Services helps you navigate the program and provides:

- Equal access to SOMAH benefits
- Education and access to resources
- Overcome challenging barriers
- Program, technical, and financial support

Contact: TechAssist@CalSOMAH.org

Session 1: SOMAH Program Update

TA & Support Services: SOMAH's Job Training



We support contractors in meeting SOMAH's job training requirements, and trainees in getting connected to solar training opportunities.

What we provide:

- Recruitment and placement support
- Job training portal guidance
- Connection to local job training organizations
- Education and development

Contact: workforce@calsomah.org



TA & Support Services: Tenant Education Services

Free tenant education support services to help projects reach their tenant education requirements:

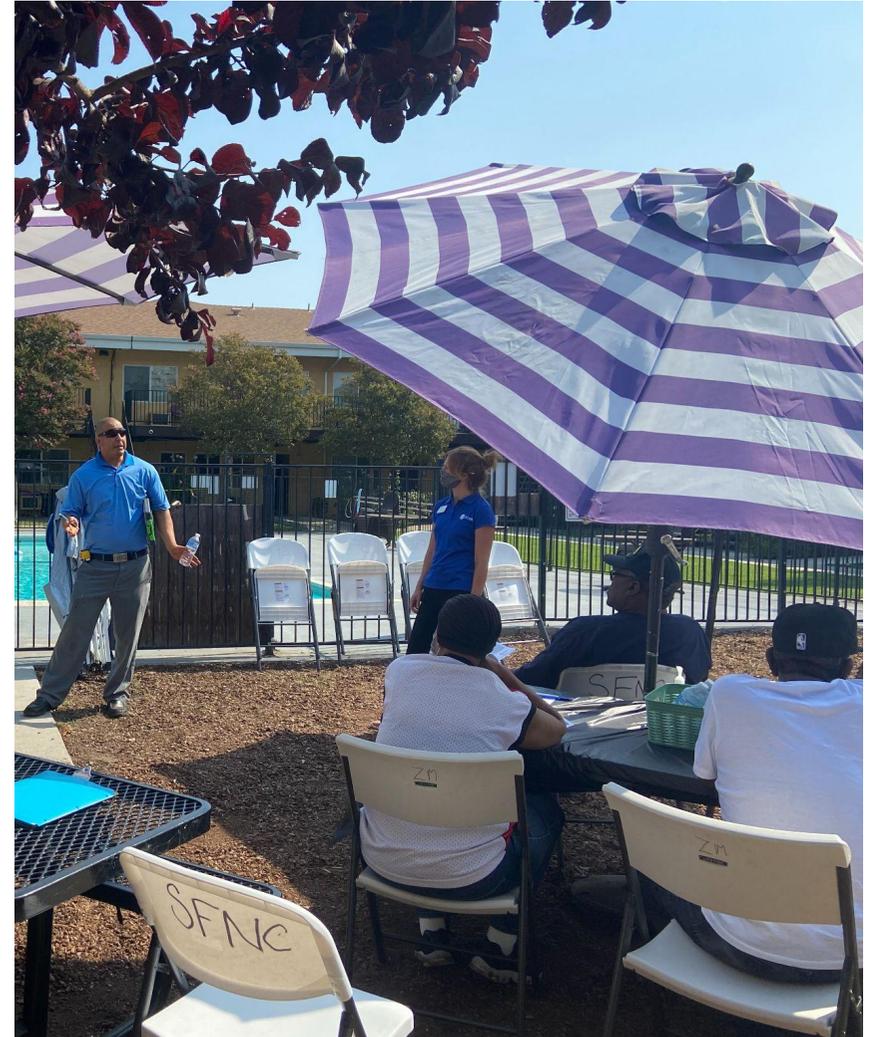
- Tenant Education Service workshops
- Tenant Education “Train the Trainer”
- Tenant Education 101 meeting

Apply now at:

bit.ly/SOMAH-TE-Services

or contact:

tenants@calsomah.org



Session 1: SOMAH Program Update

SOMAH Resources - Eligible Properties Map

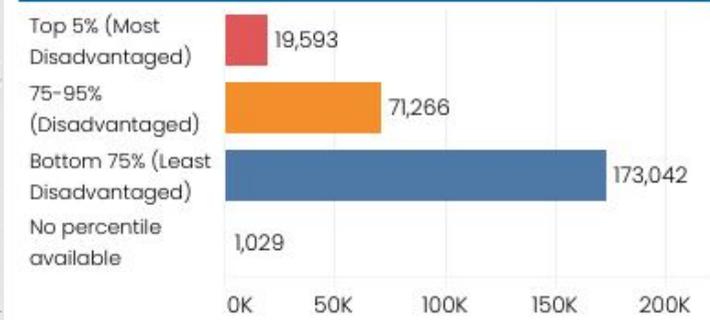
Property Locations and Disadvantaged Communities



The [5] Property Locations by [1] Disadvantaged Community map displays the location of properties eligible for the SOMAH program. The color shows details about Disadvantaged Community (DAC) Census Tracts, which are defined based on CalEnviroScreen 3.0 criteria.

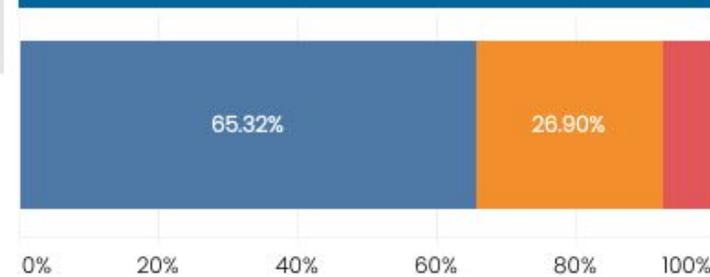
Communities

Affordable Housing Units by Disadvantaged Community



This chart shows the number of affordable housing units by disadvantaged community status.

Percent of Total Based on Filter Criteria



Affordable Housing Units [7] by Street Address



Visit: [Calsomah.org/eligible-somah-properties-map](https://calsomah.org/eligible-somah-properties-map)

Session 1: SOMAH Program Update

Celebrating Completed Projects



We want to celebrate solar!

As more projects complete, the SOMAH PA wants to help you celebrate with a ribbon-cutting ceremony or other event to:

- Highlight bringing solar to your community
- Raise awareness about SOMAH

We can help with planning and promotion.

Contact: media@calsomah.org

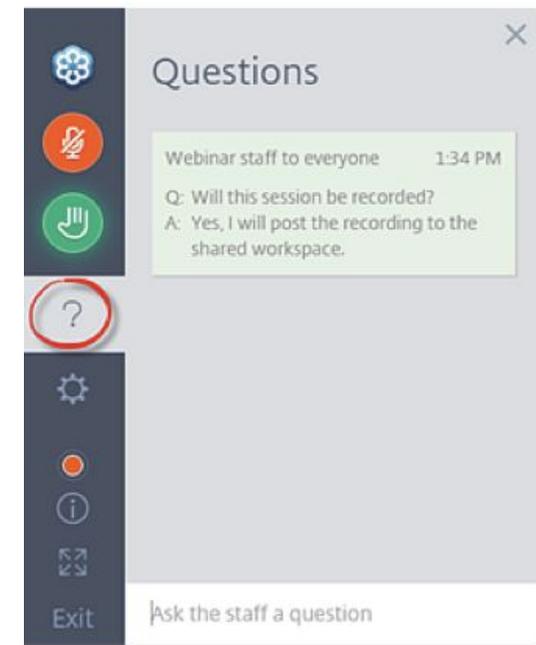


Session 1: SOMAH Program Update

Q&A



- Name and organization
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Session 2: Streamlining SOMAH's Application Process



Hannah Warner, Luke Ballweber, and Laura Wong



Intro to Streamlining Efforts: Reservation Request

Reservation Request is a complex and lengthy milestone

- Eligibility
- Data request
- Application deposit

Phase II Third Party Evaluation Recommendations

- Prescreen recommendation (Rec. 5B)
 - Upfront assistance to identify project eligibility earlier on
 - Minimize wasted time for ineligible projects
- RR breakdown recommendation (Rec. 15A)
 - More manageable steps and streamlined participation
 - Reduce application burden

Session 2: Streamlining SOMAH's Application Process

Proposal for Application Streamlining

- Focused on Reservation Request Milestone
- Additional supportive service: **Optional prescreen offering**
 - Lower admin burden and time commitment
- Application workflow change - two phases: **RR streamlining**
 - Reduce initial admin burden
 - Quicker timeline to data request
 - Streamline requirements and process flow

Session 2: Streamlining SOMAH's Application Process

Prescreen Offering

- Formalized process for deed restriction/ regulatory document pre-review
 - Webform request for interested properties
 - No commitment to apply
 - Informational eligibility screening
 - Submit and application with confidence in program eligibility
- Eligibility findings returned via email
 - If eligible - encouraged to apply with verification of pre-review
 - If ineligible - encouraged to explore other potential documentation to support eligibility
- Not guaranteed eligibility, only regulatory document screening
 - Additional clarification of program requirements will be outlined

Session 2: Streamlining SOMAH's Application Process

Reservation Request Streamlining

Breaking the Reservation Request into 2 parts

- **Phase 1: Submit necessary documentation for requesting IOU data**
 - Require: LOA, VNEM, ESA CSV address list, HC Data Disclosure Form, Regulatory agreement/deed restriction
 - Remove: Cover sheet
- **Phase 2: Submit remaining documentation for Reservation Request Approval**
 - Require: RRF, Multiple bid waiver (if applicable), Affidavit for Tenant Benefit, updated VNEM (if needed)
 - Remove: Application deposit for all projects (not just priority groups)

Session 2: Streamlining SOMAH's Application Process

Reservation Request Streamlining

- **Phase 1**
 - Applicant PC upload > PA data request > PA returns data request to Applicant/Host Customer > Phase 2
- **Phase 2**
 - Starts with returned data request from PA to Applicant
 - Applicant updates PC with specs based on data request > Final RR forms are uploaded > PA review > Reservation Request Approval
- **Removing application deposit**
 - Modify handbook language with next filing in Q3-Q4
 - Keep flexible HB language so PA can adjust back to app deposit if funds become scarce in the future and an app deposit is necessary to ensure “real” projects
 - Return forfeited app deposits (~30 projects/\$147,500)

Session 2: Streamlining SOMAH's Application Process

Benefits and Reasoning

- Evaluated processing times and application requirements for time efficiency and reduced document burden
- In-depth review of the milestone to ensure value in repackaging the requirements and adjusted or remove forms/steps
- Timeline Savings
 - 30+ days from deposit invoice to RR approval
 - Returning app deposit at ICF approval (18-month timeline funds held)
- Admin burden relief and focus on other supportive efforts
- Removes financial burden to entry

Questions for Participants



Starting with a poll question

Prescreen

- What would your next steps be after utilizing the pre-screen for the regulatory agreement?
 - Contractors and Property Owners

Reservation Request Streamlining

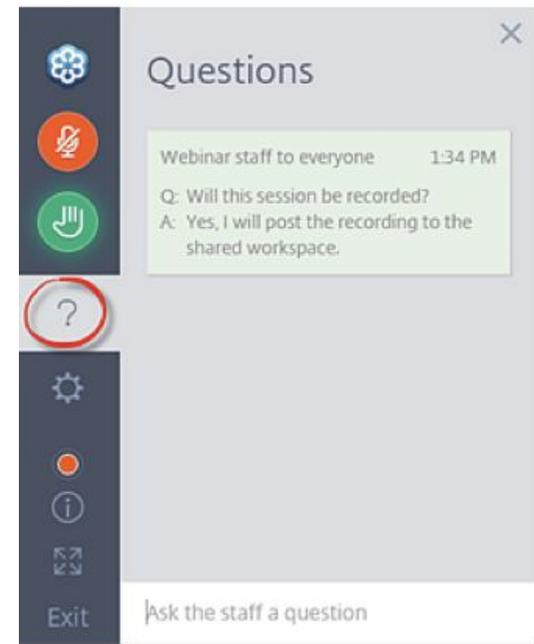
- Is limiting PowerClerk system spec entry to phase 2 helpful or hurtful?
 - Would you like to retain the option to enter system specs - always visible?
 - Should system specs only be phase 2/after data request?
- Is there feedback on requiring for the VNEM allocation form until later in RR (Phase 2) or later in the app process? (SDG&E tenant meter number exception)

Session 2: Streamlining SOMAH's Application Process



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BREAK



Session 3: Incentive Stepdown Updates



Jae Berg



Session 3: Incentive Stepdown Updates

Incentives Petition for Modification

SOMAH PA is planning to submit a **Petition for Modification (PFM)** to the CPUC to request:

1. Eliminate the current annual incentive step-down methodology,
2. Restore incentives to the Year 1 incentive levels
3. Authorize the SOMAH PA to propose future modifications through a Tier 2 Advice Letter

Session 3: Incentive Stepdown Updates

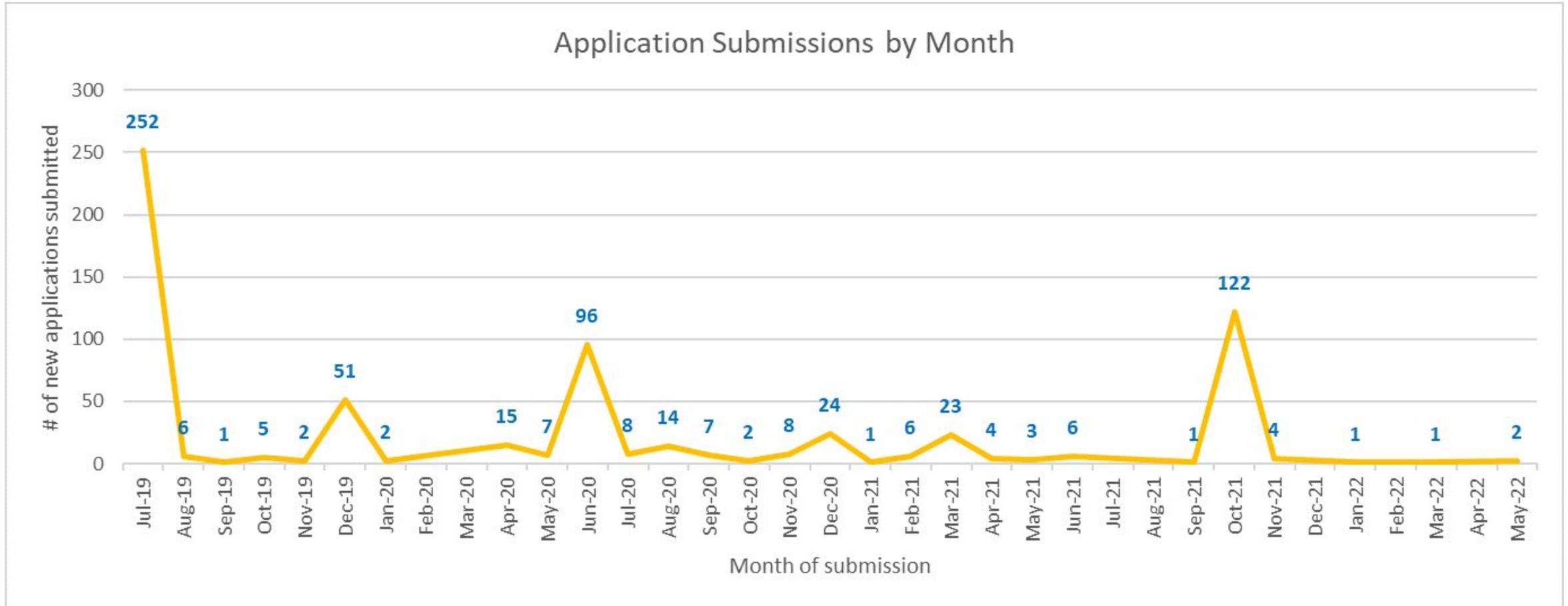
Current Program Status

Program participation has halted despite nearly \$300 million in available incentive funding

Application Status	Application Count	Program Funding
Completed/Paid Applications	28	\$8,971,398
Nearly Completed Applications	12	\$3,164,798
Total Applications (paid & reserved)	456	\$148,884,149
Available Incentives Funding		\$295,849,195

Session 3: Incentive Stepdown Updates

Current Program Status



Four Applications submitted in 2022 are **Track A** projects

Session 3: Incentive Stepdown Updates

Current Program Incentive Structure

Per the AB 693

The commission shall ensure that incentive levels... are aligned with the installation costs for solar energy systems in affordable housing markets and take account of federal investment tax credits and contributions from other sources to the extent feasible.

Per the CPUC Decision 17-12-022

Incentive levels will decrease by the annual percent decline in residential solar costs as reflected by NREL reports, or 5% annually, whichever is less.

Session 3: Incentive Stepdown Updates

Current Program Incentive Structure

Highest tenant incentive rate has decreased from **\$3.20/W** (Year 1) to **\$2.97/W** (Year 3), about **7.2% decrease**

Year 1, Year 2 & Year 3 Incentive Rates

TAX CREDITS		\$ per AC Watt Incentive					
ITC	LIHTC	Tenant			Common Area		
		Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
No	No	\$3.20	\$3.04	\$2.97	\$1.10	\$1.04	\$1.02
Yes	No	\$2.25	\$2.14	\$2.09	\$0.80	\$0.76	\$0.74
No	Yes	\$2.25	\$2.14	\$2.09	\$0.80	\$0.76	\$0.74
Yes	Yes	\$1.60	\$1.52	\$1.49	\$0.60	\$0.57	\$0.56

Session 3: Incentive Stepdown Updates

SOMAH Project Costs

SOMAH program data, Third-Party Program Evaluation, and external market analyses all indicate that multifamily solar PV costs are increasing

1. Program Cost Data

- Average project costs have increased from **\$3.77** per watt for projects submitted in 2019 (n=191) to **\$4.21** per watt for projects submitted in 2021 (n=92)
- Resulting in an **11.84%** increase in project cost from 2019 to 2021

Session 3: Incentive Stepdown Updates

SOMAH Project Costs

2. Third-Party Program Evaluation

- *SOMAH Phase II Report finds that “future SOMAH projects (are) likely to increase in cost”.*
- *Also notes the initial SOMAH projects likely represent “low-hanging fruit” that are easier to complete or are part of a larger portfolio of affordable housing properties and lend themselves to “pooling” of applications.*

Session 3: Incentive Stepdown Updates

SOMAH Project Costs

3. External Market Data

National Renewable Energy Laboratory

- Latest quarterly Technical Report indicates that the cost for residential solar systems **decreased 3.25%** from Q1 2020 to Q1 2021

Solar Energy Industries Association

- Research shows solar costs **increased of as much as 18%** in 2021

U.S. Monthly Inflation

- Inflation has **increased from 4.2% to 8.5%** from April 2021 to March 2022

Session 3: Incentive Stepdown Updates

Year 1 Incentive Projections

Third-Party Program Evaluation states the program can meet the 300 MW goal with Year 1 incentives, assuming

- *The highest incentive rates for tenant area (\$3.20) and common area (\$1.10)*
- *Tenant/Common area split of 90% tenant to 10% common area*

*Calculation does **not** factor in the Investment Tax Credit or Low-Income Tax Credit, which will make the incentive funds go further*

Further Rationale for Program Modifications

SOMAH is not a Market Transformation program. Per the Phase II Program Evaluation Report,

- *Incentive step-downs are typically used for market transformation programs that strive to increase demand for a technology and consequently drive down costs for that technology and therefore the incentives required.*
- *It is too soon to tell whether the balance of system and soft costs to install solar on multifamily affordable housing, which differ from those of typical residential or commercial installations, will decline over the timeframe of the SOMAH program.*

Further Rationale for Program Modifications

MASH Program Precedent

- *The California Solar Initiative (CSI) Multifamily Affordable Solar Housing (MASH) Program did not employ an incentive step-down, and maintained the same incentive levels throughout the duration of the program, despite a step-down being employed in the CSI General Market Program.*

Session 3: Incentive Stepdown Updates

Incentives Petition for Modification

Incentives Petition for Modification (PFM)

- *Eliminate the current annual incentive step-down methodology,*
- *Restore incentives to the Year 1 incentive levels*
- *Authorize the SOMAH PA to propose future modifications through a Tier 2 Advice Letter*

Nexts Steps

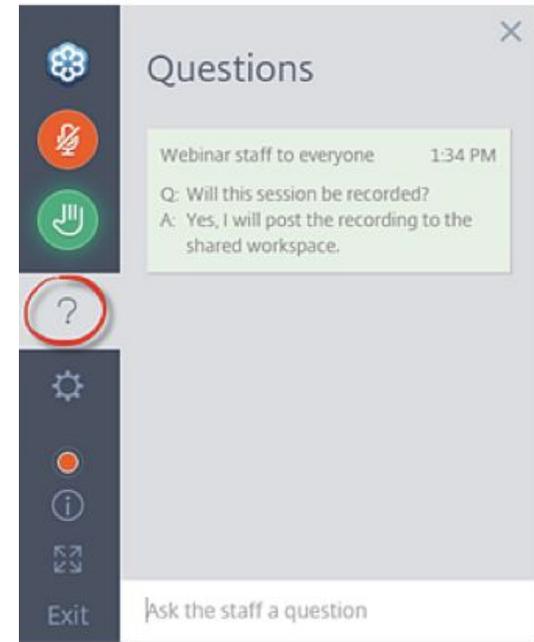
- *Submit PFM to CPUC in June or July*
- *Submit extension request to pause the incentive step-down until the PFM has been determined*

Session 3: Incentive Stepdown Updates



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Looking Ahead & Next Steps

Marisa Villarreal



Looking Ahead & Next Steps

Upcoming Events

- **May 26:** May Applicant and Contractor Eligibility Training
- **June 16:** Tenant Education Training
- **July 12:** Solar Career Pathways Overview for Job Seekers
- **July 28:** July Applicant and Contractor Eligibility Training
- **Aug 11:** Tenant Education Training

Register at calsomah.org/events

Looking Ahead & Next Steps

Share Your SOMAH Experience

Encourage others to get involved

We're looking for:

- Participants to interview
- Photos from projects
- Stories to tell

Interested in being featured?

Contact: contact@CalSOMAH.org



Looking Ahead & Next Steps

Follow Us!

For the latest news and updates about the program:

- Subscribe to our newsletter: calsomah.org/email-sign
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Looking Ahead & Next Steps



What's Next?

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Questions & Feedback



Email: contact@CalSOMAH.org

Web form: CalSOMAH.org/contact-us

General hotline: 858-244-1177 ext. 5

Tenant hotline: 800-843-9728



Thank you!

