



SOMAH

SOLAR ON MULTIFAMILY AFFORDABLE HOUSING

PUBLIC FORUM: June 23, 2020



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.

Public Forum

Agenda Overview

- | | |
|-------------|--|
| 1:00 - 1:10 | Session 1: Welcome & Introductions |
| 1:10 - 2:10 | Session 2: SOMAH Program Status and COVID-19 Response, <i>Sarah Hill + Kajsa Hendrickson</i> |
| 2:10 - 2:20 | Break |
| 2:20 - 3:20 | Session 3: Upcoming Program Updates & Incentive Changes, <i>Chris Walker + Jae Berg</i> |
| 3:20 - 3:30 | Session 4: Wrap-Up and Next Steps |

Session 1: Welcome & Introductions

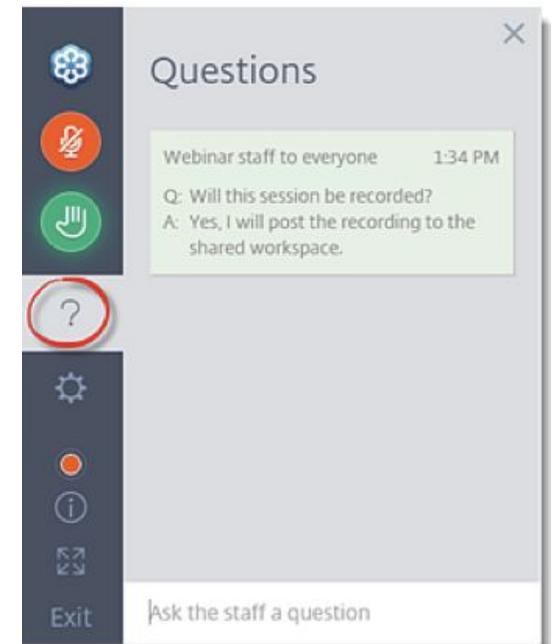
Kajsa Hendrickson



Session 1: Welcome & Introductions

Meeting Guidelines

- Q&A will follow after sessions 2 and session 3
- Verbal comments and questions
 - Muted by default; use the hand-raising feature to be unmuted
 - Please say your name and organization
 - To allow the PA to respond to each question, ask one question or make one comment at a time
- Written comments and questions
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Session 1: Welcome & Introductions

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- This slide deck will be emailed and posted to CalSOMAH.org this week (by 6/26)
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- Additional questions and comments:
contact@CalSOMAH.org (858-244-1177, ext. 5)

Session 1: Welcome & Introductions

SOMAH Program Administrator Team



Program Administration

Jae Berg | SOMAH Program Manager
Chris Walker | SOMAH Program Manager
Hannah Warner | SOMAH Program Manager
Alexandra Patey | SOMAH Program Manager
Marisa Villarreal | SOMAH Program Manager
Luke Ballweber | SOMAH Program Coordinator
Laura Wong | SOMAH Program Coordinator

Technical Assistance

Nick Dirr | SOMAH Program Manager
Sarah Hill | SOMAH Program Manager
Luis Amar | SOMAH Technical Assistance Coordinator
David Lee | SOMAH Technical Assistance Coordinator
Zara Jamshed | SOMAH Technical Assistance Coordinator

Workforce Development

Staci Hoell | SOMAH Workforce Development Manager

Session 1: Welcome & Introductions

SOMAH Program Administrator Team



Marketing, Education & Outreach

Vallerie Gonzalez | SOMAH ME&O
Manager

Kajsa Hendrickson | SOMAH ME&O
Manager

Sarah Salem | Tenant Services & CBO
Manager

Karina Gonzalez | SOMAH ME&O
Coordinator

Margee McDonnell | SOMAH ME&O
Coordinator

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

Srinidhi Sampath Kumar | Sustainable
Housing Program Manager, CA Housing
Partnership

Michael Claproth | Sustainable Housing
Program Associate, California Housing
Partnership

Session 2: SOMAH Program Status and COVID-19 Response

Kajsa Hendrickson & Sarah Hill



Program Summary

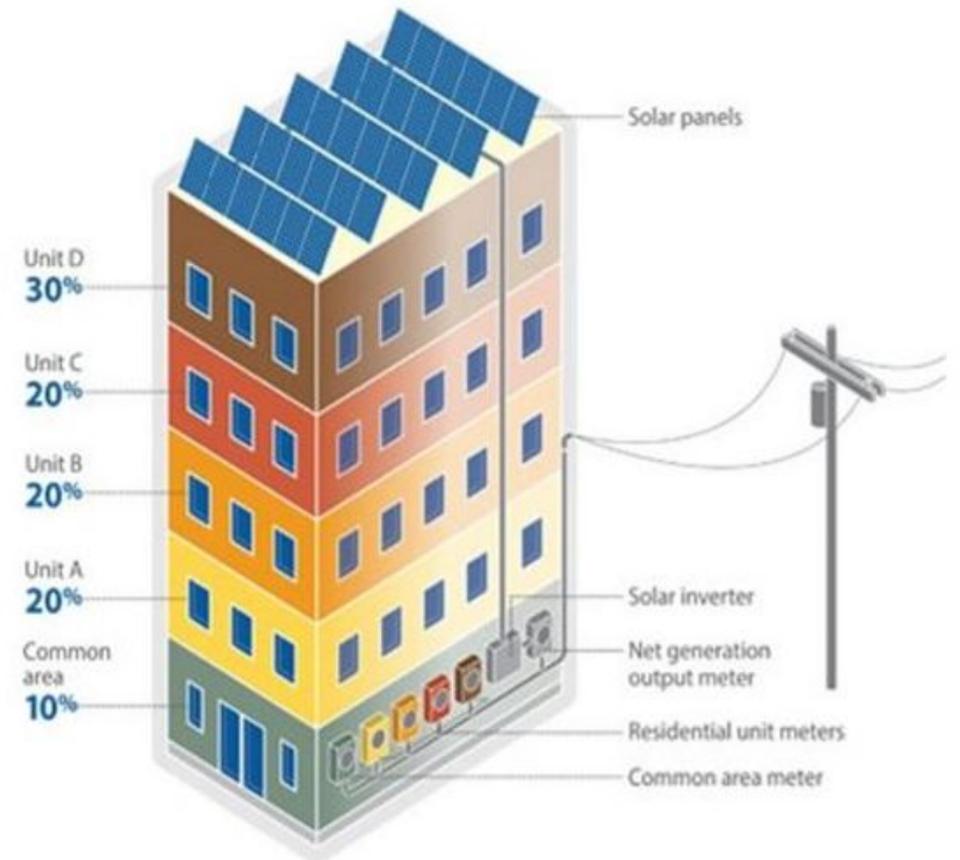


\$100 million annual budget

Pacific Gas & Electric,
Southern California Edison, San Diego Gas & Electric, PacifiCorp, Liberty



Install 300 MW of solar PV on affordable housing in California



Session 2: SOMAH Program Status and COVID-19 Response

Program Summary



Economic benefits for tenants

- At least 51% energy allocated to tenants

Community-based approach

- 4 Community Based Organizations

Technical assistance (TA)

- No cost TA to property owners, contractors

Encourage energy efficiency

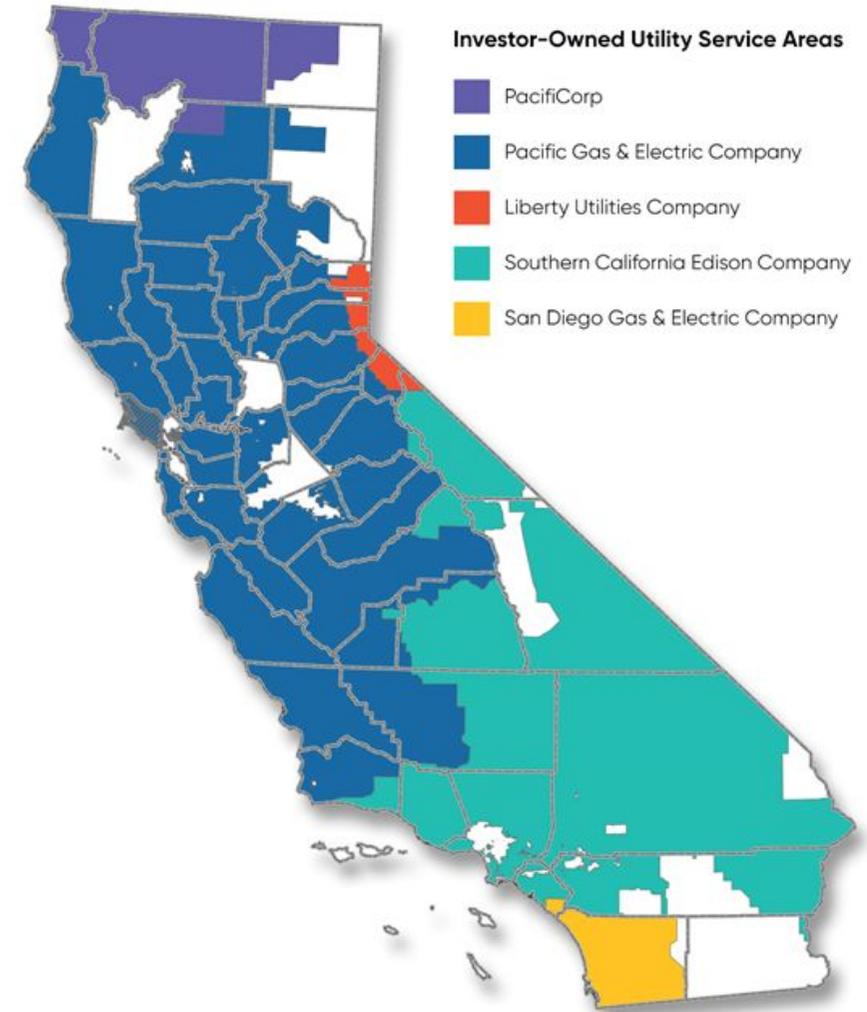
- “Reduce before you produce”

Workforce development

- Encourage local and target hiring

Year 1: 300 Total Applications

| Utility Territory | # of Active Applications | # of Waitlist Applications |
|----------------------------|--------------------------|----------------------------|
| Pacific Gas & Electric | 160 | 0 |
| Southern California Edison | 107 | 0 |
| San Diego Gas & Electric | 32 | 15 |
| PacifiCorp | 1 | 0 |
| Liberty Utilities | 1 | 0 |
| Totals | 301 | 15 |



Year 1 by the Numbers

300 active applications

- With nearly 25,000 tenant units

15 applications on the waitlist

- With roughly 1,300 tenant units

10 participating contractors

- With 118 registered eligible contracting companies

Average system size of **252.3 kW**

- MASH comparison - average size 77 kW

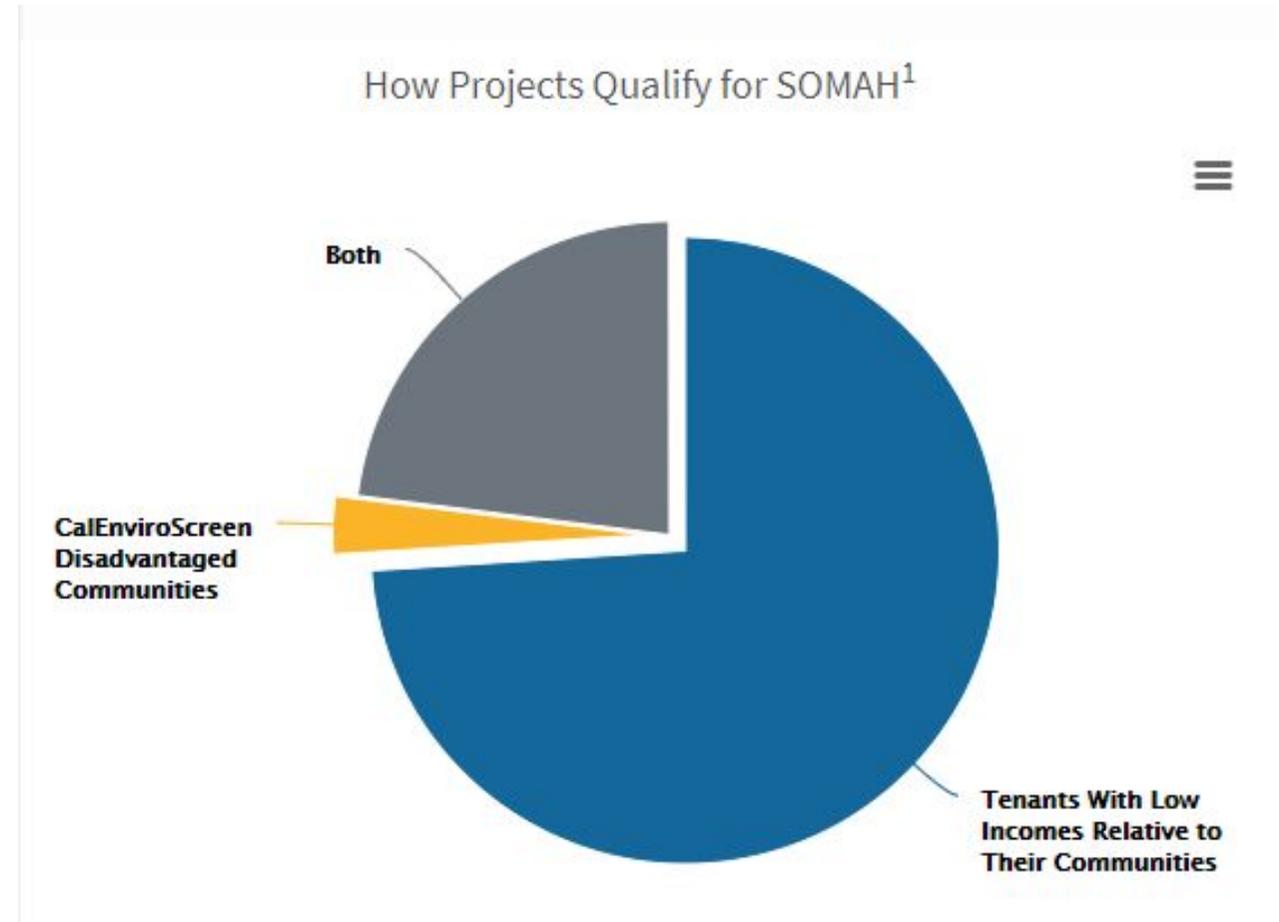
621 job opportunities created

Session 2: SOMAH Program Status and COVID-19 Response

Active Applications: DACs and Tenant Benefits



- **26%** of SOMAH's active applications are located in DACs
- Tenants are slated to receive **~86%** of the electricity generated from SOMAH installations





Current Waitlist and Funding Update

Dedicated webpage - CalSOMAH.org/waitlist updated weekly

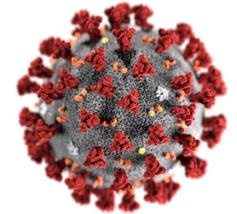
| Utility | Total New Funding | Estimated Remaining Accounting for Waitlist |
|-------------------|-------------------|---|
| Liberty Utilities | \$164,842 | Funds available today |
| PacifiCorp | \$895,140 | Funds available today |
| PG&E | \$40,894,357 | Funds available today |
| SCE | \$65,953,481 | Funds available today |
| SDG&E | \$16,400,559 | -\$5.7 million (still waitlisted) |

Session 2: SOMAH Program Status and COVID-19 Response

Challenges and Needs

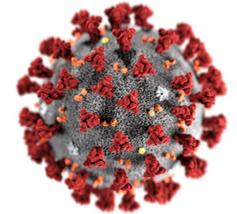


- Ongoing situation and response
- PA issued surveys to understand COVID-19 impact
 - Shelter-in-place
 - Financial impact
 - Timeline impact
 - Impact on job trainees and job training organizations
- Open communication on COVID-19 and shelter-in-place impact



PA Response

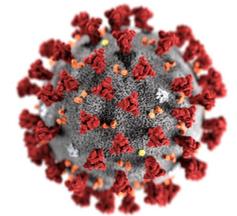
1. Created COVID-19 task-force tracking updates
2. Created COVID-19 webpage
<https://calsomah.org/COVID19> for resources and updates
3. Continue holding events, trainings and forums virtually
4. Issuing as-needed application extensions for application corrections
5. Implementing Energy Efficiency Postponement Request process



Participant Planning

Energy efficiency compliance milestone

- Energy auditors may have limitations or restrictions on onsite and in-unit energy audits
- Property owner may have more limited availability for document signatures
- Request EECM Postponement, if needed, no later than the original EECM due date
- All EECM requirements remain intact



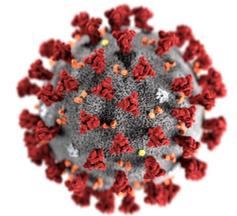
Session 2: SOMAH Program Status and COVID-19 Response

Participant Planning



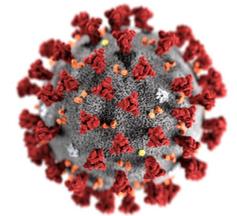
Tenant education

- **Mail or direct delivery** in languages accessible by all residents 30 days or fewer prior to the start of construction is **still required**, in addition to **one additional** education method
- Low-income communities and DACs are disproportionately more vulnerable to public health crises
 - Postpone any in-person tenant workshops until conditions are deemed safe by the state of California or local government.
 - Exercise caution and mind social distancing guidelines if distributing flyers
- **Questions?:** tenants@CalSOMAH.org



Job training requirements and participant safety

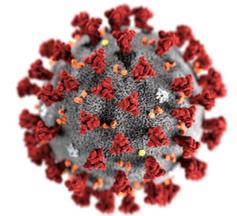
- Safety is our priority.
- Follow local, state, and federal OSHA guidelines on construction activities, social distancing, and jobsite safety
 - Upcoming webinar - July 22:
Cal/OSHA COVID-19 Guidance for Construction



Participant Planning

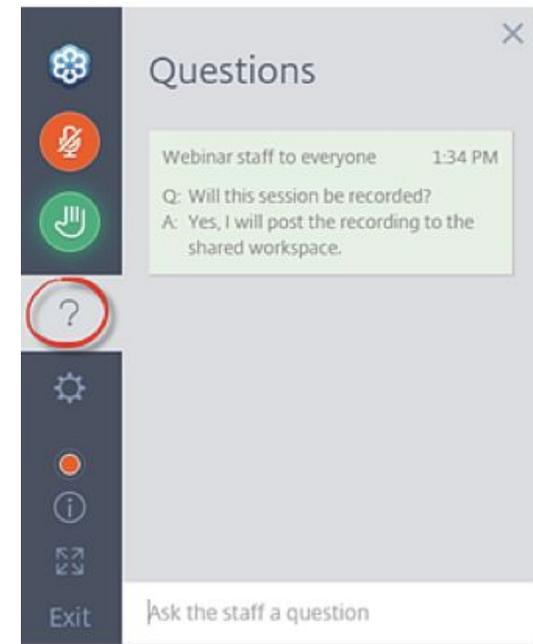
Job training requirements and participant safety

- Explore remote or limited-contact job training roles
- Include COVID-19 health and safety protocol in job postings on job training portal
- Health and safety resources available at CalSOMAH.org/COVID19
- **COVID-19 barriers or questions?** Email us at workforce@CalSOMAH.org



Listening Session

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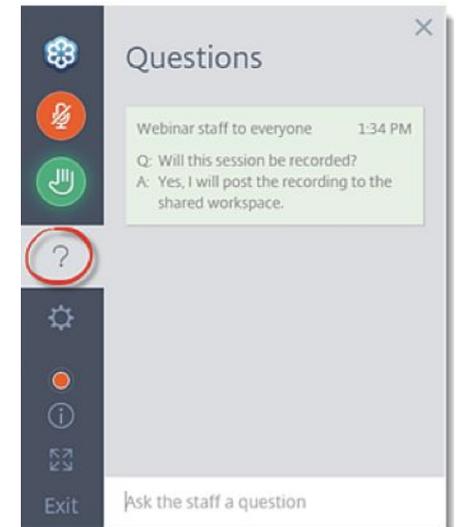
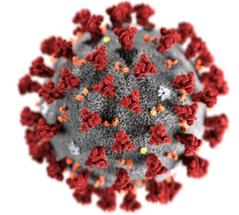


Session 2: SOMAH Program Status and COVID-19 Response

Listening Section



Questions?
Comments?
Feedback?



Break

10 minutes



Session 3: Program Updates & Incentive Changes

Jae Berg & Chris Walker



Session 3: Program Updates & Incentive Changes SOMAH

SOMAH Handbook Update

- SOMAH PA will be submitting the Handbook Advice Letter within the next 2 weeks
- Requested edits will include substantive changes and minor revisions, including:
 - Application Pipeline Management (New Lottery System)
 - Required Notification for Early Job Trainee Termination
 - System Changes Affecting Incentive Amounts

Session 3: Program Updates & Incentive Changes

Progress Payments



- SOMAH PA is exploring a progress payments model in partnership with the Investor Owned Utilities and stakeholders
- SOMAH PA will hold a separate webinar to outline for process and provide an opportunity for Q&A

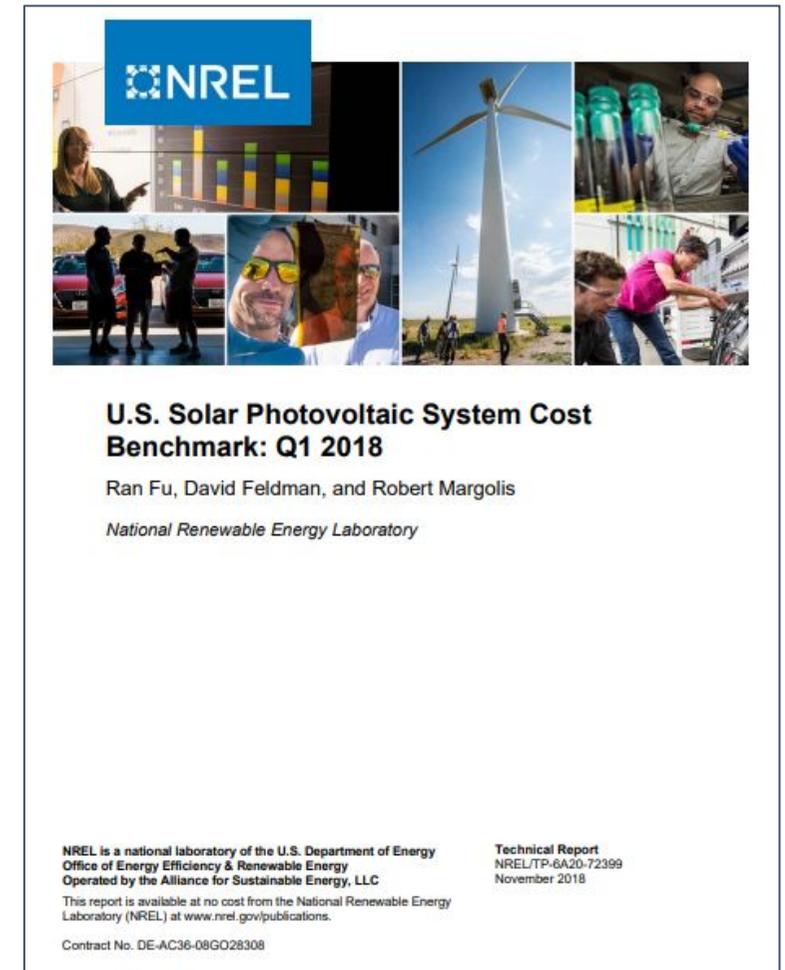
Provide feedback to SOMAH PA at contact@calsomah.org

Session 3: Program Updates & Incentive Changes

Incentive Step-Down: Overview



- **What:** Detailed annual incentive step-down analysis; 5% reduction for 2020-2021 program year
- **How:** Lesser of 5%/year or informed by rate of decrease in NREL reports
- **Why:** Required by Decision; ensure SOMAH incentives track downward with declining cost of solar
- **When:** Annually on July 1; analysis by June 1 going forward



Incentive Step-Down: Context

- The SOMAH PA acknowledges the economic hardship that many people, communities and industries are facing amid the COVID-19 pandemic.
- The SOMAH PA also acknowledges that a PFM of Decision 17-12-022 was submitted in May related to SOMAH's incentive step-down process.
- The PA will await the CPUC's direction in taking any action other than what has already been explicitly prescribed in the Decision.
- In future program years, the PA commits to publishing its analysis by June 1 ahead of a July 1 step-down.

Session 3: Program Updates & Incentive Changes

Incentive Step-Down Methodology



- Decision 17-12-022 states that “incentive levels will **decrease by the annual percent decline in residential solar costs as reflected by NREL reports, or 5% annually, whichever is less.**”
- The SOMAH PA examined changes in the cost of residential solar energy systems from 2017 and 2018, the most recent years available for NREL’s “U.S. Solar Photovoltaic System Cost Benchmark” technical report series.
- The SOMAH Handbook states the “annual reduction will occur at the 12-month point from the program launch date.”

Session 3: Program Updates & Incentive Changes

Incentive Step-Down Methodology



- The NREL report provides both national and California-specific data on residential solar cost benchmarks.
- % step-down was calculated using **inflation-adjusted or “real” dollars** in the NREL technical report, a standard practice for temporal financial analyses, and the SOMAH PA follows suit.
 - The 2017 benchmark in 2018 USD was compared to the 2018 benchmark in 2018 USD.
- For the 2020-2021 program year, both national and state analyses yield the same 5% step-down in SOMAH’s incentive levels.

Session 3: Program Updates & Incentive Changes

Incentive Step-Down Methodology



- National residential benchmark costs:
 - 2017 benchmark in 2018 USD: \$2.84 per Watt, DC
 - 2018 benchmark in 2018 USD: \$2.70 per Watt, DC
 - **% step-down: 4.93%**
- California-specific residential benchmark costs:
 - 2017 benchmark in 2018 USD: \$2.94 per Watt, DC
 - 2018 benchmark in 2018 USD: \$2.75 per Watt, DC
 - **% step-down: 6.46%**
- The step-down defaults to a **5%** per the Decision
 - The 4.93% decrease in the national benchmark, when rounded to the nearest whole cent, yields the same result as a 5% step-down.

Session 3: Program Updates & Incentive Changes

2020-2021 Incentive Levels



The SOMAH incentive levels for the July 1, 2020 to June 30, 2021 program years are as follows:

| Tax Credits | | \$ per AC Watt Incentive | | | |
|-------------|-------|--------------------------|------------------|-----------|------------------|
| ITC | LIHTC | Tenant | | Common | |
| | | 2019-2020 | 2020-2021 | 2019-2020 | 2020-2021 |
| No | No | \$3.20 | \$3.04 | \$1.10 | \$1.04 |
| Yes | No | \$2.25 | \$2.14 | \$0.80 | \$0.76 |
| No | Yes | \$2.25 | \$2.14 | \$0.80 | \$0.76 |
| Yes | Yes | \$1.60 | \$1.52 | \$0.60 | \$0.57 |

Session 3: Program Updates & Incentive Changes

Incentive Step-Down: Additional Analyses



- The Lawrence Berkeley National Lab (LBNL)'s report "Tracking the Sun" is also *mentioned* in the Decision.
- LBNL and NREL are related but distinct entities.
- "Tracking the Sun" focuses on **price** rather than **cost**, which includes additional net profit.
 - As NREL sites in their report, "Profit is one of the differentiators between "cost" (aggregated expenses incurred by a developer/installer to build a system) and "price" (what the end user pays for a system)."
- Why not LBNL's "Tracking the Sun" technical report series?
 - Price rather cost-focused (Decision specifies cost)
 - LBNL rather than NREL (Decision specifies NREL)

Session 3: Program Updates & Incentive Changes

Incentive Step-Down: Additional Analyses



- The “Solar Technology Cost Analysis” section of the NREL website also has a “Quarterly Solar Industry Updates” presentation series.
- Why not “Quarterly Solar Industry Updates”? The Decision specifies
 - “Reports” rather than presentations
 - “Cost” rather than “price” analysis



Session 3: Program Updates & Incentive Changes

Incentive Step-Down: Full Analysis



- Read our full analysis at CalSOMAH.org/waitlist



Incentive Step-Down Analysis: July 2020

Summary

- [Decision 17-12-022](#) (Section 4, pages 39-43) discusses SOMAH's incentive structure and decides that, "Under the structure adopted here, incentive levels will decrease by the annual percent decline in residential solar costs as reflected by NREL reports, or 5% annually, whichever is less."
- Following Decision 17-12-022, the SOMAH PA examined changes in the cost of residential solar energy systems from 2017 and 2018, the most recent years available for the technical report series entitled, "U.S. Solar Photovoltaic System Cost Benchmark" produced by the National Renewable Energy Laboratory (NREL).
- In its 2018 Q1 technical report, NREL reported the following national residential benchmark costs:
 - 2017 benchmark in 2018 USD: \$2.84 per Watt, DC
 - 2018 benchmark in 2018 USD: \$2.70 per Watt, DC
- The PA also analyzed NREL's California-specific data, which yielded the following residential benchmark costs:
 - 2017 benchmark in 2018 USD: \$2.94 per Watt, DC
 - 2018 benchmark in 2018 USD: \$2.75 per Watt, DC
- Step-down, or percentage decrease is calculated by $[(\$2.84-\$2.70)/\$2.84]*100 = 4.93\%$ (national) and $[(\$2.94-\$2.75)/\$2.94]*100 = 6.46\%$ (which defaults to 5% per the Decision) (California), and given either value, SOMAH incentives levels for the July 1, 2020 to June 30, 2021 program year are as follows:

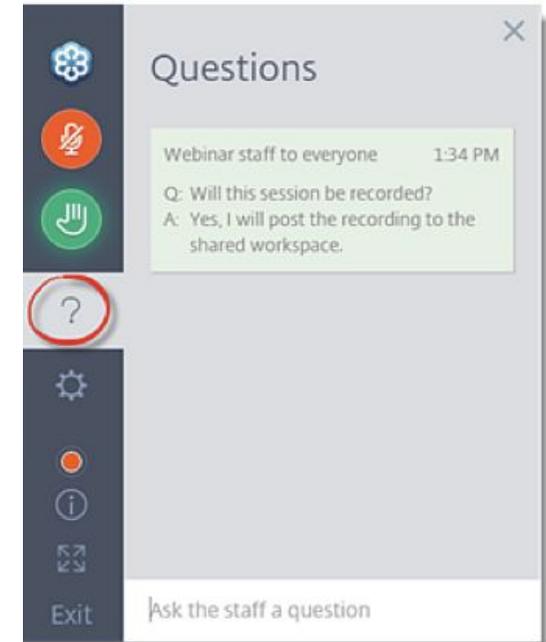
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Session 4: Wrap-Up & Next Steps

Kajsa Hendrickson



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Session 4: Wrap-Up & Next Steps

Upcoming Events



- **July 22:** Webinar - Cal/OSHA presentation on COVID-19 prevention and worksite safety for contractors and job trainees
- **July 24:** Webinar - SOMAH Contractor Series: Eligibility Training (every other month)
- **Q3 2020:** SOMAH Public Forum (quarterly)



Questions & Feedback



Email: contact@CalSOMAH.org

Web form: CalSOMAH.org/contact-us

General hotline: 858-244-1177 ext. 5

Tenant hotline: 800-843-9728

