

BEST PRACTICES

- State funding
- Focus on pollution-burdened communities

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Project Name:

SOLAR ON MULTIFAMILY AFFORDABLE HOUSING (SOMAH)

Largest multifamily housing solar initiative in the United States

Size:

Target of 300 MW through 2030

Location:

California, specifically, service areas of CA's five major investor-owned utilities

of LMI customers:

Potential of serving approximately 255,000 households

Project Website:

<https://calsomah.org/>

Overview

The legislation creating the [Solar on Multifamily Affordable Housing \(SOMAH\) Program](#), Assembly Bill 693, was authored by then California Assembly member (now state Senator) Susan Telemantes-Eggman of Stockton and championed by an array of environmental justice and industry groups before it was signed into law in October 2015. It directed the [California Public Utilities Commission \(CPUC\)](#) to select and oversee a program administrator in 2017. The program administration team was selected in 2018 and is composed of the following non-profit organizations: [Center for Sustainable Energy \(CSE\)](#), [GRID Alternatives \(GRID\)](#), the [Association for Energy Affordability \(AEA\)](#), and the [California Housing Partnership \(CHPC\)](#).

The 10-year \$1 billion program which provides equitable access to clean energy, lowers tenants' monthly energy bills, and expands local job training is funded entirely from California's utility greenhouse gas (GHG) auction revenue via California's Cap-and-Trade Program. California's legislation, [SB 92](#), requires the CPUC to annually authorize either \$100 million or 66.67% of available incentives. Funding allocation is determined by the investor-owned utility (IOU) service territory where a project is located and interconnected.

Launched on July 1, 2019, the strategy and plans to execute the SOMAH Programs are extensive and are made available [to the public](#). As of July 2022, the program had 432 active applications and 45 projects have been completed





and paid. The program administrator provides weekly updates via the [California Distributed Generation Statistics](#) (CalDGStats) website¹. Full details on the rollout as of 2021 can be found in the [Solar on Multifamily Affordable Housing Phase II Report](#) by Verdant Associates.

Approximately 3,500 multifamily affordable properties across California are eligible for SOMAH incentives, potentially reaching 255,000 individual households. The program offers an [interactive property search tool](#) to discover potentially-eligible properties. An [advisory council](#) and a job training organization task force provide input into program development and ensure program outcomes to the communities.

Property eligibility is designed to target residents that have been historically excluded from the benefits of solar: low-income renters and those experiencing disproportionate pollution burden in disadvantaged communities. To be eligible for SOMAH, the following criteria must be met:

- Properties must be existing deed restricted,
- Have at least five units,
- Have separately metered tenant units.

¹ Summary charts and graphs are available [here](#), and more detailed working data sets, semi-annual reports, and annual marketing plans are available [here](#). The summary charts and graphs and working data set are updated weekly.

If the above criteria have been met, the property must also meet either or both of the below:

- 80% of the residents must have incomes at or below 60% of the Area Median Income as determined by the [Department of Housing and Community Development](#), and/or
- The property must be in a [Disadvantaged Community](#) (DAC - as defined by CalEPA). For the SOMAH program, this is defined as DACs that score in the top 25% of census tracts statewide in the [CalEnviroScreen](#). It also includes the 22 census tracts that are in the highest 5% of the CalEnviroScreen's Pollution Burden.

Shortly after implementation, the program administrator received many applications, resulting in the program initially being oversubscribed in three of five participating IOU service territories. Through subsequent GHG auctions and rounds of funding, however, the program's waitlists are currently empty, and all IOU service territories have funding available and are accepting applications. Total available funding exceeds \$400 million as of July 2022 and available funding is updated weekly at CalDGStats.

Innovative Approaches

- **A statewide strategy.** SOMAH is the largest legislative, regulatory, and community commitment spearheaded by the California State Government. It allows many community organizations to be funded and take responsibility for different parts of the project. As SOMAH develops, the program is providing a wide and extensive range of assistance at no cost to property owners, contractors, tenants, and job trainees, including upfront technical assistance, a bidding portal, a job training portal and resume bank, application assistance, financial assistance and “progress payments,” referrals to related clean energy and transportation equity programs, and tenant education services. The viability of the SOMAH Program depends on GHG auction revenues and requires state-level commitment to establish the respective accountability, transparency, and monitoring and evaluation of all the different organizations and agencies involved.
- **Public transparency.** SOMAH is formally overseen by the same body that regulates the state’s investor-owned utilities, the California Public Utilities Commission and must make programmatic changes via the regulatory process in most instances, requiring approval from either the CPUC’s Energy Division or by a vote by the Commissioners themselves. Program reports are required by the state legislature. The program hosts the [SOMAH Public Forum](#), which shares progress and updates and provides an open platform for stakeholders and participants to ask questions, share concerns and provide feedback. SOMAH also publishes an array of data publicly, which is updated weekly, in addition to semi-annual progress and expense reports, and annual marketing, education, and outreach plans. SOMAH is required to coordinate with the CPUC’s [Disadvantaged Communities Advisory Group](#) and [Low-Income Oversight Board](#).
- **Job training requirements.** The SOMAH Program [requires job training for all projects](#) through its contractor requirements, with

the number of trainees and training hours scaling with the size of the solar energy system installed at a given site. Local and targeted hiring is not required but strongly encouraged and supported by the program’s workforce development services connecting trainees and job training organizations directly to solar contractors for installation and other project-based work. A goal of SOMAH is to increase economic development in underserved communities by offering workforce development and training. Workforce development and training benefit communities by providing better paying jobs, personal growth, and a stronger economic base. To ensure compliance and track outcomes, the SOMAH Program requires job trainee intake forms, affidavits, and required survey responses from participating contractors.

- **Tenant protections.** Tenant protections are also carefully mandated by the CPUC and proscribed in the Tenant Benefit Affidavit which landlords must sign. This affidavit pledges that tenants will receive at least 51% of credits for 20 years or life of solar, receive 100% of the economic benefit of their solar, and that the landlord will not attempt to raise rent or modify utility allowances because of the installation of the solar energy system.



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- Paid partnerships with community-based organizations
- Advisory bodies to keep the program administrator accountable to the intended beneficiaries, including environmental and economic justice organizations, solar contractors, property owners, tribal organizations, and labor and job training organizations.
- Intentional change management
- Ongoing program updates to program requirements and services to troubleshoot barriers and strengthen program delivery
- No-cost technical assistance and program support services
- Required, paid job training with wage standards in excess of minimum wages
- Public data updates on a weekly basis
- Public forums to keep participants up-to-date on upcoming changes and to solicit feedback
- Mission-aligned program administration team comprised of nonprofit organizations, based on organizational competencies and strengths
- Minimum requirements for tenant benefits and required tenant education to keep tenants informed of changes to their bills, related energy conservation programs and tactics to make bill credits go further, and job training opportunities
- Required surveys to measure program attainment and steer program changes
- Required public reporting and third-party evaluation
- Culturally and linguistically appropriate marketing, education, and outreach, including the translation of tenant materials in numerous languages
- Required contractor eligibility training
- Robust warranty, performance, monitoring, and permanency requirements for solar energy systems
- Energy efficiency requirements to mitigate unnecessary loads, making incentives go farther
- Coordination with utility [Energy Savings Assistance Programs](#)
- Coordination with and referrals to battery storage, energy efficiency, and electric vehicle charging programs
- Co-marketing with stakeholders such as other state agencies, regional entities, and local governments

Lessons Learned

- With a large economy and strong political will around curbing GHG emissions, California is poised to implement a top down and state-wide approach that can channel state revenues to benefit solar access for multi-family housing. SOMAH is unique because of California's legislation on GHG emissions and push to ensure benefits accrue to LMI homes. The program published its [2022 Marketing, Education, and Outreach Plan](#) which shows the extensive efforts taken during COVID-19 to initiate equitable participation.
- By the third year of program implementation, the latent demand driving the early SOMAH projects had waned and the pipeline was weakened even further by a combination of solar trade supply chain issues and record inflation. As the demand cooled, the required annual incentive decreases built into the initial program design proved to hinder the program's ability to attract new participants. Marketing, education, and outreach efforts must be met with a sufficient financial value proposition in order to move affordable housing property owners from program awareness to participation. The SOMAH PA has submitted a Petition for Modification to the CPUC with a proposal to increase potential SOMAH incentives, with the offer of higher incentives in formally designated Disadvantaged Communities (DACs) to motivate additional uptake in the state's most pollution-burdened communities. It's under consideration as of now and could have significant implications for program participation going forward.

This case study is a part of the LIFT Toolkit initiative. To explore more case studies and best practices visit LIFT.Groundswell.org
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