

Q1 2024 SOMAH Public Forum Notes

Date: Wednesday, February 28, 2024

Time: 1:00 - 3:00 p.m.

Purpose:

The purpose of the SOMAH Public Forum is to share program progress and updates while creating an opportunity for program stakeholders and participants to ask questions, share concerns and provide feedback. This forum covered the latest program stats and developments, regulatory and policy updates and new prevailing wage requirements. This forum was held remotely.

The forum is ideally suited for multifamily affordable housing property owners, solar contractors, community-based organizations (or CBOs – affordable housing, environmental justice, tenants' rights, etc.), investor-owned utilities, community choice aggregators and job training organizations interested in getting program updates and providing feedback to the SOMAH Program Administrator.

Welcome & Introductions

Lisa Evenson, SOMAH Program Coordinator, kicked off the meeting by welcoming attendees and explaining the purpose of the forum. Lisa stated the SOMAH Program Administrator (PA) team's commitment to energy equity and environmental justice. Lisa also reviewed the forum agenda, SOMAH's current list of staff and meeting guidelines.

Session 1: SOMAH Program Update

Lisa presented key program updates and statistics:

Utility Territory	# of Active Applications	Available Funding Remaining
Pacific Gas and Electric	314	~\$179,722,924
Southern California Edison	146	~\$252,962,874
San Diego Gas & Electric	66	~\$58,356,006
PacifiCorp	0	~\$8,818,512
Liberty Utilities	2	~\$1,866,103

Totals	528	\$501.7 million
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The SOMAH PA is proud to report that 30.3% of SOMAH's active applications are located in disadvantaged communities (DACs), and ~84.7% of the solar credits from SOMAH projects will be allocated directly to tenants. Active applications are also estimated to serve more than 39,368 tenants with an average system size of 138.9 kW. There are currently 28 participating contractors in the program, with 28 additional subcontractors. The pipeline also supports 943 training opportunities, leveraging six job training organization relationships and equating to 59,240 current training hours and averaging to \$1.27M in current wages.

To date, 149 progress payments have been approved for PG&E, SCE and SDG&E projects, with no additional projects under review or pending payments. No projects in the Liberty or PacifiCorp territories have requested progress payments. These progress payments total to \$25.7 million. Final incentive payments have been issued to 111 PG&E, SDG&E and SCE projects totaling to over \$35.2 million. SOMAH has fully completed 111 projects, with 18.24 MW of electricity serving over 10,126 tenant units across the state.

Lisa provided an overview of SOMAH's resources, including the newest [affordability requirement prescreen service](#), the suite of Technical Assistance (TA) and Support Services, such as job training support and tenant education, and the [Eligible Properties Map](#). Lisa also highlighted a ribbon-cutting ceremony that took place in August 2023 to celebrate a SOMAH project completed in partnership with the Bishop Paiute Tribe and GRID Alternatives Inland Empire in Bishop, Calif. This is the first SOMAH Program incentivized installation to be completed within a tribal reservation in California. You can learn more about this success story in the [SOMAH Resource Library](#) and view a video highlighting the project [here](#).

Zara Jamshed, SOMAH Technical Assistance Manager, opened the session up for comments from attendees to better understand current trends in equipment pricing in order for the SOMAH PA to provide accurate financial analysis through its Technical Assistance and Support Services. Zara posed the following questions:

- Are equipment costs higher, lower or the same compared to last year? By how much?
- What are the additional costs of solar carports? Battery storage?

Open Comments:

Comment: Scott Sarem, SunRun: Domestically, general costs are increasing. Carports are typically more expensive.

Session 1 Q&A:

Q: Breanne Rideout: Is there a kWh minimum for a SOMAH project?

A: The minimum system size eligible for an incentive is 1 kW CEC-AC.

Q: Rex Hime, Western Electrical Contractors Association, Inc: When was the tribal solar project completed and what was the size?

A: The ceremony celebrating the completion of the project took place in August 2023 and the system size is 45 kW.

Q: Weston Roberts, Sunrun: SOMAH recently notified us of a policy update with AMI requirements. We learned that only 66% of the units need to be below 80% AMI nowadays. Will this new update apply to projects that are already underway in the application process? Will SOMAH consider assessing policy for other regulatory agreement requirements (namely the 10-year minimum remaining term length)?

A: Projects are eligible based on the relevant handbook when the application is submitted. Existing projects remain eligible under existing/prior program requirements. The 10-year minimum remaining for the deed restriction stands as a requirement. More information on the updated AMI requirements will be discussed in Session 2.

Q: Weston Roberts, Sunrun: Could applications previously suspended due to AMI deficiency now reapply with the same application used before?

A: It depends on what other eligibility requirements may be pending under an application's suspension. We recommend reaching out to your assigned SOMAH PA contact to determine the best pathway forward. The SOMAH PA is determined to make it as streamlined as possible.

Q: John Perkins, Perk Solar Inc: I see a lot of projects on the Eligible Properties Map already have solar. Can we filter out the properties with completed projects and active applications?

A: Yes, there is a feature to do that with the existing map on the website. The "Active SOMAH property" allows you to filter out completed projects from the Eligible Properties Map.

Q: Spencer Silverstein, City of Thousand Oaks: Where do you recommend local government reps begin in learning more about this program and effectively communicating it to the community? Are there local program contacts to provide support to local government staff?

A: The SOMAH PA has a dedicated stakeholder team that coordinates with local jurisdictions. We are happy to touch base with you over a phone call and set up a presentation. Feel free to reach out to us at contact@calsomah.org.

Session 2: SB 355 and Program Handbook Updates

Luke Ballweber, SOMAH Program Manager, provided legislative background on the SOMAH Program and pending modifications to the program handbook in response to Senate Bill (SB) 355.

Legislative Background

- 2015: SOMAH created by legislation Assembly Bill (AB) 693 (Eggman).
- 2019: SOMAH program launch.
- 2019-2023: Six handbook editions, two triennial third-party evaluations, two petitions for modification.
- 2023: SB 355 by Senator Susan Talamantes Eggman (D-Stockton).
 - Signed by governor on October 7, 2023.
- 2024: Handbook 8 effective February 8.

Progress Since Signing of SB 355

- January 5, 2024: SOMAH PA submitted Advice Letter to modify Handbook 8 and Program Implementation Plan (PIP).
 - SB 355 Handbook 8 updates and some pending Commission direction.
- Handbook 8: Approved on February 6, 2024 (effective February 4) and fully implemented on February 15, 2024.

Currently active program modifications in Handbook 8

- Program period extended from December 31, 2030, to December 31, 2032.
- Updated eligibility language: “Multifamily affordable housing property” now defined as multifamily residential *property* instead of *building*, expanding inclusivity to mobile homes.
- Expanded income qualification: At least 66% of households have incomes at or below 80% of the area median income (AMI).
- Additional eligibility pathways for tribal and public housing authority projects:
 - (1) The property is owned by a tribe.
 - “Tribe” means a California Native American tribe, as defined in Section 21073 of the Public Resources Code.
 - (2) The 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.

Modifications not included in Handbook 8 - pending Commission (CPUC) direction

- Inclusion of **new construction properties** – what is the threshold beyond code that would be eligible for SOMAH?
 - For purposes of the new construction of qualified multifamily affordable housing property, money 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.
- **Tariff preservation** to continue tenant benefits.

- The 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.
- **Advanced payment loan** – expanding upfront/incremental payments beyond existing progress payment structure.
 - The Commission may consider authorizing an advance payment loan to an eligible project if there is reasonable evidence to suggest that an advance payment loan would lead to the delivery of a project that would not occur absent the advance payment loan, so long as appropriate funding guarantee and loss recovery mechanisms are implemented to limit the risk of liability to the program from making the advance payment loan. The Commission, in considering an advance payment loan, may prioritize allocating funding to a project where an advance payment loan will have the greatest impact on project delivery.

Next steps and what to expect

- Handbook 8 is now posted.
 - <https://calsomah.org/resources/program-handbook>
- Website and PowerClerk updates were implemented February 16.
- Affordability Prescreen is up-to-date and accepting prescreen requests.
 - <https://calsomah.org/prescreen>
- SOMAH PA to follow up on previously ineligible projects.

Reminder of what eligible requirements have NOT changed

- Five rental units.
- Deed restricted for 10 years.
- Customer of participating IOU (investor-owned utility).
- Individually metered.
 - Master-metered properties were not included in SB 355 nor Handbook 8 and remain ineligible.

Session 2 Q&A:

Q: Scott Sarem, Sunrun: What is the time frame for new construction eligibility? There is significant demand, and this has the potential to hurt confidence in the market if not implemented soon.

A: The SOMAH PA does not have a specific timeline to share, but we are investigating what that could look like for the program and are committed to working with the CPUC to create a pathway forward for new construction projects.

Q: Shamir Chauhan, GRID Alternatives: We're seeing a lot of confusion in the market about new construction eligibility. Can you clarify how to advise owners/developers of new construction of affordable housing around what they can expect from the SOMAH program? Is it correct that only the kW installed above the T24 requirements can be incentivized, and/or is that subject to change?

A: At this time new construction projects are not eligible. A project needs to have the Certificate of Occupancy (COO) issued prior to solar permit to be eligible. The SB 355 language provides parameters for new construction projects, but not a full eligibility pathway at this time.

Q: John Perkins, Perk Solar Inc: Would these projects qualify under NEM 2.0? Or do we need to install battery backup?

A: SOMAH utilizes the SOMAH VNEM tariff. No backup is required for SOMAH.

Q: Weston Roberts, Sunrun: With applications for new construction, one of the biggest obstacles I foresee relates to VNEM allocation forms. How might we be able to maneuver some of the missing information on a VNEM form when applying for the program such as common area usage? Tenant allocation should not be as much of an issue considering we should be able to acquire the projected square footage of each unit, but common area usage seems like it may be a barrier. Would there be exceptions for new construction VNEM forms?

A: This is a great example of a potential impact of new construction projects. There are a lot of logistics with new construction eligibility that would need to be considered before an eligibility pathway is finalized. The SOMAH PA appreciates this feedback and will consider this as well.

Session 3: AB 2143 and Solar-Utilities Reporting, Guidelines and Education (SURGE)

Sylvia Linn, Christina Salcedo and Brittany Yamagata, team members of the SURGE program, provided an introduction to AB 2143 and Public Utilities Code (PUC) §769.2, SURGE resources and the SURGE compliance portal.

Introduction to AB 2143 and PUC §769.2

- AB 2143
 - Introduced by Assembly Member Carrillo.
 - Added Section 769.2 to the Public Utilities Code.
 - Establishes requirements related to prevailing wages for construction workers and apprentices involved in large customer-sited renewable electrical generation (solar) facilities.
- PUC §769.2
 - Pay each construction worker employed in the execution of the work, at minimum, the general prevailing rate of per diem wages.
 - Maintain and verify payroll records and make those records available for inspection and copying as provided in that section.
 - Submit biannually, on July 1 and December 31 of each year, to the Commission digital copies of its certified payroll records for projects subject to this section.

Project Eligibility

- Projects qualify as eligible if they involve a customer-sited renewable electrical generation facility, or any associated battery storage, and NOT:

- A residential facility with a maximum generating capacity of 15 kW or less or installed on a single-family home.
- A project already classified as a public work under existing law.
- Facilities serving only a modular home, a modular home community, or multi-unit housing with two or fewer stories.

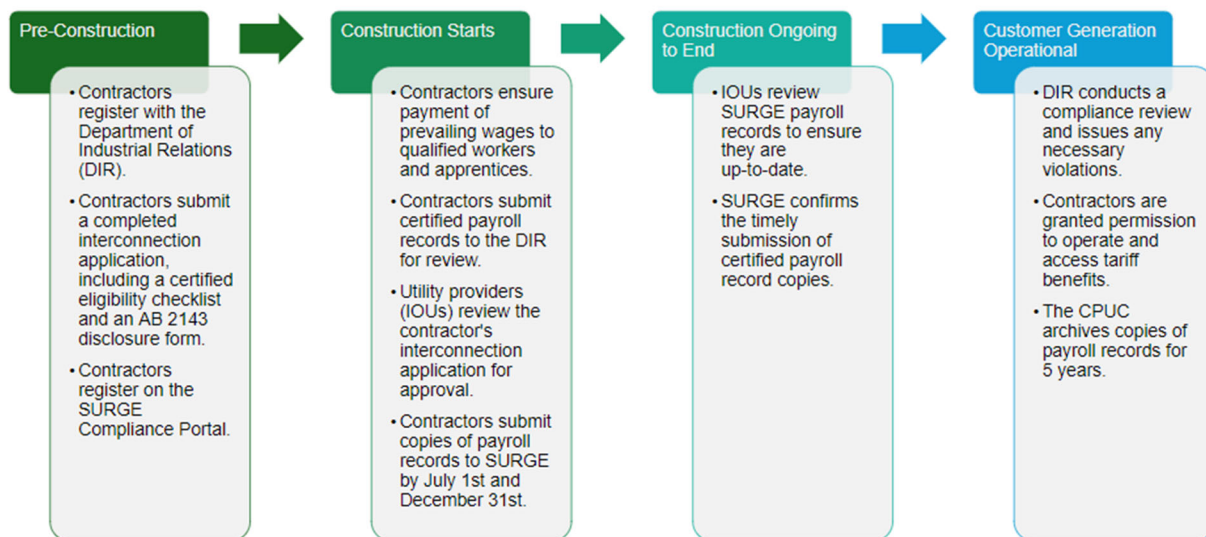
Interconnection Process Update for Investor-Owned Utilities

- Interconnection application is the first point of contact between the customer and utility, appropriate starting point to determine applicability of statute.
- Utility interconnection application responsibilities under AB 2143.
 - Create a PUC §769.2 checklist to provide for an assessment of whether the requirements are applicable to a project.
 - Conduct a review of this checklist to confirm a project's applicability.
 - Create a Prevailing Wage Disclosure Form (Disclosure Form) and require eligible customers to acknowledge receipt of this disclosure as part of the interconnection application.
- All contractors, which include the prime and lower-tier subcontractors, working on eligible projects are subject to meet the requirements of AB 2143 (PUC §769.2).

What is California DIR Prevailing Wage?

- California prevailing wage is the minimum wage rate that must be paid to workers on public work projects.
- The prevailing wage rate is determined by the director of the Department of Industrial Relations (DIR) and is based on the type of work (craft/classification) and location of project.
- The prevailing wage rate is usually based on collective bargaining agreements.

Prevailing Wage Report Information Flow



DIR Resources

- [DIR General Website](#)
- [DIR Public Works Resources](#)
- [DIR Prevailing Wage Determinations and Classifications](#)

Introduction to SURGE

- SURGE or Solar-Utilities Reporting Guidance and Education is an initiative directed by the CPUC to:
 - Develop a system to collect copies of certified payroll records of prevailing wages from renewable electrical generation facilities or any associated battery storage projects.
 - Provide outreach and education to contractors on when and how to submit copies of certified payroll records.
- Outreach and Education Plan
 - Outlines the activities to inform and education contractors, firms and other stakeholders who are impacted by AB 2143 and PUC §769.2.
- SURGE Website
 - Part of the SURGE Outreach and Education Plan.
 - One stop-hub for SURGE information, resources and guidance for contractors.
 - Main goal is to help contractors navigate renewable energy compliance with ease.
 - Feedback from contractors and stakeholders needed for continuous improvement.

SURGE Compliance Portal

- Contractor Registration (active)
 - To get started with SURGE, all prime contractors and subcontractors will need to complete the Contractor Registration form.

- Project Registration (active)
 - Prime contractors are responsible for registering their eligible projects on the SURGE Compliance Portal. Upon completion of the Project Registration, primes will need to share the Project Identification Number (PIN) with their subcontractors on the project.
- Payroll Submission (coming soon)
 - All prime contractors and subcontractors are responsible for submitting certified payroll records by the deadlines on July 1 and December 31.

What if a Contractor does not Submit Copies of Certified Payroll?

- If certified payroll copies are not submitted by the biannual due dates, enforcement action can proceed as follows:
 - Labor commissioner of the DIR can enforce through issuance of civil wage and penalty assessment.
 - Through an underpaid construction worker or apprentice through an administrative complaint or civil action.
 - Through a joint labor-management committee via a civil action.

Session 3 Q&A:

Q: Shamir Chauhan, GRID Alternatives: With the passage of AB 2143, project costs will be higher on buildings over two stories. Will the program be updating the incentive levels to reflect this new policy?

A: There are no plans to adjust incentives for the program. Please continue to accurately report project costs with your incentive applications in PowerClerk so the SOMAH PA can track any impacts of project costs.

Q: Rex Hime, Western Electrical Contractors Association, Inc: Do you foresee AB 2143 disincentivizing more solar? Would the public works/prevaling wage and apprenticeship requirements apply to the entire project once AB 2143 is triggered, or only the solar work on that project?

A: AB 2143 specifically applies to the solar and/or battery installation portion of the project.

Q: Alvin Waters, GRID Alternatives: Can we be subject to local union hiring requirements under this new legislation?

A: It does include certain apprenticeship requirements that fall under the public works requirements. It is outlined in the resources provided during the presentation.

Q: Richard Markuson, Pacific Advocacy Group: How often must certified payroll records be submitted to DIR?

A: DIR submission is on a monthly basis. AB 2143 is biannual submission of certified payroll.

Q: Richard Markuson, Pacific Advocacy Group: The statute says, "Notwithstanding Section 1776 of the Labor Code, the contractor shall not be required to provide copies of certified payroll records to any entity other than the Department of Industrial Relations and the Commission." How does a Joint Labor Management Committee intervene if the statute states that certified payroll records are only submitted to DIR and CPUC?

A: AB 2143 outlines that the data is submitted to the CPUC and that the CPUC is specifically entitled to these payroll records.

Q: Alvin Waters, GRID Alternatives: Will contractors be required to have a master electrician or be certified electrician under this new legislation?

A: This is addressed in the classification information from DIR. AB 2143 does not dictate a specific type of license needed. That would be more related to the type of work being performed.

Looking Ahead & Next Steps

Lisa Evenson wrapped up the forum by sharing the following dates for upcoming SOMAH events:

- **Mar 6:** Applicant & Contractor Office Hours: SOMAH Program Handbook Updates
- **Mar 21:** Job Training Overview
- **Apr 10:** Making Solar Easy with SOMAH's Technical Assistance Services
- **Apr 18:** Applicant & Contractor Eligibility Training
- **May 22:** Tenant Education Training
- **Jun 5:** Q2 Public Forum

Register at calsomah.org/events.

For additional questions and feedback, please contact the SOMAH PA:

Email: contact@CalSOMAH.org

Web form: CalSOMAH.org/contact-us

General hotline: 858-244-1177 ext. 5

Tenant hotline: 800-843-9728