Comment Received From: Southern California Public Power Authority
Submitted On: 3/14/2025
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SCPPA Comments RE Solar for All Program RFI

Attached.

Additional submitted attachment is included below.

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March 14, 2025 | Submitted electronically

California Energy Commission
Docket No. 25-SOLAR-01
715 P Street
Sacramento, CA 95814-5512

RE: Solar For All Program Request for Information

The Southern California Public Power Authority ("SCPPA") is pleased to provide feedback on development of the Solar for All Program. SCPPA recognizes the Solar for All Program as an opportunity to accelerate solar deployment in California's low-income and disadvantaged communities (LIDAC), promote equitable prosperity in the climate transition, and move the state closer to its net-zero goals. Further, by helping offset costs of clean energy investments that would otherwise be borne by utility customers, the Solar for All Program can support affordability in our most vulnerable communities – a priority that resonates with SCPPA Members. SCPPA Member territories include LIDACs that could be eligible for funding from the Solar for All Program.

SCPPA is a joint powers authority whose members include the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. Each Member owns and operates a publicly owned electric utility (POU) governed by a board of local officials. Our Members collectively serve nearly five million people throughout Southern California. SCPPA Members serve nearly 2.3 million California homes and businesses over 9,000 square miles. SCPPA Members are focused on meeting California's ambitious targets for renewable and zero-carbon energy while continuing to provide safe, affordable, and reliable electricity to their customers.

SCPPA strongly believes that collaboration with the CEC regarding the Solar for All program allows SCPPA Members to better support our customers. To do this, SCPPA encourages the CEC to consider lightening overall administrative burden of POUs by simplifying applications and reducing reporting requirements, and lessening overall financial risk and uncertainty as it relates to federal support and match requirements. SCPPA appreciates the opportunity to provide input in the early development phase of the program.

In response to CEC's Request for Information (RFI), SCPPA provides the following responses:

Question: The Solar for All grants must benefit low-income and disadvantaged communities and California Native American tribal residents located in publicly owned utility (POU) territories. Funding must be disbursed by May 2029. What are examples of existing or planned projects/programs that can

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utilize these funds by the deadline? If possible, provide solar nameplate capacities (kW or MW) or storage nameplate capacities (kWh or MWh).

As more clarity around funding eligibility under the Solar for All Program is provided, SCPPA Members will identify and pursue viable projects that align with the May 2029 disbursement deadline. Currently, SCPPA Members are evaluating opportunities to support rooftop solar for single and multi-family households, community solar, and battery storage where possible. As described in responses below, each utility varies on what types of projects they will best be able to support, dependent on their abilities to monitor and verify the benefits and savings of solar systems.

For example, one SCPPA Member has identified upcoming solar projects planned that include supporting a community solar component in a multi-family and senior affordable housing developments. This could potentially benefit from Solar for All funding. Another example includes a Community Solar Program with a 4.9 MW capacity benefiting customers, including those in low-income communities.

Question: Given the CEC's Solar for All program has $25 million to award, which of the following program funding allocation structures would be most effective in supporting access to solar and storage for the targeted LIDAC communities and California Native American tribes? (competitive grant solicitations, first-come first-served applications, and segmented funding)

SCPPA appreciates the CEC's consideration of the capacity of all SCPPA members to navigate the challenges of seeking state financial support. SCPPA encourages the CEC to prioritize an efficacious distribution of funds and minimize administrative burden to maximize participation. SCPPA requests the CEC consider a streamlined application and reporting process, along with early and detailed guidance on requirements, to encourage more participation and accessibility for stakeholders who have limited capacity. Reducing administrative burden will allow for greater participation and accessibility. In addition, SCPPA encourages providing detailed information about all application requirements as early as possible, so that applicants have adequate time to prepare and ensure equitable access to funding for entities with limited resources.

Competitive grant solicitations can be costly and administratively intensive, often requiring SCPPA Members to rely on external support, such as contracted grant writing services, to relieve the administrative burden of meeting all application requirements. While the length and complexity of the application requirements and the related process would ultimately determine the ability to respond in a timely fashion, a reasonable rule of thumb would be to provide a minimum of 90-120 days from announcement to submittal date.

SCPPA recommends a first-come, first-served application process as the most cost-effective and time-efficient option. This approach would reduce financial and administrative burdens while maximizing the number of projects that can be implemented. Additionally, segmented funding pools could ensure equitable distribution

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between small and large POUs. Given the variety of eligible projects, SCPPA advises against rigid funding limits that may unintentionally exclude viable initiatives.

Question: The primary goals of the Solar for All program are to deliver savings to LIDAC and tribal communities and reduce greenhouse gas emissions (GHG). What should the program prioritize for disbursing awards to help achieve the primary goals? For example, maximize solar megawatt (MW)/$, promote resiliency, or strive for proportional funding distribution?

The Solar for All program provides an opportunity to expand access to solar and storage in low-income and disadvantaged communities (LIDAC) and tribal communities, delivering cost savings, energy resilience, improved air quality, and economic benefits.

To achieve these goals, SCPPA recommends prioritizing projects that maximize megawatt/$ to serve more households and reduced emissions at scale. However, since solar project costs vary, feasibility, not cost alone, should be evaluated. SCPPA requests including administrative costs into funding that is awarded including split-incentives, implementation, virtual metering, and billing systems to maximize the overall impact of the program. In addition, prioritizing shovel-ready projects would facilitate timely success and maximum impact. Finally, the CEC could prioritize projects in regions with high CalEnviroScreen scores of 80% or higher, using CalEnviroScreen 4.0 Indicator Maps to help address air quality concerns and other systemic barriers.

Question: Should CEC's Solar for All program be required to ensure that distributed solar deployment is incremental to California Energy Code requirements so that the program avoids subsidizing the cost of meeting existing code?

SCPPA generally supports funding projects where the size exceeds minimum code standards. This ensures that limited program funding supports new and incremental solar deployment. It may also be beneficial to consider ongoing project costs, especially for maintaining or enhancing systems that are built to code and serve LIDAC communities. At the same time, SCPPA highlights that overly restrictive requirements may reduce the number of potential applicants and limit overall impact.

Question: What level of match funding should an applicant be expected to contribute towards the total project cost (e.g. 0%, 10%, 20%, 30%, or higher), with the remaining portion funded by CEC's Solar for All program?

POUS are not-for-profit public agencies. As such, we face unique challenges in providing match funding, which, if made a requirement, may limit the number of applicants able to apply for or accept funding. Our members have expressed that even low match requirements could be cost-prohibitive for smaller POUs, as they may need to budget for years in advance of a potentially funded project. In addition to the additional costs associated with match funding, POUs face administrative burdens associated with proving and providing match funds. SCPPA

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recommends the CEC limit or eliminate the match requirement which would help offset clean energy costs otherwise passed to customers and expand the pool of eligible applicants, enabling broader project deployment without undue financial or administrative strain.

Question: Which applicant types should the program work with to maximize deployment/benefits at the lowest cost (including program administration, compliance, etc.)? For example, applicant types could be POUs and tribes, project developers, third-party program administrators, or a mix.

POUs, having a not-for-profit structure, offer transparency with both the public and the CEC which is a benefit to having POUs as an eligible applicant. Additionally, POUs can ensure that savings from solar installations flow directly to the ratepayers. A mixed approach of applicant types is appropriate, including POUs as potential applicants. However, non-utility applicants should be required to obtain utility approval for their service territories, as 3rd parties cannot guarantee the ability to deploy solar projects without it. Given the intricacies of billing, integration, and customer bill collection data, coordination with a POU is critical.

Question: As initially defined by US EPA, LIDAC eligibility will be based on census tract-level data, properties providing affordable housing, and geographically dispersed low-income households that meet area median income (AMI) or Federal Poverty Level thresholds. In cases where household income is used to meet eligibility, what documentation should be required? What are best practices for verifying eligibility for low-income utility programs?

SCPPA prefers using census tract-level data to determine LIDAC eligibility. There are many complexities to verifying household income beyond relying on census track. This includes further challenges when it is the renter, not the owner of the property, or sometimes not even the customer on the bill, that qualifies. As a result, requiring income verification for rooftop solar could unintentionally restrict projects to buildings with income-qualified residency restrictions.

For community solar projects, verification should only be completed for customers benefiting from the community solar, as the energy is divided up to those participants virtually.

If income verification is required beyond census tract-level data, SCPPA recommends using the same process utilities employ to enroll customers in low-income programs, ensuring consistency and reducing administrative burden. However, if this is required, it may limit eligible participants, particularly in multi-family settings. Therefore, flexible requirements for determining LIDAC eligibility may result in more eligible applications.

Question: Certain projects under the Solar for All award will be subject to "Build America, Buy America" domestic sourcing requirements for iron and steel, manufactured products, and construction materials. What, if any, barriers may this cause? How can those barriers be mitigated and addressed?

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Domestic sourcing requirements can drive up costs and sometimes result in supply chain constraints that impact timing. To mitigate these challenges, SCPPA encourages:

1. Clearly communicating the requirements and maintaining consistency
2. Allowing flexibility in project timelines to account for supply chain disruptions or manufacturing delays
3. Considering a 5-10% funding addition to offset higher material costs.
4. Prioritizing shovel-ready projects with established procurement plans and ensure they can acquire the necessary supplies ensure timely deployment

Question: As a condition of receiving funding from CEC's Solar for All program, awardees must deliver a minimum 20% average household electricity bill savings to all LIDAC households served under the program, including households in master-metered, multi-family buildings.

- ***What are effective mechanisms to apply bill savings that do not affect resident income levels and ensure residents' eligibility for other low-income programs is unaffected?***

Many POUs already offer a variety of bill savings programs to their most vulnerable LIDAC community customers. These savings may result in additional savings appearing to be incrementally smaller and potentially more challenging to achieve an additional 20% savings.

For example, not all POUs are able to support a virtual net metering billing systems, or it may be cost and time prohibitive to implement. An example of an alternative mechanism is to allow solar energy produced at one location (e.g. a solar installation on city-owned property) to be credited to the utility bills of LIDAC customers through a Solar for All program which could be similar to utility's existing low-income bill discount program. This alternative approach ensures that the bill discount is applied without affecting LIDAC customers eligibility for other low-income programs. By applying the Solar for All bill discount, the LIDAC households can receive the required 20% bill savings from solar generated benefits, through a new Solar For All LIDAC Bill Discount Program.

For single-family households, the utility can apply a solar rate that typically meets or exceeds the 20% bill savings requirement. If the bill savings fall short of this 20% savings, the utility can manually apply a discount at the end of the year to comply with the program.

For other projects where the utility installs solar on non-utility property, a good mechanism would involve treating the system as a rooftop lease, where the utility guarantees at least a 20% bill reduction in exchange for ownership of up to 50% of the solar energy produced by the solar system.

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Many POUs already offer a variety of bill savings programs for their most vulnerable LIDAC communities, and this will be an additional program that provides additional savings funded by Solar for All for as long as the funds are available.

Given the varying capabilities of POU mechanisms to apply bill savings, SCPPA recommends ensuring the bill savings requirements are not overly prescriptive in a manner that would limit the number of eligible applicants.

- ***Should the bill savings calculation be based on an average monthly or annual percentage of a customer's electrical usage?***

SCPPA prefers calculating bill savings based on the average annual percentage of a customer's electrical usage, as this is a more accurate calculation bill savings. Solar systems are sized based on annual consumption. Monthly average calculations unnecessarily create complexities requiring performance-based bill credits that would vary monthly and be less accurate.

- ***What are best practices to ensure households that do not receive individual electricity bills (e.g. master-metered, multi-family buildings) receive the savings?***

Many POUs would not be able to enforce or support savings to households without individual electricity bills, especially those lacking virtual net metering capabilities. As such, some POUs might need to exclude multi-family projects if they can't provide individual bill savings, which would work in contrast to the goals of Solar for All.

- ***How should bill savings be verified? By whom and when?***

The CEC should minimize any reporting burden that results from this program funding. Utilities are the best source to verify bill savings and this should be done on an annual basis. Bill savings should be compared to the new project's actual energy bill vs estimated usage from Title 24 calculations (CEC Part 6, CALGreen Part 11). Each POU should self-certify bill savings with a certificate of compliance to CEC annually.

Question: As initially defined by US EPA, community solar funded by the CEC Solar for All program must meet the following definition: 1) nameplate capacity of 5 MWAC or less, 2) deliver at least 50% of the electricity generated from the system to multiple residential customers within the same utility territory as the facility, and 3) verify that at least 50% of the benefits and/or credits of the power generated from a community solar system be delivered to residential customers in the same service territory.

- **How do existing POU community solar projects verify delivery of benefits and/or credits to residential customers?**

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Verification processes vary by utility. For example, one SCPPA Member installs a net meter and production meter on each home, with access to a monitoring service for individual performance measurements. For this program they may require a monitoring service for each system, that the utility has complete access to. This will allow individual performance measurements for each customer installation.

- ***What verification processes for benefits and/or credits should be used for the CEC Solar for All program?***

SCPPA stresses the importance of simplifying any reporting and verification processes required for the Solar for All Program. Verification of benefits/credits could include a simple, non-redundant report with data points for pre-solar energy consumption, estimated solar performance, and post-solar installation energy consumption.

Question: What process should be used to ensure community solar bill discounts are linked with the customer even if the customer moves to a new location within the same service territory?

The process to ensure community solar bill discounts should include having the customer reverify in an expedited reverification process after moving and notify the utility. Some POUs assign two account numbers – one for the customer and one for the location – to ensure the continuity of service. Of note, some POUs will not be able to support community solar because they do not have virtual net metering.

Question: Should CEC's Solar for All program require energy storage with solar development? What are potential impacts of energy storage on solar project development in terms of cost, timeline, permitting, or other factors?

Requiring energy storage with solar development could unintentionally limit applications due to added costs and feasibility considerations. As such, SCPPA recommends including storage as an optional project eligible for funding rather than a mandatory requirement for all projects.

Question: How can a community solar development be structured to support resiliency by delivering energy to benefitting residents during grid outages?

SCPPA recognizes the importance and benefits of supporting resiliency where feasible. Given the variation of projects considered eligible for this funding, SCPPA recommends minimizing criteria that would increase infrastructure needs and upfront costs. While battery storage at a community solar site improves grid resiliency and helps avoid outages, it will not deliver energy during an outage unless directly connected to the customers. Therefore, as mentioned above, SCPPA supports making storage an eligible, but optional, component to balance costs and infrastructure needs.

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Thank you for the opportunity to provide comments on the development of the Solar for All Program.

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