APPENDIX C

Staff Proposal: Redlined Disadvantaged Communities – Single-Family Solar Homes Program Handbook

Seventh Edition

[Month Date, Year]

Table of Contents

CONTACT INFORMATION ..... 3~~2~~

1. INTRODUCTION1.1 Overview of the DAC-SASH Program ..... 1~~4~~

1.2 Program Administrator ..... 1~~5~~

1.3 Program Budget ..... 1~~5~~

2. PROGRAM REQUIREMENTS ..... 2~~6~~

2.1 The Participants in the DAC-SASH Program ..... 2~~6~~

2.2 Equipment Generator System Requirements ..... 4~~9~~

2.3 Complementary Energy Programs ..... 5~~10~~

2.4 Warranty Requirements ..... 6~~10~~

2.5 Permanency Requirements ..... 6~~10~~

2.6 Installation Standards ..... 6~~11~~

2.7 Inspection Requirements ..... 7~~11~~

2.8 Job Training/Workforce Development Requirements ..... **Error! Bookmark not defined.**~~12~~

3. DAC-SASH PROGRAM INCENTIVE STRUCTURE ..... 7~~15~~

4. APPLICATION PROCESS FOR DAC-SASH PROJECTS ..... 8~~15~~

4.1 Applicant ..... 8~~15~~

4.2 Applicant Eligibility and Application Process ..... 8~~15~~

4.3 Eligibility Timelines ..... 10~~17~~

5. INCENTIVE PAYMENT PROCESS ..... 11~~18~~

5.1 Incentive Payments ..... 11~~18~~

5.2 Assignment of Incentive Payment to Another Party ..... 11~~19~~

5.3 Existing PV Systems ..... 12~~19~~

6. PROGRAM REPORTING ..... 12~~19~~

6.1 Project-Level Reporting ..... 12~~20~~

6.2 Appendix A Reporting Field Definitions ..... 13~~20~~

6.3 External Funding Reporting ..... 14~~22~~

Appendix A ..... 16~~22~~

7. CONSUMER PROTECTION ..... 17~~23~~

EXHIBIT A ..... 18~~24~~

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1. INTRODUCTION1.1 Overview of the DAC-SASH Program

The DAC-SASH program is overseen by the California Public Utilities Commission (CPUC) and provides solar photovoltaic (PV) incentives to qualifying low-income homeowners living in disadvantaged communities (DAC) within the service territories of Pacific Gas & Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E), collectively, the California investor-owned utilities (IOU).

Legislative and Regulatory Background:

Assembly Bill (AB) 327 (Perea), Stats. 2013, ch. 611 directed the Commission to develop a successor to then-existing Net Energy Metering tariffs, and also required the Commission to develop specific alternatives designed to increase adoption and growth of renewable generation in disadvantaged communities (DACs). The Commission issued Decision (D.) 18-06-027 on June 21, 2018, which adopted the DAC-SASH program, along with the DAC-Green Tariff and Community Solar Green Tariff programs.

DAC-SASH utilizes the established, vetted, and successful Single-Family Affordable Solar Homes (SASH) program model and framework to address the needs of this low-income customer segment.1 DAC-SASH modifies the SASH eligibility requirements for participants to target low-income homeowners located specifically in DACs, as further described in Section 4.2, Applicant Eligibility and Application Process.

1.2 Program Administrator

GRID Alternatives is the single statewide Program Administrator (PA) for the DAC-SASH program. GRID Alternatives (GRID, or Program Administrator) is a non-profit organization that has also served as the statewide SASH Program Administrator since 2008. In the DAC-SASH program, GRID manages statewide general administrative functions; all marketing, education, and outreach activities; and oversees design, contracting, and installation for all solar electric systems funded through the program. GRID coordinates closely with the CPUC Energy Division on program development and implementation, and coordinates with the IOUs on specific program elements, including referrals to the Energy Savings Assistance (ESA) program (See Section 2.3 Energy Efficiency Requirements) and incentive payment processing (See Section 5 Incentive Payment Process). GRID Alternatives and Program Administrator are used interchangeably throughout this document.

1.3 Program Budget

The CPUC authorized $10M per year to be collected for DAC-SASH, beginning on January 1, 2019 until December 31, 2030. Until June 30, 2026, the IOUs will first collect DAC-SASH program funding through available greenhouse gas (GHG) allowance revenues. Beginning July 1, 2026, and until December 31, 2030, GHG funding will conclude and DAC-SASH funding will continue through customer rates via the Public Purpose Program (PPP); representing a funding source transition until program closure. The total program will be funded (as described further below) by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) according to these percentages:

Utility	PG&E	SCE	SDG&E	**Total**

Percentage	43.7%	46.0%	10.3%	100.0%

Funds need not be used in the year in which they are collected. The ~~annual~~ program funding will be allocated to these primary program functions, by percentage:

Administration	10%
Marketing and Outreach	4%
Evaluation	1%
Incentives	85%

The administration and marketing and outreach budgets will be allocated 90 percent to the Program Administrator (PA) and 10 percent to the IOUs over the lifetime of the program. The IOUs are not obligated to pay incentives until funds are available.

2. PROGRAM REQUIREMENTS

2.1 The Participants in the DAC-SASH Program

Within the nomenclature of the DAC-SASH program, the person who applies to participate in the program will be referred to as an Applicant. GRID Alternatives is the DAC-SASH Program Administrator and will be responsible for Applicant outreach and system installation.

2.1.1 Applicant

The Applicant completes and submits the DAC-SASH program application and serves as the main contact person for the Program Administrator throughout the application process (see Section 4.2.2, Application & Reservation Process). The DAC-SASH Program Administrator will work directly with the Applicant to assist in filling out the application and collect the required documentation, which minimally includes:

1) Proof of income;

2) Proof of homeownership;

3) Most recent utility bill; and

4) Electrical usage, if available

Applications and submissions from outside entities will not be accepted by the Program Administrator.

The DAC-SASH program incentive is only available to qualifying low-income homeowners residing within a disadvantaged community (DAC), and is not available to commercial or any other non-residential projects.

A DAC, for the purposes of the DAC-SASH program, is defined as a community that is identified using the latest version of CalEnviroScreen, as among the top 25 percent most disadvantaged census tracts statewide or 22 census tracts in the highest 5 percent

of CalEnviroScreen's Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data.

See Section 4.2, Applicant Eligibility and Application Process for eligibility requirements.

2.1.2 System Owner

In the DAC-SASH program, the Applicant may or may not be the System Owner, the party who owns the generating equipment. The DAC-SASH program allows for Applicant-owned systems (also called host customer-owned systems). Alternatively, the Applicant may enter into a third-party ownership (TPO) arrangement with a CPUC-approved TPO partner in which the TPO partner is the System Owner. Only the PA is authorized to develop, market, and contract the CPUC-approved TPO model for DAC-SASH participants.[1]

Under the TPO model, GRID Alternatives prepays the costs of a TPO arrangement on behalf of, and removes all financial liability from, the Applicant. The TPO model meets the twelve baseline standards established by the CPUC and stakeholders to ensure iron-clad consumer protection measures are included and that customers receive meaningful savings. These consumer protection measures are further detailed in Section 6, Consumer Protection. GRID Alternatives has a partnership with Sunrun Inc., approved by the CPUC as a TPO partner for the DAC-SASH program in 2019.[2] If GRID Alternatives enters into an agreement with a new TPO provider, it will seek CPUC approval through the submission of a Tier 3 Advice Letter, as stated in OP 3 of Resolution E-4719.

2.1.3 Licensed Solar Contractor

GRID Alternatives, as the DAC-SASH Program Administrator, will be responsible for the installation of systems funded through the DAC-SASH program. All systems must be installed by appropriately licensed California contractors in accordance with rules and regulations adopted by the State of California Contractors State Licensing Board (CSLB). Installation contractors must have an active C-10 or C-46 license for photovoltaic (PV) systems. All systems must be installed in conformance with the manufacturers' specifications and with all applicable electrical and building codes and standards.

The DAC-SASH Program Administrator will either install the systems under its applicable California contractor license(s) or hire a California-licensed contractor through GRID Alternatives' Sub-Contractor Partnership Program (SPP) to complete eligible DAC-SASH installations. Information about SPP and the process for contractors to submit an application to participate will be available on GRID Alternatives' website https://gridalternatives.org.

2.1.4 Third-party Ownership

Under GRID's Third-party Ownership (TPO) model, GRID prepays all of the costs of the agreement on behalf of the low-income customer and removes all financial liability for the

[1] Resolution E-4719. Pursuant to Decision 15-01-027, GRID Alternatives (GRID) requests approval of a Third Party Ownership (TPO) model for the Single Family Affordable Solar Homes (SASH) Program.
[2] Resolution E-5020. Approving GRID Alternatives Advice Letter (AL) 13-E/E-A, Proposed Disadvantaged Communities – Single-family Solar Homes (DAC-SASH) Program Handbook and Program Implementation Plan, Pursuant to Decision (D.)18-06-027.

homeowner. This model was fully vetted and approved by the CPUC,6 and has been successfully operating since 2015 in low-income communities throughout California through GRID's administration of the SASH Program. GRID's TPO model meets the twelve baseline standards established by the Commission and stakeholders to ensure iron-clad consumer protection measures are included and that customers receive meaningful savings.[3] These consumer protection measures are further detailed in Section 7, Consumer Protection.

GRID has an existing, ongoing partnership with the national leader in this space, Sunrun Inc., approved by the Commission as a TPO partner in 2017[4]; as such, GRID will not need to seek a new approval to continue working with Sunrun as a TPO partner for DAC-SASH. If GRID enters into an agreement with a new TPO provider, GRID will seek Commission approval through the submission of a Tier 3 Advice Letter, as stated in OP 3 of Resolution E-4719.[5]

2.1.5 Investor-Owned Utility

PG&E, SCE, and SDG&E are the investor-owned utilities (IOUs) that accept interconnection applications from the DAC-SASH Program Administrator and interconnect approved systems with the electric grid. They also disburse program funds to the Program Administrator. To support the Program Administrator's marketing efforts, they generate and transmit to the Program Administrator profiles of customers with a household income at or below the DAC-SASH threshold; a single-family, owner-occupied home; and location in a DAC or tribal area. This will be done on an annual basis from early 2021 until the program is 95 percent reserved in each IOU territory, or until program closure. Further, IOUs collaborate with the Program Administrator to market the program in their customer communications. The IOUs also receive referrals to complementary programs from the Program Administrator. Finally, SCE administers the Program Administrator's contract.

2.2 Equipment Requirements

Eligible equipment may include PV systems (i.e., systems that cause direct conversion of sunlight to electricity) and meter socket adapters that are necessary to support the installation and interconnection of an otherwise eligible DAC-SASH photovoltaic system, provided that such equipment complies with applicable utility interconnection requirements and applicable safety and certification standards. Non-PV technologies, including solar hot water systems, are not eligible for the DAC-SASH program incentive. Costs associated with eligible meter socket adapters may be included as eligible project costs when the equipment is necessary for completion of an eligible DAC-SASH photovoltaic installation. Eligibility of meter socket adapters does not modify existing requirements regarding eligible project costs or authorize unrelated electrical upgrades that are not necessary for installation of an eligible DAC-SASH photovoltaic system.

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2.2.1 Eligible Equipment

[3] Resolution E-4719, p. 3-4.
[4] Resolution E-4829. GRID Alternatives (GRID) requests approval of a second Third Party Ownership (TPO) model provider for the Single Family Affordable Solar Homes (SASH) Program. 2 March, 2017.
[5] Resolution E-4719, p 17.

All DAC-SASH PV system components (modules, inverters, meter socket adapters, and system performance meters, if applicable) must be certified through the California Energy Commission's (CEC) PV system certification program and meet all requirements for interconnection with the electric utility, including Rule 21 requirements. Equipment must be certified by the CEC in order for a project to be eligible for an incentive payment.

2.2.2. System size

The system size eligible for DAC-SASH Program incentives will be optimized for electric bill impact. The maximum system size will be determined by applicable utility interconnection rules, and the minimum system size is 1kW (CEC-AC).

The system shall be sized primarily to offset the customer's annual electrical consumption based on historical usage. A system may be oversized to account for expected increased future electrical usage, subject to the applicable customer confirmation requirements. Consistent with D.22-12-056 and the applicable Net Billing Tariff, the system's estimated annual production shall not exceed 150% of the customer's most recent 12 months of total usage, or, where applicable, 150% of the customer's estimated annual usage or current electrical usage projected over 12 months.[6]

~~GRID Alternatives will review the client's baseline usage, adjusted based on an estimate of energy efficiency savings, and anticipated future load growth (including, e.g., Electrification, Electric Vehicles, comfort in the home) to determine the maximum system size that can receive Program Incentives. This will be in place up to 150% of past usage and then beyond 150%, future load growth will need to be documented by GRID and the verified homeowners. For customers without historical electrical usage, an estimate of usage and energy efficiency will be utilized to determine the maximum system size.~~

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2.3 Complementary Energy Programs

The Program Administrator will refer all Applicants with completed applications to providers of additional energy efficiency services. The Program Administrator will provide all such Applicants' information to the IOUs for participation in the Energy Savings Assistance (ESA) program, a low-income energy efficiency program administered by the IOUs, and in the California Alternate Rates for Energy (CARE), Medical Baseline, and Family Electric Rate Assistance (FERA) programs, two low-income electricity rate discount programs administered by the IOUs. Applicants are also considered for the Medical Baseline Rate. The IOUs will reach out to Applicants meeting eligibility criteria for optional enrollment in the ESA program, and automatically enroll eligible Applicants in the appropriate rate discount program. The Program Administrator will compile data on DAC-SASH participants who have been referred to, and enrolled in, these programs. The Program Administrator will regularly track efficiency of uptake, analyze this data, and create strategies to improve enrollment. The Program Administrator will

[6] See D.22-12-056, Ordering Paragraph 1(e); see also, e.g., PG&E Electric Schedule NBT, Applicability (providing that an eligible customer-generator may oversize a renewable electrical generation facility to meet expected increased future electrical usage, subject to the NBT Oversized Generating Facility Attestation and the applicable 150% system-sizing limitation).

report bi-annually on the number of DAC-SASH participants who have been referred to, and enrolled in, these programs. The Program Administrator shall maintain procedures for tracking referrals to complementary assistance programs and, where information is reasonably available, enrollment outcomes associated with those referrals. The Program Administrator shall periodically evaluate participation trends and identify opportunities to improve participation among eligible DAC-SASH households. Participation in complementary assistance programs is encouraged but is not a condition of eligibility for participation in the DAC-SASH Program. Information regarding referrals, enrollment outcomes, and participation trends for complementary assistance programs shall be reported through DAC-SASH Semi-Annual Reports consistent with Commission reporting requirements.

2.4 Warranty Requirements

The Program Administrator will verify all solar panels and inverter(s) come with a manufacturer warranty of between 10 and 25 years, and provide this equipment warranty information to the Applicant. In addition to the manufacturer warranty, GRID Alternatives will provide a 10-year labor and equipment warranty to provide for no-cost repair and replacement of system components for the first 10 years of system operations, as based on the date of system interconnection to the electric utility. Projects utilizing the TPO model will have additional warranty coverage provided by the TPO partner, covering at minimum years 11-20. For projects that are Applicant-owned and do not utilize the TPO model, the Applicant is responsible for all operations and maintenance obligations after the 10-year warranty term expires. Applicants will be educated on any potential costs of system maintenance and repair after the warranty period expires.

2.5 Permanency Requirements

Equipment installed under the DAC-SASH program is intended to be in place for the duration of its useful life. Only permanently installed systems are eligible for incentives. This means that the solar system must demonstrate to the satisfaction of the Program Administrator adequate assurances of physical permanence prior to receiving an incentive.

Physical permanence is to be demonstrated in accordance with industry practice for permanently installed equipment. Equipment must be secured to a permanent surface. Any indication of portability, including but not limited to temporary structures, quick disconnects, unsecured equipment, wheels, carrying handles, dolly, trailer, or platform, will make the system ineligible.

2.6 Installation Standards

To qualify for DAC-SASH Program incentives, an installation must meet a minimum performance requirement, which is 85% of the Design Factor (DF) based on a modified Expected Performance Based Buydown (EPBB) calculation.[7] If the modified Design Factor is less than 85%, the system does not qualify for the DAC-SASH program incentive.

[7] https://www.csi-epbb.com

The modified EPBB Design Factor calculation for the DAC-SASH program must be calculated without the geographic correction (i.e. the geographic correction will always be 100%). Since the current online EPBB calculator auto-fills the geographic correction based on the Site's ZIP code and the value may be less than 100%, the DAC-SASH program's modified Design Factor may need to be re-calculated manually using the formula in Exhibit A.

2.7 Inspection Requirements

2.7.1 System Inspections

The DAC-SASH Program Administrator will ensure that at minimum, one in 12 DAC-SASH system installations are inspected for proper installation and operability by an independent third party system inspector. Incentives will be paid only after the system has passed this third-party inspection.

The system inspection will include, but is not limited to the verification of the following information:

- System size and nameplates of equipment used;
- Design considerations: tilt, azimuth, standoff height, shading analysis;
- 85% modified Design Factor, minimum requirement;
- Address and location of system, verifying that it is located in a qualified DAC;
- Operability; inverter production reading; and
- Permanency.

If the inspector finds that an installed system does not comply with program and inspection guidelines, no incentive payment will be made for that system until the system is modified to meet DAC-SASH program guidelines or (if the system size has been reported inaccurately) the incentive amount is recalculated.

For SPP-installed projects, initially one hundred percent of each sub-contractor's installations in the DAC-SASH program will receive a Quality Assurance (QA) inspection conducted by an independent, third-party inspector. The QA inspection will verify that the system was installed using industry-standard best practices, and meets all of GRID's installation quality requirements. The Program Administrator may reduce the QA inspection percentage over time for consistently high-performing sub-contractors.

It is recommended, but not required, that the Applicant attend the inspections. However,

- If the Applicant is not present for an in-person inspection, the inspector will not conduct the inspection unless permission was previously obtained in writing or via e-mail allowing the inspector to conduct the inspection without the Applicant present, and;
- Access to all the equipment must be provided for in-person inspections or the inspector will not conduct the inspection. For remote or "desktop reviews," the inspector will apply the same standards as an in-person inspection using comprehensive photos taken of the site.

3. DAC-SASH PROGRAM INCENTIVE STRUCTURE

This section provides a general overview of the DAC-SASH Program Incentive structure. Installations will be provided a one-time payment under the Expected Performance Based Buydown (EPBB) structure to help reduce the cost of installation.

The DAC-SASH program offers one non-declining incentive level of $3/W, CEC-AC. The EPBB Calculator shall remain the primary methodology used to determine eligible DAC-SASH system sizing and associated incentive calculations unless an alternative methodology is approved by the Commission. The Program Administrator may propose an alternative system sizing methodology through a Tier 2 Advice Letter submitted for Commission review and approval. The incentive level is the same for all Applicants. The total incentive support provided for an eligible DAC-SASH project, including the DAC-SASH incentive and any other incentive funding applied toward eligible project costs, shall not exceed the total eligible project costs of that project. The Program Administrator shall account for other incentive funding applied toward eligible project costs when determining compliance with the limitation described above.

4. APPLICATION PROCESS FOR DAC-SASH PROJECTS

4.1 Applicant

The Applicant that completes and submits the DAC-SASH program application will serve as the main contact person for the Program Administrator throughout the application process. The DAC-SASH Program Administrator will work directly with the Applicant to assist them in filling out the application and collecting the required documentation.

4.2 Applicant Eligibility and Application Process

The following section describes in detail the processes for applying for the DAC-SASH program. The DAC-SASH Program Administrator will be the sole entity that reviews and accepts/rejects applications.

4.2.1 Applicant Eligibility

To qualify for the DAC-SASH Program, the Applicant must meet the following minimum requirements at the time of application submission:

A. Must be a customer (with a single utility account) of PG&E, SCE, or SDG&E. The project site must be within the service territory of PG&E, SCE, or SDG&E.

B. The single-family residence must be occupied by the Applicant as their primary residence and meet one of the following conditions: the residence and parcel are owned by the Applicant; the residence is owned by the Applicant and the parcel is owned by a community land trust; the residence is in California Indian Country (see requirement D, below) and it or the parcel is owned by a tribe; or the residence is deed-restricted affordable housing with a regulatory agreement, covenant, or other instrument limiting the rent to be affordable to households meeting the DAC-SASH program income limit, for a minimum of 20 years past the expected PV interconnection date.

   In any of these cases but the first (the entire property being owned by the Applicant), the Applicant must provide written permission from the property owner to the PA, with contact information. The PA will use this contact information and/or other means of contacting the property owner to verify the property owner's written permission.

C. The household's total annual income must meet the income eligibility requirements for either the CARE program or FERA programs.
   CARE and FERA income requirements are subject to annual changes. GRID Alternatives will publish the most up-to-date income limits for CARE and FERA on its website and in all program marketing materials.

D. The residence must be located in a qualified disadvantaged community (DAC) at the time of program application or be considered within California Indian Country. The designation of DACs is subject to change with updates to the CalEnviroScreen tool. GRID's DAC-SASH website will contain information on eligible census tracts and any updates to the CalEnviroScreen tool.[8]

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

California Indian Country is defined in 18 United States Code Section 1151, with the exception of privately held in-holdings, which are defined as non-Indian owned fee land located within the exterior boundaries of California Indian Country; in the event of multiple owners, such land shall be considered Indian owned if at least one owner is a tribe or tribal member, regardless of the use of the land.

4.2.2 Application and Reservation Process

Potential Applicants can learn more about the DAC-SASH program or find the nearest GRID Alternatives Affiliate office by visiting http://www.gridalternatives.org. Potential Applicants may also leave an inquiry at the toll-free message line (866) 921-4696, e-mail DACSASH@gridalternatives.org, or fill out an interest form at https://www.gridsolar.org.

DAC-SASH Application process

1. After an initial pre-screening phone conversation, the Program Administrator's staff will set up a meeting with the Applicant to discuss the details of the DAC-SASH program, review the application, and answer any questions from the Applicant.

2. The Program Administrator will review all applications and ensure their completeness and confirm that all required documentation has been provided.

   The following documents, at minimum, are required:
   a. Completed DAC-SASH Application;
   b. Proof of eligible housing
   c. Copy of most recent available Federal income tax return. If exempt from filing Federal taxes, proof of taxable income is needed for all household members above 18 years old. Federal income tax returns and/or proof of taxable income (for individuals exempt from filing) will be collected from individuals who claim the property as their primary residence, including all family members residing on the property;
   d. Copy of most recent electricity bill; and

[8] A searchable map of disadvantaged communities is linked ~~located~~ here: https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40 ~~oehha.maps.arcgis.com/apps/View/index.html?appid=c3e4e4e1d115468390cf61d9db83efc4~~.

e. Electrical usage from the last 12 calendar months, if available.

3. The PA will refer the Applicant to the IOU for enrollment into the ESA, and CARE or FERA programs.

4. If the Applicant qualifies for the DAC-SASH program, the Applicant will be notified of their confirmed eligibility, and a Construction site visit will be scheduled to determine if the Site is amenable to a solar installation. The criteria for determining solar suitability includes roof condition, shading, and condition of electrical system. GRID typically does not install on properties with less than 10 years of roof-life remaining before a roof replacement is needed, to ensure maximum benefit to Applicants for the lifetime of the system. A printout of EPBB Tool Calculation (www.csi-epbb.com) is required to ensure the system design meets the 85% Design Factor requirement (see DAC-SASH Program Handbook Section 2.6).

5. The PA will inform the Applicant of the maximum DAC-SASH program incentive allowable and their estimated system cost. If the system cost is higher than the incentive, GRID Alternatives will make a good faith effort to identify additional funding resources to apply to the project. Applicants will also be advised of the financing gap and offered the opportunity to pay it out-of-pocket. In a case where the GRID Alternatives cannot identify additional funding sources and the Applicant cannot contribute, the project may not be able to be reserved and contracted.

6. The Applicant will receive notification from the PA upon completion of the system design and verification that all funding is in place to cover the system cost. At this point, the Applicant will set up a contract signing appointment with the PA to sign an installation agreement and an Incentive Reservation and Payment Assignment Authorization Form, thereby confirming the incentive reservation.

4.3 Eligibility Timelines

Application: An application will be valid for 12 months from the date of confirmed application completion and program eligibility by the Program Administrator. If an Applicant does not confirm an incentive reservation within the 12 months of having a valid application, and would like to participate in the program, they must resubmit an application with updated application documentation to the Program Administrator.

Reservation: Incentive funds are reserved when the DAC-SASH Program Administrator receives all information and documentation required for the Reservation, the project is approved, and the Applicant signs an installation contract and an Incentive Reservation and Payment Assignment Authorization Form. All reservations must be made prior to December 31, 2030.

Installation Completion: The Applicant is encouraged to have the installation completed (and interconnected to the electric utility) within eighteen months of the reservation date. If the installation is not completed within eighteen months of the reservation, the Applicant may submit a written request for a one-time extension by another six months. Approval of a request for a change in Reservation Expiration Date will not change or modify any other reservation condition. All installations must be completed by September 30, 2031, to receive the DAC-SASH program incentive payment.

Incentive Payment: Projects that meet all DAC-SASH program requirements are eligible for an incentive, provided that the incentive claim is submitted by the Program Administrator within 12 months of the date of interconnection (permission to operate) with the electric utility and the project was completed (interconnected) after January 1, 2019.

5. INCENTIVE PAYMENT PROCESS

DAC-SASH incentive payments are issued by the IOUs, not by the Program Administrator. Funding may be reserved for Applicants who have committed to purchase and install an eligible solar energy system at a given Site. A funding reservation provides the purchaser assurance that the reserved funds will be available when the payment claim is made.

5.1 Incentive Payments

The DAC-SASH Program Administrator is the only entity authorized to initiate DAC-SASH incentive payments from the IOUs. The DAC-SASH Program Administrator will track the status of each project and will submit the Applicant's incentive claim to the appropriate IOU only after the solar system is purchased, installed, interconnected, and inspected. Since the Program Administrator tracks the status of each project and the incentive payment request is automatically generated upon completion or receipt of all required documentation, the Applicant is not required to submit a formal incentive payment request.

Incentive payments cannot exceed actual equipment and installation costs. The Program Administrator will ensure that total incentives do not exceed total project costs, and that incentives paid for DAC-SASH projects in a particular IOU's territory does not exceed the funding allocated for that IOU over the lifetime of the program. The IOUs are not obligated to pay incentives until funds are available.

The Program Administrator will require the completion of all project milestones including the application process, program referral, PV-system installation, third-party inspection, and interconnection. Once completion of these project milestones is confirmed, the DAC-SASH Program Administrator will issue an incentive payment request to the appropriate IOU.

The incentive payment request will be specific to each IOU, and based on incentive payment agreements between the IOU and GRID, but will typically include the following information:

- Project identifier (number from the GRID's database)
- DAC-SASH Applicant name and Project address
- Date of Permission to Operate issued by the electric utility
- Original reservation incentive amount
- As-built (installed) system size (in kW, CEC-AC) and incentive amount
- System cost and PV equipment installed (modules, inverter(s), meter socket adapters)
- Modified Design Factor
- Incentive Reservation and Payment Assignment Authorization Form, signed by Applicant
- Other information as may be requested by IOU or included in incentive payment agreements with GRID.

The Applicant or designated payee (see below) will receive the incentive payment directly from the IOU. The lump sum EPBB incentive payment issued constitutes final and complete payment.

5.2 Assignment of Incentive Payment to Another Party

The Applicant is automatically the designated payee of the incentive payment. The Applicant may assign the right to receive the payment to another party by completing an Incentive Reservation and Payment Assignment Authorization Form and submitting it to the PA prior to the payment of the incentive. The Incentive Reservation and Payment Assignment Authorization Form requires original signatures or electronic signatures with a third-party verification. Payment will be made to the Applicant or an assigned party, as indicated on the Incentive Reservation and Payment Assignment Authorization Form, and will be mailed to the address provided or issued through electronic payment. An Incentive Reservation and Payment Assignment Authorization Form can be requested from the PA.

5.3 Existing PV Systems

The DAC-SASH program incentive is only available for qualifying PV systems with completed installations (as signified by the date of interconnection to the IOU) after January 1, 2019. Under no circumstances will a DAC-SASH incentive payment be made for systems completed before this date, even if the customer may have qualified for the DAC-SASH program incentive.

6. PROGRAM REPORTING

The DAC-SASH program will utilize the California Distributed Generation Statistics (DGStats) website at https://www.californiadgstats.ca.gov to provide timely DAC-SASH program information to the public and stakeholders. At minimum, DGStats will include information on DAC-SASH program installations, in terms of number of installations, kW (CEC-AC) completed, and location of projects by county. The PA will also include program budget information on DGStats, including annual administrative and marketing and outreach budget expenditures, and annual incentive budget allocations encumbered and remaining in each utility territory. DGStats will be updated monthly with DAC-SASH program information until the final DAC-SASH program-funded installations occur.

The Program Administrator shall maintain complete administrative, financial, and project-level records sufficient to demonstrate compliance with this Program Handbook, applicable Commission decisions, and other Commission-approved implementation documents. Program reporting shall support Commission oversight, program evaluation, transparency, and assessment of DAC-SASH program performance.

The Program Administrator shall work collaboratively with Energy Division to improve the format, organization, and usefulness of DAC-SASH program reporting as additional project-level information becomes available. The Program Administrator shall maintain supporting documentation sufficient to substantiate reported program and project-level information and shall make such documentation available to the Commission or Energy Division upon request for purposes of program oversight, evaluation, and compliance review.

6.1 Project-Level Reporting

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The Program Administrator shall submit Semi-Annual Reports containing the information required by this Program Handbook, Appendix A, applicable Commission decisions, and any subsequent Commission-approved reporting requirements. Semi-Annual Reports shall provide information necessary to evaluate program implementation, participation, expenditures, project outcomes, and other metrics necessary for Commission oversight. The Program Administrator shall collect and maintain project-level information for completed DAC-SASH projects using the reporting fields identified in Appendix A of this Program Handbook. Project-level reporting requirements contained in Appendix A supplement, and do not replace, the reporting

requirements otherwise established by this Program Handbook or subsequent Commission decisions. The Semi-Annual Report will also include at least the data points listed below:

- Applicant enrollment with the ESA, CARE, Medical Baseline, and FERA programs
- The number of customer 'profiles' provided by the IOUs pursuant to D.20-12-003, number of these customers the PA reached out to and corresponding campaign metrics, and number of resulting installations.
- Administrative and marketing expenditures

The PA will also publish an annual marketing, education, and outreach (ME&O) plan that will be available on the PA and CPUC websites. This will include analysis of the past year's program performance in relation to the past year's goals and key performance indicators (KPI), and set goals and KPIs for the upcoming year. The topic areas will be those listed above.

6.2 Appendix A Reporting Field Definitions

Only one aggregate cost shall be reported in Appendix A for each of the following project cost categories: **Solar Equipment Costs**, **Labor Costs**, and **Solar Readiness Costs**. The aggregate amount reported for each category shall represent the sum of the applicable component cost fields defined in this Section. Cost components that are not applicable to a particular project may be reported as zero or omitted, as appropriate. The Program Administrator shall apply these definitions and cost classifications consistently across all completed DAC-SASH projects.

Solar Equipment Costs

For purposes of Appendix A, Solar Equipment Costs shall be reported as one aggregate project cost equal to the sum of the applicable costs associated with the purchase of solar photovoltaic equipment required for the completed DAC-SASH installation. Solar Equipment Costs may include, as applicable:

- Solar modules;
- Inverters (string or microinverters);
- Racking and mounting hardware;
- Electrical balance of system components, including wiring, disconnects, combiner boxes, and similar equipment;
- Monitoring equipment;
- Sales tax associated with solar equipment purchases; and
- Equipment warranties or warranty extensions.

The Program Administrator shall calculate the reported Solar Equipment Costs by summing the applicable component costs identified above.

Labor Costs

For purposes of Appendix A, Labor Costs shall be reported as one aggregate project cost equal to the sum of the applicable labor costs reasonably attributable to the completed DAC-SASH project. Labor Costs may include, as applicable:

- Customer acquisition and education;

- Equipment procurement;
- Application processing;
- Program administration attributable to the individual project;
- Marketing attributable to the individual project;
- System design and engineering;
- Permitting;
- Installation labor;
- Inspection and Permission to Operate (PTO) support;
- Project management;
- Trainee labor;
- Trainer or supervisory labor; and
- Subcontractor labor.

The Program Administrator shall calculate the reported Labor Costs by summing the applicable labor cost components identified above. Labor costs shall be classified according to the primary function performed rather than reported as a single undifferentiated labor expenditure.

Solar Readiness Costs

For purposes of Appendix A, Solar Readiness Costs shall be reported as one aggregate project cost equal to the sum of the applicable costs incurred to prepare a site for installation of an eligible DAC-SASH photovoltaic system. Solar Readiness Costs may include, as applicable:

- Electrical panel upgrades;
- Roof repair;
- Partial roof replacement;
- Structural reinforcement;
- Tree trimming;
- Health and safety remediation;
- Other site preparation activities; and
- GRID labor directly attributable to managing solar readiness work.

The Program Administrator shall calculate the reported Solar Readiness Costs by summing the applicable component costs identified above. Solar Readiness Costs shall be tracked separately from Solar Equipment Costs and Labor Costs to support evaluation of site preparation costs associated with DAC-SASH projects.

6.3 External Funding Reporting

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The Program Administrator shall determine and report, for each completed DAC-SASH project included in Appendix A, the total amount of Other Non-DAC-SASH Costs used to facilitate completion of the project.

For purposes of Appendix A, Other Non-DAC-SASH Costs shall mean the aggregate amount of financial support from sources other than DAC-SASH incentive funding that is attributable to the completion of the individual project. Such support may include, but is not limited to, philanthropic contributions, charitable grants, donated equipment or labor (reported at its assigned monetary value, where applicable), manufacturer rebates, customer contributions, or other non-DAC-SASH funding sources.

The Program Administrator shall report one aggregate amount of Other Non-DAC-SASH Costs for each completed project. The Program Administrator is not required to separately identify individual funding sources, disclose the identity of donors or funding partners, or allocate Other Non-DAC-SASH Costs among the individual project cost categories reported in Appendix A.

General organizational expenditures, unrestricted operating support, or other programmatic costs that cannot be attributed to an individual completed project shall not be included in reported Other Non-DAC-SASH Costs.

The purpose of this reporting requirement is to provide project-level transparency regarding the total amount of non-DAC-SASH financial support necessary to complete DAC-SASH projects, while avoiding unnecessary administrative burden associated with tracking or reporting individual external funding sources.

Appendix A

Project ID	Year	Quarter	IOU	County	Eligibility Basis	Installation Date	System Size (CEC AC kW)	Solar Equipment Costs (DAC-SASH)	Labor Costs (DAC-SASH)	Solar Readiness Costs (DAC-SASH)	Other NON-DAC-SASH Costs ($)	Total Project Cost ($)	Total DAC-SASH Program Cost ($)	Other Non-DAC-SASH % of Total Project Cost
DAC-2026-0001	2026	Q1	PG&E	Fresno	CalEnviroScreen 4.0	2026-02-20	5.2	$ 6,200.00	$ 2,600.00	$ 400.00	$ 2,725.00	$ 11,925.00	$ 9,200.00	23%
DAC-2026-0002	2026	Q1	SCE	Los Angeles	California Indian Country	2026-01-30	4.8	$ 5,800.00	$ 2,400.00	$ 250.00	$ 1,835.00	$ 10,285.00	$ 8,450.00	18%
DAC-2026-0003	2026	Q1	SDG&E	San Diego	CalEnviroScreen 4.0	2026-03-22	6	$ 7,000.00	$ 3,000.00	$ 900.00	$ 3,600.00	$ 14,500.00	$ 10,900.00	25%
DAC-2026-0004	2026	Q2	PG&E	Butte	California Indian Country	2026-04-15	4.4	$ 6,000.00	$ 2,500.00	$ 300.00	$ 2,275.00	$ 11,075.00	$ 8,800.00	21%
DAC-2026-0005	2026	Q2	SCE	Riverside	CalEnviroScreen 4.0	2026-05-12	5.6	$ 6,500.00	$ 2,800.00	$ 600.00	$ 2,650.00	$ 12,550.00	$ 9,900.00	21%

** The project information and cost values presented in this Appendix are provided for illustrative purposes only and are intended solely to demonstrate the format and reporting requirements. They do not represent actual DAC-SASH projects or reported costs.*

7. CONSUMER PROTECTION

The PA will include strong consumer protection measures throughout program operations that help ensure Applicants maximize benefits from their participation. Specific to the Third-Party Ownership (TPO) model in the DAC-SASH program, the Program Administrator will ensure that all TPO projects meet at least the following baseline consumer protection standards below, originally established in Decision 15-01-027 for the SASH program[9], and adopted for the DAC-SASH program:

Requirements for the DAC-SASH program TPO model:

1) Ensure the Program customers receive at least 50% of the savings, as compared to standard IOU rates, from the PV generating equipment;
2) Reduce or eliminate barriers for customers with poor credit (low FICO score) to qualify and participate;
3) Address concerns that homeowners may have about moving or selling their home during the TPO contract term;
4) Cover maintenance, operations, inverter replacement, and monitoring;
5) Prohibit liens on homes;
6) Minimize the risk to the low-income customers that the PV system would be removed for delinquent payments;
7) Ensure that all costs are apparent and upfront and that there is no risk that the TPO deal would result in an additional financial burden to the customer;
8) Standardize financial terms for low-income customers where possible;
9) Protect the customer against terms that could change after contract signing;
10) Require that TPO agreements note the potential for additional costs associated with the contract, if applicable;
11) Require the TPO provider to clearly explain that rate changes will affect the economics of a power purchase agreement; and
12) Require that TPO agreement provisions spell out what happens in the event that the solar financing company defaults.

For DAC-SASH projects installed using an Applicant-owned model (not-TPO model), the PA will apply as many of the TPO consumer protection elements as are possible and appropriate. All Applicants will receive comprehensive, in-language support to review program requirements and contracts, a 10-year warranty for no-cost labor and equipment repairs, and long-term support from the PA for questions that arise at any point in the process, including after project completion.

[9] D. 15-01-027. Decision Extending the Multifamily Affordable Solar Homes and Single Family Affordable Solar Homes Programs Within the California Solar Initiative. 29 January, 2015. p. 49.

EXHIBIT A

EPBB – Manual Design Factor Calculation

The DAC-SASH program requires a minimum Design Factor of 85%. The Design Factor calculation for the DAC-SASH program must be calculated without the geographic correction. The calculation requires multiplying:

1) the actual Design Correction [Dcorr] percentage (as calculated by the EPBB calculator)
2) a Geographic Correction [Gcorr] of 100% (may be different from EPBB calculator value)
3) the actual Installation Correction [Icorr] percentage (as calculated by the EPBB calculator)

Example: The following example illustrates how to manually calculate the DAC-SASH program Design Factor using data from the EPBB Calculator's results page (see Image 1). Also, note that the incentive rate calculated by the EPBB Calculator does not apply to the DAC-SASH program (see Section 4, Incentive Structure and Payment Process).

Manual Calculation for DAC-SASH-approved Design Factor (see Image 1 below):

0.97046 (actual Dcorr) x 1.00 (modified Gcorr) x 0.98840 (actual Icorr) = 95.92%.

Since the Design Factor is over 85%, this system would be eligible for the DAC-SASH program incentive.

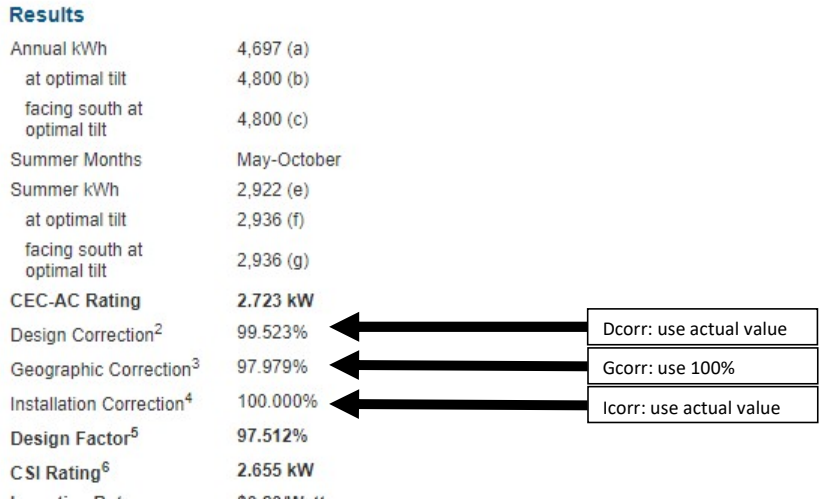

IMAGE 1: this is a partial screenshot of an EPBB Calculator results page.

(END OF APPENDIX C)