

## Meeting Notes

# Solar on Multifamily Affordable Housing (SOMAH) Advisory Council Meeting

September 10, 2019

Center for Sustainable Communities, 1051 Rosecrans Ave, Compton, CA 90222

## Attendees

### SOMAH Program Administrators

**Chris Walker** | SOMAH Program Manager (SOMAH Program Administrator)

**Marisa Villarreal** | SOMAH Program Manager (SOMAH Program Administrator)

### SOMAH Advisory Council Members

**Allen Hernandez** | Executive Director, Center for Community Action and Environmental Justice

**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

**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)

**Noemí Gallardo** | Senior Manager, Public Policy, Sunrun (Vice-Chair)

**Sochiata Vutthy** | Senior Asset Manager, Community Housing Works

## Meeting Agenda

1. [Meeting Welcome and Introductions](#)
2. [SOMAH Program Status Update](#)
3. [Waitlist Closure Update](#)
4. [Building Equity and Accountability](#)
5. [Other Announcements & Discussions Items \(added during meeting\)](#)
6. [Next Steps/Wrap-up](#)

## Meeting Notes

### Meeting Welcome and Introductions

*Kenneth Wells, O&M Solar*

- *Round-robin introductions and updates*
- *Meeting goals and agenda overview*
- Advisory Council Chair Kenneth Wells led a welcome and round of re-introductions for the Advisory Council, and reviewed the meeting goals and meeting agenda.

### SOMAH Program status update

*Marisa Villarreal, SOMAH PA Team*

- *Recap: Previous meeting, pending action items, and updates on action items*
- *Program overview and status*
- Recap of previous meeting (see notes [here](#)), and pending action Advisory Council action items.
- The program status update included a review of SOMAH Program Goals, and updates. Some key updates by program area are below:

#### Applications

- Since launch (July 1), we've received over 250 applications that hit ~25% of total minimum program 300 MW goal within the first week of launch
- Of 5 IOUs, 3 are waitlisted for Year 1 (PG&E, SCE, and SDG&E), 2 have no completed applications in so far (Liberty, Pacificorp)
  - Of 3 waitlisted IOUs, the SOMAH PA closed the waitlist for SDG&E to preserve funding for future years and manage the property owner user experience by preventing wait times longer than 3 years.

	PG&E	SCE	SDG&E	Total
<b>Applications</b>	111	96	51	258
<b>Incentive \$ *approx</b>	\$71 M	\$60 M	\$34.5 M	\$165.5
<b>kW</b>	31,905 kW	27,789 kW	15,743 kW	75,447 kW

<b>Contractors</b>	5	4	4	7
<b>Property companies</b>	81	69	38	165
<b>Waitlisted applications</b>	53	42	36	131

\* note: totals reflect the number of unique companies/contractors, with some overlap

### Marketing Education and Outreach

- 2019 Launch/Year 1 Marketing Education & Outreach plan is complete, and the PA Team is in the process of drafting the 2020/Year 2 Marketing Education & Outreach Plan, which will be released for public review and comment around January, 2020.
- Year 2/2020 Plan will be less launch-focused, and have more of a narrative to provide context around each of the objectives and activities.
- In addition to contractor, property-owner, and job training organization outreach, next year will see a larger focus tenant outreach and engagement, to ensure they're informed and engaged with SOMAH and it's benefits. SOMAH Community-based organization partners will help generate tenant education materials, and will help design an evaluation plan to survey the effectiveness of tenant engagement materials and methods.
- In Q1 of next year the PA Team will be organizing a public forum focused on outreach to tenants and job trainees that will most likely take place in a TBD location in the Central Valley.

### Community-based Organizations

- The PA Team has formally partnered with 4 community-based organizations: California Environmental Justice Alliance (coordinating other CBO partners), Communities for a Better Environment, Asian-Pacific Environmental Network, Environmental Health Coalition
- These organizations will help lead and support direct outreach to property owners, tenants, contractors, as well as developing outreach materials, and planning trainings and workshops.
- The PA Team is thinking critically about their geographic scope and coverage, and how to ensure that they're reaching areas that we're trying to strategically target for SOMAH participation

### Workforce Development

- The PA Team is partnering with Rising Sun Center for Opportunity to implement Workforce Development program, which includes outreach to job training organizations, trainee engagement, and creation of resources like a solar training model and best-practice hiring resources for solar employers
- The SOMAH job training portal was launched July 1, and features a resume bank where trainees can upload their resume for contractors to view, a job search feature where contractors post available SOMAH positions and trainees can apply directly online, and a directory of SOMAH-eligible job training organizations. Contractors can use this directory to recruit trainees directly from training organizations in the area of the SOMAH project.
- Currently there are 65 job trainees signed up on the job training portal, and ~ 60 job training organizations confirmed as eligible participants in the program. The PA Team will continue to research and verify additional job training organizations from a list of over 300 potentially eligible organizations, and continue outreach via webinars and job fairs.

#### Technical Assistance

- Upfront Technical Assistance is provided for Track A applicants<sup>1</sup>, and the program has seen a low volume of applications to-date (4 out of 240+ applications), in part due to pent-up demand for prospective multi-family affordable housing projects that don't require upfront technical assistance that were pitched by contractors ahead of SOMAH's launch, and because marketing for Track A began after the July 1 launch due to the PowerClerk intake process.
- The PA Team is prioritizing Track A in its marketing, education, and outreach efforts: describing the TA opportunity to property owners and developing direct marketing materials
  - A video series and one-pager are under development to clarify the value proposition and process, which will be utilized by CBOs and the PA in conducting outreach
- The PA team is also working to integrate strategies to help prioritize Track A, and increase equitable access to SOMAH funding in potential updates to the program waitlist and the Program Handbook

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<sup>1</sup> Track A is intended for property owners who would like to receive technical assistance services from the PA to help assess the solar potential at their property, and/or identify eligible contractors for their project. Track B is designed for property owners who do not require technical assistance to submit a project reservation and have identified an eligible contractor they would like to work with for their project.

## Waitlist Closure Update

*Marisa Villarreal, SOMAH PA Team*

- *Current waitlist status and closures*
- *Proposed waitlist changes, future program waitlist policies, and program funding*
  
- The high-volume of initial applications has resulted in first-year funding being exhausted in 3 of the 5 participating utility territories (SDG&E, PG&E and SCE) and applications have been moved to waitlists.
- While PG&E and SCE waitlists continue to remain open, SDG&E has closed to preserve future funding and avoid lengthy waitlist times.
- Liberty Utilities Company and PacifiCorp territories still have funding available for applicants this year.
- Waitlists are helpful for understanding interest, and the PA Team is discussing ways to engage waitlisted applicants to maintain interest/ minimize drop-out rate, and gain insight into demand
- The AC noted that the [MASH program](#) had a high dropout rate, though dropout rate for SOMAH is expected to be lower because of the more generous incentive rates SOMAH provides (though SOMAH incentive rates will decrease annually, which could have implications on the waitlist attrition)
- There was discussion about equity in managing the waitlisted applicants, and implementing a lottery versus first-come-first-serve approach
  - AC members noted that there is precedent in implementing a lottery system both within the MASH program, and affordable housing programs in general.
  - Additionally, while a lottery may not be a perfect approach, it does level out the playing-field to some extent.
- There was discussion about setting thresholds for SOMAH waitlists and a potential lottery -- at what point the PA Team closes SOMAH waitlists, and when a lottery system offers the most equitable approach.
  - The PA Team has discussed thresholds being could a % to budget, i.e., once the waitlist gets to a certain % of the total budget.
- There was discussion around how to ensure that despite waitlist status, Track A is prioritized and emphasized, i.e., continuing to build a Track A pipeline.
  - The PA Team has discussed keeping Track A open (i.e. not setting a threshold for waitlist closure for Track A).
  - Prioritizing Track A helps achieve our program goals around contractor diversity and engagement, and is the pathway that supports property-owner participation, in addition to providing potential market develop and consumer protection benefits via competitive bidding.

- The AC emphasized that marketing Track A to property owners should be prioritized, and that Track A could be marketed as providing a significant service to property owners in “hand-holding” them through the process, as a way to encourage participation. Additionally, marketing the sustainability and climate impacts of installing solar to property owners could be another strategy to emphasize.
- The AC raised the importance of communicating the easiness of navigating the process, noting potential perceptions by property owners that TA could feel more onerous than Track B wherein contractors pitch easy “turnkey” services. This is particularly important as property owners, managers, and others are time-constrained and need digestible information quickly.
- Ultimately, AC Members came to a unanimous decision to explore pathways for prioritizing or keeping Track A open regardless of waitlist thresholds
- AC members also asked the PA Team to look into and present potential policies and approaches for application processing and managing waitlists in future program years in an equitable way.

## Building Equity and Accountability

### *Chris Walker, SOMAH PA Team*

- *Discuss program gaps/areas that PA Team is looking to address (application process, incentive programs, workforce development, etc.)*
- *Process and next steps*
- Supporting workforce development
  - The AC noted a concern around the SOMAH job training requirements, specifically with regards to job trainee experience and retention -- the short-term nature of the job opportunities offered might be a deterrent. There was an ask to think about whether mandatory long-term employment/hiring of trainees by contractors was an option.
  - Counterpoint: Long-term employment under a contractor that is failing to provide a suitable or satisfactory work experience is not ideal. We’d need to ensure trainees have opportunities to exit, and hold contractors accountable to the requirements, and experience.
    - Training also has some aspect of “career exploration” involved. Some trainees may decide solar work isn’t their preferred career pathway.
  - Trainees and contractors will be surveyed to better understand their experience and challenges. Contractors are required to respond to surveys, trainees are not.
  - The AC suggested thinking about making local requirements at a smaller scale than “county” (i.e. city), though this might be a burden

and constraint for contractors wanting to move and develop projects across county lines.

- Requiring local trainees (trainee lives in the same county as project) - though well-intentioned - may lead to more trainee turnover since contractors may secure projects outside of the trainee's county of residence. We ultimately want as much exposure and training for individual trainees as the contractor wants to offer regardless of project location. More training makes trainees more employable. High employability is more important than a greater number of trainees or preference for "local" workers.
- Contractor diversity
  - The AC brought up the notion that subcontractor composition should be considered in assessing overall contractor diversity.
  - There was discussion around developing methods for collecting and tracking subcontractor data (numbers, location, contractor profiles on CalSOMAH.org) as a way to gain better insights into actual contractor diversity -- survey design, or integrating into existing contractor materials.
  - The AC discussed how to increase subcontractor diversity and support building capacity in this sector, i.e. can we create pathways for smaller, entrepreneurial contractors to enter into the multi-family market by partnering with larger or more established entities in the sector.
  - Track A may provide a natural pathway for increasing contractor diversity (via its culmination in competitive bidding) and supporting smaller contractor participation. But the AC noted that we want to think about how we achieve this for Track B as well.
  - The AC noted the multiple bid process as a mechanism for diversifying contractor participation, and that additional engagement with property owners around this process could help facilitate contractor diversification
  - The AC provided guidance that Upfront Technical Assistance should be as easy as possible for property owners to be attractive in comparison to Track B.
    - The PA noted that property owners are assigned a single-point-of-contact (an Energy Project Manager) who provides objective information which would help later in assessing contractor bids, which is especially important for owners with less solar experience
    - The PA reiterated that the property owner retains right to select their own contractor via competitive bidding and that the remainder of SOMAH process identical to Track B.

- Equitable application process
  - The AC continued to discuss the idea of implementing a lottery as a way to increase contractor diversity, and participation in the program.
  - There are only 7 contractors represented in current application pool.
  - The AC re-emphasized that while a lottery can help level the playing field, it's far from a perfect solution to increasing equity, since a single contractor, or few contractors can still flood an application pool, and increase their chances of being selected within a simple lottery system.
  - The AC suggested exploring a lottery in combination with other approaches such as a system for weighting certain parameters or criteria (i.e. diversity, size, geography, women- LGBTQ- minority-owned).
  - The PA Team had concerns with evaluating applications against certain criteria, since the role of the PA is to create a process that is as objective as possible, and not make decisions around who gets to participate and who doesn't.
  - The AC discussed the idea of tiering application awards by system/project size.
  - The AC also discussed the potential of implementing a cost cap, or limit on the amount or share of an IOU's yearly budget or number of projects a single contractor can be awarded. This is a standard in the affordable housing field, so there is precedent for this type of policy.
  - The AC noted however, that a single, large contractor may employ several participating subcontractors.
  - It was noted that caps also can create a bottleneck issue, by waiting for other hypothetical contractors who may not be application-ready to fill the application pipeline.
  - The AC shared another idea of implementing a phase-gate process to limit the number or share of applications from a single contractor unless or until a specified timeframe elapsed -- essentially holding the door open to smaller or slower entities to apply. After that date, if a critical mass was not achieved, contractors would be able to submit applications without limits.
  - The AC decided that rather than implementing a hard cap at this time, the PA team should double-down marketing efforts to increase contractor diversity through Track A as an initial strategy, assess the mix of subcontractor participation, and identify barriers to participation of additional eligible contractors for Track B
  
- Community-based organizations (CBOs)
  - The AC discussed the geographic representation of the existing CBO partners, to ensure they represent geographies and areas that we are trying to prioritize and target.



- The PA Team is continuing to evaluate geographic gaps in application trends, and understand where there might be a lack of CBO “coverage.”
- The AC asked about the PA’s plan for identifying new CBO partners after their terms or scopes are complete, and the PA clarified that there would be an open and competitive selection process, as through an RFP based on the needs of the program and performance of existing CBO partners.
- AC encouraged CBO collaboration with existing IOU ESA programs around outreach and marketing efforts.

## Other Announcements & Discussions Items

- The AC discussed the issue of the initial undercollection of funds allocated to the SOMAH program by IOUs for 2016 and 2017, due to a calculation error. Collectively, this means that over \$180 million should have been reserved by PG&E, SCE, and SDG&E to finance SOMAH when it started -- money that could help address the waitlist burden.
  - The AC decided to support Sunrun’s case via a letter of support within ERAA proceedings to request the reservation of additional revenues in current years to make up for the underfunded 2016-17 years to go towards funding SOMAH projects, and help address waitlist burden.
  - It was clarified that support of this effort wouldn’t mean *additional* funds for SOMAH, but would set a timeline for correcting undercollection in a manner more consistent with the original intent.
- AC Vice-Chair Noemi Gallardo will resign from the SOMAH AC after being appointed to serve as the Public Advisor for the California Energy Commission.
  - The AC will select a new member to fill Noemi’s open seat, in addition to selecting a new Vice-Chair following the process outlined in the [Advisory Council Bylaws](#),

## Next steps/Wrap-Up/Action Items

- Advisory Council unanimously supports adopting a waitlist policy for future program years to leave Track A open for a longer period than Track B.
- Advisory Council requests PA Team explore options and scenarios for implementing a lottery system to ensure an equitable application structure and process for future program years, while not prescribing details of how the lottery should work
- Advisory Council also requests PA Team explore potential options, and implications for administering a cost-per-watt cap to control project-level

costs for which there is insufficient data, where incentives may artificially inflate costs.

- The next Advisory Council meeting is scheduled for Monday, November 18, 2019.
- The PA team will draft and circulate meeting notes for review. Once finalized the meeting notes will be posted on the Advisory Council page on [CalSOMAH.org](http://CalSOMAH.org).