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

Rulemaking 25-01-005

**ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENTS
ON MODIFICATIONS TO THE DISADVANTAGED COMMUNITIES –
SINGLE-FAMILY SOLAR HOMES PROGRAM**

This ruling directs Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE) (together, investor-owned utilities (IOUs)) and the Program Administrator to file opening comments on the questions below regarding potential modifications to the Disadvantaged Communities – Single-Family Solar Homes (DAC-SASH) program. All parties are invited to file opening and reply comments, but some questions are explicitly directed to the IOUs and Program Administrator. Comments are limited to 25 pages, excluding attachments.

Opening comments are due February 25, 2026, and reply comments are due March 6, 2026.

1. Background

Assembly Bill (AB) 327 (Perea, Chapter 611, Statutes of 2013) created California Public Utilities (Pub. Util.) Code Section 2827.1(b)(1), which requires the Commission to ensure “that customer-sited renewable distribution generation continues to grow sustainably and include specific alternatives designed for growth among residential customers in disadvantaged

communities.”¹ In furtherance of this direction, the Commission established the DAC-SASH program in Decision (D.) 18-06-027 to enable income-qualified homeowners in disadvantaged communities (DACs) to receive rooftop solar installations with incentives and customer protections. DAC-SASH was modelled after the Commission’s predecessor program, the Single-family Affordable Solar Homes (SASH) program, as noted in D.18-06-027. DAC-SASH is part of a suite of Commission programs that grew out of requirements within AB 327, including the Solar on Multifamily Affordable Housing (SOMAH) and the Disadvantaged Communities Green Tarriff (DAC-GT) programs.

DAC-SASH has an annual budget of \$10 million, which began on January 1, 2019.² Greenhouse gas (GHG) allowance auction proceeds fund the budget, to the extent available.³ If GHG allowance auction proceeds are insufficient for a given year, the remainder of the budget is collected from ratepayers through public purpose program funds.⁴ A single Program Administrator (PA), GRID Alternatives (GRID), currently administers DAC-SASH. Program funding is allocated to GRID as follows: 10% for administration, 4% for marketing and outreach, 1% for program evaluation, and 85% for incentives. Currently, program funding is not allocated to the IOUs.

On April 28, 2023, Evergreen Economics submitted the “Process and Load Impact Evaluation of the Disadvantaged Communities-Single-Family Affordable Solar Housing Program” to the Commission (Evaluation Report). The

¹ Pub. Util. Code § 2827.1(b)(1).

² Resolution E-5020.

³ D.18-06-027 at 31.

⁴ *Id.* at 31 and Conclusion of Law 14.

Evaluation Report, its appendices, and the PA's response to the Evaluation Report's recommendations are included with this Ruling as Attachment A.

On August 1, 2025, the Commission approved the sixth edition of the DAC-SASH Program Handbook.⁵

Funding sources for several Commission-overseen low-income solar programs are expected to change in 2026. AB 1207 (Irwin, Chapter 117, Statutes of 2025) was signed into law in September 2025, ending the requirement for electrical corporations to allocate 15% of revenues received from greenhouse gas allowances for clean energy and energy efficiency projects (including DAC-SASH and DAC-GT) beginning July 1, 2026. Senate Bill 92 (Committee on Budget and Fiscal Review, Chapter 26, Statutes of 2017) authorized the allocation of IOU greenhouse gas auction proceeds to fund the SOMAH program through June 30, 2026.⁶

Following the growth of the residential solar market (as mentioned in the CPUC Response to Executive Order N-5-24), D.22-12-056 established the net billing tariff (NBT) as a successor to net energy metering tariffs. The solar market has seen a notable increase in battery storage adoption since the implementation of NBT.

2. Questions for Party Comments

As described in the Assigned Commissioner's Scoping Ruling, this proceeding considers whether to modify the DAC-SASH program and, if so, how.⁷ I invite parties to comment on the questions below. The questions are

⁵ GRID Alternatives, DAC-SASH Program Handbook, *available at* <https://gridalternatives.org/sites/default/files/2025-02/DAC%20Handbook%20v.5%201.24.2025.pdf>.

⁶ Pub. Util. Code § 2870(c).

⁷ Assigned Commissioner's Scoping Memo and Ruling (May 1, 2025) at 2.

divided into two parts: administration and budgetary questions, and program handbook-related questions. Parties shall limit their comments to 25 pages but can include attachments that exceed that limit.

2.1. Administration and Budgetary Questions

1. The IOUs' DAC-SASH balancing accounts have continued to accrue interest since program launch.

For IOUs: please disclose the accrued interest generated by these accounts and the IOUs' projected administration costs through 2030.

For all interested parties: Is the accrued interest sufficient to cover the IOUs' and GRID's administrative costs for the duration of the program, or just the IOUs' administrative costs? Should IOUs' and/or GRID's administrative costs be shifted to this source, or should the IOUs' and GRID's administration and Marketing, Education and Outreach (ME&O) cost recovery be funded by allocating 10% of the program's total administration and ME&O budget currently allocated to GRID? If neither, explain an alternative methodology.

2. D.18-06-027 established that DAC-SASH should undergo an evaluation every three years. To aid in its next evaluation, should GRID be required to track and account for external (e.g., philanthropic) funds used to support the DAC-SASH program at the project level through covering administration, installation, job training, and/or other costs going forward? Should these costs be publicly reported in the DAC-SASH semiannual reports or through some other means?

2.2. Program Handbook-Related Questions

I invite parties to review the Staff Proposal Redlined Handbook included with this Ruling as Attachment B. The questions below are organized by Redlined Handbook headings. Parties that comment on specific elements of the

Redlined Handbook are encouraged to include citations to the Redlined Handbook and relevant line numbers.

1.3. Program Budget Revisions

3. Going forward, should each year's total spending (incentives, administration, ME&O) continue to be limited to \$10 million, or should spending be allowed to fluctuate from year to year to align with program needs for the remaining program budget?

2.3. Complementary Energy Programs

4. The evaluation found low DAC-SASH participant enrollment in other programs for which participants are eligible, including the California Alternate Rates for Energy, Energy Savings Assistance, and the Medical Baseline Rate. What changes or additional practices should the Commission consider to increase DAC-SASH Applicant enrollment in these (and/or other) related programs?

2.6. Installation Standards

5. To calculate system sizes for DAC-SASH program incentives, should the DAC-SASH program continue to rely on the Expected Performance Based Buydown calculator or other available tools? Should GRID be authorized to propose the use of different tools that may be available now or in the future via a Tier 2 advice letter?

2.8. Job Training/ Workforce Development Requirements

6. The DAC-SASH program's workforce development and job training requirements are largely unchanged from the predecessor SASH program's design, established in 2007. Given that the solar market has matured and broadened into DACs and low-income communities, is there still a need for job training and workforce development program requirements?
7. The Commission has a goal to "promote high road career paths and economic opportunity for residents of ESJ

communities.”⁸ Should any of the job task analysis categories listed on D.18-06-027’s page A-10 be considered a “high road” career path pursuant to Unemployment Insurance Code Section 14005 (r) and (s)?⁹ Please provide quantitative evidence specific to each category, if available.

2.3. Additional Questions

8. As it stands today, how well is DAC-SASH fulfilling the obligations under AB 327 as compared to SOMAH, DAC-GT, and the Net Energy Metering and NBT programs? For IOUs: Please report the number of residential solar installations that have occurred within DACs,¹⁰ not including DAC-SASH, SOMAH, or other Commission-administered programs or incentivized installations from 2019 to 2025.
9. On September 15, 2025, GRID Alternatives submitted Advice Letter 20-E seeking to expand eligible equipment within the DAC-SASH Program Handbook to include solar-paired storage at a non-declining incentive level of \$1,000/kilowatt-hour. Should the DAC-SASH program incentive level be increased to incentivize batteries as proposed by the PA? Responses should include how changes (if any) would impact the program’s administrative costs and workload, budget trajectory, and prioritization of program resources.

⁸ CPUC Environmental & Social Justice Action Plan, Version 2, at 25 *available at* <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>.

⁹ CPUC Environmental & Social Justice Action Plan, Version 2, at 25 *available at* <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>.

¹⁰ A disadvantaged community, for the purposes of the DAC-SASH program, is defined as a community that is identified, using the latest version of CalEnviroScreen, as among the top 25% most disadvantaged census tracts statewide or 22 census tracts in the highest 5% of CalEnviroScreen’s Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data.

10. Provide any additional feedback to inform whether the Commission should adopt elements of the Staff Proposal Handbook, along with any Commission orders needed to change existing practices directed in a Commission Decision or Resolution. Include the page number of any text to which you refer. If addressing multiple parts of the Staff Proposal Handbook, arrange your feedback in page order to the extent feasible. For example, do you support or oppose the following program design changes?
 - a. Eliminating the requirement for GRID to provide energy efficiency education to Applicants.
 - b. Eliminating the requirement for GRID and sub-contractors to hire job trainees.
 - c. Prohibiting projects participating in multiple incentive programs (e.g., the DAC-SASH program and the Self-Generation Incentive Program) from receiving total incentives that exceed the projects' costs.
 - d. Inclusion of meter socket adapters as eligible equipment.

IT IS RULED that party comments responding to questions about the Disadvantaged Communities – Single-Family Solar Homes program included in this ruling shall be filed and served by February 25, 2026, with reply comments due by March 6, 2026.

Dated January 26, 2026, at San Francisco, California.

/s/ JACK CHANG

Jack Chang
Administrative Law Judge

ATTACHMENT A

ATTACHMENT B