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Docket Number:	16-OIR-06
Project Title:	Senate Bill 350 Disadvantaged Community Advisory Group
TN #:	237867
Document Title:	ITEM 4 - May 2021 DACAG Meeting - SOMAH Presentation
Description:	N/A
Filer:	Dorothy Murimi
Organization:	California Energy Commission
Submitter Role:	Public Advisor
Submission Date:	5/20/2021 10:59:50 AM
Docketed Date:	5/20/2021

ITEM 4
Solar on *Multifamily Affordable Housing*
(SOMAH)



SOMAH

SOLAR ON MULTIFAMILY AFFORDABLE HOUSING

DACAG Presentation: May 2021



Agenda



1	Introductions	2 mins
2	Program status update	8 mins
3	Increasing CES DACs participation	15 mins
4	Q&A	15 mins

Introductions



Jae Berg

SOMAH Program Manager

Center for Sustainable Energy

jae.berg@calsomah.org



Chris Walker

SOMAH Program Manager

GRID Alternatives

chris.walker@calsomah.org

Program Administration Team



Non-Profit Program Administration Team

- GRID Alternatives
- Center for Sustainable Energy
- Association for Energy Affordability
- California Housing Partnership

Program Partners



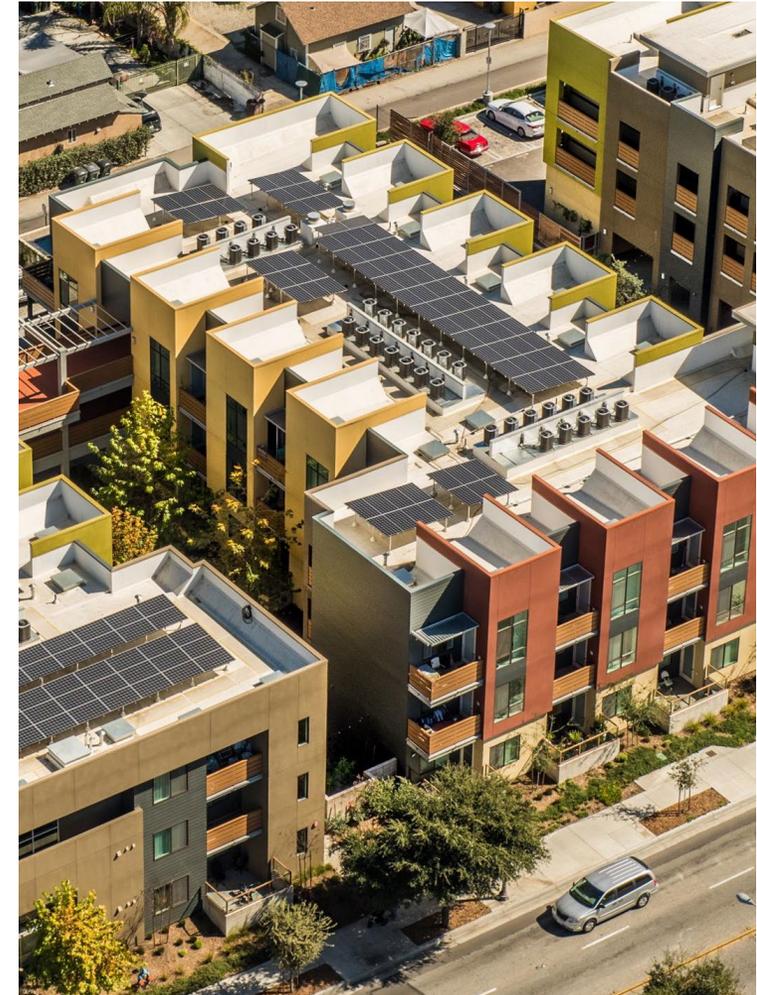
RISING SUN
CENTER FOR OPPORTUNITY

SOMAH Program Overview



Solar on Multifamily Affordable Housing (SOMAH) Program

- Provides **financial incentives** for installing solar photovoltaic (PV) energy systems on multifamily affordable housing
- Goal to **install at least 300 MW** of generating capacity by 2030
- Funded by utility Greenhouse Gas Reduction funds, at up to **\$100M per year** for 10 years
- Offered in PG&E, SCE, SDG&E, PacifiCorp & Liberty territories
- Program launched on July 1, 2019
- Provides **direct financial benefit** to low-income tenants through solar bill credits
- Focus on providing direct benefits to **disadvantaged communities**



SOMAH Program Overview



Requirements and features

- At least 51% of overall solar capacity is allocated to tenants
 - On-bill credits each month (VNEM)
 - Rent cannot be raised due to solar
- Paid job training
- Energy efficiency
- Tenant education
- No-cost technical assistance
 - Connection to other relevant programs
- CBO contracted marketing partnerships
- Advisory Council and Job Training Organization Task Force



Program updates and stats

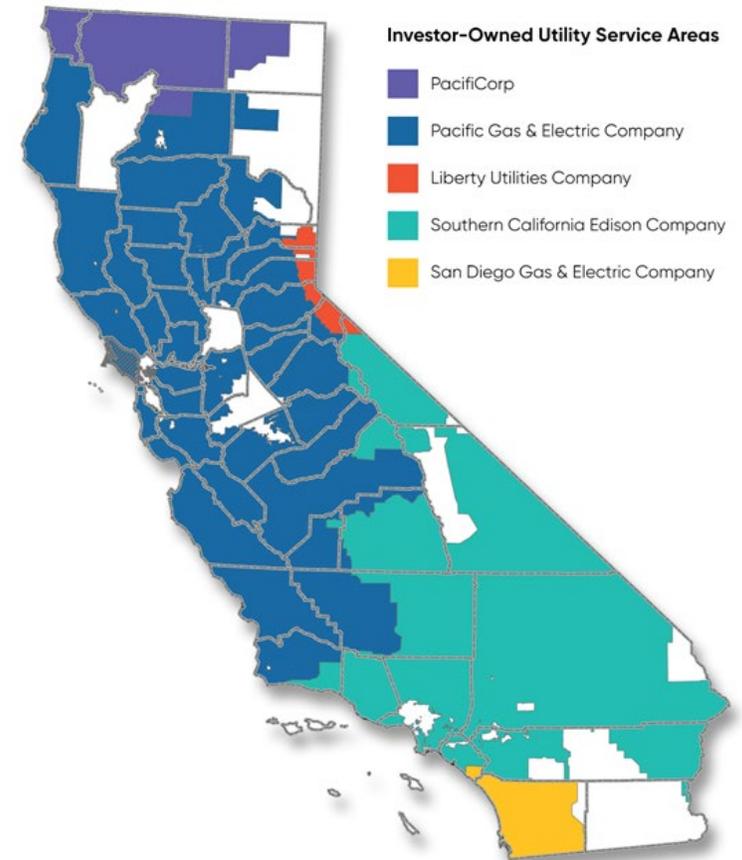


Program Stats: Current Participation

IOU Service Area	# of Projects	Incentive Amount	PV CEC Rating (kW)
Liberty	2	\$324,805	169
PacifiCorp	1	\$283,493	149
PG&E	222	\$73,150,903	33,796
SCE	119	\$49,374,757	22,734
SDG&E	57	\$21,964,920	10,055
Total	401	\$145,098,878	66,903 (22%*)

Program Stats: Available Funding

IOU Service Area	Remaining budget
Liberty	\$948,545
PacifiCorp	\$3,806,819
PG&E	\$79,873,758
SCE	\$153,316,302
SDG&E	\$27,879,054
Total	\$265,824,478



Additional Program Statistics



- Average 86.9% tenant allocation
- Serving 32,494 tenant units (average = 81)
- Average system size: 167 kW
- 10 participating contractors
 - New contractors include certified DVBE and MBE solar companies
 - Smaller contractors, smaller properties
 - Dozens of subcontractors expected
- Pipeline supports over 770 job training opportunities
 - 53,000 training hours
 - \$1m+ in wages
 - Leveraging nearly 100 JTO relationships



Program Update



First interconnected projects; several others close to completion



Recently launched a new progress payments pathway



CBO partnership program

- Five (5) “Tier 1” partners
- “Tier 2” TBA this fall



Advisory Council & Job Training Organization Task Force

Increasing CES DACs participation

Why does environmental justice matter?

People of color and low
income communities are living,
working, and playing in
the country's most polluted
environments.

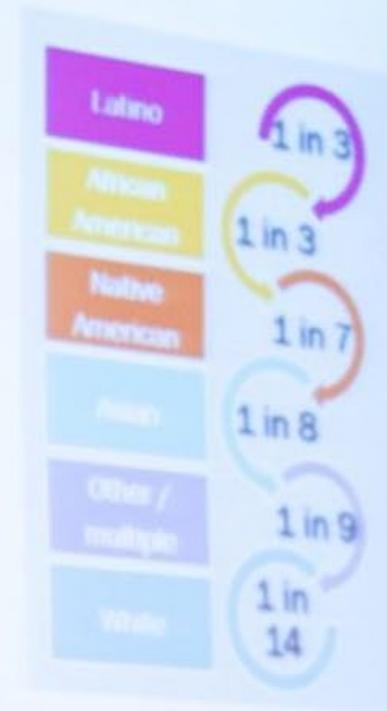


Figure 4: Fraction of Each Racial/Ethnic Group Living in the Top 20% Census Tracts.

Expanding DACs Participation



- Shared interest in expanding DAC participation & driving engagement past parity
- Co-equal eligibility pathways: “Low-Income” and “DAC”
- Current program goals & efforts:
 - Commitment to reaching all owners in DACs
 - Commitment to targeted hiring, with at least 50% of JT opportunities to residents of DACs
 - New Central Valley CBO partnership

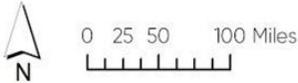
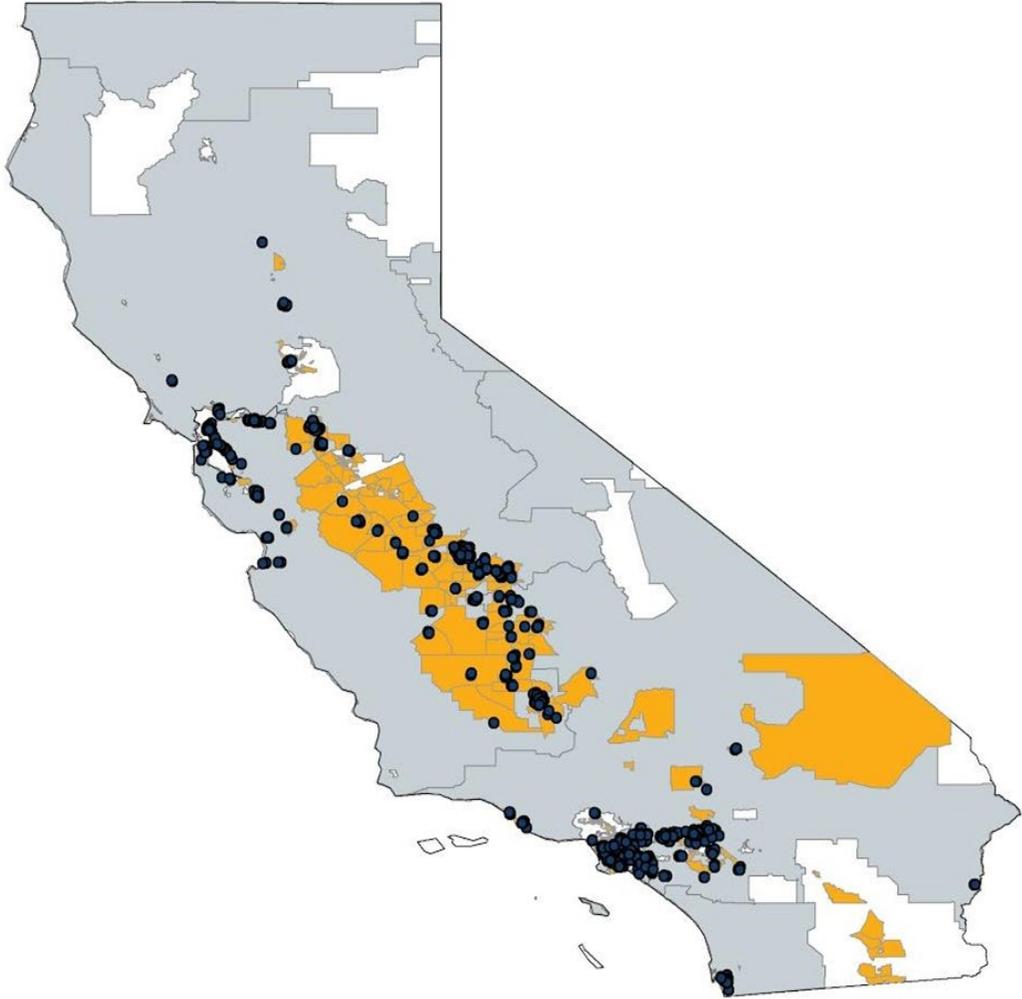
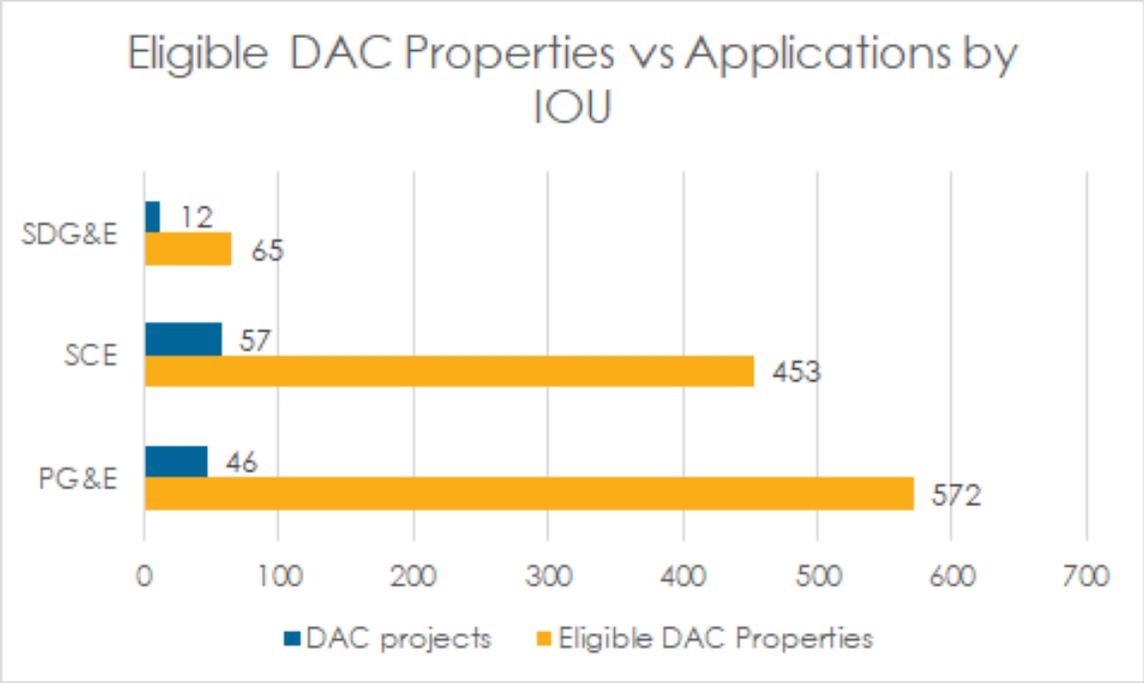


DACs Market Summary & Program Participation



IOU Service Area	Total # of Eligible Properties	Total # of Eligible Properties in DACs (% by IOU)	Total # of Applications in DACs
PG&E	2,031	582 (29%)	46
SCE	1,014	453 (45%)	57
SDG&E	342	65 (19%)	12
Liberty	10	-	-
PacifiCorp	30	-	-
Total	3,427	1,100 (32%)	115

DACs Participation



Eligible SOMAH Properties in DACs

Expanding Participation in DACs

Strategies Under Consideration



- **Budget/incentive level strategies**
 - DAC carve-out or set-aside
 - Separate/higher incentive rates for DACs, or incentive structure that scales with CalEnviroScreen 3.0 score
 - Waiving application deposit or incentive step-down
- **Participation strategies**
 - Capping owner or contractor participation
 - Imposing DAC quotas on higher volume contractors
- **Marketing Education & Outreach strategies include**
 - Creating a referral program
 - Working with a lead generation company/org
 - Offering a prize, award, or competition

MEMO
Increasing DAC Participation



Background and Program Status

SOMAH provides incentives to install solar on affordable housing properties that meet specified program income qualifications,¹ or are located in a Disadvantaged Community (DAC),² or both. While the program's design places eligible properties in DACs and low-income communities on equal footing in their ability to access SOMAH incentives, the program's work, funded by cap-and-trade dollars, has clear restorative justice implications, and the SOMAH PA is committed to expanding the program's benefits, from bill credits to job training opportunities, to as many Californians living in DACs as possible.

Eligibility Pathways	Share of All Applications ³	Share of All Potentially Eligible Properties ⁴
Low-Income Properties	70%	69%
Disadvantaged Communities Properties	30%	31%

Current SOMAH applications for projects in DACs are roughly proportional to the estimated share of all potentially eligible properties in DACs overall. The breakdown by IOU service territory, however, provides additional clarity on where eligible DAC properties and applications from DACs are concentrated. Whereas about 25% of the potentially eligible DAC properties in SDG&E's service territory have already applied, for example, only about 14% of eligible DAC properties in SCE's service territory and 7% of eligible DAC properties PG&E's service territory are in SOMAH's current pipeline. Liberty and PacifiCorp service territories do not include any DACs; therefore, there are no eligible properties in DACs.

¹ 80 percent of property residents have incomes at or below 60 percent of the area median income (AMI).
² Disadvantaged Communities (DACs) for the SOMAH program are currently defined as census tracts scoring in the top 25% statewide on the [CalEnviroScreen 3.0 map](#). Properties located in one of 22 additional census tracts that are in the top five percent of pollution burden but that do not have an overall CalEnviroScreen score because of unreliable socioeconomic data are also eligible.
³ Based on program data posted to [californiaidgstats.ca.gov/charts/somah](#) as of Oct. 12, 2020.
⁴ Based on an internal market analysis by California Housing Partnership Corporation (CHPC) to be provided via the PA's forthcoming 2021 SOMAH Marketing, Education, and Outreach Plan.

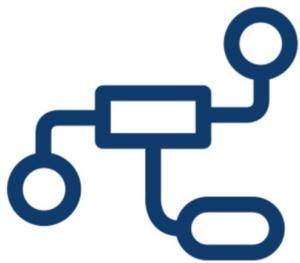
NOVEMBER 2020 Page 1

Feedback on Potential Program Modifications



Goals-setting: Defining success

- What share of applications, MWs, or budget marks success with regard to DACs participation?
 - Overall, by IOU Service Area or both?
 - By what process do we set these targets?



For Discussion: Benchmark with a trigger for a conditional set-aside

- Relevance of carve-outs when funding is available
- Responsive/conditional design:
 - Example: If funding drops below X level, or if attainment lags in DACs over X period with a benchmark, it becomes a set-aside/carve-out

Feedback on Potential Program Modifications



Design changes: Further incentivizing and supporting participation

- What we want to avoid
 - Slowing attainment of 300 MW by 2030
 - Unnecessary waitlisting, stop-start
 - Increasing program complexity
 - Increasing admin burden/complexity
- Potential strategies:
 - Higher incentive rates for DACs
 - Building capacity within owner orgs to participate

Follow Program Progress



- **Program data, charts & graphs** updated weekly on California Distributed Generation Statistics website
 - <https://www.californiadgstats.ca.gov/>
- SOMAH PA team releases a **Semi-Annual Progress Report** in January and July each year



Questions?

Jae Berg

SOMAH Program Manager

Center for Sustainable Energy

jae.berg@calsomah.org

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