

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-4987

March 28, 2019

**R E S O L U T I O N**

Resolution E-4987. Resolution Approving with Modifications GRID Alternatives Advice Letter 11, the Solar on Multifamily Affordable Housing Program Handbook and Center for Sustainable Energy Advice Letter 92, Program Implementation Plan in Compliance with Decision (D.)17-12-022.

PROPOSED OUTCOME:

- Approves, with modifications, GRID Alternatives Advice Letter 11 and Center for Sustainable Energy Advice Letter 92, requesting to approve the Solar on Multifamily Affordable Housing Program Handbook and Program Implementation Plan filed in conformity with D.17-12-022 (“Decision”).

SAFETY CONSIDERATIONS:

- The Solar on Multifamily Affordable Housing is authorized and operated under our policy to ensure the health, safety and comfort of low-income customers living in Investor Owned Utility service areas.

ESTIMATED COST:

- The annual funding limit of \$100,000,000 in electric IOU Green House Gas auction proceeds for the Solar on Multifamily Affordable Housing Program was previously authorized in D.17-12-022 and AB 693.

By Advice Letters GRID 11 AND CSE 92 filed on October 1, 2018.

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**SUMMARY**

This Resolution approves, with modifications, GRID Alternatives’ Advice Letter 11 Solar on Multifamily Affordable Housing Program Handbook

(Handbook) and the Center for Sustainable Energy's Advice Letter 92 Solar on Multifamily Affordable Housing Program Implementation Plan.

## **BACKGROUND**

Assembly Bill (AB) 693 (Eggman), Stats. 2015, ch. 582, established the Multifamily Affordable Housing Solar Roofs Program, with up to \$100,000,000 annually in funding from shares of greenhouse gas allowance (GHG) auction proceeds from Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), Liberty Utilities Company, and PacifiCorp (collectively the investor-owned utilities or IOUs). The program will provide incentives for the installation of solar distributed generation projects sited on existing multifamily affordable housing.

On December 22, 2017, the California Public Utilities Commission (Commission) issued Decision (D.)17-12-022 ("Decision" or "SOMAH Decision"), establishing the Solar on Multifamily Affordable Housing (SOMAH) Program. The SOMAH Program, while similar to the Multifamily Affordable Solar Housing (MASH) program<sup>1</sup>, is a new program, and was established to provide upfront incentives to install 300 megawatts (MW) of solar on multifamily affordable housing in the service territories of IOUs by 2030. Pursuant to direction in the authorizing decision, a competitive solicitation for a statewide program administrator was held and a team consisting of the Center for Sustainable Energy (CSE), GRID Alternatives (GRID), the Association for Energy Affordability (AEA), and the California Housing Partnership Corporation (CHPC) was selected. The decision also directed the statewide Program Administrator (PA), once selected, to submit a Tier 3 advice letter (AL) with the SOMAH Program Handbook and Program

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<sup>1</sup> The MASH Program provides solar incentives on qualifying affordable housing multifamily dwellings. MASH is the low-income, multifamily component within the California Solar Initiative program. The overall goals of the MASH program are to: stimulate the adoption of solar power in the affordable housing sector; improve energy utilization and overall quality of affordable housing through the application of solar and energy efficiency technologies; decrease electricity use and costs without increasing monthly household expenses for affordable housing building occupants; and increase awareness and appreciation of the benefits of solar among affordable housing occupants and developers.

Implementation Plan (PIP). Pursuant to this direction, the SOMAH Program Administrator team submitted two ALs on October 1, 2018 with the SOMAH Program Handbook and SOMAH Program Implementation Plan.

### **SOMAH Decision Discussion of SOMAH Handbook Components**

The SOMAH Decision clarified that while the SOMAH Program was unique and independent of the MASH Program, many of the MASH Program rules and requirements would be carried forward into this new program. The SOMAH Decision states that to “facilitate SOMAH implementation... rules should be modeled on the appropriate sections of the MASH Handbook, and should be included in the comprehensive SOMAH Handbook submitted with the PA’s Tier 3 implementation advice letter.”<sup>2</sup> When defining the SOMAH PA’s roles and deliverables, including the filing of a program handbook, the Decision explains that it “anticipate[s] the SOMAH Handbook] will contain information comparable to the current MASH Handbook.”<sup>3</sup>

The Decision clarified that since many of the SOMAH Program’s “rules will be based on existing MASH policies and are relatively uncontroversial, they need not be described in detail in th[e] decision.”<sup>4</sup> Those settled, carryover rules include Contractors State Licensing Board (CSLB) requirements; warranty and performance and site permanency details; requirements and processes for interconnection with IOU distribution system processes; energy production metering needs; inspection and equipment eligibility criteria; incentive reservation periods; payment designations rules and the requirement that incented equipment must serve on-site electrical load.

The SOMAH Decision provided additional guidance on what *new* program rules would need to be included in the SOMAH Handbook. These program details were informed by both the proceeding and the program’s founding legislation, AB 693. These details include the program’s:

- Duration (Fiscal Year 2016 to Fiscal Year 2030);

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<sup>2</sup> D.17-12-022 at 29.

<sup>3</sup> Ibid at 51.

<sup>4</sup> Ibid at 28.

- Funding source (electric IOU GHG auction proceeds);
- Funding limits (\$100,000,000 or 66.67% of available annual IOU GHG auction proceeds, whichever is less);
- Administration Budget Cap (10% of the total budget);
- Goals (installing at least 300 MW of generating photovoltaic capacity on qualified multifamily affordable housing by 2030);
- Tenant Focused Benefits (credits accrued from SOMAH systems are to be used primarily to offset the bills of tenants of qualifying properties) and;
- Workforce Development Benefits (program service providers must produce economic benefits by providing job opportunities to residents of disadvantaged communities.)

The SOMAH Program Handbook is likely to be used by a wide variety of end-users including, but not limited to, developers, applicants, potential program participants, administrators, utilities and Energy Division staff. The Handbook acts as the program 'rule-book' and provides written standards and serves as a program resource outlining the policies and procedures for the program.

### **SOMAH Decision Discussion of SOMAH Program Implementation Plan (PIP) Components**

In addition to a program Handbook, the SOMAH Decision directed the SOMAH Program Administrator to file an accompanying Program Implementation Plan (PIP). The Decision specified the contents of the SOMAH PIP, directing the PIP to "include sections on at least the following subjects:

1. Application procedures;
2. Requirements for documentation of building, property, and project eligibility;
3. A program budget that includes line items for incentives and administrative activities, including but not limited to marketing, education, and outreach;
4. Specific job training requirements consistent with those defined in this decision;
5. Specific rules for implementing the third-party ownership requirements defined here;
6. Specific energy efficiency requirements consistent with those adopted here;
7. Data collection and reporting requirements, including report formats;
8. Supplier Diversity Rules; and

9. Interim targets for capacity goals, consistent with the AB 693 requirement for 300 MW before 2030.”<sup>5</sup>

The Decision also directed the SOMAH PA’s implementation plan to include procedures to ensure that money spent on project incentives in a particular IOU’s service territory does not exceed the funding provided by that utility over the life of the program. Further, the PIP was directed to include a method of budgeting for the program that would take into account the variability of the funds available from the GHG allowance auctions, when that variability leads to amounts of less than \$100,000,000 annually.

Directives also required the PIP to include a method of verifying that at least 51% of the electricity generated by a SOMAH incented system is used to offset electricity usage by tenants, and that the load allocation of the solar energy system matches the incentive split between tenant and common area accounts. Additional requirements for the PIP include provisions wherein the SOMAH PA is to develop a form and process for the property owner to guarantee that any costs for a third-party owned system (TPO) will not be passed on to tenants. In an effort to further guarantee that tenants benefit from SOMAH PV installations, the Decision directed the PIP to propose recommended forms, procedures, and a method for documenting a performance guarantee (including kWh production) to be provided by the third-party owner to the property owner (and by the property owner to the SOMAH PA) that will continue throughout the contract term. The method would also provide monetary payment in the case of underproduction. Lastly, the Decision encouraged that the SOMAH PA propose, via the PIP, a process by which individual SOMAH Program projects are required to solicit multiple bids as a cost containment strategy for the program.

### **SOMAH Decision Discussion of PA data reporting, IOU customer data sharing, and PA/IOU non-disclosure agreements**

In both the dicta and Appendix B of the Decision, the Commission directs the SOMAH PA to routinely report on specific programmatic details to demonstrate the program’s effectiveness and progress towards legislative goals. While many of these reporting requirements relate to program implementation activities overseen and directed by the SOMAH PA (for example the number of

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<sup>5</sup>. Ibid at 56.

applications received, number of applications accepted, incentives paid, size of installations and expected aggregate annual output, etc.) other reporting requirements ostensibly require the SOMAH PA to access sensitive customer data held by the IOUs. For example, to determine tenant bill savings<sup>6</sup> and the “collection of information on tenant costs and benefits”<sup>7</sup> for program reporting, the Decision foresaw the need for the SOMAH PA to access IOU customer electricity usage and billing data and established the process by which to secure this access. By directing the IOUs to enter into non-disclosure agreements (NDAs) with the SOMAH PA to “facilitate the sharing of customer usage data and other personally identifiable information needed for the operation and administration of SOMAH,”<sup>8</sup> the Commission understood that the establishment of NDAs was necessary for the secure transmittal and handling of confidential data.

Furthermore, the Decision directed tasks separate from reporting - but primary to the program’s success - like requiring SOMAH PA access to other IOU-held personally identifiable customer data. Specifically, it encouraged SOMAH PA-provided technical assistance to host customers and property owners via “coordinat[ion] with other clean energy programs”<sup>9</sup> and other “innovative ways to increase the energy efficiency services delivered under this program.”<sup>10</sup> This mandate lays an expectation that the SOMAH Program will interact and coordinate with other IOU programs. Accordingly, the careful sharing of IOU customer data (including energy efficiency participation data and energy savings assistance (ESA) Program<sup>11</sup> participation data) carried out under the auspices of an NDA would meet these expectations and program requirements.

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<sup>6</sup> See D.17-12-022 Appendix B, Program Reporting/Data Collection

<sup>7</sup> D.17-12-022 at 52

<sup>8</sup> Ibid at 55.

<sup>9</sup> Ibid at 27

<sup>10</sup> Ibid.

<sup>11</sup> The Energy Savings Assistance Program (ESA) provides no-cost weatherization services to low-income households who meet the specific income guidelines. Services provided include attic insulation, energy efficient refrigerators, energy efficient

**SOMAH Program Draft Handbook Posting and the July 12, 2018 Workshop**

On June 27, 2018, the Commission's Energy Division circulated a notice to parties of the Net Energy Metering proceeding (Rulemaking (R.)14-07-002), Energy Savings Assistance Program proceeding (Application (A.)14-11-007) and General Energy Efficiency proceeding (Rulemaking (R.)13-11-005), and other interested parties, with a link to the SOMAH PA developed draft Handbook and directions on how groups could provide direct written comments and input on the draft.

On July 12, 2018, the SOMAH PA facilitated a SOMAH Program Handbook workshop. The SOMAH PA presented on the draft Handbook contents largely focusing on programmatic differences between the SOMAH and MASH Programs. Participant questions centered on the timing of the program implementation plan filing and subsequent Commission approval, the program's energy efficiency requirements and the Solar Sizing Workbook. Additional topics of discussion included the program's multiple bid requirements, timeline for project level bids, and SOMAH PA technical assistance role. Following the workshop, stakeholders were asked to submit written comments on the draft Handbook.

**August 22, 2018 Handbook Extension Request**

On August 22, 2018, CSE submitted a letter to the Commission's Executive Director requesting a 30-day extension of time to comply with Ordering Paragraph (OP) 10 of the SOMAH Decision, and to submit the SOMAH PIP and the SOMAH Program Handbook as two separate Tier 3 ALs.

On August 31, 2018, the Commission's Executive Director authorized both documents be filed separately and extended the deadline of August 31, 2018 to October 1, 2018 for both ALs.

**GRID's SOMAH Program Handbook (Handbook) Advice Letter**

On October 1, 2018, GRID filed a Tier 3 AL with the SOMAH Program Handbook. The SOMAH Handbook AL incorporates key sections and components that align with the directives in the SOMAH Decision, including:

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furnaces, weatherstripping, caulking, low-flow showerheads, water heater blankets, and door and building envelope repairs which reduce air infiltration.

1. A program overview;
2. An outline of services provided by the SOMAH Program Administrator;
3. Program eligibility criteria and requirements (including generational system equipment eligibility, energy efficiency requirements, ESA Program requirements, tenant education requirements, job training requirements and more);
4. Details of the SOMAH Program Incentive structure;
5. Application processes for SOMAH Projects (including technical assistance as part of the application process, an overview of bidding processes and requirements, details on the multiple bid requirement, and application forms and documentation);
6. Program metering requirements;
7. Details on eligible equipment certifications, rating criteria, and design factor calculations; and;
8. Details on field verification processes.

### **The CSE SOMAH Program Implementation Plan Advice Letter**

On October 1, 2018, CSE filed a Tier 3 AL with the SOMAH Program Implementation Plan. The SOMAH Program Implementation Plan AL documents key subjects and programmatic planning elements in alignment with the directives in the SOMAH Decision, including:

1. Application procedures;
2. Requirements for documentation of building, property, and project eligibility;
3. Specific job training and, to a degree, local hiring requirements consistent with those defined in the Decision;
4. Specific rules for implementing the third-party ownership requirements defined in the Decision;
5. Specific energy efficiency requirements consistent with those adopted in the Decision;
6. Data collection and reporting requirements, including report formats
7. Supplier Diversity Rules;
8. Interim targets for capacity goals, consistent with the AB 693 requirement for 300 MW before 2030.

The PIP also includes provisions to protect against incentives generated by one IOU being spent on SOMAH projects in a separate utility service territory. To accomplish this, the PIP proposes establishing five individual reservation queues



and waitlist queues that represent each IOU service area. To ensure that the program takes into account the variability of the funds available from the GHG allowance auctions, the PIP utilizes a budget fluctuation model to mitigate uncertainty by ramping program activities up or down depending on the annual available administration and incentive funds. In an example provided, the PIP explains if the program budget in a year is only half the anticipated collection, the SOMAH PA will reduce program scope by 50% with exceptions for the critical components needed to administer the program. The PIP specifies that the SOMAH PA would work directly with the Energy Division to determine which program activities would be pared down first.

The PIP also includes various processes to ensure that the benefits of SOMAH solar systems accrue to tenants. It specifies that to meet the Decision's requirement that at least 51% of incentivized system benefits flow to tenants, the SOMAH PA will implement a process to verify that Virtual Net Energy Metering (VNEM) allocations between tenants and common areas are correctly apportioned. The PIP specifies that the SOMAH PA will ensure, via a signed affidavit certified under penalty of perjury, that the Host Customer cannot, and will not, recapture tenant savings via rent increases, utility allowance adjustments, or other recapture mechanisms. Importantly, to increase the likelihood that the many eligible properties with U.S. Department of Housing and Urban Development (HUD) or U.S. Department of Agriculture (USDA) financing will be able to participate, the Handbook specifies that SOMAH solar credits are similar to California Climate Credits and must be excluded from utility allowance calculations.

Furthermore, to guarantee that any costs for a TPO system will not be passed on to tenants, a Tenant Benefits Affidavit must be signed and submitted with the Reservation Request by the SOMAH applicant attesting that costs cannot be transferred. To provide additional assurance that SOMAH Program participant tenants benefit from SOMAH installations, the PIP outlines a Certification of System Performance process and subsequent forms requiring TPO performance guarantees. These guarantees ensure that SOMAH TPO systems will produce a minimum of 90% of the expected annual production as calculated by the Expected Performance Based Buydown (EPBB) calculator for the duration of the agreement. If a TPO system's production fails to meet this threshold (after a degradation factor has been applied), the PIP outlines a process of financial recourse.

The AL and PIP detail how the SOMAH PA will coordinate with the IOUs, execute the program's marketing, education, and outreach (ME&O) obligations, communicate effectively between stakeholders, and create a competitive bidding process for SOMAH projects. To encourage multiple bids at the project level, the PIP identifies a framework for property owners/operators who require upfront technical assistance to receive multiple bids via an online bidding portal or a paper bidding form. Projects that come to the program with a prearranged relationship with an eligible contractor are not required to participate in the multiple bidding process. However, the Host Customer will be provided information about the availability of the multiple bid portal and the option to participate or decline the multiple bidding process.

## **NOTICE**

Notice of GRID AL 11 and CSE AL 92 was made by publication in the Commission's Daily Calendar. GRID and CSE state that copies of their advice letters were mailed and distributed in accordance with Section 4 of General Order 96-B.

## **PROTESTS**

### **SCE's Protest of the SOMAH Program Handbook Advice Letter and SCE, PG&E, and SDG&E's Protest of the SOMAH Program Implementation Plan Advice Letter**

On October 22, 2018, GRID AL 11 (the SOMAH Program Handbook Advice Letter) was timely protested by SCE.

On October 22, 2018, CSE AL 92 (the Solar on Multifamily Affordable Housing (SOMAH) Program Implementation Plan (PIP) Advice Letter) was timely protested by SCE, PG&E, and SDG&E.

GRID replied to the protest of the proposed program Handbook on October 29, 2018. CSE replied to protests of the SCE, PG&E, and SDG&E to the proposed Program Implementation Plan on October 29, 2018. The following is a more detailed summary of the major issues raised in the protests and replies. For clarity, summaries of the protests are divided by content area below.

## **SCE's Protest of the SOMAH Program Handbook Advice Letter and GRID's Reply**

SCE's protest to the SOMAH Program Handbook advice letter focuses on five points.

### **a. 18-Month eligibility window**

The SOMAH Decision directed specific MASH program rules be replicated for the SOMAH Program, including an 18-Month Reservation Period where the installation of projects awarded SOMAH incentives must be completed within 18 months of approval of participation. The SOMAH PIP proposes two tracks, Track A and Track B, to apply for a SOMAH incentives. Track A projects will have their incentive funding earmarked for a three-month period *prior* to a Reservation Request to participate in Upfront Technical Assistance and obtain and review multiple project bids submitted by different eligible contractors. Track B projects (those that have likely completed some or all of the initial technical assistance provided by their own contractor/developer) may decline the three-month period necessary to review multiple project bids.

SCE argues that the Handbook's dual track framework requires a clearer definition of the 18-Month eligibility window as directed in the Decision, arguing that the proposed "Track A" or "Track B" routes introduce ambiguity to the reservation process. SCE proposes that the 18-month incentive eligibility "clock" begin within both tracks once the incentive funds are "held, reserved, or set aside" signaling that the application is approved, and the incented project is "deemed construction-ready."

GRID counters that the proposed Handbook is clear and cites Handbook page 73. GRID's citation states "For Track A and B projects, incentive funding will be reserved for 18 months based on the date and time the Reservation Approval Notice is sent" GRID suggests that SCE's recommendation on this point be disregarded.

### **b. Publication of Incentive Budgets**

SCE argues that the Handbook's process by which the SOMAH PA will update the incentive budget for each IOU based on each quarter's GHG auction revenues and publish it to the California Distributed Generation Statistics

(CalDGStats) website ([californiadgstats.ca.gov](http://californiadgstats.ca.gov)),<sup>12</sup> “as soon as this information becomes available” requires additional clarification. SCE proposes that the Handbook specify that the PA post this information “as soon as the Commission authorizes ERRA funds to be released for this program.”

In reply, GRID states that the SOMAH PA team will continue to work closely with the Energy Division to ensure that comprehensive program budget information and metrics are included as part of the information published publicly by the SOMAH PA. As such, GRID argues that a Handbook update is unnecessary to accommodate this recommendation.

### **c. Building Level Energy Usage Data**

SCE discusses how the SOMAH PA’s technical assistance should better align with the IOUs’ current processes of providing AB 802’s<sup>13</sup> mandated energy usage requirements. SCE argues that while the SOMAH PA is working with the IOUs to find a method for sharing building level data, should those processes not come to fruition, the SOMAH PA should develop alternative approaches that are in conformance with the processes that SCE (and presumably the other IOUs) have established in response to AB 802. SCE’s protest provides detailed steps as to how this data exchange currently occurs for its utility service territory.

In reply, GRID argues that the whole building aggregated data provided under AB 802 requirements will not provide the SOMAH program with the level of granularity required to sufficiently evaluate SOMAH projects for compliance with program rules. GRID, while appreciative of the SCE’s focus on efficiency between programs and push to utilize existing systems, argues that the

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<sup>12</sup> California Distributed Generation Statistics is the official public reporting site of the California Solar Initiative (CSI), presented jointly by the CSI Program Administrators, GRID Alternatives, the California Investor Owned Utilities, and the California Public Utilities Commission.

<sup>13</sup> Assembly Bill 802 (Williams, 2015) among other directives, requires (as of January 1, 2017), that energy utilities provide building-level energy use data to building owners, owners' agents, and operators upon request for buildings with no residential utility accounts and for buildings with five or more utility accounts.

recommendation should not be adopted as it would prove inadequate to meet program and participant needs.

**d. Workforce Data Collection Details**

SCE objects to the Handbook's proposal to collect data on the number of SOMAH job trainees who have been involved with the criminal justice system or received government benefits. SCE objects to the PA tracking these workforce metrics, arguing that the data is irrelevant to the SOMAH Program, suggesting the metric is 'tenuous, at best' and 'unjustifiable.' SCE recommends that the Program's administrative funds be restricted from funding such data collection.

In reply, GRID argues that collecting this information via the Program's Job Trainee Intake Form does not increase costs and is relevant to the program's goal of delivering economic development benefits to disadvantaged communities. GRID suggests that the protest be denied.

**e. Future Load Growth and Electric Vehicle (EV) Common Area Load**

SCE alleges that the Handbook has a lack of specific guidance to determine how a participating property demonstrates increases in expected load as it relates to the interconnection process. SCE suggests that the Handbook (and Program) should 'mimic' both CSI and the MASH program Handbooks, but fails to provide details on those programs' approach to this issue. SCE asserts that the SOMAH Handbook's method for accounting for future load growth tied to the future installation of EV charging stations is incorrect. SCE states that rather than treating such EV usage like other common area load, as proposed, "the Handbook should clearly require the owner to provide detailed plans justifying tenant need or interest in EV charging capability, along with plans that make transparent to the SOMAH PA and tenants how the owner plans on EV station usage in a manner that passes benefits along to tenants"<sup>14</sup> and that the Handbook should include some form of "associated penalties" for "failing to meet" these proposed requirements.

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<sup>14</sup> See Protest of Southern California Edison Company to Center for Sustainable Energy Advice No. 93, Proposed Solar on Multifamily Affordable Housing (SOMAH) Program Handbook at 4.

In reply, GRID provides counterarguments to SCE's claims that the Handbook's handling of potential increases in expected load is insufficient, and that the Handbook's treatment of future load growth tied to the future installation of EV charging stations is incorrect. GRID cites various sections of the Handbook that it believes adequately capture how potential projects must meet utility interconnection requirements to demonstrate increased load. The SOMAH PA team reiterates that they "plan to add an additional flag" to the Program's Solar Sizing Tool (required for all projects) that "highlight[s] utility interconnection requirements...as another way of ensuring all program participants are reminded of the requirement to coordinate with the utility on interconnecting a system that is larger than historical load would imply is necessary" but that a modification to the draft Handbook is unnecessary to implement these changes.

In response to SCE's concerns that participating property owners should make transparent to the SOMAH PA and tenants how the owner plans to deliver EV station usage in a manner that passes benefits along to tenants, GRID argues that the potential load due to EV charging installations is accounted for as part of common area load, similar to an onsite laundry facility. GRID argues that there is no commensurate requirement, or rationale, that a SOMAH property owner be required to offer a reduced fee for use of the laundry machines to tenants after participating in the program.

### **SCE's, PG&E's, and SDG&E's Protest of the SOMAH Program Implementation Plan Advice Letter and CSE's Reply**

#### **f. Project Eligibility and Verification**

PG&E argues that the PIP needs to explicitly bar new construction as directed in the SOMAH Decision, clarify that all applications will be fully reviewed, assert that all projects receiving incentives will be inspected, and address the fact that VNEM Allocation forms are not sufficient to determine the number of residential housing units at a project location. PG&E continues that the Program should limit participation to properties with 20 years (not 10 years as stated in the PIP) remaining on the term of the property's affordability requirements. Finally, PG&E's protests flag that the PIP provides no clear means of enforcement regarding the Certification of Compliance with SOMAH Performance Requirements for Third-Party Owned Systems, which is paramount to ensuring consumer protections in the instances of TPO models. SCE argues that an

Interconnection Authorization Letter is not needed at the application stage in the project eligibility process which the PIP, as drafted, would require.

In its reply, CSE counters that the PIP is clear on these matters. CSE reiterates and cites sections of the PIP that specify that multifamily properties that have not received a Certificate of Occupancy are not eligible for participation in the SOMAH Program. Further, the group cites portions of the PIP that specify that the VNEM application form is only one of several verification methods employed by the program to ensure tenant benefits, reiterating that SOMAH applicants are also required to provide PUC Section 2852 documentation. CSE assures that all SOMAH applications will be reviewed by application processors and managers during each step of the application process and a set percentage of applications will be sent through a quality control (QC) review. The group further clarifies that 100 percent of QC projects will be sent to inspection. CSE argues that the minimum eligibility requirement of 10 years remaining on a participating property's deed restriction matches that of the Decision, which states, "[t]here must be at least 10 years remaining on the term of the property's affordability restrictions." Lastly, CSE concurs that alone, the Certification of Compliance with SOMAH Performance Requirements for Third-Party Owned Systems form is insufficient to ensure third party-owned systems perform as promised which is why, as stated in the submitted SOMAH PIP, the third-party system owner must also contract with a performance monitoring service and agree to meet predetermined performance requirements.

#### **g. Program Implementation Plan Scope**

PG&E identifies two main concerns with the proposed scope of the program and implementation plan. Firstly, PG&E objects to the PIP's provision of information on energy storage to program applicants and the program's proposed collaborative efforts with storage associations. PG&E's protest is adamant that no SOMAH Program administrative funds should be used on storage related activities. Secondly, PG&E raises concerns that the SOMAH PA's plans to provide information regarding "the implications" of time-of-use (TOU) rates to customers (tenants and property owners) is out of scope for the program, unnecessarily drives up administrative costs, and undermines the Commission's prior decision on TOU rates.

SCE argues that the roles and responsibilities of the SOMAH PA and the IOUs need to be more clearly defined than what currently exists in the PIP. For

example, SCE states that, in its reading of the PIP, the IOUs' roles appear to be somewhat ambiguous and questions remain if their role is limited to processing ESA Program referrals and handling customer billing inquiry calls. SCE further suggests the PIP filing is unclear, asserting that while it is SCE's understanding that the SOMAH PA will validate eligibility, validate or perform quality control checks on applications, validate installations, validate tenant benefits, and conduct a budget true-up process, these responsibilities are never explicitly defined in the PIP. SCE believes that the PIP should clarify that the SOMAH PA is responsible for making updates to program information (the program website and tenant engagement toolkits) in a timely manner and that the SOMAH PA will work with the IOUs to develop a VNEM allocation sheet. SCE notes that while the PIP mentions that it is the responsibility of the PA "to develop and maintain a comprehensive program website" and a "tenant engagement toolkit," SCE suggests that the SOMAH PA clearly state in the PIP that the PA is responsible for making updates to program information in a timely manner.

In its reply, CSE insists that the PIP is clear and that no SOMAH incentives can be spent on incentivizing storage systems. However, CSE argues, vendors and contractors who plan to install PV systems under SOMAH also specialize in energy storage solutions, and vice versa, such that cross fertilization of products and services may benefit the SOMAH Program and its participants. In response to PG&E concerns about the messaging of TOU rates to customers, CSE argues that since the TOU requirements for the SOMAH Program differ between tenants and owners, it is appropriate to provide TOU education to *both* property owners and tenants. CSE clarifies that all TOU education materials direct the customer to their IOU for guidance on which rate schedule is best for them, and all tenant material will be sent to the IOUs for their review prior to sharing with customers.

CSE also responds to SCE's questions about what activities are expected of the SOMAH PA and what are the responsibility of the individual IOUs. CSE suggests that since the development of the VNEM allocation form has traditionally been provided by the IOUs as part of their interconnection application for other programs (including MASH), this should continue to be the course of action for the SOMAH Program. CSE argues that the Decision did not direct the SOMAH PA to predict what activities and responsibilities each IOU would conduct internally to comply with the program. The group asserts that they have worked diligently with SCE to develop a comprehensive contract and scope of work that describes the roles and responsibilities of each party in detail, which was signed by SCE under the oversight of the Energy Division. CSE's



reply is silent on SCE's recommendation that the PIP clarify that the SOMAH PA will be responsible for making updates to the program website and tenant engagement toolkit.

**h. Conflict of Interest**

PG&E asserts that the proposed safeguards for the PIP's Conflict of Interest Policy are inadequate. PG&E suggests that any known or alleged conflicts of interest identified by the PA should be made public and vetted by the Commission before the program begins.

In its reply, CSE cites details from its full Conflict of Interest Policy developed by the SOMAH PA for its initial RFP response. CSE states that its conflict of interest protocols contain "an exhaustive Conflict Resolution Process" that entails an investigation component "completed by an assigned Conflicts Prevention Manager." Formal recommendations generated out of this process are approved by all team members not subject to the investigation. In instances where an independent third-party review does not reach unanimous approval of the recommendation, remedies range from a warning to disqualification and removal of access to information or data.

**i. Program Budget and Methodology for Tracking Available Funds and Expenses**

SCE argues that the PIP has not produced a sufficiently detailed estimate of expenses for program launch and maintenance. Specifically, SCE argues that the PIP needs budget and timing details on the development of two online tools (an online application tool and an online bidding tool) and it does not provide staffing estimates or mitigation practices as to how the SOMAH PA might handle spikes in volumes of applications. SCE continues that the SOMAH PA should describe in the PIP how GHG allowance data will be requested from each IOU. SCE continues that it should be the SOMAH PA's responsibility to develop a budget true-up process and incentive invoice true-up process in cases where payment is issued by an IOU in advance of the inspection. Lastly, SCE argues that in order to better track costs and "maintain visibility and transparency," the program's expense report should be published on a quarterly, rather than semi-annually basis as this will also coincide with the SOMAH PA's administrative invoices.

PG&E argues that the SOMAH PA's proposed Semi-Annual Expense Report (SAER) hides the "true cost of the program" by only including SOMAH PA's internal program administration expenses. PG&E argues that Energy Division and IOU costs should be included as part of the program administration expenses and not treated as a category outside the administrative costs. PG&E further cites the PIP's own calculations of the estimated incentive funding needed to reach the Program's 300 MW goal is much lower than the full proposed budget of the program arguing that the program should reduce administrative spending (and scope) to reach this goal.

In its reply, CSE argues that contrary to PG&E's claims that the proposed Semi-Annual Expense Report (SAER) obscures the "true cost of the program" by only including the SOMAH PA's internal program administration expenses, CSE asserts that the SAER will "capture all internal program administration, workforce development, technical assistance, marketing, education and outreach, Commission expenses, and IOU expenses." In response to SCE's assertion that the SOMAH PA must describe in the PIP the process by which each IOUs' GHG allowance data will be collected, CSE asserts that they believe a new process for obtaining GHG allowance data from the IOUs would be duplicative and administratively inefficient. In particular, CSE notes that this information is provided in the current California Air Resource Board (ARB) auction publication process or the IOUs' Energy Resource Recovery Account (ERRA) (and presumably the Energy Cost Adjustment Clause (ECAC)) Forecast Application processes. In response to SCE's concerns that the PIP specify that the SOMAH PA conduct a program cost and incentive invoice true-up, CSE agrees with SCE and provides a citation to this process in the filed SOMAH PIP.

Lastly, to counter claims that the SOMAH Program should limit its scope and SOMAH PA administrative costs to more align with the estimated incentive funding needed to reach the Program's 300 MW goal, CSE strongly objects to PG&E's suggestion. CSE argues that PIP's calculations are based on two hypothetical scenarios - one in which the systems installed have 100% tenant allocation to show the maximum amount of incentives possibly needed to reach program goals; and another in which the program sees a minimum of 51% tenant allocation, and thus, lower incentives to reach the same installed capacity goals. CSE suggests that these scenarios "capture the outer limits of all possible outcomes and may not represent the actual dollar amounts disbursed in incentives." Further, CSE argues that the SOMAH program, although modeled after MASH, is a brand-new market intervention with more extensive

requirements than previous program designs. CSE continues that the SOMAH PA “will need time to operate the program before it can begin to predict how incentive and administrative budgets will be impacted by the 300 MW installation goal” and that it “would be premature and possibly damaging to the program goals to adjust down the SOMAH administrative budget before the program has even launched.”

#### **j. Customer Privacy and Data Sharing**

All three IOUs protested the PIP’s request for specific confidential customer data. PG&E believes the data requested goes far beyond the data “reasonably necessary” to support the program and argues that there is not an appropriate business case for many of the requested data fields.

With regard to the data sharing request of ESA and Energy Upgrade California Multifamily (EUC-MF)<sup>15</sup> Program participant data, PG&E and SDG&E state that they do “not understand what the PA is doing with the data, since it is clearly not in the scope” of the SOMAH PA’s duties to provide enrollment leads to these other programs.

SCE protests that many of the data requirements requested in the PIP are not feasible or are beyond the scope of what is needed to successfully implement the program, and therefore should not be approved.

SDG&E states that it does not understand the value of providing the SOMAH PA access to MASH waitlists or EUC-MF Program data, since the SOMAH program has a list of potentially eligible properties at its disposal and SDG&E believes the PA does not need additional data to identify interested potential participants.

PG&E and SDG&E identify data elements that they assert can be provided *after* the SOMAH PA, customer, or SOMAH applicant provides a completed VNEM

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<sup>15</sup> The Energy Upgrade California Multifamily program began as a set of pilots in 2012 and transitioned to a statewide program offered by the IOUs and Regional Energy Networks in the 2013-2014 energy efficiency program cycle (see D.12-05-015 and D.12-11-015). Multifamily property owners are offered a mix of technical assistance and financial referrals, depending on the program’s design and other offerings.

allocation form. PG&E suggests that some of the data requested of the IOUs in the PIP can be obtained directly from the applicant. PG&E suggests that it will make customer data available to the SOMAH PA and its subcontractors in instances where *each* PG&E customer has the authorized release.

In its reply, CSE argues that the data requested is necessary to fulfill obligations established by the Decision and is not beyond scope as characterized by the protesting utilities. CSE references Commission direction in the Decision that encourages “innovative ways to increase the energy efficiency services delivered under this [the SOMAH] program” and instructs the SOMAH PA to “develop and propose methods to coordinate with other clean energy programs.” Specifically, CSE suggests that access to specified ESA Program data will enable the PA to coordinate with the ESA Program to provide more comprehensive guidance and technical assistance to SOMAH program participants. Additionally, CSE suggests that access to MASH/EUC MF program participation data will enable the SOMAH PA to cross-reference potentially eligible properties with relevant customer information. This in turn would improve targeting and tailoring of ME&O to potential SOMAH Program participants.

**k. Data Sharing and Website-related Administrative Costs and Cost Recovery**

PG&E identified data sharing needs (outlined above) include concerns that such data sharing relies on multiple systems that do not overlap and would require “extensive,” but undefined, IT work to be able to export and transfer data on a repeatable and on-request manner. PG&E further argues that current funding sources for the CalDGStats website should not be financially responsible for the increased costs of adding SOMAH Program related data. Instead PG&E argues that these costs should be borne by the program.

SDG&E notes that if the PIP is approved as written and the data elements identified in the Advice Letter are ordered to be provided to the SOMAH PA, SDG&E's previous estimated costs for supporting this program will likely increase.

In its reply, CSE agrees with the assertion that the SOMAH Program be financially responsible for program-related updates to CalDGStats. CSE states that the SOMAH administration budget already includes costs associated with

incremental changes to CalDGStats, and the SOMAH PA has contracted with the relevant parties to ensure the changes are made.

### **1. Metrics for Marketing, Education and Outreach (ME&O)**

SCE protests that the PIP's efforts used to track marketing campaign success is insufficient and that the program should track website volume on a regular basis to measure conversion rates. Additionally, SCE suggests that it is suboptimal to rely solely upon the IOUs' feedback to determine the effectiveness of the program's tenant education strategy and that the SOMAH PA should track the volume and type of calls that are made to its tenant hotline to help evaluate effectiveness of the program's education component.

In its reply, CSE tacitly supports SCE's recommendations that the program use additional metrics to track the success of the SOMAH program, should those metrics come from the Energy Division.

### **DISCUSSION**

In reviewing the required PIP and Handbook components set forth in the SOMAH Decision and described in the Background section above, we find that both the PIP and the Handbook meet the majority of requirements laid out in the Decision. However, both documents require minor modifications as detailed below.

To implement these modifications, GRID and CSE are to file supplemental filings to their respective ALs within 15 days that address these minor changes to both the Handbook and the PIP. These supplemental filings should include a redlined and clean version of both documents. Additional detail is provided in Appendix A to this resolution.

- a.** The following sections address the Decision directives for both the PIP and the Handbook and the disposition of the protests and replies.  
**18-Month eligibility window**

With regard to SCE's protest that there is not sufficient information on the 18-month eligibility window and the Handbook requires additional clarification, we find that the Handbook at Page 73 provides clear details on the 18-Month eligibility window for projects as directed in the Decision. As such, SCE's protest on this matter is rejected.

#### **b. Publication of Incentive Budgets**

In review of SCE's request that the Handbook be modified so that the SOMAH PA must publish the incentive budget for each IOU "as soon as the Commission authorizes ERRA funds to be released for this program" rather than "as soon as this information becomes available," we find that the Handbook language should be updated to reflect SCE's specificity.

#### **c. Building Level Energy Usage Data**

After weighing the benefits of aligning the SOMAH PA's approaches to accessing whole-building data in a manner conforming with the processes that SCE (and presumably the other IOUs) have established in response to AB 802, we are not persuaded that these existing processes meet the level of granularity required to sufficiently evaluate SOMAH projects (both, pre- and post-installation) for compliance with program rules. Further, we have concerns that adopting existing IOU processes may 'lock' the SOMAH program to methods that were designed for external efforts that may become outdated or change. We therefore reject this protest of the Handbook.

#### **d. Workforce Data Collection Details**

SCE has concerns that collecting data on the number of SOMAH trainees who have been involved with the criminal justice system or received government benefits is irrelevant to the Program and that the spending of administrative funds on this data collection should be prohibited. We disagree. As GRID has put forth in its reply, the proposed Job Trainee Intake Form is currently designed to track such information and asking for this information will not result in increased costs. Spearheading this type of workforce data collection is a secondary, but important, benefit and goal of this program and should be supported. SCE's protest on this matter is rejected.

### **e. Future Load Growth and EV Common Area Load**

SCE protests that the Handbook lacks specific guidance to determine how a participating property demonstrates increases in expected load as it relates to the interconnection process. SCE suggests that the Handbook (and Program) should 'mimic' both CSI and the MASH program handbooks on this manner, but fails to provide details. We agree with GRID, and find that as written, the Handbook's reliance on the Solar Sizing Tool provides the appropriate assurance that program participants are compliant with IOU interconnection protocols when planning for future load growth. Comparisons between the proposed SOMAH Handbook and MASH Handbook do not demonstrate any inconsistencies, and we are swayed by GRID's logical comparison of EV charging to that of onsite shared laundry facilities.

We agree with CSE that it is appropriate to consider EV charging load as common area load, since EV charging is installed for tenants' use and that access alone to such charging infrastructure is a tenant benefit. Furthermore, we do not see the rationale nor reality of a hypothetical property owner going through the involved process of installing EV chargers *without* providing access to tenants. As such, SCE's protest of the Handbook is rejected. However, to support the Commission's (and IOUs') external EV efforts, we will require the SOMAH PA to flag projects that have, or those that plan, EV charging station installations. We direct that the Program Implementation Plan (not the Handbook) be updated to reflect this minor change.

### **f. Project Eligibility and Verification**

With regard to PG&E's protest that the PIP lacks clarity on specific program eligibility criteria (duration of deed-restriction, new construction, etc.), incorrectly relies on the wrong forms for verification, and does not specify the inspection process appropriately, we do not find the same concerns. CSE's citations to the proposed PIP language do not demonstrate any ambiguity on these matters. We therefore reject PG&E's protest of the PIP, as we find the PIP satisfactorily captures these program details and requirements.

However, noting SCE's protest of the PIP, and CSE's agreement, that an Interconnection Authorization Letter is not needed at the application stage in the project eligibility process, we are persuaded that the protest issue is valid, and the PIP and Handbook should be updated to reflect this minor change.

### **g. Program Implementation Plan Scope**

PG&E protested that the PIP should be updated to remove discussion of outreach efforts to energy storage providers, or that the SOMAH PA be curtailed in its discussion of TOU rates to participating tenants and owners. We do not find PG&E's arguments compelling, instead we are swayed by CSE's argument that benefits accrue from engaging with the storage industry and we see no harm in providing participating property owners with rudimentary information on energy storage technology. We do not equate providing education with that of providing SOMAH Program incentives for storage systems as long as the cost of doing so is negligible.

Additionally, we find that both the program and participants will benefit from understanding the TOU rate details required to participate in the program and that the SOMAH PA is appropriately suited to provide this level of customer rate education with the stipulation that these materials be approved by those IOUs with TOU rates. We direct that all SOMAH Program customer engagement materials that discuss TOU rates be developed in coordination with the IOUs.

SCE's protest of the PIP requests that the roles and responsibilities of the SOMAH PA and the IOUs be more clearly defined and asserts that these details should be included within the PIP.

We find that the SOMAH PA should validate application and project eligibility, validate and perform quality control checks on applications, validate installations, validate tenant benefits, and conduct a budget true-up process. Any party that installs a PV system incented by the SOMAH Program shall not perform the inspection of that system. The SOMAH PA should also ensure that the program website and tenant engagement toolkit will be updated on a timely basis. The utilities, in coordination with the SOMAH PA, will develop VNEM allocation sheets and digital forms, process ESA Program referrals from the SOMAH Program and will handle customer billing inquiry calls. We are persuaded that this protested issue is valid and therefore direct the SOMAH PA to update the PIP to include these roles and responsibilities. Other SOMAH PA and IOU responsibilities regarding the budgeting of the SOMAH Program and transferring GHG auction results are covered in other sections below.

### **h. Conflict of Interest**



We are not persuaded by PG&E's concerns that the PIP's discussion of conflict of interest issues are inadequate. While the Decision did not direct the SOMAH PA to include details on its processes to handle conflict of interest concerns in the PIP, the details of the SOMAH PA's conflict of interest protocols are clearly provided in the SOMAH PA team's RFP response and referenced in the Statement of Work between the SOMAH PA and SCE. Energy Division has reviewed those conflict of interest mitigation strategies and finds them sufficient to address risks in implementing the SOMAH Program. While confidential, the bid details, and its robust discussion of conflict of interest mitigation processes will be accessible to PG&E (and the other IOUs) once the SOMAH PA/IOU non-disclosure agreements (NDAs) envisioned in the SOMAH Decision<sup>16</sup> are executed. These NDAs are discussed in greater detail below. We therefore reject PG&E's protest.

**i. Program Budget and Methodology for Tracking Available Funds and Expenses**

In reviewing SCE's and PG&E's budget tracking protests of the PIP and CSE's responses, we reject the protests in part. Upon reviewing the PIP, we believe it sufficiently provides a mitigation strategy for how the SOMAH PA may handle spikes in volumes of applications or, more pressingly, drop-offs in program funding. As for staffing details and costs for developing the online application and bid tools, we believe that D.17-12-022 did not envision that the nuances of these costs and details would be included in the PIP. Instead, documentation of these costs is more appropriate for the SOMAH PA's administrative invoicing processes with SCE. Subject to the forthcoming co-funding agreements<sup>17</sup>, the other IOUs may have access to these invoices as well. We are persuaded by CSE

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<sup>16</sup> D.17-12-022 at 55

<sup>17</sup> See Ordering Paragraph 7 of D.17-12-022: "Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, Liberty Utilities Company, and PacifiCorp Company shall each contribute its proportionate share of \$100,000,000 on an annual basis for management of the Solar on Multifamily Affordable Housing Program. Each company's share will be calculated based on its share of allowance sale proceeds over the previous four quarters."

that the program's Semi-Annual Expense Report (SAER) will "capture all internal program administration, workforce development, technical assistance, marketing, education and outreach, Commission expenses, and IOU expenses." We confirm that these reports will be publicly posted semi-annually to CalDGStats.

We also agree with CSE that the SOMAH Program and PIP do not need to create a new, separate process to document how GHG allowance data will be requested from and transmitted by each IOU. Instead, we clarify that with the establishment of the IOUs' SOMAH Balancing Accounts and the existing Energy Resource Recovery Account (ERRA) and Energy Cost Adjustment Clause (ECAC) compliance proceedings, the authorized amounts available for this program will be known and rolled over, year-after-year. Further, the delay in launching this program has set aside a significant amount of funding that will likely accrue after subsequent years' California Air Resources Board (CARB) Cap-and-Trade Program auctions.

Additionally, we reject PG&E's protest that the PIP's own calculations of the estimated incentive funding needed to reach the Program's 300 MW goal is much lower than the full proposed budget of the program and administrative spending should be similarly reduced to reach this capacity goal. Instead, we agree with CSE that while the SOMAH program is similar to previous incentive programs, it provides a much deeper and more tailored suite of market offerings. Reducing the scope of the program before launch is premature and would likely hamper the program's success at meeting statutory objectives. As detailed in the SCE/SOMAH PA contract, Energy Division will have oversight of the program and will work with the SOMAH PA to determine the scope and budget of the program's administration.

We do agree with SCE that the budget true-up process and the incentive invoice true-up process is the responsibility of the SOMAH PA and that budgets and expenses (along with interim targets and capacity goals) must be tracked and provided to give the SOMAH PA, Energy Division, as well as the IOUs, visibility into the program's overall financial status. We therefore direct that the SAER, which will be publicly posted on CalDGStats semi-annually, include tracking of costs to interim targets and capacity goals. We are persuaded that this protest issue is valid and therefore direct the SOMAH PA to update the PIP to these details into its SAER.

### **j. Customer Privacy and Data Sharing**

After careful consideration of the pros and cons of authorizing the exchange of sensitive customer usage, program participation, and other utility-held data, we determine that the additional value gained from providing informed technical assistance and tailored marketing and outreach to the SOMAH Program outweighs the utilities' interest in data minimization. We therefore deny the utilities' protests of the PIP on these grounds and direct the them to share the data elements identified in Attachment B of Advice Letter 92 by the SOMAH PA. We determine in this resolution that the directed disclosure of identified customer information is a Primary Purpose<sup>18</sup> in conformance with D.11-07-056, since the administration of the SOMAH Program is specifically authorized by the SOMAH Decision.

While the IOUs' concerns about sharing protected customer data is understandable, the requesting third party in this instance is *under contract* with one of the IOUs (per the SCE purchase order/contract), will be governed by NDAs directed in the SOMAH Decision, and is implementing the SOMAH Program on behalf of ratepayers. Further, data sharing of sensitive information as specified in the PIP was clearly envisioned by the Decision, where the Commission "direct[ed] the utilities to enter into appropriate non-disclosure agreements with the chosen PA, if necessary to facilitate the sharing of customer usage data and other personally identifiable information needed for the operation and administration of SOMAH."<sup>19</sup>

Since the execution of these NDAs between the IOUs and the SOMAH PA are overdue, we find that there will be an opportunity to include ample safeguards to protect any sensitive customer data being transmitted from the IOUs to SOMAH PA (and vice versa) in these forthcoming NDAs. While the IOUs suggest that the requested information (energy usage, ESA/MASH/and EUC-MF program participation, etc.) can only be shared with the explicit

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<sup>18</sup> See definition of "Primary Purposes" at 1. Definitions (c)(3) in PG&E Electric Rule 27, SCE Electric Rule 25, SDG&E Electric Rule 33 and Page 50 and Conclusion of Law 9 of D.11-07-056.

<sup>19</sup> D.17-12-022 at 55.

authorization of the property owner or individual tenants, the goal of providing this data *before* interacting one-on-one with eligible customers is essential to an informed, streamlined and efficient program. Having this data (i.e. external EE program participation data) in hand, *prior to* customer contact enables the SOMAH PA to deliver a more comprehensive and tailored level of outreach. It reduces time spent marketing programs that customers/properties have already participated in, informs customer engagement at the tenant level, and provides the SOMAH PA a more comprehensive understanding of potential properties (building systems, past energy efficiency interventions) without burdening tenants or property owners to locate or reproduce information already provided. The result of providing this data in a controlled and governed manner is improved technical assistance to a hard-to-reach and underrepresented market sector. Secondary benefits include lower outreach costs for both the SOMAH *and* external programs as it is our expectation that this data sharing is bidirectional – meaning that this data sharing will generate leads for both ESA, ESA CAM<sup>20</sup>, and EUC-MF.

With clear direction on the specified data elements required by the SOMAH PA to successfully implement the program, we direct that within 45 days of issuance of this resolution, the IOUs shall execute the NDAs as specified in the SOMAH Decision. These NDAs should include provisions on the bidirectional sharing of data for cross program leveraging and for the potential sharing of confidential bid materials as specified in the Conflict of Interest discussion of this resolution.

**k. Data Sharing and Website-related Administrative Costs and Cost Recovery**

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<sup>20</sup> The Energy Savings Assistance Common Area Measures (ESA CAM) Program provides no-cost energy efficiency measures to deed-restricted multifamily buildings with a majority of eligible low-income tenant households to conserve energy, reduce energy costs, and improve health, comfort and safety. To qualify, at least 65% of property tenants must have total annual household incomes at or below 200% of the federal poverty guidelines. For program years 2017-2020, the total budget approved for the ESA CAM program is \$80 million, split proportionally between the investor-owned utilities based on the size of their territories. See Decision D.17-12-009 and D.16-11-022.

With regard to PG&E's and SDG&E's concerns about the costs associated with providing the data discussed in Section J above, and PG&E's concerns with the costs for updating the CalDGStats website, we reject the IOUs' protests on the PIP as outlined below.

PG&E and SDG&E assert sharing the data would require "extensive IT work." PG&E's and SDG&E's protests do not however provide cost estimates or task lists to support this assertion. We also look to previous Commission directives for the utilities to share customer data to support broader policy goals and external program leveraging. Good examples of such leveraging came in previous energy data sharing proceedings on low-income water programs<sup>21</sup> and in the IOUs' CARE/ESA Programs.<sup>22</sup> The resulting Decisions<sup>23</sup> directed the IOUs to share many of the same data elements requested by the SOMAH PA (low income customer program participation data) with multiple water utilities. Those data sharing efforts required engagement with various external entities, did not incur additional administrative costs to the IOUs' ESA/CARE programs and were largely successful – leading to dramatic increases in enrollments in low income water rates. It is our expectation that for the majority of the electric IOUs', their experience with data sharing will be similar, and that leveraging their own internal customer information systems will result in minimal and reasonable costs. Based on this and the lack of timely documentation provided by the IOUs of asserted costs, we reject PG&E's and SDG&E's protests.

On the issue of funding CalDGStats, we are in agreement with CSE that since the CalDGStats website updates have already been scoped and invoiced, there is no dispute on the sourcing of costs to pay for this work. PG&E's protest on this issue is therefore moot.

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<sup>21</sup>R.09-12-017. Order Instituting Rulemaking On The Commission's Own Motion To Determine Whether Sharing Of Customer Information Between Regulated Water Utilities And Regulated Energy Utilities/Municipal Energy Providers Should Be Required; And If So, To Develop The Rules And Procedures Governing Such Sharing.

<sup>22</sup>A.11-05-017. Application of Southern California Edison Company (U338E) for Approval of its 2012-2014 California Alternate Rates for Energy (CARE) and Energy Savings Assistance Programs and Budgets.

<sup>23</sup>See Decision D.11-05-020 and D.12-08-044.

## **1. Metrics for Marketing, Education and Outreach (ME&O)**

We agree with SCE's recommendation that the SOMAH PA track program website volume, and the volume and type of calls that are made to the program's tenant hotline. This data can provide useful information on how stakeholders are engaging with the website and support line. We are persuaded that the protest issue is valid and therefore direct the SOMAH PA to track these data elements. The PIP should be updated to reflect this minor change.

Similarly, we appreciate SCE's attention to the issue of the SOMAH program's lack of established metrics for the SOMAH Program, but the Decision did not require the PIP to include program metrics. We find that it would be more appropriate for program metrics to be developed with oversight by Commission staff as part of the 2020 SOMAH Program Evaluation. This will ensure that metrics are established through a more informed and inclusive process. We therefore reject SCE's protest of the PIP on this issue.

## **COMMENTS**

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments on February 25, 2019.

Comments were timely filed on March 18, 2019 by PG&E and SDG&E, PacifiCorp and Liberty Utilities (collectively the "Joint Small Multi-Jurisdictional Utilities") and CSE.

### **Distinction between SOMAH Bill Savings versus SOMAH Bill Credits for Tenants**

PG&E and SDG&E comment that the Handbook mischaracterizes the economic benefit to tenants from the program and requests that the language stating the economic benefits are not bill savings be removed. SDG&E and PG&E did not raise these concerns during the original protest period of the Advice Letter.

We disagree with PG&E and SDG&E that the Handbook's language regarding the SOMAH Program VNEM credits mischaracterizes the purpose or nature of the program. However, we do find that the Handbook language could benefit from clarification regarding bill savings. The resolution and Program Handbook are modified accordingly, as reflected in Appendix A.

### **Evaluation of Tenant Benefits Associated with Electric Vehicle (EV) Charging**

PG&E's and SDG&E's comments state that to better understand how the SOMAH Program is supporting tenant access and use of EV charging stations, the SOMAH Measurement and Evaluation plan should specifically focus on evaluating EV chargers installed at low-income properties to quantify the actual benefits for low-income tenants. If little benefit is found, PG&E and SDG&E would seek modification of SOMAH Program rules to exclude any incentivization of PV system sizing for EV chargers to extend program incentive dollars to reach more properties. We do not object to the recommendation to study the nexus between EV charging and SOMAH Program participation. However, these considerations are better suited to be made during the scoping and planning stages of the Program's evaluation.

### **100% of SOMAH Projects Should be Inspected, Third-Party Inspections**

PG&E and SDG&E request that the Commission require modifications to the Program Implementation Plan to specify that 100% of SOMAH projects be inspected by a third-party to ensure that low-income properties are receiving the appropriate incentivized equipment. We acknowledge these concerns and reject making modifications to the Program Implementation Plan as we note that the SOMAH Program Handbook plainly states that all SOMAH projects must undergo a field inspection following submission of the Incentive Claim Package, as detailed in Section 2.15, Inspection Requirements and Section 4.6 Onsite Field Inspections. Upon consideration of the request by PG&E and SDG&E regarding third-party inspections, we instead modify the resolution and Program Handbook, as reflected in Appendix A.

### **Costs of Data Sharing**

PG&E and SDG&E request that the Commission modify the draft resolution to remove the characterization that costs of data sharing between the IOUs' various customer information systems is de minimus statewide. PG&E's comments provide additional data identifying estimated costs associated with the creation of a "SOMAH Data Portal" required to provide the data sharing elements identified in the SOMAH PIP. PG&E further requests that the Commission approve a new method of cost recovery to begin the work to transfer the requested data elements from the IOUs to the SOMAH PA. We note the addition of PG&E specific cost estimates for data sharing in its service and modify the resolution accordingly. However, we reject the recommendation of an additional cost recovery mechanism for data sharing efforts as out of scope, since the SOMAH Decision includes funding for internal utility administrative activities directly attributable to the program.

CSE's comments express support for the exchange of data authorized by the draft resolution and the direction given to the IOUs to enter into NDAs with the SOMAH PA in a timely manner.

### **Typographical and Errors of Omission**

PG&E and SDG&E identified a minor typographical error on Page 10 of the draft resolution. The Joint Small Multi-Jurisdictional Utilities identify that the draft resolution failed to cite the Energy Cost Adjustment Clause ("ECAC") process by which small utilities track GHG forecasts and reconciliations in accordance with applicable regulations. Additionally, a typographical error regarding warranty requirements has been identified. We have directed the correction of these typographical errors and modified the resolution and Handbook to correct the omission accordingly, as reflected in Appendix A.

### **FINDINGS**

1. Assembly Bill (AB) 693 directed the California Public Utilities Commission (Commission) to establish an incentive program to encourage the installation of solar energy systems to serve multifamily affordable housing.
2. On December 14, 2017, Decision (D.)17-12-022 (SOMAH Decision) was adopted, establishing the Solar on Multifamily Affordable Solar Housing (SOMAH) program pursuant to AB 693.
3. On March 29, 2018, the Center for Sustainable Energy (CSE), GRID Alternatives (GRID), the California Housing Partnership and the Association



for Energy Affordability were selected as the SOMAH Program Administrator (PA).

4. The SOMAH Decision directed the SOMAH PA to file a Program Handbook and implementation plan via Tier 3 advice letter by August 30, 2018.
5. On August 22, 2018 the CSE submitted a letter to Commission Executive Director requesting to submit the SOMAH Program Implementation Plan and the SOMAH Program Handbook as two separate Tier 3 Advice Letters, and a 30-day extension to submit these Tier 3 Advice Letters.
6. On August 31, 2018, the Commission Executive Director authorized both the SOMAH Program Implementation Plan and the SOMAH Program Handbook be filed separately and extended the deadline of August 31, 2018 to October 1, 2018 for both filings.
7. The SOMAH Decision required the SOMAH Handbook to contain information comparable to the current Multifamily Affordable Solar Homes (MASH) program.
8. The SOMAH Decision required that specific elements from the MASH Program Handbook be transferred to the SOMAH Handbook. Those components include Contractors State Licensing Board (CSLB) requirements; warranty, performance and site permanency details; interconnection with investor owned utility distribution system processes, energy production metering needs; inspection and equipment eligibility criteria; incentive reservation periods; payment designations rules and the requirement that incented equipment must serve on-site electrical load.
9. The SOMAH Decision required new, SOMAH-specific, program rules covering the program's duration, funding source and limits, administration budget cap, goals, and tenant-focused and workforce development benefits be included in the Program Handbook.
10. The SOMAH Decision specified the contents of the SOMAH Program Implementation Plan, directing that the Program Implementation Plan include sections on at least the following subjects: application procedures; requirements for documentation of building, property, and project eligibility; a program budget; specific job training requirements; rules for implementing the third-party ownership contracts; energy efficiency requirements; data collection and reporting requirements; supplier diversity rules; and interim targets for program capacity goals.
11. The SOMAH Decision envisioned data sharing between the investor owned utilities and the SOMAH PA and provided direction on establishing non-disclosure agreements to facilitate such data sharing.

12. On October 22, 2018, GRID Advice Letter 11 (the SOMAH Program Handbook Advice Letter) was timely protested by Southern California Edison
13. On October 22, 2018, CSE AL 92- (the Solar on Multifamily Affordable Housing (SOMAH) Program Implementation Plan (PIP) Advice Letter) was timely protested by Southern California Edison, Pacific Gas and Electric Company and San Diego Gas & Electric Company.
14. The SOMAH Handbook is in compliance with the directions provided in the SOMAH Decision.
15. The SOMAH Program Implementation Plan is in compliance with the directions provided in the SOMAH Decision.
16. The SOMAH Handbook would benefit from additional specificity on the publication of incentive budgets that these figures will be updated upon Commission authorization of ERR/ECAC funds to be released for the program.
17. The SOMAH Handbook would benefit from additional clarification that applicants that have received a final interconnection authorization letter must provide this letter at the request of the SOMAH PA.
18. The SOMAH Handbook would benefit from additional clarification on its characterization of SOMAH Virtual Net Energy Metering credits.
19. The SOMAH Handbook requires changes to a typographical error regarding Program warranty requirements.
20. The SOMAH Handbook would benefit from additional clarification that any party that installs a PV system incented by the SOMAH Program shall not perform the inspection of that system.
21. The SOMAH Program Implementation Plan would benefit from additional clarification that applicants that have received a final interconnection authorization letter must provide this letter at the request of the SOMAH PA.
22. The SOMAH Program Implementation Plan and Solar Sizing Tool would benefit from the collection of electric vehicle charging system information.
23. The SOMAH Program Implementation Plan would benefit from clarification on the roles and responsibilities of the SOMAH PA and the utilities.
24. The SOMAH Program Implementation Plan would benefit from clarification on the contents of the SOMAH PA developed Semi-Annual Expense Report.
25. The SOMAH Program Implementation Plan would benefit from clarity that the SOMAH PA will track program website volume, and the volume and type of calls that are made to the program's tenant hotline.
26. Data sharing to support the SOMAH Program is a primary purpose and consistent with D.11-07-056 as it is being conducted under contract and on

behalf of the IOUs and specifically authorized by an order of the Commission.

27. Prior experience in directing data sharing has demonstrated little or no costs and demonstrable benefit for low-income customers.
28. The IOUs and SOMAH PA would benefit from clarification on the specific data elements to be shared by the IOUs with the SOMAH PA and governed by the Decision directed non-disclosure agreements.

**THEREFORE IT IS ORDERED THAT:**

1. The Solar on Multifamily Affordable Housing (SOMAH) Handbook and the SOMAH Program Implementation Plan are approved with the modifications detailed in Appendix A to this resolution.
2. Within 15 days of issuance of this Resolution, GRID Alternatives and the Center for Sustainable Energy must file supplemental Advice Letters with a Revised Solar on Multifamily Affordable Housing Program Implementation Plan and Revised Program Handbook in compliance with Appendix A to this resolution. The protest period for these supplemental Advice Letters shall be reopened for seven days following their submittal. Any new protests shall be limited to substance of the supplement or additional information.
3. Within 45 days of issuance of this Resolution, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, Liberty Utilities Company, and PacifiCorp must execute non-disclosure agreements with the Solar on Multifamily Affordable Housing Program Administrator to facilitate the secure exchange of customer and program data as detailed in Appendix B to this Resolution.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on March 28, 2019; the following Commissioners voting favorably thereon:

/s/ ALICE STEBBINS  
ALICE STEBBINS  
Executive Director

MICHAEL PICKER

President

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

Commissioners

## Appendix A

### Directed SOMAH Handbook and SOMAH Program Implementation Plan Changes

**Page 19** of the Draft SOMAH Handbook, Section 1.1.1 SOMAH Program Budget should be edited as follows:

*“The SOMAH PA will publish and update the incentive budget for each IOU to the California Distributed Generation Statistics (CalDGStats) website (californiadgstats.ca.gov) based on each quarter’s GHG auction revenues, as soon as ~~this information becomes available~~ the Commission authorizes ERRA/ECAC funds to be released for this program. The budget information will include all program dollars collected to date, by fiscal quarter, and identify encumbered program funds and available program funds. Any unused funds in one program year will roll over to become available in the next program year.”*

**Page 35** of the Draft SOMAH Handbook, Section 2.2.2 Ineligible Multifamily Low-Income Housing Properties should be edited as follows:

*“If the project has received a final interconnection authorization letter, ~~then the Reservation Request Package must include~~ a copy of this letter must be provided by the applicant if requested by the PA.”*

**Page 53** of the Draft SOMAH Handbook, Section 2.9 Tenant Benefits Affidavit Requirement should be edited as follows:

*“SOMAH VNEM solar credits are financial credits similar to California Climate Credits and delivered through tenant utility bills for efficiency and convenience.*

~~They are not utility bill savings or reductions.~~ The SOMAH PA will report on tenant economic benefits based on data made available by the utilities.”

Page 55 of the Draft SOMAH Handbook, Section 2.11 Warranty Requirements should be edited as follows:

“All contractors shall provide a minimum 20-year warranty to protect the purchaser against more than a ~~10~~ 15 percent degradation of electrical generation output that may occur as a result of faulty installation.”

Page 95 of the Draft SOMAH Handbook, Section 4.6 Onsite Field Inspections should be edited as follows:

“All SOMAH projects must undergo a field inspection following submission of the Incentive Claim Package, as detailed in Section 2.15, Inspection Requirements. *Any party that installs a PV system incented by the SOMAH Program shall not perform the inspection of that system.* It is recommended, but not required, that the Contractor attend the inspection. If neither the Contractor nor the Host Customer will be present during the inspection, the inspector must obtain permission from the Host Customer to perform the inspection.”

Page 2 of the Draft Program Implementation Plan, Section I. Introduction should include an additional paragraph specifying roles and responsibilities. This should immediately follow the paragraph below:

“In addition to the specific subjects requested by the Commission, this PIP also explains how the SOMAH PA will coordinate with the IOUs, execute its ME&O obligations, communicate effectively between stakeholders, and create a competitive bidding process for SOMAH projects. Some programmatic details, such as VNEM rates and design can be found in the respective IOU tariff submittals.”

*“The SOMAH PA will validate application and project eligibility, validate and perform quality control checks on applications, validate installations, validate tenant benefits, and conduct a budget true-up process. The SOMAH PA will also ensure that program website tenant engagement toolkit will be updated on a timely basis. The utilities, in coordination with the SOMAH PA, will develop VNEM allocation sheets and digital forms, process ESA Program referrals from the SOMAH Program and will handle customer billing inquiry calls.”*

**Page 7** of the Draft Program Implementation Plan, Section B. SOMAH Required Multifamily Low-Income Housing Eligibility Documentation, 6. Interconnection Authorization Letter should be edited as follows:

“Properties that received a final interconnection authorization letter less than 12 Months prior to submitting the Reservation Request Package ~~must~~ *may* include a copy of this letter *at the request of the SOMAH PA.*”

**Page 18** of the Draft Program Implementation Plan, Section VIII. Energy Efficiency Requirements should be updated as follows:

“All projects shall submit a Solar Sizing Workbook containing proof that an energy efficiency audit was conducted at the site. This Workbook will also be used to identify any cost-effective electricity load reduction opportunities at the property, net zero energy opportunities, and building energy use characteristics (*including existing or planned EV charging*), which will be maintained in the online database.”

**Page 20** of the Draft Program Implementation Plan, Section VIII. Data Collection and Reporting Requirements should be edited as follows:

**B. Semi-Annual Expense Report (SAER)**

The SAER will capture all ~~internal~~ program administration expenses via predetermined categories<sup>25</sup> that pertain to the SOMAH program funds that may be used for administrative expenses. The SAER will also be used to track proceeds from the sale of GHG allowances allocated to California’s IOUs through California’s Cap-and-Trade Program and balance program expenditures against them *and alongside interim targets and capacity goals*. In addition, the SAER will capture all internal *SOMAH PA* program administration, workforce development, technical assistance, marketing, education and outreach, Commission expenses, and IOU expenses. The SAER will be posted twice per year to the CalDGStats website.

**Page 27** of the Draft Program Implementation Plan, Section XIII. Marketing, Education & Outreach, should be edited as follows:

The SOMAH PA will evaluate the effectiveness of the education strategy and resources provided based on direct feedback from utilities. Feedback regarding

the effectiveness of the education strategy and resources provided from affordable housing providers, tenants and community-based organizations will be garnered through direct outreach and surveys. *The SOMAH PA will track program website volume, and the volume and type of calls that are made to the program's tenant hotline.*

## Appendix B

### Approved Data Elements for the SOMAH Program

Rolling Data Requests, for all SOMAH-eligible projects at project reservations, when requested for pre-reservation Technical Assistance (TA), and at project completion:

Service Address for all common area accounts and all tenant unit accounts (for eligible properties with 5+ units) (as included in aggregated amounts below)
Monthly kWh consumption data (previous 36 months): Aggregated Owner Meters Total kWh and rate schedule on a monthly basis for aggregated owner-paid meters. Data should capture 36 months prior to request
Monthly kWh consumption data (previous 36 months): Aggregated Tenant Meters Total kWh on a monthly basis for aggregated tenant-paid meters. Data should capture 36 months prior to request and must bridge any changes in tenancy.
Electric Meter Number(s) associated with service address
Bill amount (monthly) including energy and demand charges: Aggregated Owner Meters Provide total bill charges as well as demand charges for aggregated owner-meters, including any variation of off-peak, on-peak, or other peak times. Data should cover 36 months prior to request, inclusive of any account number or SAID changes due to unit turnover or building ownership changes. Cost data must include both distribution and production costs, i.e., inclusive of all 3rd party / CCA cost.
Bill amount (monthly) including energy and demand charges: Aggregated Tenant Meters Provide total bill charges as well as demand charges for aggregated tenant-meters, including any variation of off-peak, on-peak, or other peak times. Data should cover 36 months prior to request, inclusive of any account number or SAID changes due to unit turnover or building ownership changes. Cost data must include both distribution and production costs, i.e., inclusive of all 3rd party / CCA cost.
Date that permission to operate (PTO) was received from IOU



Annual Data request, to include all projects that have received SOMAH incentives:

NEM credits from VNEM allocation (kWh, monthly), for any given months after the date of interconnection, by meter number
NGOM based monthly production data to date
ESA in-unit Enrollment status (i.e., did the tenant enroll in ESA? Yes/No. If No, any additional details)
ESA in-unit Enrollment Date
ESA in-unit Home treated date
ESA in-unit measures installed
ESA Common Area Measures (CAM) Enrollment status (i.e., did the property owner enroll in ESA CAM? Yes/No. If No, any additional details)
ESA CAM Enrollment Date
ESA CAM Treated date
ESA CAM Measures Installed

Annual Data request for Targeted Program Outreach:

Addresses of master metered properties (SOMAH PA team will provide a list of addresses of potentially eligible properties).
MASH participation list of property addresses (email, phone number, and address).
MASH participation list of property owner contact information (email, phone number, and address).
MASH waitlist of property addresses.
MASH waitlist of property owner contact information (email, phone number, and address).
Energy Upgrade California Multifamily Program participation address list.
Energy Upgrade California Multifamily Program participation owner contact information (email, phone number, and address).
Energy Upgrade California Multifamily Program address list of projects that dropped out.
Energy Upgrade California Multifamily Program owner contact information (email, phone number, and address) of projects that dropped out.