SOMAH Public Forum Notes

Date: Friday, October 25, 2019
Time: 1:00 - 4:30 pm
Location: Center for Sustainable Energy, 3980 Sherman St. Suite 170, San Diego, CA 92110, and Remote webinar

Session 1: Welcome & Introductions

- Chris Walker, SOMAH Program Manager gave an overview of the meeting agenda and introduced the members of the SOMAH Program Administrator (SOMAH PA).

- **Questions:**

  Q: Will these slides be made available on the website?
  A: The meeting slides, and presentation notes will be available on the [event listing](#) and will also be sent to all attendees.

Session 2: Program Overview/Update

- Chris Walker, SOMAH Program Manager gave an overview of the SOMAH program including key stats and updates, resources and contact information.

- **Questions**

  None during this session

Session 3: Waitlist Update and Discussion

- Sarah Hill (SOMAH Program Manager), and Jae Berg (SOMAH Program Manager) provided a proposal on how the SOMAH PA is planning to update the program's waitlist process.
- SOMAH PA proposed a lottery process for new applications submitted to the program and walked through scenario where the lottery is triggered and the scenario when the lottery is not triggered:
  - Scenario 1: Lottery is triggered

→ Announce that waitlist will be opened 30 days in advance
→ PowerClerk opens for a 2-week period
→ Lottery is triggered when waitlist applications exceed 120% of the annual budget (Lottery only includes Track B applications. Track A applications are first-come-first-serve. Then Track A and Track B are sorted every other one on the waitlist).
→ PowerClerk is closed to new applications
→ Project order is announced and posted on the website
→ PowerClerk re-opens for Track A applications (Track B remains closed until the next funding period)
→ Track A budget threshold is met (200% of annual budget)
→ PowerClerk is closed for Track A applications
○ Scenario 2: Lottery is not triggered
→ Announce that waitlist will be opened 30 days in advance
→ PowerClerk opens for a 2-week period
→ Lottery is **not** triggered
→ Announce that waitlist is still open on website and listserv blast
→ Applications are processed on first-come-first-serve basis (Track A and B treated equally)
→ Track B budget threshold is met (120% of annual budget), and PowerClerk closes for Track B applications
→ Track A budget threshold is met (200% of annual budget) and PowerClerk is closed for Track A applications
→ PowerClerk is closed until next funding cycle
● Next Steps: These changes/updates that the SOMAH PA is proposing today for stakeholder feedback will be submitted to the Energy Division through a Tier 2 advice letter. Parties will then be able to provide public comment, protest, requests, etc.
● For additional information about the current SOMAH waitlists visit: https://www.calsomah.org/waitlist

● **Questions**

Q: Will there be online updates in real-time to show how close application pool is to meeting % budget thresholds? I.e. how close the application pool is to meeting 120% or 200% of annual budget.
A: The SOMAH PA will look into updating the incentive budget table daily for the two week lottery period.

Q: Are there things that property owners can do while they're on the waitlist, or when the waitlist is closed that they can be doing to prepare for

the next step, in the meantime -- i.e. energy efficiency audit/assessment activities?

A: If project has submitted an application, they can submit a [standard technical assistance (TA) request](#) to get information on energy efficiency programs in their region. Additionally, they can visit CalSOMAH.org to review program requirements and application documents. If they don't have an application in yet, the SOMAH PA encourages them to submit applications to join the waitlist.

Q: Can you clarify if the waitlist proposal is for currently waitlisted projects, or future funding years?
A: These policies would be implemented for future years. This would not affect projects that are currently on the waitlist or in the application queue.

Q: Would the lottery trigger only apply to the waitlisted applications above the 120% application threshold or all applicants?
A: It would apply to all Track B applications before and after the 120% of budget threshold, i.e. for all those submitted within the 2-week period.

Q: For the 200% of budget threshold, is that for Track A and Track B applications combined?
A: Yes, it considers all applications for that year, Track A and Track B.

Q: Can you talk generally about how and when the funding cycle works, i.e. when funds are released, who controls the timeline, and how GHG dollars flow back into the program?
A: We are currently waiting for the next year of funding. Each year of funding is allocated by the individual investor-owned utility (IOU). Funds are released based on each IOU's Energy Resource Recovery Account (ERRA) or Energy Cost Adjustment Clause (ECAC) application. The SOMAH PA is unable to predict exactly when each IOU will release more funds, but is looking at a general timeline of December - March for next year's funding cycle.

Q: Can you explain the difference between Track A and Track B?
A: Track A is intended for property owners who would like to receive upfront TA services from the SOMAH PA to help assess the solar potential

at their property, and/or identify eligible contractors for their project. Track B is designed for property owners who do not require TA to submit a project reservation and have identified an eligible contractor they would like to work with for their project. Track A projects are allocated an additional three months before submitting a Reservation Request to participate in Upfront TA. Track B projects start their application at Reservation Request.

Q: Are we able to apply for projects that have already been completed?
A: Yes -- projects can submit a Reservation Request within 12 months of receiving Permission to Operate (PTO) from the IOU. To receive the incentive, projects must meet all program requirements. For example, there are several requirements tied to the construction date such as tenant education requirements and job trainee requirements, which will need to be met, even if the project starts construction before applying to the program.

Q: For projects that are currently waitlisted, can we start installation sooner while we wait for the application to be approved?
A: Yes -- be mindful of the 12-month requirement (see question above) which applies to the date that you submitted an application to the waitlist. Note: applications are not eligible to submit for a SOMAH virtual net metering (VNEM) tariff until they have reservation approval.

Q: What is the timeline for the Tier 2 advice letter, and when does that process start?
A: The SOMAH PA can submit an advice letter at any time. Once an advice letter is submitted, parties have 20 days to provide comments or protest. The SOMAH PA then has 5 days to reply to all comments. For more details about the advice letter comment process visit the CPUC [Advice Letter Information](#) webpage. Sign up for the [Advice Letter Service List](#) to receive the advice letter notifications. You can also sign up for the [CalSOMAH.org listserv](#) to be notified about advice letters that are in process.

Session 4: Opening Listening Session
- The SOMAH PA opened the forum for questions, comments and feedback from online and in-person participants.

- **Questions**

Q: Can you tell us a little bit about how we expect these projects will encompass energy efficiency assessments into their design, when this would occur, and how it works?
A: Recently built projects that meet or exceed Title 24-2013 or projects that have recently enrolled in an approved whole building energy efficiency program (Pathway 2) do not need to complete an energy audit, but they will submit the solar sizing tool at the energy efficiency compliance milestone. Projects pursuing Pathway 1 will complete a whole-building energy audit and the solar sizing tool. The audit and the solar sizing tool can provide energy efficiency recommendations for your property, and the SOMAH PA can help connect interested property owners to low- and no-cost energy efficiency programs across the state. If a property owner is interested in learning more about those opportunities and programs, the SOMAH PA can help them unpack and understand some of the existing energy efficiency programs that a property owner can qualify for before, during or after the program.

Q: How is the energy audit financed?
A: The energy efficiency milestone happens after a reservation is made and is due within 60 days of the reservation date. If the project is pursuing Pathway 1, the audit is paid for by the project -- either the contractor or the property owner.

Q: [follow-up] It's confusing that the required audit is paid for by the property-owners. In some cases, audits are not cheap -- do you see this as a barrier?
A: For Pathway 1, SOMAH requires Whole-Building Walkthrough Audit, which is essentially comprised of a building assessment of existing conditions and an audit report. Auditors will use this information to fill out the solar system sizing tool as well. The SOMAH PA has provided a [guidance document](#) on the SOMAH website to specify minimum audit requirements. This should not present a financial hardship, typical property assessments should take no more than 2-4 hours and the report should typically be no longer than 10 pages. The primary objective of the audit is to ensure that systems are sized right and that owners are aware

of energy efficiency opportunities at their property prior to installing their solar PV system.

Q: [follow-up] Recommend using the term "assessment" rather than "audit" since the latter makes me think $50-70k of costs.
A: Thank you for the feedback.

Q: [follow-up] Property owners can also leverage a whole building program that provides a no-cost audit, if it's available in service territory that offers it. When a submitted project requests Technical Assistance, the SOMAH PA Team can provide the hand holding to the low-cost or no-cost energy efficiency programs and that would fulfill this requirement, right?
A: Yes, absolutely. If a property owner is already participating in an approved whole building energy efficiency program, or participated within the past three years, then that would make them compliant with Pathway 2, and thus would not need the separate whole building walkthrough audit required of Pathway 1. The PA Team does not want to duplicate efforts and will assist property owners in accessing other resources in effort to make solar credits go further.

Q: Can you repeat the proposed waitlist policy/process? Should we expect the waitlist to be fully booked when it reopens?
A: The benefit of the lottery process is that it levels the playing field for all applicants. Track B projects that are submitted on Day 1 will not have an advantage over projects that are submitted on Day 13. If the lottery is triggered, all Track B projects will be resorted in a random order.

Q: With regards to the energy efficiency audit requirement, we don't know what the total load is to know what the right size should be since we still don't have usage or load data from the IOUs, and requiring property owners to go into 10 separate units significantly raises the hassle factor for both tenants and property owners, and can affect participation. What is going to be available for tenants, and how is it going to get to them?
A: The VNEM load information and historic consumption data is coming soon from the IOUs. Regarding residential unit sampling, the guidance document specifies a certain percent of total units that will need to be assessed in the walk-through audit. If you are visiting 10 units, that means that the properties you are serving have more than 200 units, which is a reasonably small sample set. Residential units constitute the largest square

footage and the largest consumers of energy in multifamily buildings, therefore, a multifamily energy audit that did not include residential spaces would be substantially incomplete. Including both common area and residential units is consistent with industry standard for multifamily energy audits. If you don't get inside units to identify where energy savings are, then you aren't able to make energy saving recommendations that can maximize the benefits of the solar credits.

Q: [follow-up] If you're only offsetting 80% of load, why would additional energy savings matter? Concerned that this may burden tenants and property owners and may hurt overall adoption of program on a larger scale
A: This is reasonable due diligence. We're not requiring that properties install energy efficiency measures. However, we do require that property owners are aware of energy efficiency opportunities on their property, both in the residential units and in the common areas, so that they can connect with the existing low- and no-cost resources in their service territory to reduce their consumption and utility bills, if interested.

The in-unit portion of the energy audits are brief, 5-10 minutes on average, and should not constitute a burden for residents. Property owners can contact the SOMAH PA Team (contact@calsomah.org or 858-244-1177, ext. 5) to walk them through the guidelines and requirements if they need additional assistance.

Q: Why is Track A being prioritized? The SOMAH PA is providing technical assistance to Track A projects, so it appears it's an advantage to steer applicants towards Track A.
A: Our intent with addressing priority groups in the new waitlist proposal is to level the playing field for all potential participants, including smaller contractors, property owners, and properties who were not able to participate prior to the program becoming waitlisted or closed to new applications. It takes longer to spread the word about the program to smaller property owners, and we want to reduce barriers to access the program for properties that are not as familiar with solar and need may need additional assistance to assess solar feasibility on their properties. The goal is to provide more equitable access to program resources, and we are open to other ways to achieve this same end goal.

Q: People that live in the units are low income renters, that often work 2-3 jobs with childcare issues. While it may seem like an audit isn't as disruptive or time-consuming from an administrative standpoint it is disruptive. We need to give information to tenants so that they can have agency in the process, but not have this be a part of the process that holds up getting a reservation, especially if we're in a situation where we're not offsetting 100% of the load.

A: Lease agreements allow for property owners and contractors to gain access to residential units with advance notice, which is a common practice for property maintenance. Additionally, audits can occur when residents are not at home, and property managers can also provide access to vacant or preferred units.

The SOMAH PA's Marketing, Education, and Outreach team is trying to be thoughtful and intentional around tenant engagement, and not inconveniencing them with this program. The SOMAH PA wants tenants to feel like it's not something happening TO them, but FOR them, and are trying to create materials that help convey that. For more information about tenant engagement, please contact Sarah.Salem@calsomah.org.

Q: What are the standards, oversight, and some of the controls that may not exist in connection with providing private sector property owners the ability to contract with whomever, in terms of this particular program with public money?

[Follow-up] There are concerns around protections and requirements in place to protect tenants and property owners from contractors and trainees entering their homes. This is critically important based on liability concerns. With solar contractors right now, we're inundated with procedures, comments, and other efforts with across the state. For contractors, program, workforce, operates under a triple ankle standard and there's a good reason for that. And when we hear about other programs operated under the state of California, that aren't held to these same requirements, that's disconcerting.

A: Through the program design, the SOMAH PA put a handful of controls in place to protect the participating tenants and property owners. These controls include:

- **Performance Monitoring and Reporting Service** - All systems are required to contract with a performance monitoring and reporting

service (PMRS) provider for a minimum of 20 years and must ensure that 15-minute interval data is provided to the SOMAH Program Administrator upon request.
- **Warranty Requirements** - All systems are required to have a minimum 20-year equipment warranties, along with a minimum 10-year workmanship warranty to provide for no-cost repair and replacement of the system for any expenses not otherwise covered by the manufacturer.
- **Tenant protections** - Rent cannot be increased due to the costs of the system. In addition, solar credits are locked for a period of 20 years, so the property cannot reallocate tenant credits to common area accounts.

Q: What happens to the investment tax credits that run with the solar PV under the SOMAH program?
A: The incentive rate does factor in investment tax credit -- if a property owner or third party system owner can take advantage of the ITC, the incentive rate will drop to make up for that amount.

Q: Is there a way to see the percent of total budget that each of the 7 contractors have?
A: All of that information is available in the working dataset on CalDGStats.

Q: Will there be potential for subsequent funding to be allocated?
A: Funding is released based on the IOU GHG auction timelines. There has been a proposal from a stakeholder to release the funds on a quarterly basis versus an annual basis, but the proposal has not been confirmed at this time.

Q: What would be the best way for community-based organizations to communicate about the waitlist, when doing outreach to property owners that qualify for Track A?
A: The SOMAH PA has created a package/toolkit of materials for community-based organizations and others conducting outreach to property owners, as well as tenants. If you have questions about outreach and engagement materials, please contact Sarah.Salem@calsomah.org.

Q: Is there any information on contractor pricing, as a way for participants to screen contractors?
A: Yes, contractor cost information is included in the working [dataset on CalDGStats](#).

Session 5: Wrap-up and Thank you

- The SOMAH PA will make the slides and meeting notes available on the [Public Forum event page](#) and will send them in a follow-up email to those who attended the forum.
- The next public forum will be scheduled in February 2020, and will provide information, updates and discussion that focuses on job training organizations, job trainees, and tenants.