STATE OF CALIFORNIA GAVIN NEWSOM, *Governor*

PUBLIC UTILITIES COMMISSION
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SAN FRANCISCO, CA 94102-3298

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TO PARTIES OF RECORD IN RULEMAKING 25-01-005:

This is the proposed decision of Administrative Law Judge Jack Chang. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's October 8, 2026 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties to the proceeding may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure (Rules).

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ MICHELLE COOKE
Michelle Cooke
Chief Administrative Law Judge

MLC:nd3
Attachment

Decision **PROPOSED DECISION OF ALJ CHANG (Mailed 9/4/2026)**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on Customer-Generated Renewables for Priority Communities.	Rulemaking 25-01-005

DECISION MODIFYING THE DISADVANTAGED COMMUNITIES — SINGLE-FAMILY SOLAR HOMES PROGRAM

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DECISION MODIFYING THE DISADVANTAGED COMMUNITIES — SINGLE-FAMILY SOLAR HOMES PROGRAM

Summary

This decision modifies the Disadvantaged Communities — Single-family Solar Homes (DAC-SASH) program to adopt new budget reporting, administrative spending, and program guidelines and requirements. This decision specifically implements the following changes:

1. Authorizes Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (SDG&E) (collectively, the investor-owned utilities (IOUs)) to use available accrued interest funds in their DAC-SASH program balancing accounts to recover future IOU marketing, education, and outreach (ME&O) and administrative expenses.
2. Requires the IOUs to report the use of their respective accrued interest balances for DAC-SASH administrative and ME&O expenses in the proposed annual budget advice letters directed out of Decision (D.) 20-12-003 Ordering Paragraph 6.
3. Authorizes the IOUs to seek recovery of their approved DAC-SASH administrative and ME&O expenses without a rate of return through their annual Energy Resource and Recovery Account applications as ordered by D.20-12-003 Ordering Paragraph 7.
4. Limits annual transfers by SDG&E into its DAC-SASH Balancing Account to its Commission-authorized annual DAC-SASH funding allocation.
5. Orders the Program Administrator (PA) to track, account for, and report all external funds used to support DAC-SASH program activities at the project level and to include these costs in its DAC-SASH semi-annual reports.
   (a) Authorizes the PA to use a one-time allocation of $50,000 of the remaining accrued interest in the IOUs' DAC-SASH balancing accounts for targeted

improvements to the PA's administrative budget activities and to cover any incremental changes to facilitate the PA's reporting on external funding and program participation outcomes. Orders the PA, within 45 days of the issuance of this decision, to file a Tier 2 advice letter documenting its implementation plan for reporting on external DAC-SASH funding with a budget and timeline and to document the actual usage and implementation of these additional funds in its Quarter 1-Quarter 2 2027 Semi-annual Progress Report.

6. Directs the PA to track referrals and develop strategies to improve participation in related programs, such as California Alternative Rates for Energy, Energy Savings Assistance, and Medical Baseline.
7. Prohibits DAC-SASH projects from receiving total project incentives from DAC-SASH or any other complementary incentive programs in excess of project costs.
8. Confirms that the Expected Performance Based Buyout Calculator should remain the primary tool for calculating DAC-SASH system sizes but authorizes the PA to propose different tools.
9. Removes job training, workforce development, and trainee hiring requirements from the DAC-SASH Program Handbook.
10. Declines to expand the DAC-SASH Program to include battery storage.
11. Removes the requirement in the DAC-SASH Program Handbook for the PA to offer energy efficiency education to DAC-SASH applicants.
12. Includes meter socket adapters as eligible DAC-SASH equipment in the DAC-SASH Program Handbook.

1. Background

Assembly Bill (AB) 327 (Perea), Stats. 213, ch. 611 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 Disadvantaged Communities — Single-family Solar Homes (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 has an annual budget of $10 million, which began on January 1, 2019. Greenhouse gas (GHG) allowance auction proceeds fund the budget, to the extent available.[2] If GHG allowance auction proceeds are insufficient for a given year, the remainder of the budget is collected from ratepayers through public purpose program (PPP) funds.[3]

A single Program Administrator (PA), GRID Alternatives (GRID), currently administers all aspects of DAC-SASH. The PA is responsible for implementing and administering the DAC-SASH program statewide, including participant eligibility screens, project oversight, incentive administration, compliance, reporting, and coordination with the Commission's Energy Division. The program budget 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. AB 1207 (Irwin), Stats. 2025, ch. 117 was signed into law in September 2025, ending the requirement for electrical corporations to allocate 15% of revenues received from GHG allowances for clean energy and energy efficiency projects (including

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[1] Pub. Util. Code § 2827.1(b)(1).

[2] D.18-06-027 at 31.

[3] *Id.* at 31 and Conclusion of Law 14.

DAC-SASH and DAC-GT) beginning July 1, 2026. After that date, DAC-SASH funding is scheduled to come solely from PPP funds until the program's December 31, 2030 sunset date.[4]

Currently the DAC-SASH PA ensures participating homeowners can install solar at no cost. In accordance with D.18-06-027, the Commission's staff selected a statewide DAC-SASH PA via a competitive bidding process, with Southern California Edison Company (SCE) as the contract holder, and the program launched in September 2019. D.20-12-003 modified DAC-SASH program eligibility to include California Indian Country, provided directions to the DAC-SASH PA and large investor-owned utilities (IOUs) to enhance consumer outreach and education about the program, and allowed the large IOUs to be reimbursed for program administration costs. As of December 2024, 2,886 solar photovoltaic systems had been installed and interconnected across the three large IOUs' territories for low-income customers in DACs using DAC-SASH incentives.[5] These DAC-SASH projects received a total of approximately $53.2 million in incentives and represent more than 11.5 megawatts of solar capacity.[6] A survey conducted by Verdant Associates (Verdant) of DAC-SASH participants who had completed a project during the 2022-2024 evaluation period found that 82% of respondents were also enrolled in the California Alternate Rates for Energy (CARE) program, 11% were also enrolled in Family Electric Rate Assistance (FERA) program, and 8% were also

[4] D.18-06-027 at Ordering Paragraph 8.

[5] Verdant DAC-SASH 2022-2024 Evaluation Report at 53-54.

[6] Verdant DAC-SASH 2022-2024 Evaluation Report at 31 and 52, Evergreen Economics Process and Load Impact Evaluation of the Disadvantaged Communities-Single-Family Affordable Solar Housing Program at 1.

enrolled in the utilities' Energy Savings Assistance (ESA) program, which offers qualifying homeowners and renters energy-saving home improvements, such as weatherization measures and energy efficient appliances.[7]

The Commission's staff manage a competitive bidding process to triennially evaluate the DAC-SASH program's performance and present estimates of the program's energy, environmental, and economic impacts, cost-effectiveness, participating and non-participating customer experiences, and progress made by the DAC-SASH PA to implement recommendations from previous DAC-SASH evaluations.[8] The final report of the second triennial evaluation was published in April 2026.

D.18-06-027 also required the PA to submit Semi-annual Reports to the director of Energy Division on the progress of the DAC-SASH program including information on the number of applications received and accepted; the size, expected annual output, progress, and total system cost of installations; geographic areas served; incentive dollars paid by each utility; the installer used; applicant enrollment with the ESA program; and administrative and marketing expenditures.[9]

Furthermore, D.18-06-027 also established the DAC-SASH Program Handbook and Program Implementation Plan (PIP) as the primary implementation documents governing administration of the program. Since the program's inception, the Commission has approved several revisions to the

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[7] Verdant DAC-SASH 2022-2024 Evaluation Report at 77 as entered in the record of Rulemaking (R.) 21-06-017 by the June 26, 2026 ALJ Ruling Providing Notice and Opportunity on Taking Official Notice.

[8] Verdant, DAC-SASH 2022-2024 Evaluation Report at 1.

[9] D.18-06-027, Appendix A at A-4.

Program Handbook through Tier 2 advice letters to reflect program modifications adopted by Commission decisions and operational improvements identified during implementation, while the PIP has remained largely unchanged. This decision continues that established process by directing the PA to adopt the latest version of the Program Handbook in Appendix C and submit a Tier 2 advice letter that incorporates the revisions adopted herein to the PIP.

1.1. Procedural Background

The Commission opened R.25-01-005 on January 16, 2025 to implement Senate Bill 355 (Eggman), Stats. 2023, ch. 393; consider modifications to the Solar on Multifamily Affordable Housing and DAC-SASH programs; and consider modifications to and establish programmatic procedural oversight of Renewable Energy Self-Generation Bill Credit Transfer tariffs and several small and multi-jurisdictional utility solar programs and tariffs.

The assigned Commissioner's Scoping Memo and Ruling was issued on May 1, 2025 asking, among other questions, whether DAC-SASH should be modified and if so, how.

An Administrative Law Judge (ALJ) ruling was issued on January 26, 2026 (January 26 Ruling) seeking party comments on potential DAC-SASH program and handbook modifications.

On February 25, 2026, San Diego Community Power (SDCP), California Solar & Storage Association (CALSSA), SCE, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates), San Diego Gas & Electric Company (SDG&E), GRID, Pacific Gas and Electric Company (PG&E), and Solar Energy Industry Association (SEIA) filed opening comments in response to the January 26 Ruling. On March 6, 2026, the California Environmental Justice Alliance (CEJA) and the Center for Biological Diversity (CBD) filing jointly, the

Energy Coalition, SCE, GRID, Cal Advocates, SDG&E, Tribal Energy Alternatives (TEA), Sunrun, and SEIA filed reply comments to the January 26 Ruling. Vote Solar filed reply comments to the January 26 Ruling on March 19, 2026 after a March 19, 2026 ALJ Ruling granted Vote Solar's motion for the Commission to accept late-filed reply comments.

Several parties expressed concern about proposed Program Handbook edits issued with the January 26 Ruling that appeared to suggest the DAC-SASH program would no longer collect funds after June 30, 2026.[10] An ALJ Ruling issued on April 2, 2026 corrected the red-lined Program Handbook to clarify that the Commission authorized $10 million per year to be collected for DAC-SASH beginning on January 1, 2019 until December 31, 2030.

On June 26, 2026, an ALJ Ruling provided notice and opportunity on taking official notice of the April 14, 2026 Verdant DAC-SASH 2022-2024 Evaluation Report submitted to the Commission.

1.2. Submission Date

This matter was submitted on June 26, 2026 upon issuance of the ALJ Ruling providing notice and opportunity on taking official notice of the April 14, 2026 Verdant DAC-SASH 2022-2024 Evaluation Report submitted to the Commission.

[10] CALSSA Opening Comments on January 26 Ruling at 1-2, CEJA and CBD Reply Comments on January 26 Ruling at 2-6, SEIA Opening Comments on January 26 Ruling at 2-4, GRID Opening Comments on January 26 Ruling at 1-5, Sunrun Reply Comments on January 26 Ruling at 2-3, TEA Reply Comments on January 26 Ruling at 2-3, Vote Solar Reply Comments on January 26 Ruling at 1-2, SCE Reply Comments on January 26 Ruling at 2-3, Energy Coalition Reply Comments on January 26 Ruling at 1-2, CEJA and CBD Reply Comments on January 26 Ruling at 2-6, GRID Reply Comments on January 26 Ruling at 1-3.

2. Issues Before the Commission

The Commission must consider whether to make any adjustments to the DAC-SASH program and prepare for the program's December 31, 2030 sunset. These issues are relevant to the May 1, 2025 Scoping Memo and Ruling and the following January 26 Ruling questions:

1. Is the accrued interest collected in IOUs' DAC-SASH balancing accounts sufficient to cover the IOUs' and GRID's administrative costs for the duration of the program, or just the IOUs' administrative costs? Should the 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?
2. 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 Semi-annual Reports or through some other means?
3. What changes or additional practices should the Commission consider to increase DAC-SASH applicant enrollment in related subsidy programs such as CARE, ESA, FERA, and the Medical Baseline Program?
4. Should the DAC-SASH program prohibit projects participating in multiple incentive programs from receiving total incentives that exceed the projects' costs?
5. To calculate system sizes for DAC-SASH program incentives, should the program continue to rely on the Expected Performance Based Buyout (EPBB) 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?

6. 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. 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)?
8. Should the DAC-SASH program no longer require GRID and sub-contractors to hire people who have received job training through the DAC-SASH program?
9. Should the DAC-SASH program incentive level be increased to incentivize batteries as proposed by the PA?
10. Should the DAC-SASH program eliminate requirements for GRID to provide energy efficiency education?
11. Should the Commission include meter socket adapters as eligible equipment in DAC-SASH?

3. Investor-Owned Utilities' Administration Budget

D.18-06-027 established an annual $10 million budget for DAC-SASH to be collected by PG&E, SCE, and SDG&E first through available GHG allowance auction proceeds. Should such funds be exhausted, the DAC-SASH program will be funded through PPP funds through the conclusion of the program in 2030.[11] In D.18-06-027, the Commission also allocated 10% of total collections for administration, stating that "the PA shall ensure that funding is allocated."[12] D.20-12-003 authorized the IOUs to submit an annual Tier 2 advice letter with their proposed budget starting in 2021 for reasonable ME&O and administration costs needed to support DAC-SASH.

[11] D.18-06-027, Appendix A at A-5 to A-6.

[12] *Id.* at A-6.

GRID states that it has received and spent the entire 10% of annual DAC-SASH funding allocated for administration in addition to the 4% of annual DAC-SASH funding allocated for ME&O.[13] Based on responses to the January 26 Ruling, however, it is unclear how the IOUs are collectively recovering their own DAC-SASH administrative costs.[14] PG&E states that its own DAC-SASH administrative costs have historically been included within the program funds set aside for administration.[15] PG&E submits annual advice letters seeking approval of its projected administrative budget and records its actual administrative expenses in the DAC-SASH Balancing Account for review through its annual Energy Resource and Recovery Account (ERRA) compliance proceedings.[16] PG&E writes: "It is PG&E's understanding that for each historic year in which this process has been followed, PG&E's administrative costs were included as part of the 10% set aside of program funds for administration."[17] SCE states that it reimburses the PA's administrative costs from the DAC-SASH balancing account but does not currently have approval to recover SCE's own administrative costs from that account.[18] Historical ERRA filings, however, show that SCE recorded its own program administration expenses in the DAC-SASH balancing account separately from PA costs through at least the 2024 record

[13] GRID Opening Comments to January 26 Ruling at 6.

[14] Verdant DAC-SASH 2022-2024 Evaluation Report at footnote 41.

[15] PG&E Opening Comments on January 26 Ruling at 3.

[16] PG&E Advice Letter (AL) 6044-E, AL 6491-E, AL 6853-E, AL 7164-E, AL 7502-E, and AL 7828-E; PG&E 2023 ERRA Compliance Prepared Testimony, Chapter 15, DACSASHBA, at 15-2 to 15-3; D.25-06-007 Conclusion of Law 14 and Ordering Paragraph 4.

[17] PG&E Opening Comments on January 26 Ruling at 3.

[18] SCE Opening Comments on January 26 Ruling at 2-3, SCE Reply Comments on January 26 Ruling at 3.

year.[19] SDG&E states that IOU administrative budgets were not contemplated to be funded from the 10% of DAC-SASH program funding allocated for administration.[20] Beginning in 2022, SDG&E's annual GHG revenue balancing account-to-DAC-SASH balancing account transfers included its approximately $1.03 million annual program allocation plus amounts corresponding to its separately approved utility administrative budgets — $60,000 in 2022, $65,000 in 2023, and $65,000 in 2024. SDG&E's approved utility administrative budget for 2025 was also $65,000; however, the 2025 ERRA record does not reflect a corresponding transfer. The 2021 record reflects only the $1.03 million base transfer.[21] SDG&E states that the "IOU administrative budgets were not contemplated to be funded by the 10% program total administrative budget."[22]

The January 26 Ruling asked whether the IOUs should begin recovering their administrative costs through the accrued interest on their DAC-SASH balancing accounts or whether the IOUs should recover their administrative costs through the 10% program budget set aside for administrative costs currently allocated to GRID. The IOUs all stated that they had enough accrued

[19] Ex. SCE-02, Testimony of SCE in Support of its ERRA Review of Operations, 2021, Chapter IV, § 12, DACSASHBA at 117-121; Ex. SCE-02, Testimony of SCE in Support of its ERRA Review of Operations, 2022, Chapter IV, § 12, DACSASHBA at 123-127; SCE 2023 ERRA Compliance Application, Ex. SCE-02, Chapter IV, DACSASHBA; SCE 2024 ERRA Compliance Application, Ex. SCE-02, Chapter IV, DACSASHBA. *See also* SCE AL 4731-E, AL 4965-E, AL 5220-E, and AL 5473-E.

[20] SDG&E Opening Comments on January 26 Ruling at 3.

[21] SDG&E AL 3947-E, AL 3856-E, AL 4160-E, AL 4381-E, AL 4603-E, 2021-2025 ERRA DAC-SASH Balancing Account schedules (including 2022 Attachment N and 2023 Attachment O).

[22] SDG&E Opening Comments on January 26 Ruling at 3.

interest in their DAC-SASH balancing accounts to cover administrative costs going forward through the program's 2030 sunset date.[23]

Table 1: Accrued Interest, Projected Remaining IOU Administrative Costs, and Available Accrued Interest Remaining Until Program Closure[24]

IOU	Accrued Interest from Program Start Date (2019-Dec. 31, 2025)	Projected Remaining IOU Administrative Costs (2026 Through 2030)	Available Accrued Interest Remaining Until Program Closure
SDG&E	$766,547	$306,850	$459,697
PG&E	$794,483	$400,000	$394,483
SCE	$2,026,764	$1,642,153	$384,611
Total	$3,587,794	$2,349,003	$1,238,791

Additionally, advice letters filed by the IOUs with estimates of previous years' DAC-SASH administrative budgets show that the IOUs will have enough accrued interest in their DAC-SASH balancing accounts to recover their future DAC-SASH administrative costs.[25]

PG&E, SCE, SDG&E, and GRID all support the IOUs recovering their administrative costs through accrued interest on their DAC-SASH balancing account funds.[26] SDG&E and GRID oppose allowing the IOUs to recover their

[23] PG&E Opening Comments on January 26 Ruling at 2, SCE Opening Comments on January 26 Ruling at 2, SDG&E Opening Comments on January 26 Ruling at 3.

[24] PG&E Opening Comments on January 26 Ruling at 3, SCE Opening Comments on January 26 Ruling at 1-2, SDG&E Opening Comments on January 26 Ruling at 2.

[25] PG&E Opening Comments on January 26 Ruling at 3; SCE Opening Comments on January 26 Ruling at 1-2; SDG&E Opening Comments on January 26 Ruling at 2; *see also* PG&E AL 6044-E, AL 6491-E, AL 6853-E, AL 7164-E, AL 7502-E, and AL 7828-E; SCE AL 4731-E, AL 4965-E, AL 5220-E, and AL 5473-E; SDG&E AL 3681-E, AL 3856-E, AL 3947-E, AL 4160-E, AL 4381-E, and AL 4603-E.

[26] PG&E Opening Comments on January 26 Ruling at 2-3, SCE Opening Comments on January 26 Ruling at 2-3, SDG&E Opening Comments on January 26 Ruling at 3, GRID Reply Comments on January 26 Ruling at 3-4.

administrative costs through the program budget already allocated to GRID,[27] while SCE supports the IOUs recovering their administrative and ME&O costs through the program administrative budget allocated for GRID.[28] PG&E does not comment on the proposal that IOU administrative costs be drawn from GRID's current administrative budget.

The Commission agrees with the IOUs and GRID that the IOUs should be allowed to recover their DAC-SASH administrative and ME&O expenses through the accrued interest in their DAC-SASH balancing accounts. The accrued interest in the IOUs' DAC-SASH balancing accounts have sufficient funds to cover both their future administrative and ME&O costs through 2030. Ordering the IOUs to recover administrative, as well as ME&O costs, through accrued interest would implement a uniform cost recovery method for those IOU administrative costs. The accrued interest in the IOU balancing accounts also offers more available funding than the 10% of program collections currently allocated to GRID. Because GRID is already using the full amount of its annual DAC-SASH program funds allocation, directing a portion of those funds to the IOUs for their administrative and ME&O expenses would draw needed funds away from GRID.

The Commission's authorization of costs from 2026 and onward is limited to the projected remaining IOU administrative costs reflected in Table 1. Each IOU shall recover DAC-SASH administrative and ME&O expenses from its respective accrued interest balance and shall not recover amounts in excess of the projected remaining IOU administrative costs in Table 1 absent further

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[27] SDG&E Reply Comments on January 26 Ruling at 3, GRID Opening Comments on January 26 Ruling at 6.

[28] SCE Opening Comments on January 26 Ruling at 3.

Commission authorization. Accordingly, this decision orders the IOUs to recover their future DAC-SASH administration and ME&O expenses through accrued interest in their DAC-SASH balancing accounts through 2030. The decision orders the IOUs to report the use of their respective accrued interest balances for DAC-SASH administration and ME&O spending in the proposed annual budget advice letters directed out of D.20-12-003 Ordering Paragraph 6. The IOUs can then seek recovery of that approved administrative and ME&O budget without a rate of return in their ERRA applications as ordered by D.20-12-003 Ordering Paragraph 7.

3.1. Clarification of San Diego Gas & Electric Company Annual Disadvantaged Communities — Single-Family Solar Homes Funding Transfers

The Commission authorized annual funding of $10 million for the DAC-SASH Program beginning January 1, 2019, through December 31, 2030. Consistent with D.18-06-027, the Commission-approved DAC-SASH Program Handbook allocates annual program funding among the IOUs, with PG&E responsible for 43.7%, SCE responsible for 46.0%, and SDG&E responsible for 10.3% of the annual program budget.

To better understand the implementation of these funding allocations, Energy Division reviewed SDG&E's ERRA compliance filings and supporting DAC-SASH Balancing Account records.[29] Those records show two approximately $1.03 million transfers from the GHG Revenue Balancing Account to the DAC-SASH Balancing Account during the 2021 record year. Beginning with the 2022 record year, SDG&E transferred approximately $1.090 million, and

[29] The ERRA compliance filings were ordered by D.02-10-062, as modified and clarified by D.02-12-074.

subsequent filings reflect transfers of approximately $1.095 million in 2023 and $1.095 million in 2024.[30]

The Commission observes that these transfer amounts generally correspond to SDG&E's authorized DAC-SASH administrative budgets for the applicable record years. However, neither the Commission-approved Program Handbook nor prior Commission decisions expressly provide that SDG&E's annual DAC-SASH funding transfer may include amounts above its Commission-approved annual allocation to reflect administrative budgets or other program costs.

To provide clarity and ensure consistent administration of the DAC-SASH Program, the Commission clarifies that the annual funding allocations established in the Program Handbook represent the Commission-authorized annual transfers into each utility's DAC-SASH balancing account unless otherwise expressly authorized by the Commission. Accordingly, beginning with transfers made following the effective date of this decision, SDG&E shall limit annual transfers into its DAC-SASH Balancing Account to its Commission-authorized annual DAC-SASH funding allocation. Any transfer above that Commission-authorized allocation shall require further Commission authorization.

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[30] SDG&E 2021 ERRA Compliance Prepared Direct Testimony of Amy Karazuba, Attachment N, DAC-SASHBA Summary 2021; SDG&E 2022 ERRA Compliance Prepared Direct Testimony, Attachment N, DAC-SASHBA Summary 2022; SDG&E 2023 ERRA Compliance Prepared Direct Testimony of Brenda Hua, Attachment O, DAC-SASHBA Summary 2023; SDG&E 2024 ERRA Compliance Prepared Direct Testimony of Brenda Hua, Ex. SDGE-2, Attachment N, DAC-SASHBA Summary 2024.

4. Reporting on External Funds

GRID has stated that it consistently uses its full DAC-SASH budget allocation for administrative costs in addition to the full amount of funds allocated for DAC-SASH-related ME&O costs.[31] Additionally, GRID states that it uses external funding in its operational budget for additional program administrative costs not covered by the Commission-authorized program budget. However, GRID has not reported to the Commission how much in external funds it has spent on the DAC-SASH program.[32]

In Decision D.18-06-027 Appendix A, the Commission, among other things, provided direction on the DAC-SASH program's reporting and data collection obligations. Specifically, Appendix A outlined metrics for the DAC-SASH PA to report on in the program's Semi-annual Reports. Included in these reporting requirements were metrics deemed necessary to ensure accurate tracking at the program level. We determine here that GRID shall better track the total costs of the DAC-SASH program for the Commission to gain a more holistic understanding of program operations and for comparison to similar programs.

With that aim in mind, the January 26 Ruling asked whether GRID should be required to track and account for external funds used to support the DAC-SASH program at the project level covering administration, installation, job training, and/or other costs going forward.[33] The January 26 Ruling also asked whether those costs should be publicly reported in the DAC-SASH Semi-annual Reports or through some other means.[34]

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[31] GRID Opening Comments on January 26 Ruling at 6.

[32] *Ibid.*

[33] January 26 Ruling at 4.

[34] *Ibid.*

GRID opposes the Commission requiring it to track and account for external funds used to support the DAC-SASH program at the project level, stating that "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."[35] GRID also states that tracking and reporting on those outside funds and how they are allocated at the project level would be "a complex and resource-intensive task for GRID" and would represent an "unfunded mandate on our Philanthropy team who are not billable 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."[36] Finally, GRID states that it already reports an average total DAC-SASH system cost per watt in the Semi-annual Reports to easily determine any gap funding that must be raised through other means.[37]

Cal Advocates, SCE, SDG&E, and PG&E support the Commission ordering GRID to track external funds used to support the DAC-SASH program at the project level and requiring that external funding to be publicly reported in the Semi-annual Reports and three-year evaluation reports.[38] Cal Advocates states: "Without quantifying the amount of necessary gap funding, the Commission cannot fully assess the effectiveness of the DAC-SASH program."[39]

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[35] GRID Opening Comments on January 26 Ruling at 7.

[36] *Ibid.*

[37] GRID Reply Comments on January 26 Ruling at 8.

[38] Cal Advocates Opening Comments on January 26 Ruling at 2, SCE Opening Comments on January 26 Ruling at 3, SDG&E Opening Comments on January 26 Ruling at 4, PG&E Opening Comments on January 26 Ruling at 3.

[39] Cal Advocates Opening Comments on January 26 Ruling at 3.

The Commission finds that enhanced cost reporting will improve program oversight, increase transparency regarding the use of DAC-SASH and external funding sources, and support future evaluations of the DAC-SASH program. As a point of context, GRID's external funding was a factor in its selection as the DAC-SASH PA.[40]

The Commission agrees with Cal Advocates, SCE, SDG&E, and PG&E that GRID should be required to report on the total amount of external funds used to support the DAC-SASH program at the project level, covering administration, installation, job training, and/or other costs going forward. GRID should report on such costs in the DAC-SASH Semi-annual Reports using the data fields provided in Appendix A of this decision.

These new fields shall accompany, and not replace, the program reporting/data collection requirements established for the program in D.18-06-027.

This reporting framework is primarily informed by the recommendations contained in the 2022-2024 DAC-SASH Program Evaluation prepared by Verdant, which found that existing project cost data are not collected at a sufficiently detailed level to identify cost drivers or distinguish costs funded by DAC-SASH incentives from those funded by external sources.[41] Verdant recommended standardized project-level cost reporting to improve transparency and support future program evaluations. Accordingly, the Commission adopts Appendix A as the standardized reporting framework for completed DAC-SASH projects to be included as an Excel attachment to GRID's Semi-annual Reports

[40] D.18-06-027 at Appendix A.

[41] Verdant DAC-SASH 2022-2024 Evaluation Report at 103.

until program closure. Appendix A is based on the Verdant DAC-SASH 2022-2024 Evaluation Report's recommended categories and fields. GRID should allocate its costs in Appendix A accordingly. GRID should only report external funds that relate to the three cost categories ("Solar Equipment Costs", "Labor Costs", and "Solar Readiness Costs"). For example, GRID should not include labor costs associated with its fundraising staff that are unrelated to the three aforementioned categories. Responding to GRID's comments that tracking and reporting on outside funds would be a resource-intensive task, the Commission makes available $50,000 drawn from accrued interest earned on the IOUs' DAC-SASH balancing accounts — with each IOU contributing accrued interest based on their proportion of contributions to the overall DAC-SASH budget — to support GRID in developing and administering a system to track and report on external spending on the DAC-SASH program.

The Commission expects that the enhanced project-level reporting capabilities funded by this decision will also support continued improvements to the DAC-SASH Semi-annual Reports. As additional project-level data become available, the PA should work collaboratively with Commission staff to update existing program-level summary tables and incorporate additional summary reporting that improves program transparency, oversight, and evaluation.

Within 45 days of the issuance of this decision, the PA must submit a Tier 2 advice letter with a section that documents a stand-alone, comprehensive plan for implementing the new financial tracking and reporting requirements captured in Appendix A and outlined in this decision. Prior to filing the advice letter, the PA should consult with Commission staff and ensure the inclusion of a budget and timeline that also includes detailed staff timekeeping and billing modifications. Within the Tier 2 advice letter filing, the DAC-SASH PA must also provide an updated DAC-SASH PIP that similarly captures the new reporting and data collection changes detailed in Appendix A and the other programmatic changes directed out of this decision.

Upon approval of the PA's Tier 2 advice letter, SCE — the DAC-SASH administration contract holder — should facilitate any change orders or necessary DAC-SASH contract amendments or co-funding agreement modifications to enable the addition of these approved incremental funds for the PA's new reporting and cost tracking efforts. SCE must file a Tier 1 advice letter within 45 days of the approval of the PA's Tier 2 advice letter to document the confirmation and completion of any necessary contractual or co-funding modifications. SCE is only authorized to make contractual changes pursuant to the DAC-SASH program implementation updates directed in this decision.

As a means to document the tracking and metrics collection ordered herein, the PA shall include the aforementioned reporting modifications in its Quarter 1-Quarter 2 2027 Semi-annual Report, which is expected to be submitted to Commission staff within the second quarter of the year.

5. Enrollment in Complementary Programs

The DAC-SASH 2022-2024 Evaluation Report found low DAC-SASH participant enrollment in other low-income subsidy programs for which participants are eligible, including CARE, ESA, FERA, and the Medical Baseline Program.[42] The January 26 Ruling noted that finding and asked parties to suggest changes or additional practices that the Commission should consider to increase DAC-SASH applicant enrollment in these and/or other related programs.[43]

[42] Verdant DAC-SASH 2022-2024 Evaluation Report at 76-78.

[43] January 26 Ruling at 5.

GRID states that the IOUs who are the PAs of complementary programs should be responsible for tracking DAC-SASH participants' participation in those programs and enrolling eligible DAC-SASH customers who are not already enrolled in those other programs.[44] SCE opposes GRID's recommendation that IOUs be responsible for tracking DAC-SASH participants' participation in complementary programs, stating that since the IOUs do not receive dedicated DAC-SASH administrative funding, "[a]ssigning these responsibilities to IOUs under these circumstances would impose unfunded administrative burdens and create a misalignment between responsibilities and available resources."[45] SDG&E states that GRID's proposal for the IOUs would be "additional, duplicative, administrative functions to be layered on already existing requirements."[46]

The Commission agrees that strengthened coordination with complementary energy programs would help DAC-SASH participants receive the full range of support for which they are eligible. The Commission also agrees with the IOUs that given the PA's role in overseeing the DAC-SASH program, the PA is best positioned to track referrals and to develop strategies to improve the participation of eligible DAC-SASH recipients in related programs such as CARE, ESA, FERA, and Medical Baseline. Accordingly, this decision adopts edits to Section 2.3 of the DAC-SASH Program Handbook stating that the PA will develop responsive strategies to improve enrollment, as needed. The PA is also directed to quantify the number of DAC-SASH participants who have been

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[44] GRID Opening Comments on January 26 Ruling at 8-9.

[45] SCE Reply Comments on January 26 Ruling at 3.

[46] SDG&E Reply Comments on January 26 Ruling at 7-8.

referred to, and enrolled in, these complementary programs in all future DAC-SASH Semi-annual Reports.

The January 26 Ruling also asked whether the DAC-SASH program should prohibit projects participating in multiple incentive programs from receiving total incentives that exceed the projects' costs.[47]

SEIA agrees that projects should not receive incentives in excess of their costs and suggests changes to the DAC-SASH Program Handbook that would ensure total incentives received by a project from DAC-SASH and other incentive programs do not exceed eligible project costs.[48] PG&E, SCE, SDG&E, and Cal Advocates also support prohibiting DAC-SASH-funded projects from receiving total incentives in excess of eligible project costs.[49] GRID does not recommend adding more restrictions on incentive payments beyond those already included in the Program Handbook but alternatively suggests handbook redlines prohibiting DAC-SASH-funded projects from receiving total incentives in excess of eligible project costs if the Commission feels additional limitations are necessary.[50]

The Commission agrees with SEIA, GRID, PG&E, SCE, SDG&E, and Cal Advocates that DAC-SASH projects should not be allowed to receive incentive funding from DAC-SASH and other programs beyond eligible project costs. Allowing DAC-SASH projects to receive incentives in excess of project costs would over-compensate projects with program funds. Accordingly, this

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[47] January 26 Ruling at 7.

[48] SEIA Opening Comments on January 26 Ruling at 11-12.

[49] PG&E Opening Comments on January 26 Ruling at 8, SCE Opening Comments on January 26 Ruling at 8, SDG&E Opening Comments on January 26 Ruling at 13, Cal Advocates Opening Comments on January 26 Ruling at 5-6.

[50] GRID Opening Comments on January 26 Ruling at 18-19.

decision includes revised Project Handbook language prohibiting DAC-SASH projects from receiving total incentive funding from DAC-SASH and other programs above project costs.

6. Use of the Expected Performance Based Buydown Calculator

The EPBB was created for the California Solar Initiative (CSI) to adjust the upfront solar incentive provided in the program based on estimated system performance and encourage optimal system design.[51] The two relevant equations in the EPBB are:

*Solar Incentive = Incentive Rate * System Rating * Design Factor*

*Design Factor = Design Correction * Geographic Correction * Install Correction*

Resolution E-5362 updated the EPBB to include a Geographic Correction and to direct a minimum Design Factor of 75%.[52] Resolution E-5362 also directed the Self-Generation Incentive Program (SGIP) PAs to work with their technical consultant to update the current version of the EPBB, which was first developed for the CSI to utilize the latest version of the National Laboratory of the Rockies' "PV Watts"[53] as inputs.[54]

The January 26 Ruling asked whether the DAC-SASH program should continue to rely on the EPBB or use other available tools to calculate system sizes for DAC-SASH program incentives. The January 26 Ruling also asked whether GRID should be authorized to propose the use of different tools that may be available now or in the future via a Tier 2 advice letter.

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[51] Resolution E-5362 at 9.

[52] *Id.* at 12.

[53] PVWatts Calculator (https://pvwatts.nlr.gov/).

[54] Resolution E-5362 at 12.

GRID and SCE support the DAC-SASH program continuing to rely on the EPBB to calculate system sizes and allowing the DAC-SASH PA to propose different potential tools through a Tier 2 advice letter.[55] SDG&E and PG&E refrain from commenting on both the EPBB and a Tier 2 advice letter process for the DAC-SASH PA to propose different tools to estimate system sizes.[56]

The Commission agrees with GRID and SCE that the EPBB, as updated by Resolution E-5362, should remain the primary tool for calculating DAC-SASH system sizes. The Commission also authorizes the DAC-SASH PA to propose different tools to calculate DAC-SASH system sizes through a Tier 2 advice letter updating the Program Handbook as outlined in the process established in D.18-06-027. Upon approval of the Tier 2 advice letter, new tools may be put into place.

7. Job Training and Workforce Development

D.18-06-027 required the DAC-SASH program to incorporate job training programs for solar industry workers and ensure that each project installation supported by the program hire at least one eligible job trainee.[57] In D.18-06-027, the Commission specified six relevant job tasks that would be served by the job training program: installing electrical components; installing mechanical components; completing system installations; conducting maintenance and troubleshooting activities; designing systems; and project management.[58] Due to insufficient data collected by GRID, the DAC-SASH 2022-2024 Evaluation Report

[55] GRID Opening Comments on January 26 Ruling at 10, SCE Opening Comments on January 26 Ruling at 5.

[56] SDG&E Opening Comments on January 26 Ruling at 7, PG&E Opening Comments on January 26 Ruling at 5.

[57] D.18-06-027, Appendix A at A-9.

[58] *Id.* at A-10.

could not assess job trainees' experiences working on DAC-SASH projects, the skills or knowledge gained in the program, or whether the training helped people secure longer-term employment within a clean energy field.[59]

The January 26 Ruling noted that the DAC-SASH program's job training and workforce development requirements have remained largely unchanged from similar requirements in the predecessor Singly-family Affordable Solar Homes (SASH) program developed in 2007.[60] The January 26 Ruling asked whether job training and workforce development are still needed "[g]iven that the solar market has matured and broadened into DACs and low-income communities."[61] Additionally, the January 26 Ruling asked whether the job task analysis categories listed from D.18-06-027 should still be considered a "high road" career path pursuant to Unemployment Insurance Code Section 14005(r) and (s).

GRID states that job training and workforce development are still needed as part of DAC-SASH because DACs still suffer low employment rates and the DAC-SASH training programs have increased employment levels in those communities.[62] GRID also states that solar industry jobs should still be considered "high road" positions because they help prepare people for high road careers in the construction and electrical trades.[63] Finally, GRID writes that it is committed to collaborating with employers and other industry stakeholders to

[59] Verdant DAC-SASH 2022-2024 Evaluation Report at 12-13.

[60] January 26 Ruling at 5.

[61] *Ibid.*

[62] GRID Opening Comments on January 26 Ruling at 10-11.

[63] *Id.* at 11-12.

find opportunities for improving solar industry job quality including by building out a mission-aligned contractor network.[64]

PG&E states that "[f]unding allocated to workforce development and job training efforts from the DAC-SASH budget is funding that cannot be used to provide solar to low-income residents."[65] PG&E does not take a position on whether the job task categories listed in D.18-06-027 should be considered "high road" jobs.[66] PG&E and SDG&E support eliminating the requirement for GRID sub-contractors to hire job trainees, with SDG&E stating "who GRID hires to perform installation work does not impact the DAC-SASH program from an incentive-processing standpoint."[67]

SCE and SDG&E do not take a position on the job training, "high road" careers, and sub-contractor hiring questions posed in the Scoping Ruling and Memo.[68]

The Commission agrees with PG&E that maintaining funding allocated to job training and workforce development leaves less funds available to incentivize solar installations for low-income residents. The solar industry has also evolved substantially since the job training requirements were implemented as part of SASH in 2007, and it is unclear whether job training programs are actually helping people build "high road" careers in the solar industry. Given the lack of useful data about such programs so far into the DAC-SASH program design's

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[64] *Id.* at 12.

[65] PG&E Opening Comments on January 26 Ruling at 5.

[66] *Ibid.*

[67] PG&E Opening Comments on January 26 Ruling at 8, SDG&E Opening Comments on January 26 Ruling at 12-13.

[68] SCE Opening Comments on January 26 Ruling at 5-6, SDG&E Opening Comments on January 26 Ruling at 7.

lifespan, the Commission finds that removing the job training and workforce development requirement from the DAC-SASH Program Handbook will ensure that funding and administrative resources remain available to complete solar installation projects rather than support job training programs with unclear impacts. As a result, the Commission also supports eliminating the requirement that DAC-SASH sub-contractors hire trainees from the program.

Accordingly, this decision removes job training and workforce development, as well as trainee hiring requirements for DAC-SASH subcontractors completely from the DAC-SASH Program Handbook.

8. Battery Storage Incentives

GRID submitted Advice Letter 20-E on September 15, 2025 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 per kilowatt-hour.[69] GRID stated that pairing solar systems with battery storage significantly improves savings potential compared to a solar-only approach.[70] The January 26 Ruling asked parties to comment on whether the DAC-SASH program incentive level should be increased to incentivize batteries as proposed by Advice Letter 20-E.[71]

GRID responded to the January 26 Ruling by stating that it has leveraged other funding sources such as SGIP incentives since filing Advice Letter 20-E to support solar-and-battery storage installations, but that the SGIP funding is no longer available.[72] GRID states in its response: "With this funding source no

[69] January 26 Ruling at 6.

[70] AL 20-E at 6.

[71] January 26 Ruling at 6.

[72] GRID Opening Comments on January 26 Ruling at 14.

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."[73] SDCP supports expanding DAC-SASH to include battery storage, as well as allowing dual enrollment between DAC-SASH and complementary incentive programs for batteries both paired and not paired with on-site solar generation.[74] TEA states that including battery storage in DAC-SASH can "advance community resilience in Tribal communities, which are often located in outage-prone or remote areas," but warns that increased per-project costs could crowd out customers in Californian Indian Country.[75] CEJA and CBD also recommend DAC-SASH include incentives for pairing storage with solar, writing that "[DACs] should be accorded at least the same opportunities for self-generation as non-DACs, as also required by Public Utilities Code § 2827.1."[76]

SDG&E recommends the Commission decide on Advice Letter 20-E rather than consider expanding DAC-SASH to include battery storage outside of the advice letter review process.[77] PG&E states that expanding DAC-SASH to include battery storage will decrease the total population of customers served by the program and increase the overlap between DAC-SASH and SGIP.[78] SCE takes no position on the issue.[79]

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[73] *Ibid.*

[74] SDCP Opening Comments on January 26 Ruling at 3-4.

[75] TEA Opening Comments on January 26 Ruling at 6.

[76] CEJA and CBD Reply Comments on January 26 Ruling at 6.

[77] SDG&E Opening Comments on January 26 Ruling at 11.

[78] PG&E Opening Comments on January 26 Ruling at 6.

[79] SCE Opening Comments on January 26 Ruling at 7.

The Commission agrees with PG&E that expanding DAC-SASH to include battery storage will decrease the total population of customers served by the program. Additionally, expanding DAC-SASH a little more than three years before the program's sunset date would mean expending resources to develop marketing, guidelines, and implementation processes for battery storage with a limited amount of program life remaining. Accordingly, the Commission finds that the primary objective of the DAC-SASH program is to expand access to distributed solar generation for low-income homeowners in disadvantaged communities and not to incentivize battery storage. Maintaining this focus supports predictable program delivery and ensures that available program resources are directed toward maximizing the number of households served. Expanding program incentives to include battery storage would introduce additional costs, administrative complexity, and competing resource demands that could reduce overall program participation and slow program deployment. This decision declines to expand DAC-SASH to include battery storage.

9. Energy Efficiency Education

The DAC-SASH Program Handbook has included requirements that GRID provide energy efficiency training and education to all program applicants, as well as refer them to energy efficiency services providers.[80] The January 26 Ruling asked parties to comment on whether that education training should be removed from the Program Handbook.[81]

PG&E, SDG&E, and Cal Advocates support the proposal, with Cal Advocates highlighting that the requirement for the PA to refer applicants to

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80 DAC-SASH Program Handbook at 5.

81 January 26 Ruling at 7.

complementary programs such as ESA means applicants will already receive energy efficiency education.[82] SCE does not take a position on the proposal.[83] GRID does not comment on the proposed removal of energy efficiency education requirements from the Program Handbook.

The Commission agrees with PG&E, SCE, and Cal Advocates that the energy efficiency education requirement is no longer needed, especially if program applicants will be directed to ESA. Accordingly, as noted in the suggested Program Handbook redlines, this decision removes the requirement that the PA offer energy efficiency education to all DAC-SASH applicants.

10. Meter Socket Adapters

A meter socket adapter (MSA) is a connection device placed between a home's electrical meter and the meter socket that connects solar panels, battery storage, or electric vehicle chargers without expensive electrical panel upgrades. The January 26 Ruling asked whether MSAs should be included as eligible equipment in the DAC-SASH program.[84]

GRID supports including MSAs as eligible equipment, stating that MSAs can be a necessary component in solar projects, and SDG&E supports including MSAs as eligible equipment if a meter socket adapter is required or expedites safe installation and interconnection of a solar system to the utility grid.[85] PG&E

[82] PG&E Opening Comments on January 26 Ruling at 7, SDG&E Opening Comments on January 26 Ruling at 12, Cal Advocates Opening Comments at 5.

[83] SCE Opening Comments on January 26 Ruling at 7.

[84] January 26 Ruling at 7.

[85] GRID Opening Comments on January 26 Ruling at 16, SDG&E Opening Comments on January 26 Ruling at 13.

supports MSA inclusion as long as it is approved for interconnection by the IOU.[86] SCE takes no stand on the issue.[87]

The Commission agrees that including MSAs in the DAC-SASH program can help reduce project costs for potentially necessary equipment. This decision includes MSAs among equipment eligible for DAC-SASH incentives through edits to the Program Handbook.

11. Summary of Public Comment

Rule 1.18 of the Commission's Rules of Practice and Procedure (Rules) allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(a) requires that all written public comment submitted prior to the submission of the proceeding are part of the administrative record of the proceeding. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding.

Three public comments received by the mail date of this decision supported maintaining DAC-SASH funding through its December 31, 2030 sunset date.

12. Comments on Proposed Decision

The proposed decision of ALJ Jack Chang in this matter was mailed to the parties in accordance with Pub. Util. Code Section 311 and comments were allowed under Rule 14.3. Comments were filed on ____________________, and reply comments were filed on ____________________ by ____________________.

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[86] PG&E Opening Comments on January 26 Ruling at 8.

[87] SCE Opening Comments on January 26 Ruling at 8.

13. Assignment of Proceeding

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

Findings of Fact

1. D.20-12-003 allows IOUs to present their estimated annual DAC-SASH administrative budgets through a Tier 2 advice letter.
2. The IOUs have enough accrued interest in their DAC-SASH balancing accounts to pay for future administrative and ME&O costs through the program's December 31, 2030 sunset date.
3. SDG&E has made annual fund transfers into its DAC-SASH Balancing Account in excess of its Commission-authorized annual DAC-SASH funding allocation.
4. The PA has consistently received and spent the entire 10% of annual DAC-SASH funding allocated for administration in addition to the 4% of annual DAC-SASH funding allocated for ME&O.
5. Allowing the IOUs to fund their administrative and ME&O costs from their DAC-SASH balancing accounts' accrued interest through 2030 would provide a consistent, reliable funding source for those IOU administrative and ME&O costs.
6. The PA uses outside funding for DAC-SASH costs not covered by the program budget but does not report to the Commission how much in external funds it has spent on the DAC-SASH program.
7. The Commission needs to track the total costs of the DAC-SASH program to gain an accurate view of program operations for future planning and for comparison to similar programs.

8. The PA has stated that tracking how much in outside funds it uses on its administration of the DAC-SASH program would be a complex and resource-intensive task.

9. The DAC-SASH 2022-2024 Evaluation Report found low DAC-SASH participant enrollment in other programs for which participants are eligible, including CARE, ESA, FERA, and the Medical Baseline Program.

10. Strengthened coordination with complementary energy programs would help DAC-SASH participants receive the full range of support for which they are eligible.

11. The PA is best positioned to track referrals and to develop strategies to improve cross-program enrollment among DAC-SASH and other related programs, such as CARE, ESA, FERA, and Medical Baseline.

12. Allowing DAC-SASH projects to receive incentives from DAC-SASH and other complementary incentive programs in excess of project costs risks over-subsidizing projects.

13. The updated EPBB remains a reliable way to estimate solar system capacity.

14. DAC-SASH's workforce development and job training requirements have remained largely unchanged since they were included in the predecessor SASH program's design from 2007.

15. The PA has not provided adequate data to track whether DAC-SASH's workforce development and job training requirements have substantially benefited people in DACs.

16. Maintaining funding allocated to job training and workforce development leaves less funds available to incentivize solar installations for low-income residents.

17. Expanding DAC-SASH to incentivize battery storage would decrease the total population of customers served by the program.

18. Expanding DAC-SASH to incentivize battery storage would introduce additional costs, administrative complexity, and competing resource demands to a program already scheduled to sunset in 2030.

19. Referring more DAC-SASH applicants to ESA will expose them first-hand to energy efficiency programs and lessen the need for energy efficiency education as part of DAC-SASH.

20. Meter socket adapters can help reduce project costs for potentially necessary equipment.

Conclusions of Law

1. The IOUs should be authorized to use available accrued interest funds in DAC-SASH program balancing accounts to support their future ME&O and administrative expenses through 2030.

2. The IOUs should report the use of their respective accrued interest balances for administrative and ME&O expenses in the proposed annual budget advice letters directed out of D.20-12-003 Ordering Paragraph 6. The IOUs should be authorized to seek recovery for those approved administrative and ME&O expenses without a rate of return in their ERRA applications as directed out of D.20-12-003 Ordering Paragraph 7.

3. Annual transfers by SDG&E into its DAC-SASH Balancing Account should be limited to its Commission-authorized annual DAC-SASH funding allocation.

4. The PA should track, account for, and report all external funds used to support DAC-SASH program activities at the project level and to include these costs in its Quarter 1-Quarter 2 2027 DAC-SASH Semi-annual Reports using the data fields provided in Appendix A of this decision.

5. The PA should be authorized to use a one-time allocation of $50,000 from the remaining accrued interest in the IOUs' DAC-SASH balancing accounts to improve the PA's administrative budget activities and to cover any incremental changes to facilitate the PA's reporting on external funding and program participation outcomes.

6. The PA should document the use of the one-time allocation of $50,000 authorized in this decision in its Quarter 1-Quarter 2 2027 Semi-annual report.

7. The PA should submit a Tier 2 advice letter documenting its plan for the reporting on external funds used by the PA on DAC-SASH with a budget and timeline to be filed within 45 days of the issuance of this decision. This advice letter should also include a proposed updated PIP to comport with the direction provided in this decision.

8. The PA should implement the tracking, accounting, and reporting of all external funds used to support DAC SASH program activities at the project level within six months from this decision's effective date. At the six-month point after the issuance of this decision, GRID should submit a Tier 2 advice letter detailing exactly how the funds allocated by this decision for this financial tracking were used in support of these directives.

9. The PA should be directed to track referral and enrollment outcomes and develop strategies to improve participation in related subsidy programs such as CARE, ESA, FERA, and Medical Baseline. This information should be included in the DAC-SASH Semi-annual Progress Reports.

10. Section 2.3 of the DAC-SASH Program Handbook should be edited to state that the PA will regularly track efficiency of uptake in complementary programs, analyze the enrollment data, and create responsive strategies to improve enrollment.

11. The DAC-SASH Program Handbook should be revised to prohibit DAC-SASH projects from receiving total incentive support from DAC-SASH and other complementary incentive programs in excess of total project costs.

12. The EPBB, as updated by Resolution E-5362, should remain the primary tool for calculating DAC-SASH system sizes.

13. The PA should be authorized to propose different tools to calculate DAC-SASH system sizes through a Tier 2 advice letter.

14. Job training, workforce development, and trainee hiring requirements for PA subcontractors should be removed from the DAC-SASH Program Handbook.

15. Energy efficiency education requirements should be removed from the DAC-SASH Program Handbook.

16. Meter socket adapters should be included as eligible equipment in the DAC-SASH program.

17. R.25-01-005 should remain open.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (collectively, the investor-owned utilities (IOUs)) are authorized to use available accrued interest funds in their Disadvantaged Communities — Single Family Solar Homes (DAC-SASH) program balancing accounts to support IOU Marketing, Education, and Outreach and administrative activities from 2026 through 2030. The Commission's authorization is limited to the projected remaining IOU administrative costs. The IOUs must report the use of their respective accrued interest balances in their existing proposed annual budget advice letters, as directed by Decision (D.) 20-12-003 Ordering Paragraph 6. The IOUs are

authorized to seek recovery of their approved DAC-SASH administrative, marketing, education, and outreach expenses without a rate of return through their annual Energy Resource Recovery Account applications, as directed by D.20-12-003 Ordering Paragraph 7.

2. San Diego Gas & Electric Company shall not make annual fund transfers into its Disadvantaged Communities — Single Family Solar Homes (DAC-SASH) Balancing Account in excess of its Commission-authorized annual DAC-SASH funding allocation.

3. The Program Administrator is ordered to track, account for, and report all external funds used to support Disadvantaged Communities — Single Family Solar Homes (DAC-SASH) program activities at the project level covering administration, installation, job training, and/or other costs going forward and to include these costs in its DAC-SASH Semi-annual Reports in accordance with the reporting fields listed in Appendix A of this decision.

4. The Program Administrator (PA) is authorized to use a one-time allocation of $50,000 of the remaining accrued interest in the Disadvantaged Communities — Single Family Solar Homes (DAC-SASH) balancing accounts held by Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (collectively, the investor-owned utilities (IOUs)) to improve the PA's administrative budget activities and to cover any incremental charges needed to facilitate the PA's reporting on external funding and program participation outcomes. The IOUs shall provide their share of the $50,000 used to fund the PA's reporting of external DAC-SASH funding based on their proportionate contribution to DAC-SASH's annual budget.

5. Within 45 days of the issuance of this decision, the Program Administrator (PA) is ordered to file a Tier 2 advice letter documenting its plan for reporting on

external funds used by the PA for the Disadvantaged Communities — Single-Family Solar Homes program with a budget and timeline.

6. The Program Administrator is ordered to document the actual usage and implementation of these additional funds in its Quarter 1-Quarter 2 2027 Semi-annual Progress Report.

7. Within 45 days of the approval of the Program Administrator's (PA) Tier 2 advice letter directed in Ordering Paragraph 13, Southern California Edison Company (SCE) shall file a Tier 1 advice letter documenting confirmation and completion of any contractual or co-funding modifications necessary to facilitate the inclusion of $50,000 of the remaining accrued interest in the Disadvantaged Communities — Single Family Solar Homes (DAC-SASH) balancing accounts held by Pacific Gas and Electric Company, SCE, and San Diego Gas & Electric Company to improve the PA's administrative budget activities and to cover any incremental charges needed to facilitate the PA's reporting on external funding and program participation outcomes. SCE is only authorized to make contractual changes pursuant to the DAC-SASH program implementation updates directed in this decision.

8. The Program Administrator is directed to track referrals and to develop strategies to improve participation in related programs such as California Alternative Rates for Energy, Energy Savings Assistance, Family Electric Rate Assistance, and Medical Baseline. This information shall be included in the Disadvantaged Communities — Single Family Solar Homes Semi-annual Progress Reports.

9. Disadvantaged Communities — Single Family Solar Homes (DAC-SASH) projects are prohibited from receiving incentives from DAC-SASH and other complementary incentive programs in excess of project costs.

10. The Disadvantaged Communities — Single Family Solar Homes (DAC-SASH) Program Administrator is authorized to propose different tools to calculate DAC-SASH system sizes through a Tier 2 advice letter updating the Program Handbook as outlined in the process established in Decision 18-06-027.

11. Job training, workforce development, and trainee hiring requirements shall be removed from the Disadvantaged Communities — Single Family Solar Homes Program Handbook.

12. Energy efficiency education requirements shall be removed from the Disadvantaged Communities — Single Family Solar Homes Program Handbook.

13. Meter socket adapters shall be included as eligible equipment in the Disadvantaged Communities — Single Family Solar Homes program as added in the revised Program Handbook.

14. In its Tier 2 advice letter directed in Ordering Paragraph 13, the Program Administrator shall also include a proposed updated Disadvantaged Communities — Single Family Solar Homes (DAC-SASH) Program Implementation Plan (PIP) that incorporates all programmatic, reporting, data collection, and Program Handbook revisions adopted in this decision. Upon approval of the Tier 2 advice letter, the updated DAC-SASH PIP shall supersede the previously approved PIP.

15. A revised Disadvantaged Communities — Single Family Solar Homes Handbook (Version 7) is adopted and attached to this decision as Appendix B.

16. Rulemaking 25-01-005 remains open.

This order is effective today.

Dated _____________________, at Sacramento, California.

APPENDIX A

APPENDIX B

APPENDIX C