

Meeting Notes

Solar on Multifamily Affordable Housing (SOMAH)

Advisory Council Meeting Q2 2023

June 23, 2023
Virtual Meeting

Attendees

SOMAH Program Administrator Team

Chris Walker | SOMAH Program Manager
Hannah Warner | SOMAH Program Manager
Brittany Chenier | SOMAH Program Manager
Ingrid Murillo | SOMAH Program Manager
Minerva (Mina) Defee | SOMAH Program Manager
Walther Perez | SOMAH Program Manager
Luis Amar | SOMAH Technical Manager
Zara Jamshed | SOMAH Technical Manager
Stacey Lee | SOMAH Program Coordinator
Sana Sheikholeslami | SOMAH Program Coordinator
Armando Ortiz | Self-Help Enterprises (SOMAH PA Partner)
Juan Lares | Community Environmental Council (SOMAH PA Partner)
Sylvia Vargas | Self-Help Enterprises (SOMAH PA Partner)

SOMAH Advisory Council Members

Allan Rago | Quality Conservation Services
Alma Marquez | Independent Consultant
Andrea Barnier | Self-Help Enterprises
Andres Ramirez | People for Mobility Justice
Carlos Aguilar | Coalition for Economic Survival
Elizabeth C Elliot | Northern Circle Indian Housing Authority
Jakobi Ewart | The Niles Foundation
JB Tengco | BlueGreen Alliance
Kenneth Wells | O&M Solar Services
Nicole Lim | California Indian Museum & Cultural Center

Not in attendance:

Agustin Cabrera | RePower LA

Meeting Agenda

1. Meeting Welcome
2. Meeting Ground Rules
3. Session 1: SOMAH Program Update
4. Session 2: Tribal Challenges & Follow-up
5. Session 3: Policy & Regulatory Updates
6. Next Steps

Meeting Notes

Welcome & Introductions

Chris Walker, SOMAH Program Manager

Chris led a round of introductions, reviewed the meeting agenda and shared the meeting goals.

Session 1: SOMAH Program Update

Stacey Lee, SOMAH Program Coordinator
Walther Perez, SOMAH Program Manager
Mina Defee, SOMAH Program Manager
Sana Sheikholeslami, SOMAH Program Coordinator

Members of the Program Administrator (PA) team shared the latest program updates, including key program stats, information on SOMAH's next ribbon-cutting ceremony and program area highlights.

Notes

Stacey Lee presented the latest application, funding and project stats for the SOMAH program. The next ribbon-cutting ceremony for a completed SOMAH project will be held in August in Bishop, CA, in partnership with the Bishop Paiute Tribe and GRID Inland Empire. It is California's first ever SOMAH-funded solar installation on Tribal lands.

Walther Perez announced the launch of the workforce development (WFD) needs assessment. This survey is meant to gauge hiring, training and WFD needs from solar contractors that are eligible for the SOMAH program, in order for the PA to better support contractors with program compliance, staying competitive in the solar industry, and improving SOMAH's WFD services.

Mina Defee announced the program is recruiting for its 2024-2025 Job Training Organization (JTO) Task Force cohort. Applications are due November 1, 2023, and selected members will be announced on January 8, 2024.

Sana Sheikholeslami gave an update on Tenant Education (TE) services, including the process of administering the most recent TE survey and the TE services requested by contractors and property owners (POs) in Q1 and Q2 2023. Next steps include revising TE materials and requirements based on feedback from tenants and stakeholders, as well as potential modifications to the program's TE requirements through a California Public Utilities Commission (CPUC) ruling.

Discussion

AC Member: Is the SOMAH PA allowed to participate in legislative work or changes? If so, are there any plans in the future to amend the Disadvantaged Community (DAC) designation to be more inclusive to Tribal Nations?

- **SOMAH PA:** The legislative engagement we've had has been done within the time/budget of our individual PA orgs as it is not within the PA's scope to administer the program. Senate Bill (SB) 355 has some amended language around Tribal projects, and we can share that with you soon. From what I can see on the current language pending for SB 355 there is a specific callout of eligibility for "(C) The property is owned by a Tribe." and "(5) 'Tribe' means a California Native American Tribe, as defined in Section 21073 of the Public Resources Code."

AC Member: Are there any incentives included in the TE survey mailers to encourage tenants to participate?

- **SOMAH PA:** Tenants can be compensated upon completion of the survey, either in person or by mail after the survey is returned. They can earn \$20 per completed survey per household.

AC Member: How are you identifying the places to do this in-person outreach? How many tabling events do you hope to have this summer?

- **SOMAH PA:** The PA is piloting a lot of strategies, starting with the largest property. We want to treat each IOU territory as its own community, ensure

there's a mix of rural and dense communities, and property owner diversity. Survey materials are available in both English and Spanish. We have learned that tenants often prefer paper mailers.

AC Member: Are you coordinating outreach with local political community events? Are you recruiting people to join the task force?

- **SOMAH PA:** Yes. The PA has a stakeholder working group focused on pursuing comarketing opportunities. Within our Marketing, Education & Outreach (MEO) plan, we've identified core audiences to outreach to, such as POs, contractors and stakeholders. Both the PA and CBO partners conduct MEO to local governments, state politicians, legislators and regional networks. Part of MEO to stakeholders is to secure their participation as co-marketers to help spread the word about SOMAH and increase the credibility of the program.

AC Member: I would love to hear more about milestone payouts (progress payments) and how that process has been with contractors.

- **SOMAH PA:** It is definitely being well-used by our participants. We launched the progress payment rollout structure in 2021 and there is a desire for more milestone payments. Data on this will be included in our Semi-Annual Progress Report (SAPR) at the end of July.
- **SOMAH PA:** There has also been external interest from philanthropic entities to provide bridge or gap support.

Session 2: Challenges & Follow-up on Tribal Participation

Rachael Diaz, SOMAH Program Manager

Rachael Diaz presented an update on the current SOMAH Tribal projects, various policies that could help increase Tribal access to the program, and current challenges Tribal communities are facing in pursuit of solar.

Notes

Pipeline of Active Tribal Projects

SOMAH currently has three active Tribal projects in the pipeline – two with the Bishop Paiute Tribe Community Development Department and one with the Round Valley Indian Housing Authority. All projects are host customer-owned systems,

meaning the Tribe will own the systems outright, and they have all co-leveraged funding from GRID Alternative's Tribal Solar Accelerator Fund.

Policy Updates - Expanding Tribal Participation

SB 355 is a bill that has substantial support, and the PA is waiting to see if it will be passed. It explicitly names a pathway for Tribes to participate in the program if the property meets basic SOMAH eligibility, such as having at least five rental units. This will hopefully help more easily grant eligibility to Tribes that cannot use the CalEPA DAC qualifier.

Recommendations from the SOMAH's most recent Third-Party Evaluation draft findings include expanding eligibility property types, removing the Expected Performance-Based Buydown (EPBB) calculator from incentive calculations and implementing higher incentive rates for Tribes due to financing challenges.

The SOMAH PA has proposed the following initiatives in its Petition for Modification Ruling to the CPUC:

- Remove the EPBB calculator
- Create an incentive adder for Tribes to offset a higher portion (if not all) of the project costs
- Create a Tribal Upfront Financing Pilot offering to reduce the amount of upfront capital needed

Externally, the CEC is developing a new program called the Equitable Building Decarbonization Program (EBDP) that includes a \$30M budget for a Tribal direct install program.

Financing Barriers

Tribes often have difficulties in securing financing for a variety of needs, including solar PV. Lenders cite two barriers to providing financing: (1) Properties on Tribal land are not recorded with the county's Recorder's Office, and (2) Language detailing recapturing equipment in solar contracts may not be enforceable. The PA has contacted third-party financing providers to determine if financing can be made available to future Tribal participants. Outreach has led to only one organization interested in a small pilot program. Solar financiers have identified that the Inflation Reduction Act (IRA) ITC adder can be claimed by Tribes, and they will begin exploring how to make financing work.

Discussion

AC Member: This has been an issue for financing all projects in Indian Country for a long time. Waivers of Sovereignty Immunity for financing are required. Ribbon

cuttings would be a good opportunity to get photos and feedback to develop Tribal outreach materials. Is there a Tribal liaison at the CPUC, or is there a way we can foster support or advocate for these changes?

- **SOMAH PA:** Yes, the CPUC has a Tribal Advisor. I am not sure of their relationship with our rep at the Energy Division (ED), who we work most closely with, but letters of support would be helpful. More engagement and collaboration on that front would be helpful.

AC Member: This is a good opportunity for the AC to offer our support, especially since we're located all throughout the state. Personal letters may be stronger than a petition or general letter.

AC Member: What is the EPBB calculation? Rather than completely overhauling it, would another idea be creating a separate calculator for Tribal lands that would be more sensitive to their conditions? I imagine the EPBB calculator has quite an impact. We are dealing with two different types of infrastructure.

- **SOMAH PA:** The PA is strategizing the pathway forward without the EPBB calculator. It is probably more helpful to remove it outright since it has the potential to impact SOMAH applicants anywhere in the state.

SOMAH PA: A bright spot is that Investment Tax Credit (ITC) will be stackable up to 70% if you can get all the types of bonus credits on a single project. Paired with "direct pay" for entities like Tribes, local governments and nonprofits eligible to receive the cash value of the ITC as a "refund" even if the entity has no tax burden. That will open doors to direct ownership, negating much of the need of some of those clauses like liens that you see in power purchase agreements and their variants.

AC Member: I would suggest presenting these issues to the Southern California Tribal Chairman's Association. I can make an introduction. They might have ideas about financing.

Session 3: Policy & Regulatory Updates

Chris Walker, GRID Alternatives VP of Policy & Programs
Hannah Keenan, SOMAH Program Manager

Chris Walker and Hannah Keenan reviewed the policy and legislative processes happening that could shape the future of SOMAH:

Notes

Almost a year after the SOMAH PA submitted a Petition for Modification (PFM) to address the program's annual incentive step-down and incentive levels, the CPUC issued a Final Decision for the Incentives PFM on March 21, 2023. The Decision amended incentive levels to raise to the highest level possible for tenant and common areas and ended the annual incentive step-down. Per the Decision, the SOMAH PA proposed a seventh handbook edition via a Tier 2 Advice Letter that was approved on June 12, 2023.

Other themes and recommendations from the CPUC ruling include:

- Removal of the design factor/EPBB calculator
- Addressing financial barriers for priority groups
- Improving bidding resources
- SOMAH + Storage (Self Generation Incentive Program)
- Modify Tenant Education requirements
- Strategies specific to the Liberty and PacifiCorp territories

The final draft of SOMAH's latest triennial third-party evaluation is available and can be found [here](#). The report's findings and recommendations included a wide range of themes including:

- Program participation and eligibility
- Program awareness and motivations to participate
- Contractor experience
- Project cancellations and future participation
- Project cost
- Application processing
- Pairing PV with battery storage
- Tenant education
- Workforce development
- Environmental impact
- Economic impact
- Cost-effectiveness

Other legislative updates included SB 355 and AB 2143 (prevailing wage).

Discussion

AC Member: Regarding the recommendation to reevaluate CBOs' role in promoting job training opportunities - what specifically was or wasn't working?

- **SOMAH PA:** There is a tendency to simplify CBOs' scope of work to only PO outreach. Each CBO has different and various scopes of work that are modifiable to include contractor outreach and boosting job training opportunities for potential trainees.

AC Member: Leaving TE materials in a common area is very passive. Maybe put in effort to mail out materials to create a connection to the tenant hotline. POs and contractors could do a lot better to maintain that connection with contractors that have gone through to foster new projects. It would be good to track trainees that end up finding work in other industries, since part of the program is helping them advance however they may.

- **SOMAH PA:** We agree it is a passive method. The PA has considered using direct mailers, and the CPUC has positively agreed.

AC Member: Could you expand upon how job trainees may only be employed on a project for six months. Does that mean WFD is on a limited time frame and trainees will have to start searching for work opportunities again? It sounds like a challenge is no continuity of employment.

- **SOMAH PA:** SOMAH's requirement is 40-80 training hours per project, depending on the number of trainees. While we do have job trainee surveys, the PA has no means of forcing trainees to continue filling out surveys and giving us employment updates once they are no longer working on a SOMAH project. Trainees may still be employed in the industry or relevant industries, but not with the initial contractor they worked with.
- **SOMAH PA:** Relative to SOMAH, they are meeting the program requirements, but I agree it could tell a good story about what trainees are doing after their six months with SOMAH. Are they still in the industry or capitalizing on the things they learned in SOMAH? We should work to get as much information from them as we can.
- **SOMAH PA:** Some of the things we've been doing to get more info include surveying subcontractors with the same questions we ask the main contractor about what trainees are working on. Trainees have the option to opt out of communications after their SOMAH term is up. If we do have their contact info, we try our best to maintain communication. Even if a trainee only applies to one project, they are still eligible for others for up to 12 months. The PA encourages contractors to hire them for other projects or hire full-time.

AC Member: Regarding contractor endorsements, it could simply be that POs don't know where to look once they learn about SOMAH. Be clear that you don't endorse contractors but make those directories accessible.

- **SOMAH PA:** We have a contractor directory where POs can search by zip code. Applying to SOMAH will put your project on the contractor bid portal, where contractors can see what's available.

AC Member: Do we publicly list contractors that have been involved in successful projects?

- **SOMAH PA:** Contractors are listed per project on the working dataset on DGstats and we have a list of contractors to support subcontractor matching on the website, but neither of those are exclusive nor specific to completed projects.

AC Member: Door-to-door outreach is important in tenant engagement.

- **AC Member:** From a real estate perspective, you would think door-to-door outreach would be effective, but from a nonprofit standpoint, there may need to be other approaches as well. It depends on what the objective is.

AC Member: What do you mean by mandatory online tenant education?

- **SOMAH PA:** A mandatory training for a PO or contractor, depending on the project track. The webinar covers what the TE requirements are, the required materials to be shared with tenants, and tenant service offerings, such as in-person webinars.

Wrap-up & Next Steps

Chris Walker, SOMAH Program Manager

Chris wrapped up the meeting by reviewing action items and administrative reminders for the AC. The Q3 AC meeting will take place in Los Angeles on September 8.