BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIF

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R2501005

Order Instituting Rulemaking on Customer-Generated Renewables for Priority Communities.	Rulemaking 25-01-005 (Filed January 26, 2026)

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

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25 February 2026

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I. Background

GRID Alternatives (GRID) is a California-based national 501(c)3 nonprofit organization whose mission is to build community-powered solutions to advance economic and environmental justice through renewable energy. Following a competitive solicitation process, GRID was selected by the California Public Utilities Commission (CPUC) to serve as the statewide Program Administrator (PA) for DAC-SASH. GRID has been implementing the DAC-SASH program in this capacity since the initial Program Handbook was approved through the adoption of Resolution E-5020 on September 12, 2019.[1] As the single statewide PA for the DAC-SASH Program, GRID has a unique perspective on the impacts of the program as well as its challenges and opportunities for improvement. We appreciate the opportunity to share these insights through the following comments, respectfully submitted in response to the Administrative Law Judge's Ruling Seeking Comments on Modifications to the Disadvantaged Communities – Single-Family Solar Homes Program, Dated January 26, 2026 (the ruling).[2]

II. Continuation of Program Funding

While the ruling acknowledges that funding sources for several Commission-overseen low-income solar programs are expected to change beginning July 1, 2026 due to the passage of AB 1207,[3] it does not provide clarity regarding how this change will be implemented with regard

[1] Resolution E-5020: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M313/K697/313697139.PDF
[2] Ruling Seeking Comments: https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M596/K752/596752035.PDF
[3] *Ibid.*, p3.

to the DAC-SASH program. The ruling does not state that the Commission is considering changes to the program's total budget or whether it will continue to be funded beyond July 1, 2026, nor does it ask parties to comment on these topics. However, the Staff Proposal Redline Handbook, provided as Attachment B to the ruling, includes language modifications that GRID understands to discontinue collections for program funding as of July 1, 2026, effectively terminating the program several years ahead of schedule.[4] This discrepancy creates uncertainty regarding the future of the DAC-SASH Program and the scope of party comments in this proceeding. GRID recognizes that this may not have been intentional, and respectfully requests clarification regarding the intent of the proposed handbook modifications related to program funding.

AB 1207 does not require or otherwise direct the CPUC to terminate the DAC-SASH Program prior to the program's planned sunset. As noted in the ruling, the adoption of AB 1207 will end the requirement that electrical corporations (IOUs) allocate 15% of revenues received from Greenhouse Gas (GHG) allowances under cap-and-trade to clean energy and efficiency programs overseen by the CPUC, including DAC-SASH, as of July 1, 2026.[5] This means that IOU GHG allowance revenues will no longer serve as a funding source for DAC-SASH starting July 1, 2026. However, the Commission already determined that Public Purpose Program (PPP) funds would serve as a fallback funding source for DAC-SASH in its Decision 18-06-027 establishing the program, issued on June 22, 2018.[6] Therefore, absent a new decision by the CPUC to sunset the DAC-SASH program early, implementation of AB 1207 will simply require transitioning to rely on PPP funds as the primary funding source for the program beginning July 1, 2026. This would enable the program to continue operating uninterrupted at its current annual budget through the end of 2030, as originally planned.[7]

The DAC-SASH program will continue to play a unique and essential role in California's energy strategy well beyond July 1, 2026. As noted in the ruling, AB 327 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

[4] Staff Proposal Redline Handbook, p1 line 39 & p2 lines 47-50: https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M596/K296/596296839.PDF
[5] Ruling Seeking Comments, p3.
[6] Decision 18-06-027, p4, 97 (Conclusion of Law 10), and 102 (Ordering Paragraph 8): https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M216/K789/216789285.PDF
[7] Ibid., p30, 96 (Conclusion of Law 9), and 100 (Ordering Paragraph 1).

communities."[8] This law remains in effect, and was in no way altered by AB 1207. The DAC-SASH program was established as part of the Commission's implementation of this statutory direction, and remains an essential component of its compliance with this policy as the state's only ongoing program focused on providing equitable access to rooftop solar to single-family households in DACs. Because households served by DAC-SASH have incomes at or below 250% of the federal poverty level, these California families would likely struggle to otherwise obtain access to the benefits of solar due to credit score requirements and other financial barriers. Households served by DAC-SASH would also receive an appreciably lower bill savings benefit under market-based offerings, including market rate power purchase agreement (PPA) rates, which often have annual escalators. The program's impact on solar access in DACs has become even more pronounced following recent changes to the federal solar Investment Tax Credit (ITC) that now precludes homeowners from claiming these stackable federal incentives directly, even in cases where benefitting households have a net tax bill against which to apply ITC savings. Additionally, where DAC-SASH has been partially successful in addressing barriers to Tribal participation, DAC-SASH provides a crucial means through which California Tribes gain access to solar and equitable access to the state's funding mechanisms enabling solar deployment in DACs. Many market-based offerings, such as PPAs that often include fixture filings with the potential for liens, are incompatible with tribal sovereignty principles and do not offer the same level of access for Tribal communities. Allowing the program to run its full course as articulated in D.18-06-027 is the only way to ensure it delivers the intended impact in terms of both scale and benefits to the low-income households in DACs it serves.

DAC-SASH is on pace to be fully – if not over – subscribed in the larger two of the three IOU territories it serves within the next two years, PG&E and SCE. GRID had more interested clients than we could serve in PG&E territory last year with currently available program funds, and we are projecting reaching that point in SCE territory next year. As such, there is no indication to end the program early due to lack of effectiveness or limited uptake. DAC-SASH is also a highly efficient program in terms of its impact. The most recent third-party program evaluation found that DAC-SASH participants saw a 94% reduction in their annual net electric bills - the equivalent of

[8] Public Utilities Code Division 1, Part 2, Ch7, Article 3: 2827.1 (b)(1): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PUC&sectionNum=2827.1.

$990 in net energy bill savings per year – on average after participating in the program.[9] Program participants represent a high-priority community for bill reduction, as low-income homeowners in DACs who experience disproportionately high harms from fossil fuel pollution, some of the highest energy burdens, and unique barriers to solar energy adoption. The same program evaluation estimated the program's first-year electricity bill net savings total at the time to be $945,450.[10] In other words, all 964 DAC-SASH funded solar systems that had been completed to date saved a total of approximately $945,450 during the first year of operation alone. Now, GRID estimates that the DAC-SASH Program has generated a total of over $100 Million in projected savings for participating households over the lifetime of the solar systems that have been installed through the program to date. This estimate represents a sum of the lifetime savings estimates we generate for each DAC-SASH participant during the system design phase. In addition, GRID estimates that the program has also generated over $23 Million in projected savings for all ratepayers to date by reducing the bills of program participants eligible for ratepayer-subsidized discounts through the California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs. These lifetime bill savings are the results of less than $70 Million in total program expenditures to date. DAC-SASH also serves as an effective and efficient complement to numerous other programs and funding streams that support California's energy goals, including IOU energy efficiency programs and federal tax credits for distributed solar.

While GRID appreciates the Commission's commitment to addressing California's high and rapidly increasing electricity costs, discontinuing this high-impact, targeted affordability program would not be an effective way to improve energy affordability. Continuing to fund DAC-SASH through PPP funds will have only a very slight impact on ratepayers given its comparatively small annual budget, while ending the program early would cut off a vital path to much-needed bill savings for the priority communities it serves – a loss that would be felt deeply. For all of these reasons, the Commission should not look to shortern the program's planned timeline or reduce its total budget. Rather, GRID urges the Commission to instead focus on possible modifications to improve and expand program impact. With these considerations in mind,

[9] Evergreen Economics Process and Load Impact Evaluation (2023), p2, 73, 76 & 97): https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/solar-in-disadvantaged-communities/dac-sash-evaluation-report-final.pdf

[10] *Ibid.,* p77.

GRID recommends the following alternative Handbook redlines regarding the program's funding source:

1. Staff Proposal Redline Handbook p1, lines 38-39:
   "The CPUC authorized $10M per year to be collected for DAC-SASH, beginning on January 1, 2019 ~~until June 30, 2026~~ until December 31, 2030."

2. Replacing, rather than deleting, Staff Proposal Redline Handbook p2, lines 47-50, with the following language:
   "Until June 30, 2026, the IOUs will first collect DAC-SASH program funding through available greenhouse gas (GHG) allowance revenues. In the event that there are insufficient funds available from the GHG allowance revenue, then the DAC-SASH program will be funded through customer rates via public purpose funds. Beginning July 1, 2026, and until December 31, 2030, the DAC-SASH program will be funded through customer rates via public purpose funds."

III. Responses to Questions

In addition to submitting the following responses to the questions for interested parties raised in the Ruling, GRID wishes to flag that the version of the handbook that was utilized for the Staff Proposal Redline Handbook is *not* the current approved version. On July 22, 2025, CPUC staff notified GRID via disposition letter that the organization's Advice Letter 19-E/19-E-A, which included handbook modifications adding GRID Alternatives Elective Pay as an authorized model of system ownership for the DAC-SASH Program, had been approved with an effective date of August 1, 2025. The version of the Program Handbook that was approved and adopted along with the disposition of Advice Letter 19-E – the sixth edition – is attached to these comments as Attachment A. While the following responses reference the page and line numbers of the Staff Proposal Redline Handbook for clarity, please note that any future handbook modifications should be made to the most recent approved version of the program handbook.

2.1 Administration and Budgetary Questions:

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

GRID does not have full visibility into how much interest has accrued in the IOUs' DAC-SASH balancing accounts to date or the total amount of funding currently available in those accounts, and will therefore provide a recommendation as to how such accrued interest should be spent in our reply comments, once the IOUs have disclosed this information into the record of this proceeding. In addition to this information, we also request that the IOUs provide a detailed accounting of their anticipated costs associated with future administration of the DAC-SASH Program.

GRID consistently utilizes the full 10% of the DAC-SASH Program budget that is currently allocated exclusively to GRID for administrative costs, in addition to the entirety of the 4% of the total program budget that is separately allocated to GRID's ME&O costs. We also incur additional costs associated with administering the program that are not currently covered by the program budget, but rather come out of GRID's operating budget. As such, any net reduction to GRID's administrative or ME&O budgets as the DAC-SASH Program PA would have a negative impact on our ability to continue administering the program effectively. For this reason, we strongly advise against allocating any of the 10% currently allocated to GRID for program administrative costs or the 4% currently allocated to GRID for ME&O costs to instead cover IOU costs. GRID opposes the proposed handbook modification – on page 2, lines 44-45, of the Staff Proposal Redline Handbook – corresponding to this approach.

Instead, we recommend that IOUs recover costs for the minimal program administration activities that they perform through accrued interest and/or other existing cost recovery mechanisms. For example, the IOUs should be able to recover any costs associated with processing referrals to complementary programs via the existing cost recovery mechanisms for those complementary programs.

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?

No, GRID should not be required to track and account for external, non-program funds used to support the DAC-SASH program. GRID remains committed to transparency for all the work we do within the scope of the DAC-SASH Program and to being an excellent steward of program resources. However, the philanthropic funds we raise support GRID's operations in general, spanning many other programs across other states and even other countries, and are not requested or received specific to or exclusively for DAC-SASH. In other words, DAC-SASH-supporting resources are neither known in advance nor readily segregable from general operating donations. GRID opts to apply portions of these additional, external resources to DAC-SASH projects of its own volition and at an opportunity cost to supporting other organizational efforts in order to provide no-cost services with limited program resources. By definition, the outside funds that GRID raises and spends toward program administration, solar readiness home improvements (such as the roof replacements and main service panel upgrades needed for many installs to move forward), job training and workforce development, and other costs not covered by the program have no impact on the program budget or on ratepayers.

Tracking and reporting these funding sources and how they are allocated at the project level would be a complex and resource-intensive task for GRID, would represent an unfunded mandate on our Philanthropy team who are not billable program staff, and would result in a further increase to our actual administrative costs that cannot be covered by the program's limited administrative budget, which we are already utilizing in its entirety. This additional burden would only further complicate program administration and strain GRID's resources while offering no public benefit.

2.2 Program Handbook-Related Questions

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.

Additional flexibility regarding the annual $10 million DAC-SASH Program budget would help ensure that GRID is able to respond effectively to fluctuations in demand and program needs. GRID has always been granted the ability to spend down previously collected but unspent funds

from earlier program years, in addition to the annual budget for the current program year. We strongly encourage the Commission to codify and preserve this ability so that the program is able to reach as many participants as possible across the program's full budget and period of performance. For this reason, GRID supports the addition of "Funds need not be used in the year in which they are collected." to the Program Handbook, as proposed on page 2, line 42, of the Staff Proposal Redline Handbook.

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?

GRID currently refers all income-qualified DAC-SASH participants as well as all income-qualified DAC-SASH applicants who do not move forward with participation in the program to the IOUs for the purpose of enrollment in the CARE, FERA, and/or ESA programs. As GRID does not collect data regarding program applicants' eligibility for the Medical Baseline rate, we do not have a process in place for separately referring program participants or applicants for the purpose of enrollment in that program. The IOUs are responsible for ensuring successful enrollment into these programs following referral by GRID, and GRID does not have consistent visibility into their enrollment processes or success rates as the IOUs are not required to share this information with the DAC-SASH PA.

GRID is generally supportive of the proposed language included on page 6, lines 176-190, of the Staff Proposal Redline Handbook that would replace the current Section 2.3 ("Energy Efficiency Requirements" on page 5, lines 162-175 of the Staff Proposal Redline Handbook) with a more comprehensive Section 2.3 titled "Complementary Energy Programs". The new proposed language would appropriately clarify that enrollment responsibility lies with the IOUs, as the Program Administrators for these complementary programs, as well as require them to automatically enroll DAC-SASH applicants who meet eligibility criteria in either CARE or FERA following referral by GRID. However, GRID recommends that the IOUs be explicitly required to track, analyze, and share enrollment data with GRID for reporting purposes, since this is not something all IOUs are currently doing with consistency. Using this data, GRID can then

recommend strategies to improve enrollment, though adoption of those strategies will ultimately be the responsibility of the IOUs. With this delineation of responsibilities in mind, GRID recommends the following additions and revisions to the new Section 2.3 language included on page 6, lines 176-190, of the Staff Proposal Redline Handbook:

> "**2.3 Complementary Energy Programs**
>
> The Program Administrator will refer all Applicants with completed applications to providers of additional energy efficiency services. The Program Administrator will provide all such Applicants' information to the IOUs for participation in the Energy Savings Assistance (ESA) program, a low-income energy efficiency program administered by the IOUs, and in the California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs, two low-income electricity rate discount programs administered by the IOUs. Applicants are also considered for the Medical Baseline Rate, if information is volunteered by the client indicating that they may qualify. The IOUs reach out to Applicants meeting eligibility criteria for optional enrollment in the ESA program, and automatically enroll eligible Applicants in the appropriate rate discount program. The IOUs will track and report on efficiency of uptake, analyze this data, and create strategies to improve enrollment, and provide this data to the Program Administrator. The IOUs will also be encouraged to collaborate with the Program Administrator to improve participation of referred DAC-SASH applicants. The Program Administrator will ~~compile~~ include data, as provided by the IOUs, on DAC-SASH participants who have been referred to, and enrolled in, these programs in the semi-annual program progress reports. ~~The Program Administrator will regularly track efficiency of uptake, analyze this data, and create strategies to improve enrollment. The Program Administrator will report bi-annually on the number of DAC-SASH participants who have been referred to, and enrolled in, these programs.~~"

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?

The EPBB calculator is an acceptable tool for calculating system sizes for determining DAC-SASH incentive amounts, and GRID recommends it continue to be utilized as such, with no changes at this time. The current methodology effectively ensures that systems are designed for efficient performance without imposing a disadvantage on households in geographies that may be less optimal for solar performance, which would create inequities within the program. However, given that better tools may become available in the future, GRID supports having explicit authority to propose an alternative via a Tier 2 advice letter. This authority would be consistent with the authority to propose DAC-SASH "program adjustments" via Tier 2 Advice Letters previously granted to GRID through Decision 18-06-027.[11]

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?

Yes, while GRID does not receive funding specific to DAC-SASH's workforce training requirements, there is still a need for the DAC-SASH program to include job training and workforce development. While unemployment is low on a national basis, DACs are hotspots for un- and under-employment and many continue to face higher rates of unemployment than other communities in California. The CalEnviroScreen unemployment indicator map shows that the census tracts with the highest rates of unemployment (at or above 80th percentile) overlap greatly with the map of DACs, especially in the San Joaquin Valley and Inland Empire.[12] Job training and workforce development provided through DAC-SASH plays an important role in expanding opportunities for residents of DACs to obtain hands-on job training and gain skills that can put them on a pathway towards long-term, stable employment in either the solar industry or, importantly, adjacent industries to which the skills developed are transferable.

The DAC-SASH program's job training and workforce development components have been and continue to be effective in delivering job placement results. The most recent Program Evaluation found that unemployment was significantly reduced and self-reported full-time

[11] Decision 18-06-027, p A-2, paragraph 2.
[12] CalEnviroScreen 4.0 Indicator Maps, Unemployment: https://experience.arcgis.com/experience/ed5953d89038431dbf4f22ab9abfe40d/page/Indicators?views=Unemployment

employment increased among surveyed DAC-SASH job training participants and volunteers following their participation.[13] 43 Percent of surveyed Install Basic Training (IBT) participants reported that they were unemployed prior to participating in IBT, compared to only 16 percent who reported that they were unemployed after participating in the program. 30 Percent of surveyed IBT participants reported that they worked full-time prior to participating in IBT, while 46 percent did so after participating in the program. More recently, GRID's DAC-SASH Semi-Annual Report for Q1-Q2 2025 found that there were over 100 successful job placements among program job training participants in just the first half of 2025, and a total of 1,222 over the lifetime of the program.[14] These job placements have been enabled by effective and intentional partnerships with Job Training Organizations throughout the state, including 17 organizations located in DACs.[15]

While GRID does not see a need to eliminate the DAC-SASH program's job training and workforce development requirements, GRID does recommend minor modifications to better align with current practices. GRID no longer runs an unpaid volunteer training program, and therefore finds it reasonable and appropriate to remove all mentions of "volunteer" on page 4, lines 107-112, and throughout Section 2.8 ("Job Training/Workforce Development Requirements", pages 8-10, lines 258-352 of the Staff Proposal Redline Handbook). The "Team Leader" role described on page 9, lines 286-293, was a volunteer position, and since there is no longer a volunteer program in place this description could similarly be removed from the Handbook. Otherwise, the program requirements included Section 2.8 remain consistent with the needs of DACs as well as the training and workforce development offerings of the PA.

7. The Commission has a goal to "promote high road career paths and economic opportunity for residents of ESJ communities." 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)? Please provide quantitative evidence specific to each category, if available.

Yes, the hands-on training related to solar installation, project design and engineering, and project management and coordination that GRID provides through the DAC-SASH program offer

[13] Evergreen Economics Process and Load Impact Evaluation (2023), p87.
[14] DAC-SASH Semi-Annual Report: Q1-Q2 2025, p15-16: https://gridalternatives.org/sites/default/files/2025-11/2025%20Q1-Q2%20DAC-SASH%20Semi-Annual%20Report%20%28final%29.pdf
[15] *Ibid.,* p16.

a stepping stone toward high-road careers, especially those in the construction and electrical trades. GRID's job training and workforce development programming is designed with the explicit goal of putting trainees on high-road career paths. We have a formal partnership with IBEW Local 340, and our IBT 200 Program – which includes direct work on solar installation, one of the job task categories listed on page A-10 of D.18-06-027 – is recognized as a pre-apprenticeship program by the state of California. GRID is also a North American Board of Certified Energy Professionals (NABCEP)-registered training provider,[16] offering industry-recognized skill training through IBT 200. GRID strives to leverage our relationships and expertise to connect all participants with the resources they need to pursue a career path in high-road industries. In recognition of our commitment to this goal, GRID received funding in July 2025 from the Los Angeles County Department of Economic Opportunity (DEO) as a High Road Training Partnership (HRTP) grantee, along with other organizations working to improve economic mobility and access to family-sustaining careers.[17] Furthermore, GRID is committed to collaborating with employers and other stakeholders in the industry to find opportunities for improving job quality in the solar industry, including by building out a mission-aligned contractor network.

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?

DAC-SASH fills a unique role in meeting the Commission's obligations under AB 327, as the only program overseen by CPUC that focuses on expanding equitable access to rooftop solar for low-income single-family households in DACs. By contrast, the SOMAH program serves households within multifamily affordable housing properties in DACs through on-site rooftop solar and associated bill savings. These two programs serve two distinct populations within DACs. The DAC-GT program, on the other hand, provides discounted utility-scale clean energy to low-income households living in either single- or multi-family housing in DACs. While the DAC-GT program provides bill savings to participating customers, it is not a rooftop solar program and does not provide comparable benefits, and the larger scale of projects involved typically means longer

[16] NABCEP Course Catalog, Installation Basics Training 200: https://coursecatalog.nabcep.org/classes/installation-basics-training-200

[17] Department of Economic Opportunity, County of Los Angeles, "LA County DEO Awards $17.8 Million to 19 High Road Training Partnerships": LA County DEO Awards $17.8 Million to 19 High Road Training Partnerships - Department of Economic Opportunity

project timelines and limited availability to add additional subscribers. These programs each serve a unique purpose, and should not be evaluated in comparison to one another, but rather as individual components of a comprehensive strategy for ensuring the growth of renewable distributed resources in DACs.

It is nonetheless worth noting that DAC-SASH provides deeper bill savings for participating customers than other programs established in response to AB 327. Per the most recent third-party program evaluation, DAC-SASH participants saw a 94% reduction in their annual net electric bills on average after participating in the program,[18] while tenants of properties participating in the SOMAH program were found to save 59% on their monthly electric bills[19] and the DAC-GT program provides a 20% discounted green rate to participating customers.

DAC-SASH also contributes to the goals of AB 327 by paving the way for participating customers to benefit from additional programs that promote the adoption of complementary clean energy technologies, such as electric vehicles and electric vehicle charging equipment, electric home heating and cooling systems, and battery storage. These additional technologies might otherwise be out of reach for low-income households in DACs due to the increase in electric bill costs associated with home and vehicle electrification.

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.

GRID's rationale for incorporating solar-paired storage into the DAC-SASH program through the addition of a non-declining incentive of $1,000/kilowatt-hour and our assessment of the impacts this would have on the program are both explained in detail in our Advice Letter 20-E. This Advice Letter was served to members of the service list for this proceeding on September 15, 2025, via email and is also attached to these comments as Attachment B for ease of reference.

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[18] Evergreen Economics Process and Load Impact Evaluation (2023), p2, 73, 76 & 97): https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/solar-in-disadvantaged-communities/dac-sash-evaluation-report-final.pdf

[19] Verdant Associates, Solar on Multifamily Affordable Housing Second Triennial Report, p5 & 102: 2023-somah_second_triennial_report.pdf

Since this filing, GRID has been able to co-leverage other fund sources including incentives through the Self-Generation Incentive Program (SGIP) to fund 121 battery storage projects alongside DAC-SASH incentivized solar energy systems. However, SGIP budgets have either closed out at the end of 2025 or, in the case of the Residential Solar and Storage Equity (RSSE) budget, reached the waitlist step in all IOU territories.[20] With this funding source no longer available for future DAC-SASH projects, it is now all the more important that the Commission approve a storage incentive within the DAC-SASH Program. Without an alternative funding source for paired storage, GRID will need to revert back to providing solar-only installations for DAC-SASH participants, forgoing the additional savings and resilience benefits batteries provide to program participants as well as the shared benefits they provide to the grid and California more broadly, such as reducing peaker plant uptime and the associated negative health impacts – concentrated in DACs – of peaker plant pollution.

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?

- *Eliminating the requirement for GRID to provide energy efficiency education to Applicants.*
- *Eliminating the requirement for GRID and sub-contractors to hire job trainees.*
- *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.*
- *Inclusion of meter socket adapters as eligible equipment*

On page 1, lines 19-24 of the Staff Proposal Redline Handbook, it appears that staff have recommended eliminating the entire description of the DAC-SASH program's goals. The goals of the program were established by Decision 18-06-027[21] and are accurately reflected in this section

[20] Self-Generation Incentive Program Program Metrics: https://www.selfgenca.com/home/program_metrics/
[21] D.18-06-027, p A-1.

of the Handbook, and as such GRID sees no reason to remove the current language. GRID opposes this suggested change.

As stated in Section II of these comments, GRID opposes the suggested handbook changes regarding program funding on page 1, line 39, and page 2, lines 47-50, of the Staff Proposal Redline Handbook, as GRID's understanding is that these changes would cease program collections as of July 1, 2026, and effectively terminate the program several years ahead of schedule. Staff have provided no indication as to the reason for that change, which is not substantiated by program evaluations, impact, or cost-effectiveness, all of which point to DAC-SASH as a high-performing and well-regarded program. In lieu of these changes, GRID recommends the Commission adopt the alternative redlines included on page 5 of these comments. GRID also opposes the suggested new language on page 2, lines 44-45, of the Staff Proposal Redline Handbook due to the fact that GRID relies on the full 10% of the DAC-SASH Program budget that is currently allocated exclusively to GRID for administrative costs, as explained in our response to question number 1 above. However, GRID does support the revisions suggested on page 2, line 42, to provide flexibility in annual program expenditures as described in our response to question number 3 above.

GRID urges the Commission to modify the revisions proposed on page 3, lines 72-73, and page 12, lines 398-399 of the Staff Proposal Redline Handbook, which would specify that the latest version of CalEnviroScreen must be used to identify DACs for the purpose of determining eligibility for the DAC-SASH program. Rather than basing eligibility on the CalEnviroScreen map, GRID encourages the Commission to consider instead using the SB 535 Disadvantaged Communities map to determine geographic eligibility for the DAC-SASH program. Programs in the California Climate Investments portfolio, which are also funded through the state's cap-and-trade program and prioritize DACs, utilize the SB 535 map for this purpose.[22] Adopting the same map for the DAC-SASH program would create more consistency across state programs, which would better support stacking funds from additional programs in order to cover costs not eligible for DAC-SASH incentives and/or provide additional benefits to DAC-SASH participants. Additionally, the SB 535 map automatically incorporates future updates to CalEnviroScreen while grandfathering eligibility for households that were determined to be within a DAC according to the

[22] SB 535 Disadvantaged Communities (2022 Update): https://experience.arcgis.com/experience/1c21c53da8de48f1b946f3402fbae55c/page/SB-535-Disadvantaged-Communities

previous version of CalEnviroScreen.[23] This is the most equitable approach to eligibility, since communities designated as DACs by CalEnviroScreen 3.0 but not the 4.0 edition undoubtedly remain disadvantaged.

As explained in response to question number 6 above, the job training and workforce development programming GRID provides as part of its administration of the DAC-SASH program continues to meet real needs for job opportunities – including on high-road career paths – in DACs, provide meaningful job placement results, and contribute to the overall success and impact of the program. While it's up to the Commission whether or not job training and workforce development program activities (corresponding to Staff Proposal Redline Handbook page 4, lines 107-112, and pages 8-10) should continue to be required, equitable workforce development will remain a core component of GRID's mission and operations. As such, it is GRID's intention to continue involving job trainees in DAC-SASH installations and encouraging subcontractors to hire job trainees regardless of whether these program requirements are upheld. If the Commission does uphold the job training and workforce development activities described in the Handbook as program requirements, GRID recommends minor modifications to the Handbook language on the aforementioned pages to better align with current practices, as described in our response to question number 6 above.

GRID supports the inclusion of meter socket adapters as eligible equipment for DAC-SASH program incentives, as suggested on page 5, line 145, as well as page 14, line 509, of the of the Staff Proposal Redline Handbook. Meter socket adapters can be a necessary project component, and affirming their inclusion as eligible equipment and therefore in total eligible project costs will help reduce project funding gaps. GRID also recommends that main service panel upgrades be added to the list of eligible equipment for program incentives, with additions to the same handbook locations cited above, since main service panel upgrades are more appropriate for some projects than meter socket adapters.

As explained in response to question number 4 above, GRID generally supports the proposal to replace the current Section 2.3 ("Energy Efficiency Requirements" on page 5, lines 162-175 of the Staff Proposal Redline Handbook) with a more comprehensive and updated Section 2.3 ("Complementary Energy Programs" on page 6, lines 176-190, of the Staff Proposal Redline

[23] SB 535 Disadvantaged Communities (2022 Update), About: https://experience.arcgis.com/experience/1c21c53da8de48f1b946f3402fbae55c/page/SB-535-Disadvantaged-Communities?dlg=About

Handbook). The new proposed language more accurately reflects the various programs to which GRID refers DAC-SASH applicants and the respective roles of the PA and IOUs in the referral and enrollment process, though we recommend the additional clarifications to the new proposed language provided in our response to question number 4 above to further improve accuracy and specificity. The new proposed language would also newly require the IOUs to automatically enroll DAC-SASH applicants who meet eligibility criteria in either CARE or FERA following referral by GRID. However, GRID would not support elimination of the current Section 2.3 unless updated replacement language is also adopted.

GRID requests clarification regarding the intent of the revision to applicant eligibility criteria (part A) suggested on page 11, line 373, of the Staff Proposal Redline Handbook. GRID does not have access to the IOUs' customer databases, and would not have the ability to confirm whether or not a DAC-SASH applicant holds multiple utility accounts. Since this revision would create a new requirement that the Program Administrator cannot validate, GRID advises against adopting as proposed.

GRID supports the revisions to applicant eligibility criteria (part B) suggested on page 11, lines 375-387, of the Staff Proposal Redline Handbook. These changes would provide some additional flexibility for applicants residing at properties owned by community land trusts or tribes, as well as residents of restricted affordable housing. However, these changes would not address other issues related to program eligibility, and GRID encourages the Commission to consider additional modifications to the program's geographic and income eligibility criteria as well.

In order for an applicant to be eligible for incentives through the DAC-SASH program, their residence must be located in a DAC – defined in the Handbook as "among the top 25 percent most disadvantaged census tracts statewide or 22 census tracts in the highest 5 percent of CalEnviroScreen's Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data" or within California Indian Country.[24] This definition can be overly restrictive, and severely limits program participation in certain regions of the state. For example, very little of SDG&E's territory meets this strict definition, and program uptake among SDG&E customers has therefore been much more limited than among customers of the other IOUs. While the legislature did direct the Commission to ensure the growth of distributed renewable resources in disadvantaged communities with the passage of AB 327, it did not require

[24] Staff Proposal Redline Handbook, p11.

the Commission to utilize any particular definition of that term.[25] The specific criteria for eligibility as a DAC currently in use for the DAC-SASH program was adopted by the Commission in Decision 18-06-027,[26] and could similarly be revised by the Commission. Therefore, GRID recommends that the program's geographic eligibility criteria (part D), corresponding to pages 11-12, lines 392-402 of the Staff Proposal Redline Handbook be expanded to include customers living within five miles of a DAC, in addition to those living within a DAC. This modification would mirror a similar modification that the Commission adopted for the DAC-GT program in 2024[27] and account for the reality that residents living very close to a DAC often experience similar environmental and economic hardships as their neighbors located within the boundaries of that DAC.

In addition, GRID recommends that the Commission consider revising the DAC-SASH income eligibility criteria (part C), corresponding to pages 11-12, lines 387-391 of the Staff Proposal Redline Handbook to qualify households at or below 80 percent of Area Median Income (AMI) rather than only households meeting CARE or FERA program income guidelines. This is the same income requirement adopted for the Self Generation Incentive Program (SGIP) equity budgets (Resident Equity, Residential Equity Resiliency, and Residential Solar and Storage Equity).[28] This modification would increase the reach of the DAC-SASH Program by expanding the number of households that would meet eligibility criteria, and would also improve consistency across state equity programs.

While GRID has not identified any suggested language included in the Staff Proposal Redline Handbook that would prohibit projects participating in multiple incentive programs from receiving total incentives that exceed total project costs, GRID did recommend such language as part of our Advice Letter 20-E at the urging of CPUC staff. GRID would prefer that the Commission not adopt additional restrictions regarding incentive payments beyond those already included in the currently approved program handbook (section 5.1), as doing so would increase GRID's administrative burden by requiring additional tracking and reporting. However, if the Commission feels that additional limitations in this area are necessary, we offer the following

[25] Public Utilities Code Division 1, Part 2, Ch7, Article 3: 2827.1
[26] Decision 18-06-027, pages 16; 96, Conclusion of Law 3; & A-1.
[27] Decision 24-05-065, pages 132; 166, Conclusion of Law 21; & 170, Ordering Paragraph 3.(a): https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M533/K188/533188781.PDF
[28] Self-Generation Incentive Program Handbook (2025), p79: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/self-generation-incentive-program/2025-sgip-handbook-v1.pdf

suggested Handbook redlines (Corresponding to page 14, lines 492-496 of the Staff Proposal Redline Handbook). These redlines are based on those we initially provided in Advice Letter 20-E, with additional language added to improve clarity, and seek to address any concerns about the prudent use of DAC-SASH funds while also ensuring that GRID retains the ability to utilize other funding sources, including other government incentive programs when possible, to cover project costs that cannot be recovered through DAC-SASH:

> "~~Incentive payments cannot exceed actual equipment and installation costs.~~ The Program Administrator will ensure that total government incentives for DAC-SASH eligible costs, whether from the DAC-SASH program, another program, or tax credits, do not exceed total DAC-SASH eligible project costs. If the total government incentive amount received for DAC-SASH eligible costs exceeds the DAC-SASH eligible project costs, either the DAC-SASH incentive or other incentive(s) will be reduced until the sum of the DAC-SASH and all other incentives received for DAC-SASH eligible costs equals the total DAC-SASH eligible costs. The Program Administrator will maximize tax credits and other federal incentives, pursuing a reduced DAC-SASH incentive rather than a reduced federal incentive if applicable. The Program Administrator will also ensure~~, and~~ that incentives paid for DAC-SASH projects in a particular IOU's territory do not exceed the funding allocated for that IOU over the lifetime of the program. The IOUs are not obligated to pay incentives until funds are available."

GRID generally supports the proposed modifications to the DAC-SASH Program Reporting requirements, corresponding to page 15, section 6 of the Staff Proposal Redline Handbook, with several recommended additional revisions and qualifications (detailed below). The rationale for these additional recommendations is to reduce duplicative administrative work, while still providing the same useful information through the combination of semi-annual program progress reports and annual marketing, education, and outreach (ME&O) plans. The modifications proposed by staff would require that GRID report broadly on performance in relation to program goals and key performance indicators (KPI) in semi-annual program progress reports as well as annual ME&O plans, duplicating our tracking and reporting efforts. Instead, GRID recommends that the ME&O plans focus exclusively on marketing and education goals and KPIs, while all other metrics continue to be reported through the semi-annual program progress reports. If desired,

future Q3-Q4 semi-annual program progress reports can be updated to include year-long reporting periods and analysis. With this context in mind, GRID recommends the following additional modifications to this section:

- Staff Proposal Redline Handbook p15, lines 542-544:
  "The PA will publish a semi-annual program progress report detailing program activities that will be available on the PA and CPUC websites. The semi-annual report will include at least the data points listed below, but will be expanded to include additional metrics and information related to program progress as needed:"
- Staff Proposal Redline Handbook p15, line 553:
  "Number of ~~A~~applicants referred to IOUs for enrollment with the ESA~~P~~, ~~and~~ CARE, and FERA programs"
- Staff Proposal Redline Handbook p15, lines 558-561:
  "The PA will also publish an annual marketing, education, and outreach (ME&O) plan that will be available on the PA and CPUC websites. This will include analysis of the past year's program performance in relation to the past year's ME&O goals and key performance indicators (KPI), and set ME&O goals and KPIs for the upcoming year. ~~The topic areas will be those listed above.~~"

Finally, GRID encourages the Commission to continue utilizing an independent third party program evaluation to assess DAC-SASH program progress to date and opportunities for improvement every three years throughout the program's duration. These evaluations reveal useful data and enable continuous improvement of program implementation and design, and GRID sees no reason to eliminate this best practice.

IV. Conclusion

GRID appreciates the opportunity to respond to both the questions asked in the ruling as well as the program modifications proposed in the Staff Proposal Redline Handbook, and we look forward to additional opportunities to provide input throughout this proceeding.

Respectfully submitted,

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25 February 2026