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\$300 Million Solar+Storage Program Discourages Participation In Low Income (DAC) Communities

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Good afternoon. I wish to comment on what is by far California's largest low income solar and storage program: the \$300 million Residential Solar and Storage Equity program overseen by the CPUC. Unfortunately, the program's rules are directly discouraging its implementation in California's DAC Communities.

My name is Richard Esteves and I am chair of Quality Conservation Services. We provide free low-income weatherization to over 20,000 California households annually. We are not a third-party owner (TPO).

Last March, the Commission approved incentives (normally up to \$32,000) sufficient to cover a system's full costs for about 60% of all residential installations. For others that are not fully covered, the Commission made it simple for the low-income owner to surrender ownership of their system and their incentives to a corporate third-party owner, a TPO, which in return would cover any remaining costs. The TPO would sell any resulting tax credits, netting 80 to 90% of the credit's face value.

To encourage such corporations to work in low-income communities, such as DAC, the government offers an additional 20% tax credit. 20% of a \$30,000 system is \$6,000. Unfortunately, the rules call for an automatic dollar-for-dollar reduction in the incentives if eligible for the credit, whether actually used or not. This reduces the rebate by the \$6,000, but only if located in a low income (DAC) community. Profit making corporations would much rather have the \$6,000 upon completion than wait a year to sell the credit at 80% of face value. Operating within the DAC communities, rather than in other areas, will give the TPO reduced profits and more hassles, driving them away from DACs.

This is certainly an unintended consequence of this action, particularly since there is no guiding low income or DAC representative on the secretive administrative working group overseeing the program.

I suggest the DAC Advisory Group, after examining the anti-DAC implications of this situation, express its concern to the Commission and also seek to add one or two low-income representatives to the Working Group to assure it secures an on-going low-income perspective.

Thank you.



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Thank you.

¹ \$280 million from AB209 tax payer funds, plus ~\$20 million from SGIP Residential Equity ratepayer funds

² There is an administrative working group that administers and interprets the rules, made up almost entirely of utilities and long-time utility-hired consultants, with one or two Energy Department reps.

³ This also reduces the up-front working capital advance normally available to Developers.

⁴ Non-members may not participate nor even attend working group meetings, which are not publicly announced, nor is there a publicly available agenda, no meeting minutes are publicly available, nor any public record of the discussions or materials or decisions reached.