

Attachment A

Proposed Revised SOMAH Program Implementation Plan

~~April 19, 2023~~ MM/DD/YYYY



Solar on Multifamily
Affordable Housing

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I. Introduction

Assembly Bill (AB) 693 (Stats. 2015, ch. 582) directed the California Public Utilities Commission (Commission) to institute a new program intended to make qualifying solar energy systems more accessible to low-income and disadvantaged communities (DACs). The goal of this new program is to install solar energy systems that have a generating capacity equivalent to at least 300 megawatts (MW) on qualified multifamily affordable housing properties through December 31, 2032.¹ This program is funded with up to \$100,000,000 annually from Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), Liberty Utilities Company (Liberty), and PacifiCorp's (collectively the investor-owned utilities or IOUs) share of greenhouse gas (GHG) allowance auction proceeds.

In accordance with AB 693, the Commission issued Decision (D.)17-12-022 (Decision) on December 14, 2017, creating the Solar On Multifamily Affordable Housing (SOMAH) program.² The Decision established SOMAH program goals, eligibility requirements, program administration and program funding, and provided guidance for the selection of a statewide Program Administrator (PA) that would oversee the newly created SOMAH program. The Commission directed its Energy Division (ED) to select the PA through a Request for Proposals (RFP) process managed by SCE.

The SOMAH RFP was released on February 13, 2018, and was subsequently awarded to the SOMAH Nonprofit Administrative Partnership (SOMAH PA), a unique partnership team of mission-aligned nonprofit organizations that sought the role of Program Administrator for the SOMAH program.³ This nonprofit program administration team will ensure the SOMAH program creates the most value possible for the tenants and communities it was designed to serve, with a mission-led and values-based approach.

The Commission directed the designated PA to submit a Tier 3 implementation Advice Letter for Commission consideration no later than August 31, 2018, to include a proposed Program Implementation Plan.⁴ The Commission required the SOMAH program Implementation Plan (PIP) to include sections on at least the following subjects:

1. Application procedures;
2. Requirements for documentation of ~~building, property,~~ and project eligibility;

¹ Public Utilities Code Section 2870(f)(1).

² R.14-07-002, D.17-12-022, *Decision Adopting Implementation Framework for Assembly Bill 693 and Creating the Solar On Multifamily Affordable Housing Program*, December 14, 2017.

³ The SOMAH PA team is comprised of the Association for Energy Affordability (AEA), Center for Sustainable Energy® (CSE), and GRID Alternatives (GRID), as well as its subcontractors, including the California Housing Partnership Corporation (CHPC), Rising Sun Energy Center and rotating community-based organizations

⁴ D.17-12-022 at 70, Ordering Paragraph 10.

3. A program budget that includes line items for incentives and administrative activities, including but not limited to marketing, education, and outreach (ME&O);
4. Specific job training requirements consistent with those defined in the Decision;
5. Specific rules for implementing the third-party ownership requirements defined in the Decision;
6. Specific energy efficiency requirements consistent with those adopted in the Decision;
7. Data collection and reporting requirements, including report formats;
8. Supplier Diversity Rules; and
9. Interim targets for capacity goals, consistent with the AB 693 requirement for 300 MW before 2032⁵.

In addition to the specific subjects requested by the Commission, this PIP also explains how the SOMAH PA will coordinate with the IOUs, execute its ME&O obligations, communicate effectively between stakeholders, and create a competitive bidding process for SOMAH projects. Some programmatic details, such as VNEM rates and design can be found in the respective IOU tariff submittals.

The SOMAH PA would like to thank the State Legislature, Governor, and Commission for this monumental opportunity and looks forward to implementing the nation's largest solar energy program specifically tailored to providing renewable energy benefits to tenants of multifamily affordable housing.

On October 7, 2023, Senate Bill (SB) 355 (Eggman) was signed by the Governor. Among other things, SB 355 extends the SOMAH Program through December 31, 2032; revises the income eligibility pathway to require that at least 66 percent of the property's residents have incomes at or below 80 percent of the area median income, as defined in subdivision (f) of Section 50052.5 of the Health and Safety Code; and adds two new eligibility pathways for properties owned by tribes and for rental housing properties owned by a public housing authority created pursuant to the Housing Authorities Law [Chapter 1 (commencing with Section 34200) of Part 2 of Division 24 of the Health and Safety Code] or a public housing agency, as defined in Section 1437a of Title 42 of the United States Code. The SOMAH PA proposed changes via SOMAH Program Handbook Eight to implement these program modifications pursuant to SB 355.

II. Application Procedures

The SOMAH program application process allows for the reservation of incentive funds for property owners or operators who have committed to the purchase and installation of a solar energy system at eligible project sites. Prospective SOMAH participants can apply under two different tracks depending on the level of technical assistance they may require.⁶ SOMAH

⁵ *Id.* at 55-56.

⁶ See SOMAH Program Handbook, October 1, 2018, Section 4, *Application Process for SOMAH Projects*.

program reservations will be available on a first-come, first-served basis and last for the duration of the reservation period. This process will ensure incentives are available when the “Incentive Claim” is made. In the event that application submissions exceed the available funds in a participating utility territory, a waitlist will be initiated.

A. Application Database

All applications will be submitted through an online application tool. The online application tool will be used to:

1. Collect application data and documentation;
2. Review application data and documentation;
3. Manage communications between the SOMAH PA and the Applicant;
4. Manage application deadlines; and
5. Manage incentive budgets by IOU service area.

The online application tool will provide administrators, applicants, and project stakeholders with a comprehensive, streamlined rebate application process that aims to minimize errors and mistakes.⁷

B. Quality Assurance and Quality Control of Program Projects

The SOMAH PA will have a dedicated team of application processors. Each processor will be trained in SOMAH application requirements, policies, and processes through hands-on database training. Additionally, each processor will be trained in, and have access to, standard operating procedure manuals, flow charts and the SOMAH program handbook. This will result in efficient processing of applications while providing maximum oversight for quality control. All project application inquiries will be managed through an online database and monitored by the SOMAH PA so that applications are responded to within one business day.

Additionally, a set percentage of applications processed will be sent through a quality control (QC) review to ensure entries to the database are accurate and reflect a high level of accuracy. Any discrepancies in the data or errors regarding applicant eligibility will be corrected and the responsible party notified. Parties found to make errors will be monitored for quality at an increased rate until their accuracy returns to acceptable levels. In addition to random QC reviews, the SOMAH PA will track performance over time, including reporting the amount of time required to review applications. This allows the SOMAH PA to address bottlenecks, increase efficiency, and identify opportunities to improve.

To ensure the quality and completeness of the work performed by participating contractors, the SOMAH PA will perform SOMAH installation inspections. The SOMAH inspection will occur after the Incentive Claim has been submitted and will verify that: 1) the equipment listed on the SOMAH application matches the system installed equipment; 2) the orientation and shading of

⁷ See SOMAH Program Handbook, October 1, 2018, Section 4, *Application Process for SOMAH Projects*, for a more detailed overview of the SOMAH incentive application process.

the equipment matches the SOMAH application; and 3) the system is operational. As part of its quality assurance and control efforts, the SOMAH PA will also solicit input from contractors via public workshops to ensure the most up to date and relevant jobsite safety protocols are incorporated into a model worksite safety program for SOMAH installations.

C. Ensuring Tenant Benefit

The Decision requires at least 51% of incentivized system benefits flow to tenants.⁸ In order to ensure tenants of participating SOMAH installations receive the full economic benefits allocated to them via Virtual Net Energy Metering (VNEM), the SOMAH PA has implemented a process to verify VNEM allocations between tenants and common areas are correctly apportioned. The SOMAH PA will also ensure that buildingproperty owners cannot recapture tenant savings via rent increases, utility allowance adjustments, or other recapture mechanisms. This verification process utilizes two distinct mechanisms to safe-guard tenant economic benefits:

- 1) The SOMAH PA will require Applicants to submit a VNEM Allocation Worksheet demonstrating at least 51% of the electricity generated by the system will be used to offset the tenant’s usage for the life of the system or 20 years, whichever is less. This allocation sheet will be required at the Reservation Request step, and if changes are made to the allocations, the VNEM allocation worksheet will require updating at the Proof of Project Milestone and Incentive Claim steps.⁹ This worksheet will be reviewed to verify that the allocation is consistent with the incentive application, final incentive amount, and the interconnection application submitted to the IOU. How bill credits are applied are addressed in the respective tariffs of the IOUs.

- 2) The SOMAH PA will require Applicants to submit a signed affidavit certifying under penalty of perjury that the Host Customer will not include system benefits in utility allowance calculations, thus preventing the recapture of tenant economic benefits through the raising of rent or other means.¹⁰

III. Requirements for Documentation of Property Eligibility

A. Property Eligibility and Documentation Table

The following table organizes the documentation required to validate SOMAH’s eligibility requirements:

Property Eligibility Requirements	Required Documentation
Property must be low-income residential housing as defined in PUC Section 2852, pursuant to terms of financing or financial	<ul style="list-style-type: none"> • Documentation of Public Utilities Code Section 2852 eligibility

⁸ D.17-12-022 at 17 and 66, Conclusion of Law 3.

⁹ See SOMAH Program Handbook, October 1, 2018, Section 4 for more information regarding the SOMAH application step process

¹⁰ See SOMAH Program Handbook, October 1, 2018, Appendix E., *Affidavit Ensuring 100% Tenant Economic Benefit*.

<p>assistance, and <u>meet one of the following:</u></p> <p>(a) located in a disadvantaged community as defined by the California Environmental Protection Agency (CalEPA) pursuant to Health and Safety Code (HSC) Section 39711; or,</p> <p>(b) at least 66.80% of property residents must have incomes at or below 80.60% of the Area Median Income (AMI) as determined by the Department of Housing and Community Development (HCD);</p> <p>(c) <u>property is owned by a tribe, i.e., a California Native American tribe, as defined in Section 21073 of the Public Resources Code¹¹;</u></p> <p>(d) <u>property is rental housing property that is owned by one of the following:</u></p> <p><u>(i) A public housing authority created pursuant to the Housing Authorities Law [Chapter 1 (commencing with Section 34200) of Part 2 of Division 24 of the Health and Safety Code].</u></p> <p><u>(ii) A public housing agency, as defined in Section 1437a of Title 42 of the United States Code.</u></p>	<ul style="list-style-type: none"> Cover Sheet for Public Utilities Code Section 2852 Documentation, which includes DAC and HCD information.
<p>Property must have at least five <u>rental</u> residential housing units.</p>	<ul style="list-style-type: none"> Virtual Net-Energy Metering (VNEM) Allocation Form
<p>Property must be subject to either a deed restriction or regulatory agreement between the property owner and a financing agency under which the property is classified as affordable housing.</p>	<ul style="list-style-type: none"> Documentation of Public Utilities Code Section 2852 eligibility¹² Cover Sheet for Public Utilities Code Section 2852 Documentation
<p>There must be 10 years remaining on the term of the property’s affordability restrictions.</p>	<ul style="list-style-type: none"> Documentation of Public Utilities Code Section 2852 eligibility¹³ Cover Sheet for Public Utilities Code Section 2852 Documentation

¹¹ “California Native American tribe” means a Native American tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004. Please contact the SOMAH PA for additional details on the Native American Heritage Commission list and related eligibility.

¹² This previously included a requirement of Cover Sheet for Public Utilities Code Section 2852 Documentation which was removed by Advice Letter No. 138-E-A, Handbook 6.

¹³ This previously included a requirement of Cover Sheet for Public Utilities Code Section 2852 Documentation which was removed by Advice Letter No. 138-E-A, Handbook 6.

Rents for low-income tenants maintained within required limits per rent restrictions.	<ul style="list-style-type: none"> • Documentation of Public Utilities Code Section 2852 eligibility¹⁴ • Cover Sheet for Public Utilities Code Section 2852 Documentation
Units must be separately metered and eligible for a virtual net-energy metering tariff.	<ul style="list-style-type: none"> • VNEM Allocation Form
Only Existing buildings housing properties and retrofits are presently eligible. ¹⁵	<ul style="list-style-type: none"> • Certificate of Occupancy (if required requested) • Interconnection authorization letter (if required requested)
Properties with Community Choice Aggregators (CCA) may participate if the serving CCA has a VNEM tariff.	<ul style="list-style-type: none"> • No documentation needed

B. SOMAH Required Multifamily Low-Income Housing Eligibility Documentation

To verify property eligibility, the Applicant will be required to submit the following documentation:

1. Documentation of Public Utilities Code Section 2852 Eligibility

Applicant must provide a copy of the deed-restriction, regulatory agreement, or covenant that restricts the property to low-income residential housing as defined in PUC Section 2852 and pursuant to terms of financing or financial assistance by one or more of the following:

- Low-Income Housing Tax Credits (LIHTC);
- Tax-exempt mortgage revenue bonds;
- General obligation bonds;
- Local, state, or federal loans or grants.

~~**2. Cover Sheet for Public Utilities Code Section 2852 Documentation**~~

~~Applicants are required to submit a cover sheet¹⁶ summarizing key details from the deed restriction or regulatory agreement, such as the:~~

- ~~• Property owner name;~~
- ~~• Public entity/non-profit agency name;~~
- ~~• Expiration date of low income documentation proving that the property has at least 10 years of affordability remaining at time of SOMAH application.~~

¹⁴ This previously included a requirement of Cover Sheet for Public Utilities Code Section 2852 Documentation which was removed by Advice Letter No. 138-E-A, Handbook 6.

¹⁵ New construction developments can participate pending future guidance that will be included in an updated version of the Handbook.

¹⁶ See SOMAH Program Handbook, October 1, 2018, Appendix D: Cover Sheet for Multifamily Low-Income Housing Documentation

~~3. Additional Cover Sheet Specifications~~

~~Applicants will also be required to specify on the Cover Sheet whether:~~

- ~~a) 80% of property residents must have incomes at or below 60% of the Area Median Income (AMI) as determined by the Department of Housing and Community Development (HCD); or~~
- ~~b) Property is located in a disadvantaged community as defined by the California Environmental Protection Agency (CalEPA) pursuant to Health and Safety Code (HSC) Section 50025.5. For the SOMAH program, this is defined as DACs that score in the top 25% of census tracts statewide in the CalEnviroScreen 3.0. Also included are 22 census tracts in the highest 5% of the CalEnviroScreen's Pollution Burden.~~

~~The SOMAH PA will then verify information provided on the Cover Sheet by inspecting the Applicant's documentation and/or verifying the project exists in an eligible DAC census tract.~~

Properties with less than 10 years remaining on the affordability requirement term must extend the affordability requirements for a total of 10 years. Those properties that are willing to extend the affordability requirements may access SOMAH pre-application technical assistance. Proof of completed extension of affordability restrictions from a state or local agency must be provided with the Reservation Request Package submission.

4.2. VNEM Allocation Worksheet

The SOMAH PA will utilize the VNEM Allocation Worksheet to verify the property has at least five units and is allocating at least 51% of the electricity generated by the system for tenant usage.

5.3. Certificate of Occupancy (if requested and for existing properties only)

~~Only e~~Existing ~~buildings~~housing properties and retrofits are presently eligible for SOMAH program incentives. An existing ~~building~~housing property is defined by having a certificate of occupancy prior to or at application submittal. Owners may submit a pre-application request for technical assistance for an otherwise eligible property to ensure a property will be solar ready before securing a certificate of occupancy for an existing ~~building~~property. For SOMAH-eligibility, a property must apply for the solar permit from the authority having jurisdiction after the effective date of the certificate of occupancy to be considered an existing ~~building~~housing property.

6.4. Interconnection Authorization Letter

Properties that received a final interconnection authorization letter less than 12 months prior to submitting the Reservation Request Package must include a copy of

this letter.

C. Ineligible Multifamily Low-Income Housing Properties

The following are *not* eligible for incentives under the SOMAH program:

- Properties that have received a final interconnection authorization letter dated more than 12 months prior to submitting a SOMAH Reservation Request Package;
- Properties that are owned by publicly-owned or investor-owned gas or electricity distribution utilities, or any electrical corporation (ref. PUC Section 218) that generates or purchases electricity or natural gas for wholesale or retail sales;
- Properties with new construction systems are not eligible for the SOMAH program. A new construction system is a solar system that is installed prior to receipt of the certificate of occupancy for the Host Customer Site;
- Master-metered properties.

IV. Program Budget

The SOMAH program provides financial incentives for the installation of at least 300 MW of solar energy photovoltaic systems on multifamily affordable housing properties that meet the definition of low-income residential housing through the year 203~~20~~²⁹. In accordance with AB 693, as amended by Senate Bill (SB) 92 (Stats. 2017, ch. 26), the SOMAH program will be funded with \$100,000,000 or 66.67 percent of available funds, whichever is less, from the revenues described in subdivision (c) of PUC Section 748.5 beginning July 1, 2016, and ending, at the earliest, by June 30, 2020. Pursuant to D.17-12-022, the Commission continued authorizing the allocation of SOMAH funds through June 30, 2026 in D.20-04-012.¹⁷ Effective September 15, 2022, D.22-09-009 modified D.17-12-022 and D.20-04-012 to simplify the process for forecasting and setting aside funding for the SOMAH program, including approving the request for a Joint IOU Advice Letter true-up. While D.22-09-009 does not alter the existing true-up Advice Letter process, pursuant to Ordering Paragraph 4, through modification of language on page 11 of D.20-04-022, the IOUs may jointly submit a Tier 1 Advice Letter showing each IOU's prior year recorded greenhouse gas (GHG) allowance revenue and, if the \$100 million cap is reached, a calculation of each IOU's proportionate share of \$100 million.

The award of monetary incentives for qualifying solar energy systems that are installed on qualified multifamily affordable housing properties is authorized by the Commission through December 31, 203~~20~~²⁹. Per PUC Section 2870(c), "the Commission shall continue authorizing the allocation of funds through June 30, 2026, if the Commission determines that revenues are available after 2020 and that there is adequate interest and participation in the program."

¹⁷ D.22-09-009, *Decision Modifying Decision (D.) 17-12-022 and D.20-04-012 Regarding Process for Solar on Multifamily Affordable Housing Program Funding*, September 15, 2022, page 3.

Unlike the Multifamily Affordable Solar Housing (MASH) program, which was funded solely by the three larger electric utilities,¹⁸ the SOMAH program draws its funding from the GHG allowance auction proceeds of five IOUs.¹⁹

90% of the overall SOMAH budget of approximately \$100,000,000 is intended for distribution as incentives for eligible projects. The administration budget for SOMAH is capped annually at \$10,000,000 or 10% of annual available funds, whichever is less.

A. Collections to Date

The SOMAH program is funded by contributions from the sale of Greenhouse Gas Reduction Funds (GGRF) from the IOUs to date, plus the anticipated collections through 2018, totaling approximately \$118,698,866. The SOMAH PA calculated the approximate percentage share of contributions for 2018 from each participating IOU as follows: PG&E at 43.09%, SCE at 45.36%, SDG&E at 10.16%, PacifiCorp at 1.05%, and Liberty at 0.34%.

B. Methodology for Budgeting the SOMAH Program Incentives and Administrative Budget

Utilizing the sale of GHG allowances allocated to California’s IOUs through California’s Cap-and-Trade program may cause SOMAH incentive and administration budgets to fluctuate. The table below provides what portion of funds participating IOUs will likely contribute when the maximum collections of \$100M per year are obtained for the SOMAH program.

IOU	% of Total Proceeds	2018 Share of \$100M/annual allocations
PG&E	43.09%	\$43,090,000
SCE	45.36%	\$45,360,000
SDG&E	10.16%	\$10,160,000
PacifiCorp	1.05%	\$1,050,000
Liberty	0.34%	\$340,000
Total	100%	\$100,000,000

Available incentive amounts will be capped by the funding available in each IOU service area. Projects may only receive incentives from the IOU service area in which the project is located.

¹⁸ PG&E, SDG&E, and SCE.

¹⁹ The five IOUs are: PG&E, SDG&E, SCE, PacifiCorp, and Liberty.

When the SOMAH program is launched and begins accepting reservations, projects will be queued on a first-come, first-serve basis and will receive a reservation only if funding is available. Five individual reservation queues and up to five waitlist queues will exist representing each IOU service area. If funding becomes unavailable due to subscription levels or lower than anticipated Cap-and-Trade funding, a waitlist will be created until more funding becomes available. Upon the receipt of further funding, projects will be moved off the waitlist in the order they were received.

To provide transparency into available funding and overall program budgets, the SOMAH PA will publish incentive budgets for each IOU service area based on quarterly GHG auction proceeds reported to CaliforniaDGStats.ca.gov (CalDGStats). The SOMAH PA will also provide tables that include budget information on total incentives that remain available, are held in reservation, or were paid.

The SOMAH administration budget is also drawn from GHG allowances collected through California’s Cap-and-Trade program and may therefore be subject to fluctuations in funding. To account for this possibility, the SOMAH PA has incorporated a budget fluctuation model to mitigate uncertainty. The fluctuation model works by ramping program activities up or down depending on the annual available administration funds. For example, if the program budget in a year is only half the anticipated collection, the SOMAH PA will reduce program scope by 50% except for the critical components needed to administer the program. The SOMAH PA will also work directly with ED to determine which program activities should be pared down first. In years where the administration is fully funded, the SOMAH PA will plan for fully scoped tasks as described in this document. Additionally, the SOMAH PA and SCE will incorporate any scope changes made due to underfunding into the Scope of Work (SOW) as necessary.

C. Administrative Budget

SCE will compensate the SOMAH PA for its estimated administrative costs on a quarterly basis. The SOMAH PA will submit to the ED and SCE an invoice for the PA’s estimated administrative expenses 30 days before the start of the next quarter, which will be trued-up against the previous quarter’s actual expenses. The estimated program administration expenses will include the basis for requesting an advance payment and will provide reasonably detailed calculations for the forecasted expenditures and a quarterly work schedule. The SOMAH Decision further authorizes the CPUC to reimburse the ED up to \$2,000,000 annually from the participating utilities’ GHG proceeds for activities related to implementation and oversight of the SOMAH program.²⁰

The following table describes the different categories that comprise the SOMAH Administrative Budget:

Administrative Budget Category	Activity Details
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²⁰ D.17-12-022 at 57.

General SOMAH Program Administration	SOMAH Working Group, Regulatory Compliance, Contract Maintenance, Tracking Expenses, Database Management, Program Reporting, Application Processing, On-site Field Verifications, Advisory Counsel, Program Development.
SOMAH Marketing, Education and Outreach	Brand Development, Website Development, Community Based Organization Outreach, General Marketing Efforts, Conferences, Property and Tenant Engagement, Contractor Engagement.
SOMAH Workforce Development	Resource and Content Creation related to Job Training Materials and Outreach, Support Services, Collaboration with Job Training Organizations.
SOMAH Technical Assistance	General Billing Education, Phone Support, System Performance Monitoring Support, Fault Detection, Utility Bill Monitoring, Surveying, Financial Education, PV Installation Education.
SOMAH CPUC/ED Expenses	Energy Division’s preparation of an annual report to the State Legislature, activities related to the competitive bidding processes, and all evaluation, measurement, and verification activities. ²¹
IOU Expenses*	Potential internal utility administrative activities directly attributable to SOMAH and associated with compliance with the program.

*The SOMAH PA is also currently collaborating with each IOU to determine potential internal utility administrative activities directly attributable to SOMAH that may be required for IOU compliance with the SOMAH program, such as data collection and transfer. The SOMAH PA hopes for continued collaboration with the IOUs and ED to determine the most appropriate compensation to IOUs for these potential administrative activities.

D. Incentive Budget

1. Incentive Rates

²¹ *Id.*

The incentive structure is based on an upfront capacity (kW) based incentive. SOMAH’s incentive rates are detailed below:

TAX CREDITS		\$ per AC Watt Incentive	
ITC	LIHTC	Tenant	Common
No	No	\$3.50	\$1.19
Yes	No	\$2.45	\$0.87
No	Yes	\$2.45	\$0.87
Yes	Yes	\$1.75	\$0.65

Projects will receive the incentive level available at the time a reservation is confirmed. The Inflation Reduction Act (IRA) has extended the availability of the Federal ITC and LIHTC benefits. Additional ITC tax reductions are now possible through the IRA and will reduce incentives. These will be reviewed by the SOMAH PA on a case-by-case basis based on the project’s utilization of other incentive funds.²² Per D.23-03-007, “A project that has already submitted a SOMAH application (i.e., prior to the issue date of this Decision) but has not yet submitted its Incentive Claim Milestone documentation may request the revised incentive level.” The Commission may modify the incentive levels as the program progresses. Any modification to the incentive levels will be detailed through notice to stakeholders and program participants.

Unlike previous incentive programs where the Federal Investment Tax Credit (ITC) along with the other financial benefiting incentives such as the Low-Income Housing Tax Credit (LIHTC) were not factored into the incentive amount, incentives paid by the SOMAH program will be reserved based on the funding sources leveraged for the project. As highlighted in Table 3, projects will be eligible for differential incentives based on if they are also leveraging the ITC and/or LIHTC. Projects will also be required to delineate the percent of load that will be tenant-serving and the percent of load that will be offsetting common area loads. Any oversight made by the Applicant or Host Customer on documenting the ITC, LIHTC, additional program incentives, and/or the tenant load/common area load split may result in consequences including immediate disqualification from participating in SOMAH, as further detailed in the SOMAH Program Handbook.

2. Process to Track Incentives for Each IOU

The SOMAH PA will create a process whereby eligible projects will be allowed to submit for incentive funding within each IOU service area. CalDGStats will host an

²² Handbook 7, Section 3.2, Accounting for Other Funding.

incentive tracker that will track budget information on total incentives available, reserved, and paid in each IOU service area.

3. Safeguards to Ensure Incentives Paid for Projects Do Not Exceed Funding

The SOMAH PA will track incentives reserved and paid in each IOU service territory by assigning each project a unique identifier or application number that will correspond to the utility territory in which it resides. The nomenclature to be used is as follows:

- Pacific Gas & Electric – PGE-SOMAH-XXXXX
- Southern California Edison –SCE-SOMAH-XXXXX
- San Diego Gas & Electric – SDGE-SOMAH-XXXXX
- PacifiCorp – PAC- SOMAH-XXXXX
- Liberties Utilities – LIB-SOMAH-XXXXX

To provide budget transparency, the incentive budgets for each IOU service area will be visible on the CalDGStats website and updated no less than weekly.

4. Invoicing Process and Frequency

Making incentive payments to completed projects is one of the SOMAH program’s most important responsibilities, as incentives may cover up to 100% of the tenant-serving load portion of a project. The SOMAH PA’s plan for invoice processing and frequency is to:

- Enter into individual agreements with each participating IOU for the charge and distribution of incentive payments;
- Invoice individual IOUs for incentive payment for completed projects, as determined by the IOU payment agreements;
- Pay individual incentives in accordance with funding received by IOUs.

V. Job Training Requirements

The Decision requires the SOMAH PA to maintain an active role in developing program components that promote economic development in DACs through job training and local hiring initiatives.²³ The Commission also directed the SOMAH PA to develop strategies to encourage local hiring by contractors participating in the program.²⁴ The SOMAH PA anticipates that a dedicated focus on local hiring initiatives and development of effective recruiting, training, and hiring tools will result in a successful program. These strategies can create valuable short-term paid training opportunities on SOMAH projects, and potentially many long-term, well-paying jobs for participants.

A. SOMAH Job Training Requirements

²³ *Id.* at 25-26.

²⁴ *Id.* at 26.

The Commission referenced the MASH program as providing a reasonable framework for job training requirements but requested emphasis on the quality of training for each job training participant rather than maximizing the number of participants trained.²⁵ Accordingly, the SOMAH PA developed the following requirements for hours and number of job trainees for SOMAH based on system size:

System Size (CEC-AC)	Required Number of Job Trainees
0kW- < 50kW	1 trainee and no less than 40 hours of employment per trainee
50kW- < 100kW	2 trainees and no less than 40 hours of employment per trainee
100kW and greater	2 trainees and no less than 80 hours of employment per trainee

The type of work eligible for SOMAH’s job trainees emulates the North American Board of Certified Energy Practitioners (NABCEP) categories for job functions. NABCEP categories were chosen because they are an industry standard and should result in trainees receiving relevant hands-on training that can result in workforce recruitment. The SOMAH PA has also set minimum job trainee wages for hours spent working on SOMAH projects, as further described in the SOMAH Program Handbook.²⁶

B. SOMAH Job Training Resources and Local Hiring Initiatives

The SOMAH PA will offer a robust platform and suite of resources to assist contractors in finding eligible job trainees for projects:

1. Statewide Directory of Job Training Organizations (JTOs)

The SOMAH PA will develop and regularly update a statewide Job Training Organizations (JTOs) Directory. This resource will be available to SOMAH Contractors, property owners, the ED and other stakeholders. SOMAH Contractors can use the directory to locate local JTOs that assist in recruiting trainees interested in solar careers, as well as provide skills training and job readiness training to complement experience gained on solar installation job sites and other solar technology.

The SOMAH PA will conduct a comprehensive statewide marketing and outreach campaign coinciding with the program launch, aimed at reaching relevant California job training and work preparedness programs, including: community colleges, universities, community job training programs, pre-apprenticeship programs and

²⁵ *Id.*

²⁶ See SOMAH Program Handbook, October 1, 2018, Section 2, *Job Training Requirements*.

others. The SOMAH PA will educate JTOs on SOMAH job training opportunities and assist the JTOs in listing their appropriate contact information for the statewide directory.

2. SOMAH Job Training Portal

The SOMAH PA will develop the SOMAH Job Training Portal, a central online hub where contractors can manage each SOMAH project's job training requirement. Prospective Trainees will also be able to connect with job training opportunities. The portal will include a "Resume Bank" where contractors can search for eligible trainees, as well as a "Job Board" to post and manage open SOMAH trainee positions and other work opportunities available to the Contractor. All Contractors will have access to the Resume Bank of eligible trainees, as well as the JTO Directory.

The SOMAH PA will ensure that individuals who post their resume to the Resume Bank also have access to information about companies that are hiring, services such as resume-building and interviewing workshops, and referrals to other programs (including the JTO Directory).

Contained within the Training Portal will be the SOMAH Job Board, where contractors will be required to post SOMAH-related jobs at least 30 days before installation. The SOMAH PA will provide a customizable template for the contractor that includes basic information around qualifications and experience desired, pay rate, estimated dates, hours and job location, etc. Contractors must ensure their insurance covers the trainee while performing job duties on a SOMAH project. The SOMAH PA will be available to assist contractors with the Training Portal and connecting contractors with job applicants but will not perform the hiring functions. It remains the responsibility of the contractor to interview, hire, onboard, train, and supervise trainees. Contractors who report hiring SOMAH trainees will additionally be surveyed at three, six, and nine months after the hire date. Contractors are required to respond to these surveys for a minimum of one year.

3. Local Hiring Initiatives

Due to the Commission's endorsement of local hiring practices,²⁷ the SOMAH PA developed strategies to facilitate local hiring in the SOMAH program. The SOMAH PA will conduct outreach to job training organizations statewide, specifically those that work with disadvantaged workers to increase the pool of local and disadvantaged trainees available for contractors in the Resume Bank. Any standardized bidding form used for the SOMAH program will also include space for contractors to describe their local hiring plans or strategies to include workers from disadvantaged communities in the project.

²⁷ D.17-12-022 at 25-26.

The Resume Bank/Job Board provides the additional benefit of assisting the SOMAH PA with gathering critical data regarding job retention. The SOMAH PA anticipates the Resume Bank/Job Board will encourage employee and contractor engagement, ensure resumes and job postings remain updated, and will also report back to administrators with employment status updates and hiring reports. In total, these hiring initiatives should increase the community co-benefits from SOMAH projects and improve the potential for valuable data collection, as encouraged by the Commission and explained in Section 2 of the SOMAH Program Handbook.²⁸

4. Opportunities for Tenants

While the SOMAH program begins to deploy, the SOMAH PA will develop pathways to offer solar job training opportunities to residents of participating SOMAH properties. Examples of pathways include: 1) standardized marketing materials that property owners and contractors can display on site; 2) hosting solar installation trainings in or near the properties; and 3) informing tenants about the upcoming solar project and opportunities for solar job training and possible participation as a paid worker. Including tenants in SOMAH's job training initiatives serves the double-purpose of encouraging local hiring and possibly including historically disadvantaged workers.

C. SOMAH Required Documentation for Job Training

The Contractor is required to provide the following documentation for the SOMAH job training opportunity:

1. Submit a Completed Job Trainee Intake Form

The Job Trainee Intake Form on the SOMAH Job Portal will be used by the trainee to create a profile. This profile will gather information on the trainee's background and employment goals, including: past employment experience, goals and objectives for longer-term employment in the industry, and optional demographic information. While the contractor is responsible for ensuring that the Job Trainee Intake Form is submitted, the actual completion of the form is to be done electronically by the trainee to ensure their privacy. The SOMAH PA will conduct outreach to the trainees, survey them on their SOMAH experience as a trainee, and offer various services regarding resume development and further job placement.

2. Submit a Completed Job Training Affidavit

The Job Training Affidavit certifies the job training opportunity occurred, met, or exceeded the program requirements, and will provide useful information for understanding the success of SOMAH's job training requirements. The Affidavit identifies the names of the eligible job training program and job trainee(s) used for

²⁸ *Id.* at 26-27.

each SOMAH installation, trainee contact information, types of job tasks completed, and hours worked and wages. Both the contractor and SOMAH job trainee(s) must complete and sign this affidavit after the trainee's time on the installation project is completed. The SOMAH PA may spot check these affidavits for accuracy and verification that the opportunity was provided to the trainee.

Both the Intake form and the Affidavit must be completed as a precursor to receiving a SOMAH incentive payment.

D. Focus on Data Collection, Tracking of Trainees, and Reporting

The SOMAH PA will collect and publish comprehensive data regarding SOMAH job training opportunities, including job performance and retention metrics, as further detailed in the Public Reporting on Job Training Data section of the Program Handbook. This will include basic information around the number of trainees, hours, and types of work, as well as more specialized information regarding wages, benefits, length of employment terms, demographic information (optional for trainees to include on the Job Trainee Intake form), etc.

In addition, the SOMAH PA aims to track trainees on their progress in obtaining long-term employment, as well as survey both the trainees and contractors on their experience with SOMAH's job training requirement. Information on trainees who are considered local hires, or disadvantaged workers, will also be collected, tracked, and made public. Information about the SOMAH program's job training outcomes and local hiring initiatives will be published in aggregate on CalDGStats, as well as included in standard SOMAH reporting to the Commission and Legislature. No personally-identifiable information will be published. The SOMAH PA anticipates the Commission will find this information useful in its 2020 program evaluation of the SOMAH program.

In summary, the SOMAH PA will provide and build upon baseline tools to help the SOMAH contractors fulfill the SOMAH Job Training Requirement. These strategies will also encourage local hiring and connect job training organizations and job-seekers with SOMAH solar workforce opportunities, thereby furthering the community co-benefits from the SOMAH program.

VI. Third-Party Ownership Requirements

When a SOMAH incentivized system is owned by a third-party (typically a power purchase or leasing agreement), the SOMAH PA will require additional documentation to ensure that the economic benefits of solar PV systems accrue to tenants and that no additional costs are passed on to tenants.²⁹ The SOMAH PA will also require documentation to ensure third-party systems perform in accordance with contractor guarantees.

A. Certification of System Performance

Third-party owned systems are required to provide evidence of operations, maintenance and

²⁹ See D.17-12-022 at 23.

monitoring for the full term of the third-party ownership agreement. Additionally, third-party owned systems must include performance guarantees ensuring the systems will produce a minimum of 90% of the expected annual production as calculated by the Expected Performance Based Buydown (EPBB) calculator for the duration of the agreement. Should a system's annual production fall below 90% of the expected annual production after a .05% annual degradation factor has been applied, the third-party owner is required to compensate the Host Customer for the lost production valued at the applicable Power Purchase Agreement (PPA) rate for the production year (adjusted for any PPA rate escalators), multiplied by the production shortfall for the annual period.

To ensure the requirements above are met, applicants will be required to submit a Certification of Compliance with SOMAH Performance Requirements for Third-Party Owned Systems³⁰ in a worksheet containing the Host Customer's signature with the Proof of Project Milestone submission.

B. Affidavit Ensuring 100% Tenant Benefit

The Tenant Benefits Affidavit must be filled out and submitted with the Reservation Request to ensure that additional costs for a third-party system will not be passed on to the tenants.³¹

C. Performance Monitoring and Reporting Service Contract

A Performance Monitoring and Reporting Service (PMRS), designed to keep track of a PV system's performance, is required for all projects, whether they are Host Customer-owned or third-party-owned. It is the responsibility of the System Owner to contract with a PMRS provider for a minimum of 20 years and ensure that 15-minute interval production data is provided to the SOMAH PA quarterly. Third-party-owned systems must contract with PMRS services for a term equal to the term of the third-party ownership agreement if different than 20 years.

VII. Energy Efficiency Requirements

All projects shall submit a Solar Sizing Workbook containing proof that an energy efficiency audit was conducted at the site. This Workbook will also be used to identify any cost-effective electricity load reduction opportunities at the property, net zero energy opportunities, and building energy use characteristics, which will be maintained in the online database.

Participants can comply with the SOMAH energy efficiency requirement³² through one of two pathways outlined below. Regardless of which pathway is pursued, the participant must submit a Solar Sizing Workbook within 60 days of filing a SOMAH Reservation Request. The SOMAH PA

³⁰ See SOMAH Program Handbook, October 1, 2018, Appendix H., *Certification of Compliance with SOMAH Performance Requirements for Third-Party Owned Systems*.

³¹ See SOMAH Program Handbook, October 1, 2018, Appendix E., *Affidavit Ensuring 100% Tenant Economic Benefit*.

³² D.17-12-022 at 27.

anticipates the energy efficiency audits will result in additional cost savings for eligible multi-family housing and should meaningfully pair with the benefits afforded by PV systems.

A. Pathway 1: Energy Efficiency Walk Through Audit

The participant is responsible for hiring a credentialed energy auditor, as defined in the SOMAH Program Handbook³³ to provide an energy efficiency audit. This energy audit report will be reviewed by the SOMAH PA to verify compliance with SOMAH audit requirements of the Program Handbook.

The SOMAH PA will conduct site verifications on a sampling of projects to verify accuracy of the energy audit report, and any non-compliance findings will be relayed to the property owner and the energy audit firm.

B. Pathway 2: Recent or Active Participation in an Energy Efficiency Program

Participants can also meet SOMAH’s energy efficiency requirements with proof of recent³⁴ or active participation in an approved energy efficiency program, documentation of a recent California Tax Credit Allocation Committee (TCAC) rehabilitation, or documentation that the property was retrofitted under a recent version of Title 24. A list of all currently approved programs will be maintained on CalSOMAH.org, and SOMAH technical assistance can refer the property owner to potential applicable program(s) upon request.

C. Energy Efficiency Documentation Required in Application

The participant will be required to submit all energy efficiency documentation in accordance with the SOMAH Program Handbook, depending on which Energy Efficiency Pathway is utilized for compliance. In all instances, the participant must also submit the Solar Sizing Workbook, as described above.

VIII. Data Collection and Reporting Requirements

The SOMAH PA’s overarching objectives for data collection and reporting are to ensure that robust data collection occurs in all program areas, and that the Commission, ED, IOUs, and members of the public receive timely and accurate reports on program progress. The SOMAH program will continue to utilize the CalDGStats website as the single source for all data to be posted and displayed in formats that allows the viewer to easily decipher programmatic data and information. CalDGStats will also provide dynamic filters on each figure and graph, allowing users to break down a specific data set and examine it from different viewpoints while also being available to download in spreadsheet format in compliance with privacy laws and regulations.

A. Data Collection and Reporting Requirements (Including Report Format)

³³ See SOMAH Program Handbook, October 1, 2018, Section 2, *Energy-Efficiency Requirements*.

³⁴ Defined as within the past three years from the initial SOMAH application submittal date.

The SOMAH program will collect information on several data points, including, but not limited to, the following:

- Number of applications received;
- Number of applications accepted;
- Incentives paid;
- Capacity and estimated production of PV systems;
- Total system cost in \$/kilowatt before subsidy;
- Progress of installations;
- Applications by geographic area;
- Average number of bids received per project (if applicable);
- The contractor used;
- Administrative expenditures;
- Number of households served;
- Estimated aggregated tenant economic benefits;
- Number of unique job trainees;
- Total number of job trainee hours;
- Number of local contractors and subcontractors hired;
- Number of jobs generated;
- Number of local jobs generated;
- Number of participants that leverage SOMAH technical assistance services;
- Number of referrals to other energy programs;
- Number of participants that leverage other energy programs;
- Estimated carbon emissions reduced.

Most of the data points noted above will be inputted into CalDGStats and presented as a graph or table. However, other data collected through the program, namely administrative expenditures, will be collected via the SOMAH PA's internal billing process and reported via the Semi-Annual Expense Report (SAER).

B. Semi-Annual Expense Report (SAER)

The SAER will capture all internal program administration expenses via predetermined categories³⁵ that pertain to the SOMAH program funds that may be used for administrative expenses. The SAER will also be used to track proceeds from the sale of GHG allowances allocated to California's IOUs through California's Cap-and-Trade Program and balance program expenditures against them. In addition, the SAER will capture all internal program administration, workforce development, technical assistance, marketing, education and outreach, Commission expenses, and IOU expenses. The SAER will be posted twice per year to the CalDGStats website.

C. Identification of Incentives Awarded to Each Eligibility Grouping

AB 693, with amendments pursuant to SB 355 provides ~~two~~four criteria for eligibility for

³⁵ The SOMAH program contains four parent cost categories: Program Administration; Marketing, Education and Outreach; Workforce Development; and Technical Assistance.

participation in the SOMAH program: ~~1A~~) location of the property within a Disadvantaged Community (DAC); ~~or 2B~~) meeting the income criteria for at least ~~8066~~% of tenant households;³⁶ C) property is owned by a tribe, i.e., a California Native American tribe, as defined in Section 21073 of the Public Resources Code or D) property is rental housing property that is owned by one of the following: (i) A public housing authority created pursuant to the Housing Authorities Law [Chapter 1 (commencing with Section 34200) of Part 2 of Division 24 of the Health and Safety Code]; (ii) A public housing agency, as defined in Section 1437a of Title 42 of the United States Code. While the Commission did not specifically structure the program to allocate incentives between DAC-eligible properties and income level-eligible properties, it does require the SOMAH PA to track participation and identify the amount of incentives awarded to each grouping on an annual basis.³⁷

In order to accurately determine the participation of either DAC-eligible or income level-eligible projects, the SOMAH PA will track project addresses through the SOMAH online application database and cross-reference them against CalEnviroScreen 3.0. This data will then be reported CalDGStats website. The SOMAH PA will make visible and update weekly the incentive budgets and remaining funds for each IOU service area with dedicated graphs and tables located on the CalDGStats website. Information will include available funding, incentives reserved, current incentive rates, as well as MWs reserved and installed and MWs remaining to reach program goals.

IX. Supplier Diversity Rules

California Public Utilities Code (PUC) Sections 8281-8286 direct the Commission to require utility providers, their regulated subsidiaries, and affiliates to submit annual detailed and verifiable plans for increasing women-owned, minority-owned, disabled veteran-owned and LGBT-owned business enterprises (WMDVLGBTBE) procurement in all categories.

The SOMAH PA is not a utility provider, regulated subsidiary, nor affiliate of SCE and is therefore not required to file a diversity plan with the Commission per PUC Sections 8281-8286. Additionally, the SOMAH PA is comprised of nonprofit public benefit corporations that do not qualify for WMDVLGBTBE status under PUC Sections 8281-8286. The SOMAH PA subcontractors also do not qualify for WMDVLGBTBE status.³⁸ Thus, the SOMAH PA team is not a SCE recognized diverse business enterprise and does not contribute to SCE's supplier diversity goals.

Although Supplier Diversity Rules are not applicable to this implementation plan, the SOMAH

³⁶ See D.17-12-022 at 13 (“~~6680~~% of property residents must have incomes at or below ~~8060~~% of the area median income as determined by the DHCD”).

³⁷ *Id.* at 39.

³⁸ The SOMAH PA subcontractors are: Rising Sun Energy Center, Energy Solutions, Clean Power Research, Asian Pacific Environmental Network (APEN), Communities for a Better Environment (CBE), California Environmental Justice Alliance (CEJA), and the Environmental Health Coalition (EHC).

PA remains committed to the intent and purpose of PUC Sections 8281-8286. We note that the SOMAH PA's ME&O efforts are intended to target historically underrepresented groups and increase diverse participation in the SOMAH program. Furthermore, SOMAH's emphasis on quality local job recruitment should result in increased access to employment opportunities for diverse groups across California. The SOMAH PA looks forward to assisting historically disadvantaged communities gain access to cleaner, more affordable energy.

X. Interim Targets for Capacity Goals

The SOMAH program is required to provide incentives for at least 300 MW of installed solar PV by December 31, 2032~~0~~. To assess how many projects are required to meet the SOMAH program's target of 300 MW, the SOMAH PA relied on average system size in past MASH Program application data, then compared this data against different scenarios based on tenant versus common area solar PV production and allocation. The results were then applied over 10 years to determine what the typical incentives payouts are expected to be for each project. The SOMAH PA also considered the historical number of LIHTC projects financed in California to help understand what percent of all SOMAH projects are likely to receive lesser incentives. Additionally, the SOMAH PA assumed that every project would take the Federal Investment Tax Credit (ITC) until its expected expiration in 2021.

Based on MASH2023 SOMAH Program data, the average SOMAH project size ~~is will likely be approximately 78140~~ kW of installed capacity. Incorporating this average project size into the SOMAH PA's modeling methodology reveals SOMAH will need to average ~~383214~~ projects per year over the full ten years of the program to meet the 300 MW capacity goal by 2030. The extended program period to 2032 may allow additional flexibility to achieve the MW goal and/or serve additional properties should the budget allow without stretching program goals. Since the SOMAH program allows for variability in how a system might serve tenant and common load, the SOMAH PA developed two bookend scenarios that helped determine minimum and maximum incentive payments needed to meet annual capacity goals.

The two bookend scenarios consist of: 1) 100% tenant allocation to show the maximum amount of incentives needed to reach program goals; and 2) 51% tenant allocation, which is the minimum amount of incentives needed to reach program goals per the Decision. Under these two scenarios, the estimated maximum installed MW per year are as follows:

Estimated Maximum MWs Installed Per Year

Note: Years 2021-2023 represent actual installed project data. Years 2024-2032 include ~~both installed project data as well as~~ estimated values for active and future projects. ~~Years 2025-2030 represent estimated values.~~ The extended program period to 2032 may allow additional flexibility to achieve the MW goal and/or serve additional properties should the budget allow without stretching program goals.

Year	100% Tenant Load (MW)	51% Tenant Load (MW)
2021	3	3
2022	9	9
2023	346	346
2024	1644	1644
2025	32	62
2026	59	116
2027	45	89
2028	51	102
2029	32-16	63-31
2030	29-16	57-31
<u>2031</u>	<u>15</u>	<u>30</u>
<u>2032</u>	<u>15</u>	<u>30</u>
TOTAL	311	553

The SOMAH PA’s modeling also indicates that the amount of budget needed to reach the 300 MW goal is potentially-less than the maximum \$90M annual incentive collection authorized by AB 693. Using the prior bookend scenarios, the annual incentives needed per year are as follows:

Estimated Incentive Funding Needed to Reach 300 MW Goal

Note: Years 2021-202~~2~~³ represent actual installed project data. Years 202~~4~~³-203~~2~~⁴ include ~~both installed project data as well as~~ estimated values for active and future projects. ~~Years 2025-2030 represent estimated values. The extended program period to 2032 may allow additional flexibility to achieve the MW goal and/or serve additional properties should the budget allow without stretching program goals.~~

Year	100% Tenant Load	51% Tenant Load
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2021	\$4,855,078	\$4,855,078
2022	\$17,568,417	\$17,568,417
2023	\$85,083,441 <u>17,479,192</u>	\$85,083,441 <u>17,479,192</u>
2024	\$37,887,210 <u>105,491,458</u>	\$37,887,210 <u>105,491,458</u>
2025	\$110,781,388	\$75,373,141
2026	\$110,781,388	\$75,373,141
2027	\$110,781,388	\$75,373,141
2028	\$110,781,388	\$75,373,141
2029	\$110,781,388 <u>55,390,694</u>	\$75,373,141 <u>37,686,570</u>
2030	\$110,781,388 <u>55,390,694</u>	\$75,373,141 <u>37,686,570</u>
<u>2031</u>	<u>\$55,390,694</u>	<u>\$37,686,570</u>
<u>2032</u>	<u>\$55,390,694</u>	<u>\$37,686,570</u>
TOTAL	\$810,082,473	\$597,632,995

The tables above suggest that the SOMAH program has authorized sufficient funding to hit the minimum 300 MW target by 2032~~9~~. However, additional factors may affect the SOMAH program's progress in reaching or surpassing the 300 MW goal.

It should be noted that the MASH Program in its most productive year (2011) installed 131 solar systems and a total of 89 systems from 2015-2017 (according to CalDGStats). The SOMAH program will therefore need to incentivize three to five times more projects annually than MASH to reach the SOMAH program capacity target.

The SOMAH PA's ability to meet program targets assumes that the incentive levels authorized by the Commission will be sufficient to encourage high participation in the program and that the SOMAH program's statutorily mandated tenant benefit requirements will have little to no impact on participation levels. Thus, the SOMAH PA will closely monitor program progress and advise on any potential barriers that could prevent obtaining the 300 MW goal.

XI. Standardized Bidding Form and Online Tool

From a consumer protection standpoint, it is important that participating property owners/operators receive project information in a clear, standardized format that helps ensure they understand the costs and benefits of the incentivized system. To this end, an objective of the SOMAH program is to provide property owners/operators with clear, comprehensive bids for projects, with all costs and benefits apparent to ensure high-quality solar systems are installed in a cost-competitive manner. To ensure property owners/operators are receiving the best value possible, the SOMAH program will institute a process to obtain multiple project bids for customers that require additional Upfront Technical Assistance, pursuant to the SOMAH Program Handbook.³⁹

The SOMAH PA will develop and implement the framework for property owners/operators who require Upfront Technical Assistance to receive multiple bids via an online bidding portal or a paper bidding form. The multiple bidding process will be standardized, with bids formatted to facilitate an “apples to apples” comparison using a neutral scoring methodology. The bid sheet template will include project cost information and auxiliary services and benefits, as further described in the Program Handbook,⁴⁰ such as workforce development, local hiring, and energy storage capabilities. Once contractors have attended and completed a Contractor Eligibility Workshop,⁴¹ they will receive a copy of the bid sheet template and be added to the online bidding portal.

When an eligible property first engages with the SOMAH program, it will be determined if the Host Customer is ready to proceed with an eligible contractor (Track B) or would instead like to receive upfront technical assistance (Track A), which includes the requirement that the property participate in the multiple bidding process. Projects proceeding with Upfront Technical Assistance and the multiple bidding process will have an opportunity to obtain and review the bids and select a contractor, before submitting a Reservation Request. At the Reservation Request Review, the SOMAH PA will reach out to the Host Customer directly to collect the three bids. If the Host Customer received the bids in the eligible format, the SOMAH PA will collect the bids and attach them to the SOMAH online application database. If the Host Customer did not receive at least three bids, or if the bids were not received from an eligible SOMAH contractor or in the eligible format, the Host Customer will be directed to the online bidding portal where they can access more bids. The Host Customer will have 20 days to submit the multiple bids, or their application will be cancelled.

Projects in Track B are not required to participate in the multiple bidding process. However, the Host Customer will be provided information about the availability of the multiple bid portal and the option to participate or decline the multiple bidding process.

³⁹ See SOMAH Program Handbook, October 1, 2018, Section 4, *Application Process*.

⁴⁰ *Id.*

⁴¹ All contractors must attend and complete a Contractor Eligibility Workshop before participating in the SOMAH program.

Project cost and bidding information will be made public in the aggregate, thus increasing the public information around costs in this sector.

XII. Coordination with Investor Owned Utilities

A. Data Collection

The SOMAH PA will work closely with each participating IOU to create a safe and efficient process for the transfer of data for program administration purposes. A Non-Disclosure Agreement (NDA) between the SOMAH PA and participating IOUs will be executed that describes the type of data needed to fulfill the SOMAH PAs obligation in administering the program. The NDA is intended to manage the provisions of confidential customer information between the SOMAH PA and the IOU in accordance with the Decision.

B. Invoicing for Incentives

The SOMAH PA will structure contracts for the transfer of incentive funding with each participating IOU. These contracts will outline the framework for incentive transfer to the PA.

XIII. Marketing, Education & Outreach

Participation from diverse communities across California is critical to the success of the SOMAH program. The SOMAH PA will continually engage a broad selection of stakeholders, including utilities, housing organizations, community-based organizations, and tenant advocates to promote the SOMAH program and encourage eligible parties to participate. In addition, the SOMAH PA will work with housing owners to ensure that tenants in participating properties receive the information they need to maximize benefits and understand the implications of time of use (TOU) rates.⁴²

A. Submittal of Annual ME&O Plans

The SOMAH PA will submit a detailed program launch plan, budget, and copies of marketing materials to the CPUC's Energy Division within 60 days of the approval of the SOMAH Program Handbook via Commission Resolution. In addition, the PA will submit an annual marketing plan that includes activities proposed for the next year, a year-in-review of the activities completed in the current year, as well as the subcontractors engaged to complete the activities. All marketing plans will be released to the service list for public review and comment prior to posting on the CalDGStats website.

B. Target Audiences

⁴² D.17-12-022 at 20: "Given the statutory requirements to provide protection from rate changes we find it reasonable to exempt participating tenants from the requirement applying to other customers using the NEM successor tariff to take service under a TOU rate."

SOMAH marketing will target two key audiences to ensure broad and diverse participation: 1) owners and operators of multifamily affordable housing; and 2) solar contractors. Audience-appropriate marketing tactics will be used for each audience, including culturally and linguistically appropriate education and outreach at the community level.

C. Marketing Tactics

1. Program Website

The SOMAH PA will develop and maintain a comprehensive program website with the following key components:

- Program overview and searchable Handbook;
- Multilingual educational resources for affordable housing providers, contractors, and tenants;
- Information for job seekers and hiring contractors, including a job board;
- Application process, requirements, and Program interest form;
- Comprehensive list of stakeholder email addresses to receive recurring SOMAH information; and
- Program data and reporting tied to CalDGStats website.

2. Workshops and Conferences

The SOMAH PA will host audience-specific periodic workshops to educate affordable housing owners and contractors. In addition, the SOMAH PA will table at several annual conferences to engage with potential participants and provide speakers relevant to key SOMAH audiences.

3. Network-Based Marketing

The SOMAH PA will utilize the team's extensive affordable housing provider and solar contractor networks to promote the SOMAH program using various methods of communication.

4. Coordination with Existing Services

The SOMAH PA will coordinate with related service providers including energy efficiency programs, utilities, government agencies, solar and storage associations, and nonprofits to market SOMAH to affordable housing audiences.

5. Community-Based Outreach and Education

The SOMAH PA will subcontract with community-based organizations to provide culturally and linguistically appropriate outreach to the communities they serve, with a focus on tenants, other community organizations, job training organizations, and local affordable housing providers. The contracted organizations will rotate on an annual basis to ensure broad geographic and demographic coverage.

6. Media

The SOMAH PA will engage statewide, industry-specific, and community-based media outlets to promote the program launch and ongoing successes, as well as social media.

D. Progress Assessments

The SOMAH PA will assess the success of its marketing strategies based on the number of program applicants, geographic spread, and diversity of SOMAH program participation. Assessments will be conducted on a quarterly basis and strategies adjusted accordingly. Community-based organizations subcontracted to assist with ME&O will also be required to submit quarterly assessments to the SOMAH PA. An analysis and discussion of strategy adjustments will be included in each annual marketing plan submitted.

E. Direct Outreach to Affordable Housing Providers

The SOMAH PA team will conduct a multifamily affordable housing market characterization study to inform direct outreach efforts to affordable housing providers in addition to the above marketing tactics. The market characterization study will include a list of potentially-eligible multifamily low-income properties with deed restrictions.

The SOMAH PA will identify and connect with affordable housing owners and operators to provide a program overview, review the housing provider's portfolio to help identify all eligible properties in their portfolio, and assist housing providers to apply for the program.

F. Tenant Education

Properties participating in SOMAH will be required to educate their tenants about the solar project and its benefits/ impact on them. The SOMAH PA will create a tenant engagement toolkit for housing owners with multilingual educational resources. IOUs will have the opportunity to review and provide suggestions for the materials to be distributed in their respective service territory. Resources will include:

- Information on the project, including timeline;
- Solar and energy efficiency education, including programs available to tenants;
- TOU Rate Fact Sheet and information on energy bill impacts, developed in collaboration with the relevant utility; and
- Information on workforce development opportunities.

The SOMAH PA will evaluate the effectiveness of the education strategy and resources provided based on direct feedback from utilities. Feedback regarding the effectiveness of the education strategy and resources provided from affordable housing providers, tenants and community-based organizations will be garnered through direct outreach and surveys.

XIV. Conflict of Interest Policy for SOMAH PA Team Members

The SOMAH PA is committed to preventing any actual conflicts of interest and avoiding any potential conflicts of interest that could arise through the administration and implementation of the program. This section provides an overview of the SOMAH PA's approach and the processes to be implemented to prevent any actual conflicts of interest and avoid any potential conflicts of interest in the performance of program tasks. This section also describes a future public reporting process for any known or alleged conflicts of interest.

A. Background

The success of the SOMAH program is predicated, in part, on having a fair, open, and transparent solar project development market. In order for this to occur, it is necessary to ensure that all program participants, including project developers, have equal access to all relevant program and project information. Furthermore, it must be ensured that no program participant or project developer receives any special advantage, recommendation, or information to which the public does not have access from any member of the SOMAH PA. Apart from ensuring no special advantage or recommendation is actually received, it is also important to prevent the perception that any program participant or project developer could have received a special advantage, recommendation, or information to which the public does not have access.

In the Decision, the Commission required applicants for the PA role to delineate any possible conflicts of interest in RFP responses, particularly in relation to a PA member's potential role as both a program participant and as a PA, and propose safeguards to ensure their PA role does not confer on them any unfair advantage as a program participant or interfere with the creation of an open and competitive market.

B. Conflict of Interest Policy

In its RFP response, the SOMAH PA described known and potential conflicts of interest and developed a conflict of interest policy that includes a protocol for identifying, preventing, and avoiding any actual or potential conflicts of interest. Each PA team member with known or alleged conflicts of interest is required to submit a detailed plan to comply with the policy, subject to approval by the PA team members with no identified actual or potential conflict of interest.

The conflict of interest policy addresses three primary areas for the PA team members, as described below:

1. Physical Separation

No PA team member has, through physical proximity, the opportunity to share information of a competitive nature that is not available to the public concerning SOMAH program implementation (including with respect to TA Services) with any person or entity other than persons working on the PA Team and affordable housing

owners.

2. Electronic Separation

All systems and databases to be used in the SOMAH program will be proprietary to the SOMAH PA operations and segregated and protected in such a way as to prevent access to proprietary information by any PA team member with a perceived or actual conflict of interest and/or any potential program participant. This includes, but is not limited to: online application database, project development and cost information, Salesforce, and any other platforms, tools, or resources that will be utilized in the SOMAH program.

3. Identity Separation

Once the SOMAH program launches, there will be a branding and communication regime that ensures the SOMAH PA functions and communicates as one entity and will not be represented as the individual organizations that comprise the SOMAH PA. This branding and communication regime will address all public-facing branding and communications in all media and contexts, including, but not limited to, websites, marketing and program description materials, application forms, electronic communications of all types, including, but not limited to, email and social media, print, news coverage, PR, business cards, and statements made the public.

C. Public Resources

In the forthcoming website revamp to coincide with program launch, the SOMAH PA will make available to the public additional information regarding its conflict of interest policy and related procedures as well as a dedicated space and defined process for any member of the public to report known and potential conflicts of interest. All alleged conflicts of interest reported by members of the public will be investigated by the PA team members with no identified actual or potential conflict of interest, with results and details shared with the CPUC Energy Division and stakeholders.

The SOMAH PA has implemented these protocols to ensure conflicts of interest will be avoided throughout the duration of the SOMAH program. In addition to the elements described here, the SOMAH PA team members will follow all related existing laws and standards.