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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on
Customer-Generated Renewables for
Priority Communities.

Rulemaking 25-01-005

**DECISION MODIFYING THE SOLAR ON MULTIFAMILY
AFFORDABLE HOUSING PROGRAM**

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DECISION MODIFYING THE SOLAR ON MULTIFAMILY AFFORDABLE HOUSING PROGRAM

Summary

This decision addresses proposals to modify the Solar on Multifamily Affordable Housing (SOMAH) program and institute reporting and remaining funds requirements for the program's statutorily mandated conclusion in 2032. This decision orders Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, Liberty Utilities, LLC (Liberty), and PacifiCorp (collectively, the IOUs) to include in their January 2027 Joint Semi-annual Administrative Expense Report the six-month interest rate and total accrued interest in their SOMAH balancing accounts. This decision also orders the IOUs to submit a Tier 2 advice letter by December 31, 2033, with a final SOMAH budget expenditure report including data from their Joint Semi-annual Administrative Expense Report ¹. Energy Division staff may propose modifications to the final budget expenditure report content and timeline requirements via resolution in response to regulatory or legislative changes.

This decision authorizes Liberty and PacifiCorp to propose the return of, at a minimum, unused SOMAH funds collected in 2025 and the first half of 2026 to customers via the Residential and Small Business Climate Credit as part of their 2027 Energy Cost Adjustment Clause application. The decision authorizes Liberty and PacifiCorp to propose the return of additional SOMAH funds in future Energy Cost Adjustment Clause applications at annual amounts of up to

¹ Pub. Util. Code Section 2870(f)(1) directs the Commission to administer the SOMAH program through December 31, 2032.

\$0.38 million and \$1.84 million, for Liberty and PacifiCorp respectively, in their 2028 Energy Cost Adjustment Clause applications and in subsequent year applications.

This decision allows the SOMAH program administrator and IOUs, via Tier 2 Advice Letter, to seek approval to extend SOMAH administrative spending beyond December 31, 2032, exclusively for program close-out tasks, application processing, and utility support in reviewing final incentive requests. All such tasks must conclude by the filing of the SOMAH budget expenditure report Tier 2 advice letters ordered in this decision.

This decision directs the IOUs to use accrued interest on SOMAH funds to offset the SOMAH budget allocations scheduled for the first half of 2026.

Finally, the decision orders the IOUs to return unused SOMAH funds, including accrued interest, to their greenhouse gas revenue accounts upon the disposition of their final budget expenditure report Tier 2 advice letters at program close.

This decision does not add property types to those property types eligible to receive SOMAH incentives.

The proceeding remains open.

1. Background

In 2007, the Commission launched the California Solar Initiative as part of a statewide campaign to install 3,000 megawatts (MW) of new distributed solar generation and transform the market for solar energy by reducing the cost of solar generating equipment. Over a 10-year period, the Commission authorized \$2.5 billion in ratepayer funds for payments to incentivize solar system

installations, with 10 percent dedicated to low-income residential customers and affordable housing projects through two programs: the Single Family Affordable Solar Homes (SASH) program and the Multifamily Affordable Solar Housing (MASH) program.

Assembly Bill (AB) 693 (Stats. 2015, Ch. 582) adopted a successor to the MASH program, the Solar on Multifamily Affordable Housing (SOMAH) program. In the legislative findings, the bill specifically stated that “[i]t is necessary to provide assistance to low-income utility customers to make sure they can afford to pay their energy bills” and “[i]t is the goal of the state to make qualifying solar energy systems more accessible to low-income and disadvantaged communities and, as in the case of the Multifamily Affordable Housing Solar Roofs Program, to install those systems in a manner that represents the geographic diversity of the state.”² The SOMAH program provides incentives to encourage solar energy systems to serve multifamily affordable housing with up to \$100 million annually (from 2016 to June 2026) in funding from Pacific Gas and Electric Company’s (PG&E), San Diego Gas & Electric Company’s (SDG&E), Southern California Edison Company’s (SCE), Liberty Utilities LLC’s (Liberty), and PacifiCorp’s (collectively, the IOUs) share of greenhouse gas (GHG) allowance auction proceeds.

Among other things, Senate Bill (SB) 355 (Stats. 2023, Ch. 393) later extended the SOMAH program and its target installation of a combined generating capacity of at least 300 MW on qualified properties to December 31,

² AB 693 Section 1 (a) and (e).

2032. It also directed the Commission to triennially evaluate program expenditures and performance metrics, and to make any adjustments necessary to ensure progress toward program goals. SB 355 expanded the types of properties eligible to participate in SOMAH, such as properties owned by a California Native American tribe.³

The Commission, in Decision (D.) 17-12-022, adopted requirements and implementation guidance for the SOMAH program. D.17-12-022 built on the successes and lessons learned from the MASH program to incentivize solar photovoltaic (PV) systems with a focus on increasing tenant bill savings, workforce development, and development of projects in disadvantaged communities. D.17-12-022 also included program goals, eligibility requirements, program administration, program funding, program evaluation guidelines, the virtual net energy metering (VNEM) tariff, and guidance for selection of a statewide program administrator. Funding for SOMAH comes from the IOUs' GHG allowance auction proceeds, which are largely overseen by the California Air Resources Board. SOMAH is one of the programs to which the Commission allocates funding through its authority under California Public Utilities (Pub. Util.) Code Section 748.5(c).⁴

The Commission's staff selected a statewide SOMAH Program Administrator (PA) team — led by the Center for Sustainable Energy (CSE) consisting of Grid Alternatives (GRID), the California Housing Partnership

³ As defined in the Public Resources Code Section 21073.

⁴ Pub. Util. Code Section 748.5(c) contains a sunset date of July 1, 2026 that was added by AB 1207 (Stats. 2025, Ch. 117).

Corporation (CHPC), and the Association for Energy Affordability — via a competitive bidding process in March 2018, and the program began accepting applications on July 1, 2019. In D.20-04-012, pursuant to Pub. Util. Code Section 2870(c), the Commission found that there was adequate interest in the program and revenue available to continue funding through June 2026.⁵ A series of Commission decisions modified the SOMAH program, most significantly by D.23-03-007 in March 2023, which increased incentive levels and eliminated the annual step-down in incentives that D.17-12-022 established. Pursuant to Pub. Util. Code Section 2870(c), D.20-04-012 authorized the IOUs to continue allocating SOMAH funds through June 30, 2026.⁶

In D.23-11-068, the Commission adopted modifications to the SOMAH VNEM tariff to facilitate installation of integrated battery storage for resiliency and to permit participation in demand response and emergency reliability programs.⁷ The Commission also considered program modifications informed by the SOMAH Phase 2 Evaluation report completed in October 2021. Those modifications were adopted in the decision closing Rulemaking (R.) 14-07-002.⁸ The July 2024 SOMAH Semi-Annual Progress report showed statewide applications for 79.86 MW of solar with an incentive budget of \$169.6 million.⁹

⁵ D.20-04-012 at Ordering Paragraph (OP) 1.

⁶ D.20-04-012 at OP 6.

⁷ D.23-11-068 at OP 1(h), (i), and (j).

⁸ D.24-11-006 at OP 1.

⁹ SOMAH Semiannual Progress Report: January 1, 2024 – June 30, 2024 at 13.

SB 355 extended the SOMAH program through December 31, 2032, and enacted several program modifications that require Commission deliberation to implement and remain outstanding after the close of R.14-07-002. SB 355 also added Pub. Util. Code Section 2870(f)(8), which prohibits monies authorized through the SOMAH program from being used to meet energy efficiency requirements in the Title 24 energy code requirements for new construction.

The Commission partially implemented SB 355 through CSE Advice Letter 147-E in February 2024, updating SOMAH's Program Implementation Plan and Program Handbook to reflect new program timelines, income eligibility pathways, and other details. In D.24-11-006, the Commission also adopted goals, metrics, and key performance indicators for the program.¹⁰

AB 1207 (Stats. 2025, Ch. 748) made the state's 15 percent allocation of GHG revenues in the California Transmission Accelerator Revolving Fund Program for clean energy and energy efficiency projects inoperative on July 1, 2026.

1.1. Procedural Background

The Commission opened R.25-01-005 on January 16, 2025, in part, to implement SB 355 and consider other modifications to the SOMAH Program.¹¹ A prehearing conference was held on April 7, 2025, and an Assigned Commissioner's Scoping Memo and Ruling was issued on May 1, 2025.

¹⁰ D.24-11-006 at OP 1.

¹¹ Order Instituting Rulemaking (OIR) on Customer-Generated Renewables for Priority Communities 25-01-005 at 1.

On June 20, 2025, the assigned Administrative Law Judge (ALJ) issued a ruling seeking party comments on SB 355, including whether to expand the SOMAH program's eligibility to new construction or under-construction affordable multifamily housing (June 20 ALJ Ruling). As the ruling states, SB 355 "gives the Commission the option to further expand the SOMAH program's eligibility to include new properties or properties undergoing construction."¹² The ruling asks parties whether expanding the SOMAH program's eligibility to include new and under-construction affordable multifamily properties is consistent with the program's statutory deployment target and the Governor's stated affordability objectives.¹³ If such a change is made, the ruling also asks how to allow newly constructed or under-construction affordable multifamily housing into SOMAH.¹⁴ Finally, the June 20 ALJ Ruling seeks party comments on expanding the SOMAH program's eligibility to include master-metered affordable multifamily properties, and how to pass bill benefits on to tenants of master-metered affordable multifamily properties.¹⁵

GRID filed opening comments responding to the ruling on July 17, 2025. On July 18, 2025, the following parties filed opening comments: Liberty and PacificCorp, writing jointly; CSE; Sunrun; SCE; SDG&E; PG&E; the Public Advocates Office of the California Public Utilities Commission (Cal Advocates); and the Solar Energy Industries Association (SEIA). CHPC filed a motion on July

¹² June 20 ALJ Ruling at 3.

¹³ June 20 ALJ Ruling at 4.

¹⁴ June 20 ALJ Ruling at 4.

¹⁵ June 20 ALJ Ruling at 6-7.

24, 2025, for the Commission to accept the late filing of comments responding to the June 20 ALJ Ruling. The motion was granted on July 28, 2025. On August 8, 2025, the following parties filed reply comments: PG&E; Sunrun; SEIA; Liberty and PacifiCorp, writing jointly; Center for Biological Diversity (CBD) and California Environmental Justice Alliance (CEJA), writing jointly; SCE; CSE; California Solar & Storage Association (CALSSA); SDG&E; and GRID Alternatives.

On October 20, 2025, the assigned ALJ issued another ruling seeking comments on SOMAH modifications in response to AB 1207, including questions about dollar amounts in the IOUs' forecasts for SOMAH in their respective Energy Resource Recovery Account (ERRA) and Energy Cost Adjustment Clause (ECAC) forecast applications, steps the Commission should take to comply with AB 1207's potential impact to SOMAH's funding, whether to use funding allocations adopted in Table 2 of D.22-09-009 to allocate SOMAH funding for 2025 and 2026, how to address potential over- or under-collections of SOMAH funds, and whether to amend the SOMAH true-up process for 2025 and 2026 (October 20 ALJ Ruling). On November 24, 2025, opening comments were filed by SDG&E; CSE; DAC Energy and Steller Enterprises (Steller), writing jointly; PG&E; SCE; Cal Advocates; Sunrun; CALSSA; and Liberty and PacifiCorp, writing jointly.

On December 15, 2025, reply comments were filed by Cal Advocates; SDG&E; CSE; Sunrun; and CBD and CEJA, writing jointly.

1.2. Issues Before the Commission

The Commission must consider whether to make any adjustments to the SOMAH program in response to SB 355 and AB 1207, as well as make any preparations for the program's statutorily determined closure on December 31, 2032. These questions are relevant to the following Scoping Memo and Ruling issues:

1. How should the Commission modify SOMAH to implement SB 355?
2. Should the Commission modify other aspects of SOMAH? If so, how?
3. Are the modifications and elements proposed in Track 1 consistent with the Commission's Environmental and Social Justice (ESJ) Action Plan and in furtherance objectives of the Governor's Executive Order N-5-24 issued on October 30, 2024?¹⁶

2. Newly Constructed or Under-Construction Affordable Multifamily Properties

The Commission declines to expand SOMAH incentives to include newly constructed or under-construction multifamily affordable housing properties.

2.1. Statutory Interpretation of Section 2870(a)(3) and (f)(8)

SB 355 revised Pub. Util. Code Section 2870(a)(3) to define "Qualified multifamily affordable housing property" as "of at least five rental housing units that is, *or will be*, operated to provide deed-restricted low-income residential housing" and meets certain statutory requirements.¹⁷ SB 355 also added Pub.

¹⁶ Assigned Commissioner's Scoping Memo and Ruling at 2.

¹⁷ Pub. Util. Code Section 2870(a)(3) (emphasis added).

Util. Code Section 2870(f)(8): "For purposes of the new construction of qualified multifamily affordable housing property, moneys authorized through the program shall not be used to meet the requirements of Part 6 (commencing with Section 100) of Title 24 of the California Code of Regulations."

2.1.1. Party Comments

Given SB 355's modifications to the Pub. Util. Code, the June 20 ALJ Ruling asked parties about expanding the SOMAH program's eligibility to include new construction or under-construction affordable housing.

SCE, PG&E, SEIA, CHPC, CALSSA, Sunrun, GRID Alternatives, CBD, CEJA, and CSE support expanding SOMAH incentives to new-construction or under-construction affordable multifamily housing properties, while Liberty, PacifiCorp, SDG&E, and Cal Advocates oppose such an expansion.

In their comments, several parties state that SB 355 requires newly constructed or multifamily affordable properties undergoing construction to be included in SOMAH. Specifically, SEIA states, "SB 355 modified the SOMAH program to provide access to new properties and properties under construction as well as to properties comprised of units that do not have individual utility accounts."¹⁸ CBD and CEJA point to the Assembly Bill Analysis from September 8, 2023, which states SB 355 "also loosens program income requirements and expands program eligibility to include new construction, with some limitation."¹⁹ CBD and CEJA cite this language while asserting "[a]ny current pushback on the inclusion of new buildings is invalid, as the law requires the expansion of

¹⁸ SEIA Opening Comments on SB 355 Implementation at 2.

¹⁹ Assembly Floor Analysis (September 8, 2023) at 2.

SOMAH's eligibility requirements."²⁰ GRID Alternatives states that "[t]he statutory text explicitly incorporates new construction into the program eligibility criteria, and the [Commission] has already correctly determined that SB 355 'permits that if residential properties are new construction, then incentives can be used for the portion of a system that goes beyond building energy code requirements.'"²¹

2.1.2. Discussion

When interpreting statutes, the Commission typically begins with the statute's plain language.²² The Commission also gives significance, if possible, to every word or part, and harmonizes the parts by considering a particular clause or section in the context of the whole.²³

Here, we find that the plain language of SB 355 does not *require* SOMAH to provide incentives to newly constructed or under-construction affordable multifamily properties. Instead, SB 355 states that "[f]or purposes of the new construction of qualified multifamily affordable housing property, moneys authorized through the program shall not be used to meet the requirements of Part 6 (commencing with Section 100) of Title 24 of the California Code of Regulations."²⁴ As such, the statute refers to new construction of qualified

²⁰ CBD and CEJA Reply Comments on SB 355 Implementation at 9.

²¹ GRID Alternatives Reply Comments on SB 355 Implementation at 2.

²² *Kimmel v. Goland* (1990) 51 Cal.3d 202, 208; *Burden v. Snowden* (1992) 2 Cal.4th 556 at 562; *Hsu v. Abbara* (1995) 9 Cal. 4th 863; and *Wilcox v. Birtwhistle*, (1999) 21 Cal.4th 973.

²³ *Moyer v. Workmen's Comp. Appeals Bd.* (1973) 10 Cal. 3d 222

²⁴ Pub. Util. Code Section 2870(f)(2).

multifamily affordable housing property as a possible option for SOMAH program expansion, not as a requirement.

Moreover, the revised section does not use the word “shall,” “require,” or similar language to mandate that the Commission offer SOMAH incentives to newly constructed or under-construction multifamily affordable properties. Instead, the Legislature focuses its mandate on the requirement that “moneys authorized through the program *shall* not be used to meet” the state’s Title 24 requirements. No such language mandates the incentives.

Accordingly, the Commission finds that there is no statutory obligation to expand SOMAH to include newly constructed or under- construction multifamily affordable properties.

2.2. Affordability and Administrative Policy Concerns

Liberty, PacifiCorp, and Cal Advocates argue that the Commission should consider affordability concerns when deciding whether to expand SOMAH to newly constructed or under-construction multifamily affordable properties. Liberty and PacifiCorp note that Governor Gavin Newsom’s Executive Order N-5-24 directs the Commission “to examine the benefits and costs to electric ratepayers of programs it oversees” and “reduce costs to electric ratepayers.”²⁵ Liberty and PacifiCorp state that “changes to the program will result in additional administrative costs, which are disproportionately felt by the more limited number of Liberty and PacifiCorp customers, and potentially divert

²⁵ Liberty and PacifiCorp Opening Comments on SB 355 Implementation at 3.

funds that would otherwise be returned to customers at the expiration of the program.”²⁶

Similarly, Cal Advocates argues:

[E]xpanding eligibility to newly-constructed or under-construction affordable multifamily housing and master-metered properties risks diluting ratepayer funds, increasing administrative burden, and undermining the program’s core purpose of delivering savings to low-income tenants in existing, disadvantaged housing.²⁷

In particular, Cal Advocates states that expanding SOMAH to newly constructed or under-construction affordable multifamily properties would require the PA to first determine how much of the proposed solar PV system is required under Title 24 building codes, which mandate new construction include a certain amount of solar capacity. Cal Advocates explains that “identifying the ‘above-code’ portion of a proposed [PV] system is technically complex and administratively burdensome.”²⁸ Similarly, Liberty and PacifiCorp point to the “administratively burdensome” challenge of calculating installed solar generation above the Title 24 requirement and assert that “Commission affordability objectives, as well as those outlined by the Governor in Executive Order N-5-24, would avoid the incurrence of such additional administrative costs.”²⁹

²⁶ Liberty and PacifiCorp Opening Comments on SB 355 Implementation at 3.

²⁷ Cal Advocates Opening Comments on SB 355 Implementation at 1.

²⁸ Cal Advocates Opening Comments on SB 355 Implementation at 2.

²⁹ Liberty and PacifiCorp Opening Comments on SB 355 Implementation at 5-6.

CSE and SEIA address the challenge of calculating the amount of solar generation installed above Title 24 requirements by suggesting that any solar generation system producing more than the minimum mandated capacity could qualify as new construction or under-construction affordable multifamily housing property for SOMAH.³⁰ CHPC, however, states that SOMAH should only incentivize solar generation above the amount required to comply with Title 24.³¹ Similarly, Sunrun suggests that 51 percent of solar production above the minimum amount of solar required by Title 24 must be provided to the tenants for SOMAH's minimum threshold purposes.³² Sunrun suggests having "third-party, professionally certified Title 24 energy consultants produce a hypothetical compliant energy report to establish the minimum quantity of solar required for Energy Code purposes."³³

Advocates for expanding SOMAH incentives to newly constructed or under-construction affordable multifamily properties argue that doing so would alleviate cost pressures by helping certain low-income households access renewable generation. CSE states that expanding SOMAH meets the goals of Executive Order N-5-24 because it "saves low-income families on their energy costs every month, year after year" while lowering overall ratepayer bills by

³⁰ CSE Opening Comments on SB 355 Implementation at 6-7; SEIA Opening Comments on SB 355 Implementation at 6.

³¹ CHPC Opening Comments on SB 355 Implementation at 5.

³² Sunrun Reply Comments on SB 355 Implementation at 20-21.

³³ Sunrun Reply Comments on SB 355 Implementation at 20.

reducing reliance on the California Alternative Rates for Energy (CARE) ratepayer assistance program.³⁴

Sunrun also points to potential CARE savings through SOMAH expansion, stating that “[t]hrough SOMAH and the cap-and-trade program, polluter dollars are invested in long-term clean energy production.”³⁵ SEIA writes that expanding SOMAH meets the goals of Executive Order N-5-24 because the SOMAH program is not ratepayer-funded but is instead funded via cap-and-trade climate credits.³⁶ GRID Alternatives makes a similar argument that SOMAH is funded by the GHG allowance auction process and providing ratepayer savings in the form of reduced CARE program costs.³⁷

SCE counters GRID Alternative’s argument by stating that:

GHG allowance revenues are intended to benefit customers directly, and in practice, they do—through the California Climate Credit. Redirecting those funds to SOMAH reduces the amount available for bill relief. That may be a valid policy choice, but it is not cost-free to IOU customers.³⁸

Finally, CBD and CEJA argue that the Commission must expand SOMAH to newly constructed or under-construction affordable multifamily properties regardless of Executive Order N-5-24. They state that “the Commission lacks the

³⁴ CSE Opening Comments on SB 355 Implementation at 5-6.

³⁵ Sunrun Opening Comments on SB 355 Implementation at 7-8.

³⁶ SEIA Opening Comments on SB 355 Implementation at 4.

³⁷ GRID Alternatives Opening Comments on SB 355 Implementation at 5.

³⁸ SCE Opening Comments on SB 355 Implementation at 4.

legal authority to ignore statutorily mandated actions by solely relying on the justifications laid out in the [Executive Order].”³⁹

Given that SB 355 does not mandate the expansion of SOMAH incentives to newly constructed or under-construction multifamily affordable properties, the Commission has the discretion to decide whether to expand the program. That discretion may be based on a consideration of various factors, such as affordability impacts, administrative burden, and need to meet the program’s statutory deployment goal.

In light of such discretion, the Commission agrees with Liberty, PacifiCorp, and Cal Advocates. Expanding SOMAH incentives to newly constructed or under-construction affordable multifamily properties will likely be administratively burdensome and add costs to the program. The solutions proposed by parties to calculate the amount of solar generation installed above the amount required by Title 24 would require additional resources and new program rules.

As noted in its July 30, 2025 and January 1, 2026 Semiannual Progress Reports, the SOMAH PA is still in the midst of implementing updates to the program stemming from direction provided in D.24-11-006.⁴⁰ As stated in that

³⁹ CBD and CEJA Opening Comments on SB 355 Implementation at 4-5.

⁴⁰ D.24-11-006 directed significant program modifications to the SOMAH program including, but not limited to: authorizing funding for integrated storage incentives, revised outreach reporting, elimination of the tenant education requirement, establishment of high-priority property lists, removal of the bidding requirement, revised job trainee requirements, and additional application streamlining. The Decision also formalized DAC participation goals requiring at least 40 percent of all projects statewide and 30 percent per large IOU territory to be in DACs by program end, and directed 1.5% of 2025 ME&O budget toward Liberty and PacifiCorp territories.

Decision, regarding these program modifications, “[o]verall, we expect the[se] changes... to greatly streamline and optimize the program, reduce administrative costs, and focus the SOMAH PA on the most impactful activities for improving participation. We expect that eliminating the barriers most commonly noted by prior participants will support expanded and repeat participation to help the program reach its goals.”⁴¹ Expanding the eligible property types at this juncture in the program’s implementation would shift the SOMAH PA’s attention and resources from these ongoing and necessary improvement efforts.

Claims that GHG revenue-funded programs should be considered separately and distinctly from ratepayer-funded programs are inconsistent with previous program management determinations. Resolution E-5054, which approved several changes to the SOMAH Program Handbook in May 2020, stated clearly: “...the ultimate beneficiaries of these GHG funds *are* ratepayers. Therefore, the treatment of these funds must be similar to the treatment of other ratepayer dollars. We therefore reject comments seeking to differentiate these funding sources as irrelevant.”⁴² As SCE states, resources used to expand SOMAH to newly constructed and under-construction affordable multifamily properties are not inherently cost free because unexpended funds could otherwise be directed to ratepayer bill relief. Accordingly, limiting eligibility furthers the Commission’s affordability goals by protecting funds that can be

⁴¹ D.24-11-006 *Decision Modifying Solar on Multifamily Affordable Housing Program*, issued November 7, 2024 (D.24-11-006) at 55.

⁴² Resolution E-5054 at 14.

returned to customers and is consistent with Governor Newsom's Executive Order N-5-24.

Finally, parties provided different perspectives on how expanding SOMAH to newly constructed and under-construction affordable multifamily properties related to SOMAH's 300 MW combined generation capacity installation goal. CSE's comments reference the SOMAH Second Triennial Evaluation Report, which stated that the SOMAH Program appears capable of achieving its 10-year goal of installing 300 MW but "[a]chieving this goal will require new strategies and outreach efforts to build a pipeline of future projects, while continuing to address participation barriers faced by property contractors."⁴³ CSE and Sunrun argue that expanding the SOMAH program's eligibility to include new construction and under-construction multifamily affordable housing properties will address participation barriers faced by property owners and contractors, build a pipeline of future projects, and support the program's statutory deployment target.⁴⁴

However, as Cal Advocates states, participation has been picking up since the SOMAH Second Triennial Evaluation Report was published on June 9, 2023, and is close to achieving a third of the 300 MW goal.⁴⁵ Additionally, Cal Advocates writes that the SOMAH program added 17.95 MW of capacity in the second half of 2024, with a 131 percent increase in active applications between

⁴³ CSE Opening Comments at 5.

⁴⁴ CSE Opening Comments on SB 355 Implementation at 5; Sunrun Opening Comments on SB 355 Implementation at 4.

⁴⁵ Cal Advocates Opening Comments on SB 355 Implementation at 5.

the first and last six months of the year.⁴⁶ Cal Advocates asserts that “[b]ased on the program’s progress so far, it is reasonable to conclude that SOMAH will meet its 300 MW goal by 2032 with the properties that are already eligible for SOMAH.”⁴⁷ Similarly, PG&E states that the program should achieve its 300 MW goal under existing program rules.⁴⁸

We agree with Cal Advocates that expanding SOMAH to newly constructed and under-construction affordable multifamily properties is not needed to meet SOMAH’s 300 MW installation goal. No party provided clear evidence that the 300 MW target cannot be met under existing eligibility for SOMAH incentives. Several parties acknowledged that participation in the program is increasing, further supporting the maintenance of the current structure.⁴⁹ The recent increase in program participation correlates with the Commission’s decision to increase SOMAH incentive levels in March 2023.⁵⁰ Adding new property categories at this late stage could divert administrative and financial resources from completing existing projects that already contribute toward the 300 MW target.

SOMAH included a statutory goal with a primary purpose of installing 300 MW of clean, distributed power. Beyond SOMAH's installation targets,

⁴⁶ Cal Advocates Opening Comments on SB 355 Implementation at 5.

⁴⁷ Cal Advocates Opening Comments on SB 355 Implementation at 5.

⁴⁸ PG&E Opening Comments on SB 355 Implementation at 5.

⁴⁹ PG&E Opening Comments on SB 355 Implementation at 4, Cal Advocates Opening Comments on SB 355 Implementation at 5,

⁵⁰ D.23-03-007 Ordering Paragraph (OP) 1.

PG&E, SCE, and SDG&E have reported that large numbers of residential solar installations have already occurred in disadvantaged communities (DACs) since 2019 without receiving incentives. SCE writes that from 2019 to 2025, 104,067 residential solar installations occurred within DACs in its service territory that did not participate in Commission-administered programs or receive installations, compared to 100 residential solar installations that received SOMAH benefits and 482,443 residential solar installations that participated in Net Energy Metering (NEM)/Net Billing Tariff (NBT).⁵¹ PG&E states that from 2019 to 2025, approximately 96,000 residents in DACs in its service area installed solar without participating in a Commission-administered incentive program, while 34,000 residents lived in buildings that participated in the SOMAH program.⁵² SDG&E explains that 5,419 solar installations occurred in DACs in its service territory from 2019 to 2025 without participating in any Commission programs or receiving incentives.⁵³ However, SDG&E did not deduct SOMAH installations from the total number of solar installations during that time period.⁵⁴ These statistics show that residential solar installations are growing independent of statutory incentives.

The figures provided by SCE, PG&E, and SDG&E indicate broad adoption of residential solar in DACs outside of SOMAH and other Commission-coordinated incentive programs.

⁵¹ SCE Response to ALJ January 26 Ruling at 7.

⁵² PG&E Response to ALJ January 26 Ruling at 5-6.

⁵³ SDG&E Response to ALJ January 26 Ruling at 8.

⁵⁴ SDG&E Response to ALJ January 26 Ruling at 9.

Because SOMAH is on track to meet its statutory goals, and in support of the Commission's affordability objectives, the Commission declines to expand SOMAH to include newly constructed and under-construction affordable multifamily properties.

3. Master-Metered Affordable Multifamily Properties

The Commission does not expand the SOMAH program to include affordable master-metered properties, whether or not the units are separately metered for reasons explained below.

3.1. Statutory Interpretation of Section 2870(g)(2)

SB 355 revised Pub. Util. Code Section 2870(g)(2) to state: "If units are separately metered, low-income tenants who participate in the program shall receive credits on utility bills from the program."⁵⁵

3.1.1. Party Comments

Sunrun states that the statutory language "allows the Commission to expand eligibility to all affordable housing with owner-provided electric service."⁵⁶ SEIA also argues that "the additional program eligibility afforded under PU Code Section 2870(g)(2) ... extends to affordable multifamily properties where the tenants do not have separate utility meters or it is infeasible to distribute program benefits via individual discounts on tenants' electricity bills."⁵⁷

⁵⁵ Pub. Util. Code Section 2870(g)(2).

⁵⁶ Sunrun Opening Comments on SB 355 Implementation at 16-17.

⁵⁷ SEIA Opening Comments on SB 355 Implementation at 7.

CBD and CEJA state that it is clear that SB 355 intended to include master-metered properties in SOMAH in the context of earlier legislation, AB 693, which stated that “[l]ow-income tenants who participate in the (MASH) program shall receive credits on utility bills from the program.”⁵⁸ CBD and CEJA also note that SB 355 states that “[t]he commission shall ensure that electrical corporation tariff structures affecting the low-income tenants participating in the program continue to provide a direct economic benefit from the qualifying solar energy system.”⁵⁹ Taking into account the two pieces of legislation, CBD and CEJA state that:

Harmonizing AB 693 and SB 355 and prior and current versions of Public Utilities Code § 2870(g)(1) and (2) can only lead to one reasonable interpretation: master-metered properties must be eligible for the SOMAH program because the barrier to allocating credits for master-metered property tenants is resolved by SB 355.⁶⁰

3.1.2. Discussion

The plain language of SB 355 does not require that master-metered multifamily affordable properties be included in the SOMAH program. No part of the current statute clearly states that the “direct economic benefit” for low-income tenants replaces the “credits on utility bills” referred to in AB 693, or that master-metered affordable multifamily properties must be included in SOMAH.

⁵⁸ CBD and CEJA Reply Comments on SB 355 Implementation at 12.

⁵⁹ CBD and CEJA Reply Comments on SB 355 Implementation at 12.

⁶⁰ Pub. Util. Code Section 2870(g)(1); CBD and CEJA Reply Comments on SB 355 Implementation at 13.

Additionally, SB 355 only references units that are separately metered and not master-metered, as noted by Cal Advocates.⁶¹

As such, the Commission finds there is no statutory obligation to extend the SOMAH program to master-metered multifamily affordable properties. Instead, the Commission has the discretion to determine whether to include sub-metered or master-metered multifamily affordable properties in the SOMAH program based on criteria such as the cost of implementation and feasibility.

3.2. Implementation and Feasibility

The IOUs assert that they would face difficulties in allocating generation credits to tenants of master-metered properties. PG&E states that expanding SOMAH to include master-metered properties would require that the master-metered customer incorporate allocated generation credits into the cost of electricity included in the rent for individual dwelling units, or for sub-metered properties in tenant billing, as required by Rule 18.4.⁶² PG&E explains that requiring the installation of sub-meters for each tenant unit would result in significant costs for the property owner.⁶³ SCE cites D.17-12-022 in explaining that tenants of master-metered properties are not direct customers of a utility and, as a result, “the ‘Commission cannot ensure that [SOMAH VNEM] discounts provided to the master meter account would be passed through to

⁶¹ Pub. Util. Code Section 2870(g)(2), Cal Advocates Opening Comments on SB 355 Implementation at 4.

⁶² PG&E Opening Comments on SB 355 Implementation at 5.

⁶³ PG&E Opening Comments on SB 355 Implementation at 5-6.

low-income tenants.”⁶⁴ Similarly, Liberty and PacifiCorp state that “[w]ithout submeters, there is no guarantee property owners will pass on the benefits to tenants.”⁶⁵ Cal Advocates also expresses transparency concerns leading it to oppose expansion.⁶⁶

Other parties suggest alternative ways to ensure that the property owner distributes SOMAH incentives to tenants in a master-metered affordable multifamily property. For example, SEIA, Sunrun, and CSE separately suggest using U.S. Housing and Urban Development (HUD) alternative delivery models to distribute indirect financial benefits to tenants in master-metered HUD-assisted housing.⁶⁷ CSE states that examples of acceptable HUD alternatives include job training and workforce development, hiring additional staff to serve residents and building needs, facility upgrades, free or reduced cost high-speed internet service, and financial literacy programs and services.⁶⁸ CSE states that owners can also use widely available software tools to track building-level utility savings and support documentation of how savings are reinvested. CSE asserts that “[t]hese tools are familiar to many affordable housing providers and can provide a clear, auditable way to demonstrate the flow of benefits to tenants as required by SOMAH rules.”⁶⁹ Sunrun supports CSE’s proposal for a Benefit

⁶⁴ SCE Reply Comments on SB 355 Implementation at 5.

⁶⁵ Liberty and PacifiCorp Opening Comments on SB 355 Implementation at 8.

⁶⁶ Cal Advocates Opening Comments on SB 355 Implementation at 4.

⁶⁷ SEIA Opening Comments on SB 355 Implementation at 7; Sunrun Opening Comments on SB 355 Implementation at 22-23; CSE Opening Comments on SB 355 Implementation at 16.

⁶⁸ CSE Reply Comments on SB 355 Implementation at 5-6.

⁶⁹ CSE Opening Comments on SB 355 Implementation at 16-17.

Distribution Plan for master-metered affordable multifamily properties, which Sunrun says is a “well-established national standard.”⁷⁰

SCE, PG&E, SDG&E, Liberty, and PacifiCorp all point to what they say are possibly insurmountable difficulties the Commission would face attempting to implement and enforce alternative benefits, such as those listed by HUD. SCE states that “HUD cannot reasonably replace the Commission’s responsibility to oversee SOMAH.”⁷¹ SDG&E argues that employing the HUD alternative benefits risks allowing property owners to collect all the SOMAH incentives rather than distributing them to tenants. SDG&E asserts that “[w]ithout direct utility billing relationships or transparent oversight, tenants may be unaware of the benefits they are entitled to, and property owners lack the incentive or accountability to distribute those benefits fairly.”⁷²

We find merit in Cal Advocates’ and the IOUs’ arguments highlighting the difficulty of ensuring tenants in master-metered buildings receive their appropriate share of SOMAH benefits. Requiring the PA to develop a methodology or process to ensure owners of master-metered buildings appropriately distribute bill credits or alternative benefits, such as those listed by HUD, to tenants would add a significant administrative burden and cost on the PA. We also agree with PG&E’s arguments citing SB 355’s requirement that tenants receive “direct economic benefits from the qualifying solar energy

⁷⁰ Sunrun Reply Comments on SB 355 Implementation at 24.

⁷¹ SCE Reply Comments on SB 355 Implementation at 6-7.

⁷² SDG&E Reply Comments on SB 355 Implementation at 4.

system.” The alternative benefits listed by HUD, such as facility upgrades or high-speed internet, may not qualify as “direct economic benefits.”⁷³

Additionally, we find merit in SCE’s argument that the SOMAH VNEM tariff cannot accommodate master-metered properties where there is only one utility customer. The Commission would have to establish a new SOMAH customer-generation NEM tariff to accommodate such participants, which the IOUs would need to implement at a cost to ratepayers for its development, implementation, and billing system origination.

Finally, we are persuaded by PG&E’s argument stating that adding private sub-meters to units in such multifamily properties is costly, and that sub-meter data is reported to the property owner, not the utility.⁷⁴

Further, as we found in our determination that rejected new construction properties into the program, introducing new programmatic elements for master-metered properties into the SOMAH program now would divert the SOMAH PA’s ongoing efforts and focus to implement key process improvements ordered in D.24-11-006. Projects at master-metered properties would rely on landlords and property owners to deliver bill credits to their tenants, with less transparency and accountability than the current universe of eligible projects. This would be in conflict with one of the SOMAH goals that the Commission adopted in D.24-11-006: “Ensuring financial benefits accrue

⁷³ PG&E Reply Comments on SB 355 Implementation at 3-4.

⁷⁴ PG&E Opening Comments on SB 355 Implementation at 5; PG&E Reply Comments on SB 355 Implementation at 4.

primarily and directly to tenants, and are not recaptured by other means.”⁷⁵ For these reasons, the Commission does not expand SOMAH to include master-metered affordable multifamily properties, with or without submeters. The SOMAH program has a fixed budget, and parties showed no evidence that it is unlikely to meet its 300 MW goal with currently eligible property types. Therefore, expanding the program to less desirable and higher-risk property types would crowd out resources for investments that deliver more certain customer benefits.

4. SOMAH Reporting and Funding Proposals

The October 20 ALJ Ruling sought party comments on potential modifications to SOMAH in response to AB 1207, which made the state’s 15 percent allocation for clean energy and energy efficiency projects inoperative on July 1, 2026. Among the questions asked were how to address potential over- or under-collections of SOMAH funds and whether to amend the SOMAH true-up process for 2025 and 2026.

CSE, Sunrun, and CALSSA argue that AB 1207 does not impact SOMAH funding because AB 1207 made the state’s 15 percent clean energy and energy efficiency project allocations inoperative one day after SOMAH’s funding allocations are already scheduled to end, as ordered by D.20-04-012.⁷⁶

The Commission agrees with CSE, Sunrun, and CALSSA that AB 1207 does not impact SOMAH funding. However, party responses to the October 20

⁷⁵ D.24-11-006 OP 1.

⁷⁶ CALSSA Opening Comments in Response to AB 1207 at 2; CSE Reply Comments in Response to AB 1207 at 1; Sunrun Opening Comments in Response to AB 1207 at 2; D.20-04-012 at OP 6.

ALJ Ruling include proposals on other SOMAH funding and reporting issues that the Commission addresses below. Those issues address (1) possible revisions to the true-up process for SOMAH funds, (2) SOMAH funding and program reporting, (3) the return of accrued interest on SOMAH funds and other unused SOMAH funds to ratepayers, and (4) SOMAH wind-down tasks.

4.1. SOMAH True-Up

D.20-04-012 established an annual SOMAH funding true-up process for reconciling the IOUs' forecasted SOMAH annual set-aside amounts with actual GHG auction revenues.⁷⁷ D.20-04-012 ordered the IOUs to file Tier 1 advice letters adjusting the set-aside amounts no later than March 1 following each year in which SOMAH set-aside funds were forecasted. The October 20 ALJ Ruling asked for party comments on whether the SOMAH true-up process for 2025 and 2026 should be amended and about the risks and/or opportunities associated with repealing the SOMAH true-up process.⁷⁸

CSE suggests amending the SOMAH true-up process for 2026 by moving the April-June 2026 true-up to occur via a Tier 1 advice letter no later than September 1, 2026. According to CSE, the change would "allow for this true-up to occur more closely to when recorded GHG revenue information becomes available and ensure timely disbursement of SOMAH program funds."⁷⁹

All other parties support keeping the existing true-up process without modification. For example, PG&E writes that "[i]f the true-up process were

⁷⁷ D.20-04-012 at 10.

⁷⁸ October 20 ALJ Ruling at 3.

⁷⁹ CSE Opening Comments in Response to AB 1207 at 7.

repealed now, there likely would not be a clear understanding of how much credit should be returned to the GHG funding account from the calendar year's SOMAH funding."⁸⁰ Similarly, Cal Advocates asserts that keeping "the established procedure ensures stability during the program's final funding years and preserves alignment with prior Commission decisions governing GHG allowance revenue reconciliation."⁸¹

The Commission agrees with PG&E, Cal Advocates, and other parties that maintaining the existing true-up process ensures stability for the remaining life of the program, and the process does not need modification. Considering the large amount of SOMAH funds already in reserve, the Commission does not see any compelling reason to move up the 2026 true-up date to disburse SOMAH program funds more quickly, as suggested by CSE. Accordingly, this decision does not alter the existing SOMAH fund true-up process.

4.2. Reporting Requirements

Several parties suggest modifications to SOMAH funding and reporting in preparation for the end of SOMAH funding allocations by June 30, 2026, and the statutorily mandated conclusion of the SOMAH program by December 31, 2032.⁸² Cal Advocates suggests that the IOUs be required to file a funding status update by the third quarter of 2026 detailing each utility's SOMAH balancing account, including principal and accrued interest, and the projected

⁸⁰ PG&E Opening Comments in Response to AB 1207 at 3.

⁸¹ Cal Advocates Opening Comments in Response to AB 1207 at 6.

⁸² D.20-04-012 at OP 6; Pub. Util. Code Section 2870(f)(1).

disbursement schedule through the program's sunset in 2032.⁸³ Cal Advocates also proposes that the IOUs file a final expenditure and performance report on the SOMAH program by 2032, summarizing all program expenditures, project outcomes, and remaining balances.⁸⁴ SDG&E supports Cal Advocates' proposals but suggests that CSE — not the utilities — be required to file the final expenditure and performance report through a Tier 2 advice letter.⁸⁵ SDG&E states:

As fiscal agents to the program, IOUs can provide details on principal balance and accrued interest. In contrast, CSE, as the program administrator, is the appropriate source to report on program expenditures to date, project outcomes, and remaining balances.⁸⁶

Sunrun opposes the additional reporting requirements proposed by Cal Advocates and SDG&E, stating that “[t]hese additional proposed requirements are not necessary and should be rejected.”⁸⁷ According to Sunrun, “[t]here has been no change in underlying law or procedures requiring or justifying such additional work.”⁸⁸

The Commission agrees with Cal Advocates that the additional reporting requirements will help the Commission “plan for an orderly wind-down that allows continued administration using pre-2026 funds and accrued interest, with

⁸³ Cal Advocates Opening Comments in Response to AB 1207 at 3.

⁸⁴ Cal Advocates Opening Comments in Response to AB 1207 at 3.

⁸⁵ SDG&E Reply Comments in Response to AB 1207 at 4.

⁸⁶ SDG&E Reply Comments in Response to AB 1207 at 4.

⁸⁷ Sunrun Reply Comments in Response to AB 1207 at 3-4.

⁸⁸ Sunrun Reply Comments in Response to AB 1207 at 3-4.

no new GHG revenues.”⁸⁹ The Commission directs the IOUs to jointly file a 2026 funding status update within their January 2027 Joint Semi-annual Administrative Expense Report as ordered by Ordering Paragraph 3 of D.19-03-015, including the total accrued interest and the interest rate from the six-month period in 2026. As SDG&E notes, the IOUs themselves are best positioned to provide details on principal balance and accrued interest in the program.⁹⁰

However, the Commission does not direct the utilities to forecast projected disbursements through 2032, as proposed by Cal Advocates, because total interest is based on cash flow and the amount in the SOMAH Balancing Account. Both would be difficult to forecast.

Finally, the Commission directs the IOUs to each file a final budget expenditure report in 2033, rather than 2032. The program will have expenses until its close on December 31, 2032 and the utilities may need more time to process final invoices and incentive payments after that date. The utilities should include data from their Joint Semi-annual Administrative Expense Report and the SOMAH PA’s Semi-Annual Expense Reports and finalize the format with the Energy Division prior to their 2033 submittal. The reported information will support the evaluation of the program’s outcomes relative to its stated goals, consistent with the Commission’s ESJ Action Plan. A final budget expenditure report shall be filed as a Tier 2 advice letter by each utility individually, not as a joint filing, by December 31, 2033. Energy Division staff may propose

⁸⁹ Cal Advocates Opening Comments in Response to AB 1207 at 3.

⁹⁰ SDG&E Reply Comments in Response to AB 1207 at 4.

modifications to the final budget expenditure report content and timeline requirements via resolution in response to regulatory or statutory changes.

4.3. Liberty and PacifiCorp SOMAH Allocations for 2025 and 2026

Liberty and PacifiCorp suggest that the Commission authorize them to begin returning portions of existing SOMAH funds to customers via the Climate Credit.⁹¹ Liberty and PacifiCorp explain that their proposal “will better serve customers, particularly in light of exceedingly low program participation.”⁹² Liberty and PacifiCorp also assert that “even a significantly reduced amount of SOMAH funding should cover future projects through the program’s sunset in 2032.”⁹³ Liberty and PacifiCorp state that as of November 24, 2025, SOMAH applications for Liberty amount to only 0.055 MW and \$120,170 of program incentives from more than \$2 million in available program funding.⁹⁴ According to Liberty and PacifiCorp, PacifiCorp received no SOMAH applications as of November 24, 2025 despite more than \$11 million in available program funding.⁹⁵ Liberty and PacifiCorp state that the low SOMAH program usage “is largely due to Liberty’s forested and mountainous service territory and PacifiCorp’s northern rural and relatively unpopulated service territory,” which make solar installation more expensive.⁹⁶

⁹¹ Liberty and PacifiCorp Opening Comments in Response to AB 1207 at 3-4.

⁹² Liberty and PacifiCorp Opening Comments in Response to AB 1207 at 4.

⁹³ Liberty and PacifiCorp Opening Comments in Response to AB 1207 at 4.

⁹⁴ Liberty and PacifiCorp Opening Comments in Response to AB 1207 at 5.

⁹⁵ Liberty and PacifiCorp Opening Comments in Response to AB 1207 at 5.

⁹⁶ Liberty and PacifiCorp Opening Comments in Response to AB 1207 at 5.

Cal Advocates supports making plans now on how the IOUs will return unused SOMAH funds before the 2032 program end date.⁹⁷ Cal Advocates argues that “[w]ithout proactive direction, significant funds may remain idle in the [Balancing Accounts] for many years or exceed overall program needs, leaving ratepayer dollars stranded and delaying their eventual return to customers.”⁹⁸

CSE opposes Liberty and PacifiCorp’s proposal to return unused SOMAH funding, stating that, as the SOMAH PA, CSE is implementing program marketing, education, and outreach initiatives directed by D.24-11-006.⁹⁹ DAC Energy and Steller state that the Commission should not decide how to reimburse unused funds before SOMAH’s conclusion.¹⁰⁰ According to DAC Energy and Steller, “SOMAH’s statutory authority continues through 2032, and only after all obligations are satisfied should the Commission evaluate any residual balances.”¹⁰¹

Sunrun suggests that the Commission defer consideration of Liberty and PacifiCorp’s proposal to the next triennial evaluation cycle beginning in 2028.¹⁰² While citing what it says are “real and unique challenges to implementing the SOMAH program (as it has been designed so far) in their territories,” Sunrun

⁹⁷ Cal Advocates Reply Comments in Response to AB 1207 at 1-2.

⁹⁸ Cal Advocates Reply Comments in Response to AB 1207 at 2.

⁹⁹ CSE Reply Comments in Response to AB 1207 at 1-2.

¹⁰⁰ DAC Energy and Steller Opening Comments in Response to AB 1207 at 1.

¹⁰¹ DAC Energy and Steller Opening Comments in Response to AB 1207 at 2.

¹⁰² Sunrun Reply Comments in Response to AB 1207 at 8.

writes that “[t]he Commission is in the process of changing the SOMAH program in ways that may yet increase the demand for SOMAH in these territories.”¹⁰³

Due to the low uptake of the program in their service territories, the Commission grants Liberty and PacifiCorp’s request to return a portion of SOMAH funds to their customers via their respective Climate Credits. We concur with Liberty and PacifiCorp that returning the SOMAH funds will benefit ratepayers and address affordability, consistent with the Commission’s affordability objectives and Governor’s Executive Order N-5-24. We also find that returning the funds will not harm customers in other service territories because incentive amounts are constrained to customers within those territories.

As for specific amounts of SOMAH funds to be returned, the Commission authorizes Liberty and PacifiCorp to propose the return of, at a minimum, unused SOMAH funds collected in 2025 and the first half of 2026 via the Residential and Small Business Climate Credit as part of their 2027 ECAC applications. After a careful review of PacifiCorp and Liberty’s SOMAH balancing accounts, their project pipeline as documented in California Distributed Generation Statistics (DGStats),¹⁰⁴ and the SOMAH Eligible Property Map, the Commission authorizes Liberty Utilities LLC and PacifiCorp to propose the return of SOMAH funds collected prior to 2025 up to \$0.38 million

¹⁰³ Sunrun Reply Comments in Response to AB 1207 at 8.

¹⁰⁴ The SOMAH Program’s Working Data Set can be downloaded from the California Distributed Generation Statistics website accessible here:
https://www.californiadgstats.ca.gov/downloads/#_somalh

and \$1.84 million each year, for Liberty Utilities LLC and PacifiCorp respectively, in their 2028 ECAC applications and in subsequent year applications. Liberty and PacifiCorp shall record the return of SOMAH funds under line 14 of Template D-1: Annual Allowance Revenue Receipts and Customer Returns (In \$000) when submitting their GHG Revenue and Reconciliation Application.

Even without those funds, Liberty and PacifiCorp will have sufficient SOMAH funding to respond to customer interest through the duration of the program, given the limited number of eligible properties within their service territories and the limited number of applications to date. Finally, because the Commission is not expanding SOMAH eligibility in this decision, the “major program changes” envisioned by Sunrun are not a concern in ensuring the sufficiency of Liberty and PacifiCorp’s SOMAH funds for the duration of the program.

4.4. Unused Funds and Accrued Interest

Cal Advocates and the IOUs propose returning unused SOMAH funds to consumers via the Climate Credit at the program’s conclusion. Cal Advocates writes that returning SOMAH funds and accrued interest “after all obligations are met” would “reduce energy affordability burdens for ratepayers.”¹⁰⁵

Sunrun, DAC Energy, Stellar, and CSE oppose making any determination now about how unused SOMAH funds are dispensed with at the program’s conclusion. Sunrun asserts that determining the SOMAH program wind-down is premature, as there are still seven years left for the program to operate.¹⁰⁶ As the

¹⁰⁵ Cal Advocates Opening Comments in Response to AB 1207 at 3-4.

¹⁰⁶ Sunrun Reply Comments in Response to AB 1207 at 6.

SOMAH PA, CSE anticipates “that the total funding allocation will be needed over the next seven years through 2032 to meet the SOMAH program goal of 300 MW of combined generating capacity and to achieve California’s clean energy and ESJ goals.”¹⁰⁷

CBD and CEJA recommend that the Commission should deploy unused SOMAH funds “to grow solar and storage resources in (Disadvantaged Communities) and low-income communities, with proper benefits to these communities.” As an alternate recommendation, CEJA states that “the Commission should at least maintain the Legislature’s intent to benefit SOMAH-eligible communities and direct the climate credit to those same ratepayers.”¹⁰⁸

The Commission agrees with Cal Advocates and the IOUs that unused SOMAH funds should be returned to the IOUs’ GHG revenue accounts. Doing so would comply with the legislative intent that “[t]he commission shall authorize the award of monetary incentives for qualifying solar energy systems that are installed on qualified multifamily affordable housing properties through December 31, 2032.”¹⁰⁹ Dedicating the unused SOMAH funds to any other program after SOMAH’s wind-down, as CBD and CEJA suggest, would conflict with this statutory direction.

The SOMAH PA and the IOUs may request permission via Tier 2 Advice Letter from Commission staff to extend its SOMAH administrative spending beyond 2032 exclusively for program close-out tasks, application processing, and

¹⁰⁷ CSE Opening Comments in Response to AB 1207 at 4.

¹⁰⁸ CBD and CEJA Reply Comments in Response to AB 1207 at 5-6.

¹⁰⁹ Pub. Util. Code Section 2870(f)(1).

supporting utilities in reviewing final incentive requests in alignment with the utilities' work. However, all such tasks shall be concluded by the filing of the SOMAH final budget expenditure report Tier 2 advice letters ordered in this decision.

Additionally, any accrued interest from SOMAH funds shall first offset 2026 SOMAH budget allocations and then be returned to the IOUs' GHG revenue accounts upon the disposition of the SOMAH final budget expenditure report Tier 2 advice letter. The IOUs and Cal Advocates support returning accrued interest from SOMAH funds to customers via a Climate Credit.¹¹⁰ PG&E proposes returning accrued interest upon the program's conclusion, while SDG&E, Liberty, and PacifiCorp propose returning accrued interest prior to the program's conclusion. SCE proposes returning accrued interest "to customers via the Climate Credit in future IOU ERRR Forecast Applications."¹¹¹

CSE, however, states that the total accrued interest of more than \$100 million across all utilities' SOMAH Balancing Accounts should be maintained through the program's closure, with the PA allowed to access those funds for program administration and final program close-out tasks.¹¹² Additionally, CSE asserts that if the Commission expands the SOMAH program's scope and eligibility, the SOMAH PA should have access to the fund's total accrued

¹¹⁰ PG&E Opening Comments in Response to AB 1207 at 2; SDG&E Opening Comments in Response to AB 1207 at 3; SCE Opening Comments in Response to AB 1207 at 4; Liberty and PacifiCorp Opening Comments in Response to AB 1207 at 3-4; Cal Advocates Opening Comments in Response to AB 1207 at 3-4.

¹¹¹ SCE Opening Comments in Response to AB 1207 at 4.

¹¹² CSE Opening Comments in Response to AB 1207 at 5.

interest.¹¹³ Cal Advocates responds that allowing the PA to use all accrued interest violates Pub. Util Code Section 784.5(a), which states that, with some exceptions, “the commission shall require revenues, including any accrued interest, received by an electrical corporation as a result of the direct allocation of greenhouse gas allowances to electric utilities ... to be credited directly to the residential customers of the electrical corporation.”¹¹⁴ CBD and CEJA state that accrued interest from SOMAH funds should be used “to meet the Legislature’s intent to improve and expand the program” and to avoid “the risk of a potential shortfall to adequately administer the program prior to 2032, and for any necessary close-out expenditures.”¹¹⁵

The Commission agrees with the IOUs’ general argument that accrued interest for SOMAH funds should be returned to the IOUs’ GHG revenue account, which can then be returned to customers via the Climate Credit. Taking into consideration the enormous amount of accrued interest currently held by the utilities, as well as low SOMAH adoption in some IOU service territories, the IOUs should use accrued interest first to offset SOMAH budget allocations authorized for the first half of 2026. This will leave sufficient funds to operate the program through 2032 and support the program’s goal of installing at least 300 MW on qualified properties. The IOUs should then return any remaining accrued interest for SOMAH funds to ratepayers via the Climate Credit upon the

¹¹³ CSE Opening Comments in Response to AB 1207 at 7.

¹¹⁴ Cal Advocates Reply Comments in Response to AB 1207 at 3.

¹¹⁵ CBD and CEJA Reply Comments in Response to AB 1207 at 3.

disposition of the SOMAH final budget expenditure report Tier 2 advice letter through a future ERRA forecast application.

5. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comments in any Commission proceeding using the “Public Comment” tab of the online Docket Card for that proceeding on the Commission’s website. Rule 1.18(b) requires that relevant written comments submitted in a proceeding be summarized in the final decision issued in that proceeding.

No public comments are on the Docket Card for this proceeding.

6. Comments on Proposed Decision

The proposed decision (PD) of Commissioner Matthew Baker in this matter was mailed to the parties in accordance with Section 311 of the Pub. Util. Code and comments were allowed under Rule 14.3 of the Commission’s Rules of Practice and Procedure. Comments were filed on June 16, 2026 by DAC Energy and on June 17, 2026 by PG&E, SEIA, CALSSA, CSE, GRID, CBD, CEJA, Clean Coalition, SDG&E, and SCE,, and reply comments were filed on June 22, 2026 by GRID, CSE, SCE, SDG&E, and DAC Energy. Cal Advocates filed reply comments on June 22, 2026 in excess of the page limit established by Rule 14.3(d) and was allowed by a June 23, 2026 email ruling to refile by June 24, 2026 reply comments that conformed to the page limit and that did not introduce new issues and arguments. Cal Advocates complied with that ruling on June 24, 2026..

SEIA, DAC Energy, GRID, CEJA, CBD, CALSSA, and CSE argue that SB 355 requires the Commission to expand the SOMAH program to new or under-construction affordable multifamily properties because it describes property

“that is, or will be, operated to provide deed-restricted low-income residential housing” as eligible for SOMAH.¹¹⁶ PG&E, SCE, SDG&E, and Cal Advocates argue that SB 355 does not require the Commission to expand the SOMAH program to new or under-construction affordable multifamily properties.¹¹⁷ SDG&E states that the phrase “is, or will be operated to provide deed-restricted low-income residential housing” could refer to existing multifamily properties that are transitioning to deed-restricted affordable housing status.¹¹⁸

CALSSA, CSE, GRID, and SEIA state that expanding SOMAH eligibility to include new or under-construction affordable multifamily properties will address affordability concerns in the state and will not overly burden program administrators.¹¹⁹ CEJA and CBD state that expanding SOMAH eligibility to include new or under-construction affordable multifamily properties will improve affordability by helping the program meet targets set by SB 355 to install at least 300 MW of generating capacity on qualified properties.¹²⁰ SEIA states that the Third Triennial Report of the SOMAH program indicates that the

¹¹⁶ SEIA Opening Comments on PD at 1-4, DAC Enterprises Opening Comments on PD at 2-3, GRID Opening Comments on PD at 2-3, CEJA and CBD Opening Comments on PD at 2-3, CALSSA Opening Comments on PD at 2, CSE Opening Comments on PD at 1-3.

¹¹⁷ PG&E Opening Comments on PD at 1, SCE Opening Comments on PD at 2, SDG&E Reply Comments on PD at 1-2, Cal Advocates Reply Comments on PD at 2-4.

¹¹⁸ SDG&E Reply Comments on PD at 2.

¹¹⁹ CALSSA Opening Comments on PD at 3, CSE Opening Comments on PD at 4-5, GRID Opening Comments on PD at 3-5, SEIA Opening Comments on PD at 5-10.

¹²⁰ CEJA and CBD Opening Comments on PD at 3-5.

program needs to maintain the installation momentum from its first year to meet the 300 MW goal.¹²¹

SCE states that expanding SOMAH eligibility to include new or under-construction properties “would introduce significant administrative complexity, including challenges related to project verification, timing of incentive commitments, and coordination with development financing.”¹²² SDG&E states that “SOMAH was specifically designed to retrofit existing affordable housing to deliver direct bill savings to low-income tenants who otherwise lack access to solar. Expanding eligibility to new construction or master-meter configurations would fundamentally depart from this purpose and introduce risks the program was not designed to manage.”¹²³

The Commission determines that no new arguments were raised in opening and reply comments to the proposed decision regarding expanding SOMAH eligibility to new and under-construction affordable multifamily properties. The Commission has made no changes to its determination on this issue.

GRID and CSE state that comparing the number of SOMAH-supported installations completed to date with the number of residential solar installations in DACS not incentivized by SOMAH suggests a false equivalence between non-

¹²¹ SEIA Opening Comments on PD at 6.

¹²² SCE Opening Comments on PD at 2.

¹²³ SDG&E Reply Comments on PD at 2.

SOMAH residential installations and multifamily property SOMAH-supported installations.¹²⁴

CALSSA, DAC Energy, CEJA, and CBD state that SB 355 requires the Commission to expand SOMAH eligibility to include master-metered affordable multifamily properties.¹²⁵ GRID states that allowing master-metered affordable multifamily properties to participate in SOMAH would make on-site solar generation available to more low-income renters in the state.¹²⁶

SCE supports the Commission not expanding SOMAH eligibility to include master-metered properties, stating that “SB 355 authorizes, but does not require, changes to SOMAH eligibility and does not compel inclusion of master-metered properties.”¹²⁷ SCE also states that statute requires SOMAH incentives to be delivered through utility-administered bill credits to tenants in separately metered units and that master-metered configurations do not satisfy those conditions.¹²⁸

CALSSA and DAC Energy write that new, under construction, and master-metered affordable multifamily properties should continue to be eligible for the NEM 2.0 tariff.¹²⁹

¹²⁴ GRID Opening Comments at 5, CSE Reply Comments at 2-3.

¹²⁵ CALSSA Opening Comments on PD at 5-6, DAC Enterprises Opening Comments on PD at 3-4, CEJA and CBD Opening Comments on PD at 3.

¹²⁶ GRID Opening Comments on PD at 7.

¹²⁷ SCE Reply Comments on PD at 2.

¹²⁸ SCE Reply Comments on PD at 2.

¹²⁹ CALSSA Opening Comment on PD at 6-7, DAC Enterprises Opening Comments on PD at 4-5.

PG&E suggests allowing the IOUs to file a Tier 2 advice letter to propose using accumulated interest in the SOMAH balancing account to fund administrative tasks if the administrative budget is anticipated to be exhausted before all program closeout tasks are completed.¹³⁰ SDG&E supports PG&E's proposal.¹³¹ Cal Advocates opposes the proposal, stating that "[i]f the IOUs have a deficit in their SOMAH administration budget, they should request funding through established Commission practices."¹³²

PG&E also suggests the IOUs be allowed to file a Tier 2 advice letter to extend their administrative spending beyond 2032 for SOMAH close-out tasks.¹³³ SDG&E supports PG&E's proposal.¹³⁴

GRID and CSE suggest that ongoing fleet monitoring by the SOMAH PAs should be included among eligible activities for authorized administrative spending beyond December 31, 2032.¹³⁵ SDG&E opposes the proposal, stating that using SOMAH funds to monitor solar and storage fleets represents a new policy recommendation offered in PD comments rather than an error of fact or law and that the responsibility to monitor the ongoing performance of PV and

¹³⁰ PG&E Opening Comments on PD at 1-2.

¹³¹ SDG&E Reply Comments on PD at 4-5.

¹³² Cal Advocates Reply Comments on PD at 5.

¹³³ PG&E Opening Comments on PD at 2.

¹³⁴ SDG&E Reply Comments on PD at 4-5.

¹³⁵ GRID Opening Comments on PD at 8, CSE Opening Comments on PD at 10.

storage systems resides with the system owners, developers, and participating customers.¹³⁶

CSE and GRID suggest that the Commission clarify that only Liberty and PacifiCorp are allowed to return a portion of their SOMAH funds to customers via the Climate Credit prior to the conclusion of the SOMAH program.¹³⁷ DAC Energy writes that the Commission has no threshold definition for “low” or “insufficient” participation in Liberty and PacifiCorp territory to justify the return of SOMAH funds.¹³⁸ CSE, CEJA, and CBD state that the Commission should not authorize returning SOMAH funds prematurely.¹³⁹

SCE states that the Commission should specify that the IOUs are ordered to jointly file a 2026 funding status update only within their January 2027 Joint Semi-annual Administrative Expense Report.¹⁴⁰ SCE and SDG&E also request more clarification on the budget categories that IOUs can offset with accrued interest earned on SOMAH program funds.¹⁴¹ SDG&E states the Commission should allow IOUs’ preliminary statements to be updated to reflect the disposition of SOMAH balancing account funds will occur after disposition of the Tier 2 SOMAH expenditure report advice letter.¹⁴²

¹³⁶ SDG&E Reply Comments on PD at 3.

¹³⁷ CSE Opening Comments on PD at 9, GRID Opening Comments on PD at 1-2.

¹³⁸ DAC Enterprises Opening Comments on PD at 8-9.

¹³⁹ CSE Reply Comments on PD at 1-2 and 4, CEJA and CBD Opening Comments on PD at 1.

¹⁴⁰ SCE Opening Comments on PD at 2-3.

¹⁴¹ SCE Opening Comments on PD at 3, SDG&E Opening Comments on PD at 1.

¹⁴² SDG&E Opening Comments on PD at 2-4.

SDG&E states the Commission should clarify that all unused SOMAH funds, including accrued interest, will be returned to GHG revenue accounts through an ERRA forecast application.¹⁴³

SDG&E also states that the Commission should ensure that affected IOUs' preliminary statements are updated to reflect that disposition of SOMAH balancing account funds will occur after disposition of the Tier 2 SOMAH Expenditure Report advice letter.¹⁴⁴

Pursuant to Rule 14.3(c), "[c]omments shall focus on factual, legal or technical errors in the proposed decision and in citing such errors shall make specific references to the record or applicable law. Comments which fail to do so will be accorded no weight." Pursuant to Rule 14.3(d), replies to comments "shall be limited to identifying misrepresentations of law, fact or condition of the record contained in the comments of other parties."

The Commission has carefully reviewed and considered the parties' comments and made appropriate changes to the proposed decision where warranted. The Commission finds that all further comments not specifically addressed by revisions to the proposed decision do not raise any factual, legal, or technical errors that would warrant modifications to the proposed decision.

7. Assignment of Proceeding

Matthew Baker is the assigned Commissioner, and Jack Chang is the assigned ALJ in this proceeding.

¹⁴³ SDG&E Opening Comments on PD at 4-5.

¹⁴⁴ SDG&E Opening Comments on PD at 3-4.

Findings of Fact

1. The plain language of Pub. Util. Code Section 2870(f) does not require the Commission to expand the SOMAH program to include newly constructed or under-construction affordable multifamily properties.

2. The Commission has discretion to decide whether to expand the SOMAH program to include newly constructed or under-construction affordable multifamily properties based on various factors, such as affordability, administrative burden, and necessity to meet the program's goal of installing at least 300 MW on qualified properties by 2032.

3. Expanding SOMAH incentives to newly constructed or under-construction affordable multifamily properties will be administratively burdensome and add costs to the program.

4. Resources used to expand SOMAH to newly constructed and under-construction affordable multifamily properties would divert GHG funds that could support projects at existing eligible property types with more transparent bill savings for customers.

5. Any unspent SOMAH funds would otherwise be directed to direct ratepayer bill relief.

6. Expanding SOMAH program eligibility to newly constructed or under-construction affordable multifamily properties may crowd out investments in existing property types and limit funds that can be returned to customers.

7. There has been broad adoption of residential solar in DACs outside of SOMAH and other Commission-coordinated incentive programs.

8. The plain language of Pub. Util. Code Section 2870(g) does not require the Commission to expand the SOMAH program to include master-metered affordable multifamily properties.

9. Requiring the PA to develop a methodology or process to ensure owners of master-metered buildings appropriately distribute to tenants bill credits or alternative benefits, such as those listed by HUD, would add a significant administrative burden and cost on the PA.

10. Maintaining the existing funding true-up process ensures stability for the remaining life of the program, and there is not a compelling reason to move up the 2026 true-up date to disburse SOMAH funds more quickly.

11. Additional reporting requirements will help the Commission plan for an orderly wind-down of the SOMAH program.

12. Liberty and PacifiCorp have experienced low SOMAH program adoption and currently have large remaining balances of SOMAH funds.

13. Allowing Liberty and PacifiCorp to return their SOMAH funds will benefit their ratepayers and address affordability, in furtherance of the Governor's Executive Order N-5-24.

14. The SOMAH program has accumulated more than \$100 million in accrued interest across the five participating utilities.

Conclusions of Law

1. It is appropriate to begin planning for the wind-down of the SOMAH program ahead of its statutorily mandated end date of December 31, 2032, including the handling of unused funds and accrued interest on SOMAH funds.

2. PG&E, SCE, SDG&E, Liberty, and PacifiCorp should jointly provide a 2026 funding status update within their January 2027 Joint Semi-annual Administrative Expense Report as ordered by Ordering Paragraph 3 of D.19-03-015, describing the total in their SOMAH balancing accounts and their total accrued interest and interest rates in the program from the six-month period in 2026.

3. PG&E, SCE, SDG&E, Liberty, and PacifiCorp should each file a Tier 2 advice letter by December 31, 2033, providing a final SOMAH budget expenditure report.

4. Energy Division staff should be allowed to propose modifications to the final SOMAH budget expenditure report content and timeline requirements via resolution in response to regulatory or statutory changes.

5. Liberty and PacifiCorp should be authorized to propose the return of, at a minimum, unused SOMAH funds collected in 2025 and the first half of 2026 to customers via the Residential and Small Business Climate Credit as part of their 2027 ECAC application.

6. Liberty Utilities LLC and PacifiCorp are authorized to propose the return of SOMAH funds collected prior to 2025 up to \$0.38 million and \$1.84 million each year, for Liberty Utilities LLC and PacifiCorp respectively, in their 2028 ECAC applications and in subsequent year applications.

7. Liberty and PacifiCorp should record the return of SOMAH funds under line 14 of Template D-1: Annual Allowance Revenue Receipts and Customer Returns (In \$000) when submitting their GHG Revenue and Reconciliation Application.

8. The SOMAH PA and the IOUs should be allowed to request permission via Tier 2 Advice Letter from the director of Energy Division to extend its SOMAH administrative spending beyond 2032, exclusively for program close-out tasks, application processing, and utility support in reviewing final incentive requests in alignment with the utilities' work.

9. The SOMAH PA should complete close-out tasks, such as application processing and utility support in reviewing final incentive requests, by the filing of the SOMAH final budget expenditure report Tier 2 advice letters ordered in this decision.

10. PG&E, SCE, SDG&E, Liberty, and PacifiCorp should first use accrued interest in SOMAH program funds to offset 2026 SOMAH budget allocations and, upon the disposition of the IOUs' Tier 2 final budget expenditure report, return the remaining accrued interest to the utilities' GHG revenue accounts.

11. PG&E, SCE, SDG&E, Liberty, and PacifiCorp should return unused accrued interest from SOMAH funds to their GHG revenue accounts at the conclusion of the SOMAH program.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities LLC, and PacifiCorp (together, IOUs) are required to jointly file a one-time 2026 funding status update within their January 2027 Joint Semi-annual Administrative Expense Report detailing (1) the total amount in the IOUs' Solar on Multifamily Affordable Housing balancing accounts, including principal and accrued interest, and (2) the

interest rates from the six-month period in 2026 included in the Joint IOUs Semi-Annual Expense Report, as already required by Decision 19-09-015.

2. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities LLC , and PacifiCorp are each directed to file as a Tier 2 advice letter a final Solar on Multifamily Affordable Housing (SOMAH) budget expenditure report by December 31, 2033, which includes data from their Joint Semi-annual Administrative Expense Report and the SOMAH Program Administrator's Semi-Annual Expense Reports. Energy Division staff may modify the final SOMAH budget expenditure report timeline and content requirements via resolution in response to regulatory or statutory changes.

3. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities LLC, and PacifiCorp are directed to close their respective Solar on Multifamily Affordable Housing (SOMAH) balancing accounts (BAs) upon approval of the Tier 2 final SOMAH budget expenditure report advice letters and after all unspent funds and accrued interest have been transferred to the greenhouse gas revenue accounts. Each utility shall submit a Tier 1 Advice Letter to formally close the SOMAH BAs and remove the associated preliminary statement from its tariffs.

4. Liberty Utilities LLC and PacifiCorp are authorized to propose the return of, at a minimum, unused Solar on Multifamily Affordable Housing (SOMAH) funds collected in 2025 and the first half of 2026 to customers via the Residential and Small Business Climate Credit as part of their 2027 Energy Cost Adjustment Clause applications.

5. Liberty Utilities LLC and PacifiCorp are authorized to propose the return of Solar on Multifamily Affordable Housing (SOMAH) funds collected prior to 2025 up to \$0.38 million and \$1.84 million each year, for Liberty Utilities LLC and PacifiCorp respectively, in their 2028 Energy Cost Adjustment Clause applications and in subsequent year applications. Liberty Utilities LLC and PacifiCorp are directed to record the return of Solar on Multifamily Affordable Housing funds under line 14 of Template D-1: Annual Allowance Revenue Receipts and Customer Returns (In \$000) when filing their Greenhouse Gas Revenue and Reconciliation applications.

6. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities LLC, and PacifiCorp are ordered to return unused Solar on Multifamily Affordable Housing (SOMAH) program funds, including accrued interest, to their greenhouse gas revenue accounts after the Commission's disposition of the final SOMAH budget expenditure report Tier 2 advice letters ordered in this decision or as directed by the Legislature or Energy Division. Prior to returning to customers through the Climate Credit, the unspent funds and accrued interest transferred into the greenhouse gas revenue accounts must be included in a future ERRA Forecast Application.

7. The Commission allows the Solar on Multifamily Affordable Housing (SOMAH) program administrator to request permission via Tier 2 Advice Letter from the director of Energy Division to extend SOMAH administrative spending beyond 2032 exclusively for program close-out tasks, application processing, and utility support in reviewing final incentive requests in alignment with the

utilities' work, with all such tasks concluded by the filing of the SOMAH final budget expenditure report Tier 2 advice letters ordered in this decision.

8. The Commission allows Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities LLC, and PacifiCorp to request permission via Tier 2 Advice Letter from the director of Energy Division to extend SOMAH administrative spending beyond 2032 exclusively for program close-out tasks, including final incentive requests in alignment with the SOMAH Program Administrators' work, with all such tasks concluded by the filing of the SOMAH final budget expenditure report Tier 2 advice letters ordered in this decision.

9. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Liberty Utilities LLC, and PacifiCorp (IOUs) are ordered to first use accrued interest in Solar on Multifamily Affordable Housing (SOMAH) program funds to offset 2026 SOMAH budget allocations and then, upon the disposition of the IOUs' Tier 2 final budget expenditure report advice letters, to return the remaining accrued interest to their greenhouse gas revenue accounts.

10. Rulemaking 25-01-005 remains open.

This order is effective today.

Dated July 2, 2026, at Fort Bragg, California.

JOHN REYNOLDS
President
DARCIE L. HOUCK
KAREN DOUGLAS
MATTHEW BAKER

Commissioners

Commissioner Christine Harada being absent did not participate in the vote of this item.