



SOMAH

SOLAR ON MULTIFAMILY AFFORDABLE HOUSING

Program Overview





Authorized SOMAH Administration Team Representative

CALIFORNIA HOUSING PARTNERSHIP

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Agenda

1. Program overview
2. Program eligibility
3. Solar incentives
4. Technical assistance
5. Program requirements
6. Participation tracks
7. Q&A



SOMAH program overview

- Solar access for tenants of qualifying affordable housing
- \$1 Billion through 2030
- \$100 Million annual budget allocated by IOU from shared greenhouse gas (GHG) auction proceeds
- One third-party Program Administration team

Solar financial benefits for tenants

PRIMARY GOAL TO PROVIDE SOLAR CREDITS TO TENANTS DELIVERED THROUGH THEIR UTILITY BILL

- One solar PV system to serve multiple units and common areas
- Provide long-term utility bill credits
- Strict tenant protection rules
- Reduce property operating costs



Property Owner Benefits



- Cash incentive for common area share of costs
- Lower annual electricity costs
- Leverage more debt based on projected savings
- Improved tenant likeliness to pay full rent on time when their electric bills are reduced
- Lower turnover costs

One-stop shop model

- Dual tracks based on project readiness
- Single point of contact
- Comprehensive project technical assistance
- Solar PV & energy efficiency (EE) integration encouraged
- Framework to ensure tenant financial benefits
- Tenant education & engagement
- Workforce development component
- Incentives paid after PV installation
- Performance monitoring

Property eligibility

- Existing deed-restricted buildings with at least 5 units
- Affordable housing regulatory agreement with at least 10 years remaining on term, and
 - 80% of residents must have income at or below 60% AMI, or
 - Located in [CalEnviroScreen](#) disadvantaged community (DAC)
- Buildings with Certificate of Occupancy
- Virtual Net Metering (VNEM)
- Individually metered units and tenants pay electricity bill
- In PG&E, SDG&E, SCE, Liberty Utilities Co., or PacifiCorp service area & customers of Community Choice Aggregators (CCA) participating in VNEM

Ineligible Properties

- New construction developments
- Master-metered buildings
- Located in municipal utility territories
- Properties with a final interconnection authorization letter dated more than 12 months before submitting a SOMAH Reservation Request
- Certain HUD properties

HUD Housing

CERTAIN HUD PROPERTIES ARE NOT ELIGIBLE

Property owner must attest at the time of reservation that the property does NOT have ANY of the following types of HUD funding:

- **A. Rental Supplement** (Section 101)
- **B. Rental Assistance Payments** (Section 236)
- **C. Below Market Interest Rate** (Section 221(d)(3))

USDA Housing

- USDA has approved participation in the SOMAH program. The SOMAH team will be following up with the department to confirm details.

PUBLIC HOUSING AUTHORITY PROPERTIES

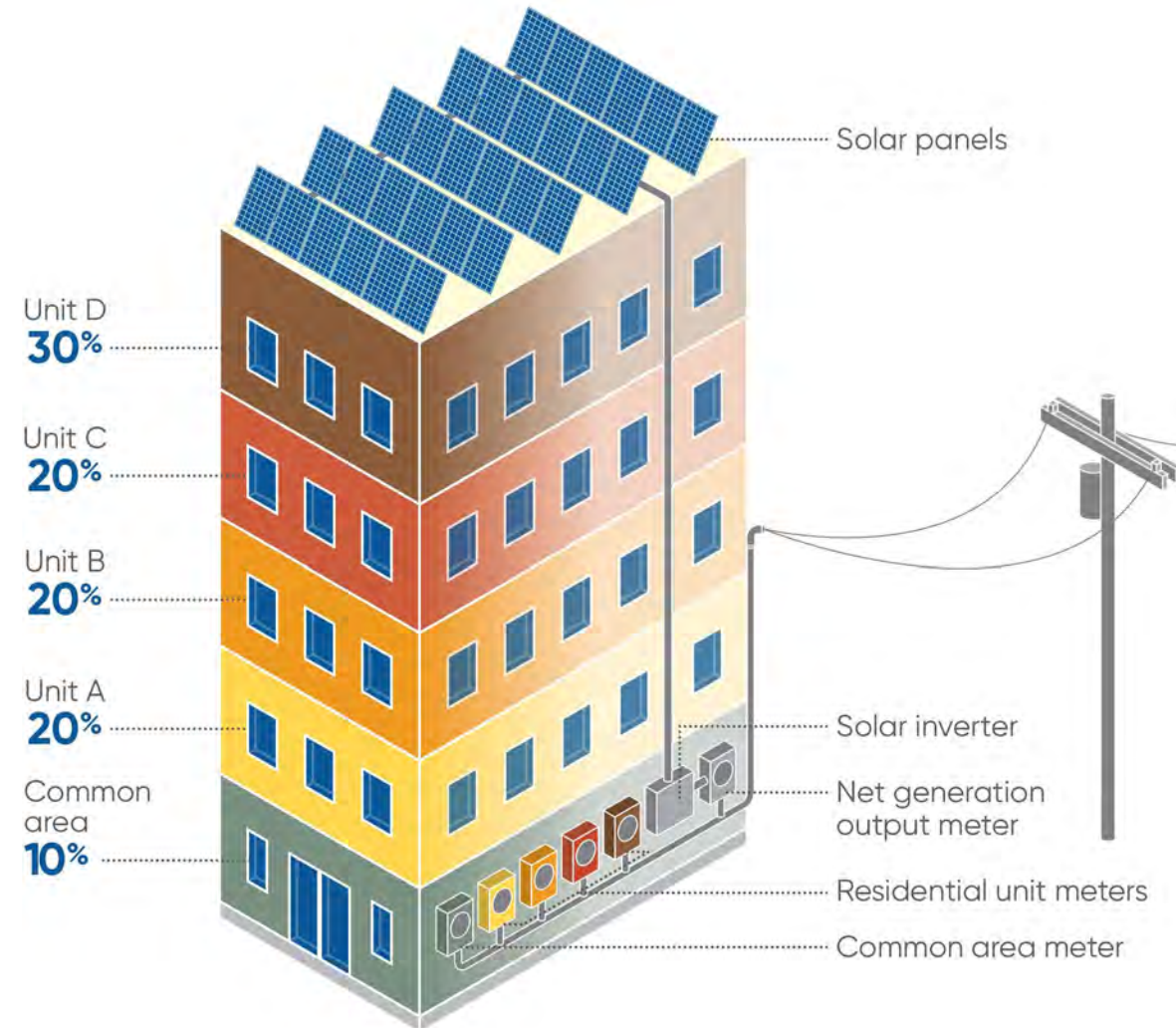
- PHA properties may be able to participate in SOMAH regardless of HUD or USDA financing if the property uses a **standard regional or local** utility allowance schedule.
- PHA staff should contact bdelacruz@chpc.net for a free assessment of the eligibility of their portfolio.

Virtual net energy metering (VNEM)



USE OF VNEM IS REQUIRED FOR SOMAH

- Through VNEM, a PV system is directly tied to the grid, not the building meter. A separate PV electric meter measures system's production and sends it to the grid.
- Mechanism to allocate solar credits between tenant units and common load areas, which in turn allows tenants to receive direct economic benefits through bill impact.
- For SOMAH, **at least 51%** of system must serve tenant load and tenants must continue to pay for electricity.



Tenant economic benefits



PROJECT COSTS CANNOT BE PASSED ON TO TENANTS, SUCH AS:

- Utility Allowance and Rent Adjustments
- Operations and Maintenance (O&M) Costs
- Changes to billing structure resulting in recapture of tenant economic benefits
- This will be **verified** through a required affidavit and review of tenant benefit requirements as part of the SOMAH project review.

A document titled "Affidavit Ensuring 100% Tenant Economic Benefit" with the SOMAH logo at the top. The document contains a title, a subtitle, a background paragraph, a certification paragraph, a numbered list of four points, and a final certification paragraph. At the bottom, there are fields for "Host Customer", "Signature:", "[Host Customer Name]", and "[Date]".

Affidavit Ensuring 100% Tenant Economic Benefit

Affidavit Ensuring 100% of Economic Benefits of Solar Energy System Generation Allocated to Tenants through VNEM on a Monthly Basis for the Life of the System

Background: CPUC Decision (D.17-12-022) requires that in order to be eligible for incentives in the Solar On Multifamily Affordable Housing (SOMAH) Program, the tenants of the location where the solar energy system is installed must receive 100% of the economic benefits of the solar generation allocated to them through virtual net energy metering (VNEM) on a monthly basis for the life of the solar energy system.

By signing this affidavit, [Host Customer Name], with respect to the solar electric system project ("System") at [Project Site Address], which is partially funded by the Program Administrator for the Solar On Multifamily Affordable Housing ("SOMAH") Program under Application Number XXX-SOMAH-XXXX, certifies and declares under penalty of perjury under the laws of the State of California that each of the statements in the paragraphs below are complete, true, and correct.

- 1) Host Customer attests that she/he is allocating a portion of the System's electric generation to the tenants through VNEM and, specifically, that Host Customer will ensure the tenants continue to receive the same portion of the System's electric generation monthly basis for the life of the system.
- 2) Host Customer certifies that it will not diminish a tenant's economic benefit from solar by adjusting rents or Utility Allowances to recover costs associated with a SOMAH-financed solar system.
- 3) Host Customer attests that no additional cost of system maintenance or operation for third-party owned systems will be passed on to low-income tenants.
- 4) Host Customer agrees that the SOMAH Program Administrator reserves the right to request further documentation that demonstrates that the benefits will be passed to the tenants as provided in this Affidavit.

By signing this Affidavit, I certify that I am authorized to sign this Affidavit on behalf of Host Customer. I also declare under penalty of perjury, under the laws of the State of California, that all of the foregoing statements are true and correct.

Host Customer

Signature:
[Host Customer Name]
[Date]

Solar incentive rates

TIERED SOMAH INCENTIVE TABLE

TAX CREDITS		\$ PER AC WATT INCENTIVE	
ITC	LIHTC	TENANT	COMMON AREAS
No	No	\$3.20	\$1.10
Yes	No	\$2.25	\$0.80
No	Yes	\$2.25	\$0.80
Yes	Yes	\$1.60	\$0.60

SOMAH provides capacity-based solar incentives. Payment is based on verified solar energy system characteristics such as:

- System size
- % split between tenant and common area serving-loads
- Access to LIHTC and/or ITC

Solar project examples

(NO TAX CREDITS APPLIED)



TAX CREDITS		\$ PER AC WATT INCENTIVE	
ITC	LIHTC	TENANT	COMMON AREAS
No	No	\$3.20	\$1.10

EXAMPLE 1:

Tenant share: **55%**
Common area: 45%

System size: 27.3 kW

Tenant load: 15 kW
Incentive: **\$48,000**
(15,000 watts x \$3.20).

Common area load: 12.3 kW
Incentive: **\$13,530**
(12,300 watts x \$1.10).

Total incentive: \$61,530

EXAMPLE 2:

Tenant share: **85%**
Common area: 15%

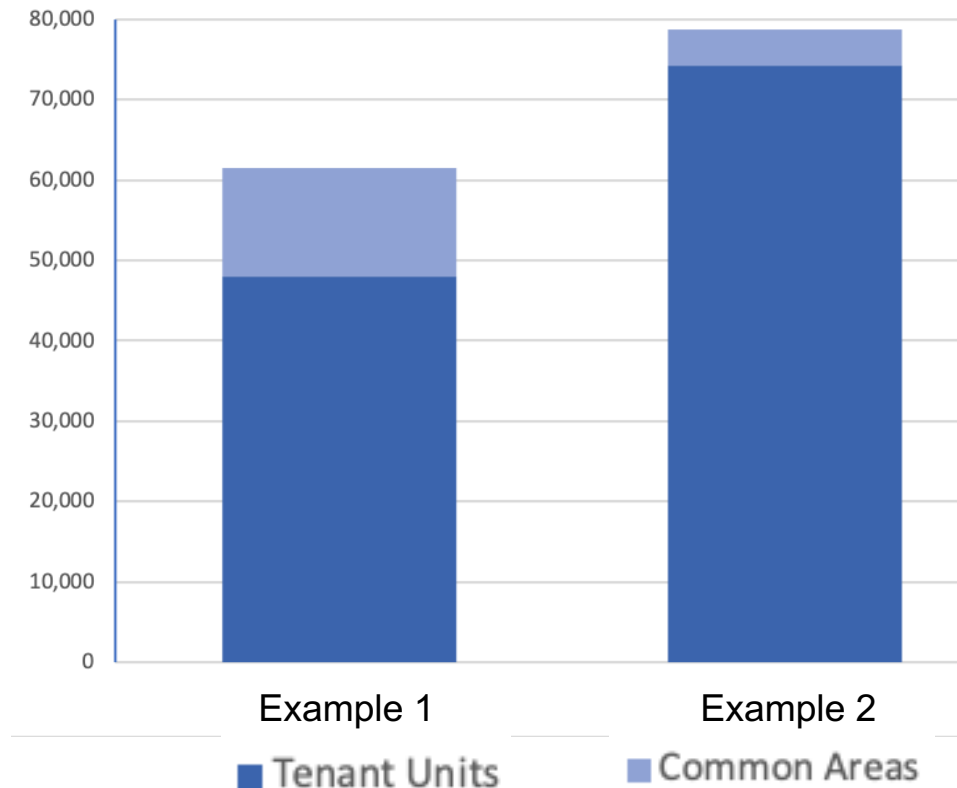
System size: 27.3 kW

Tenant load: 23,2 kW
Incentive: **\$74,256**
(23,205 watts x \$3.20).

Common area load: 4.1 kW
Incentive: **\$4,505**
(4,095 watts x \$1.10).

Total incentive: \$78,761

Total Incentive by Tenant-Owner Split (\$)



Solar project examples

(LIHTC & ITC APPLIED)



EXAMPLE 3:

Tenant share: **55%**
Common area: 45%

System size: 27.3 kW

Tenant load: 15 kW
Incentive: **\$24,000**
(15,000 watts x \$1.60).

Common area load: 12.3 kW
Incentive: **\$7,380**
(12,300 watts x \$0.60).

Total incentive: \$31,380

EXAMPLE 4:

Tenant share: **85%**
Common area: 15%

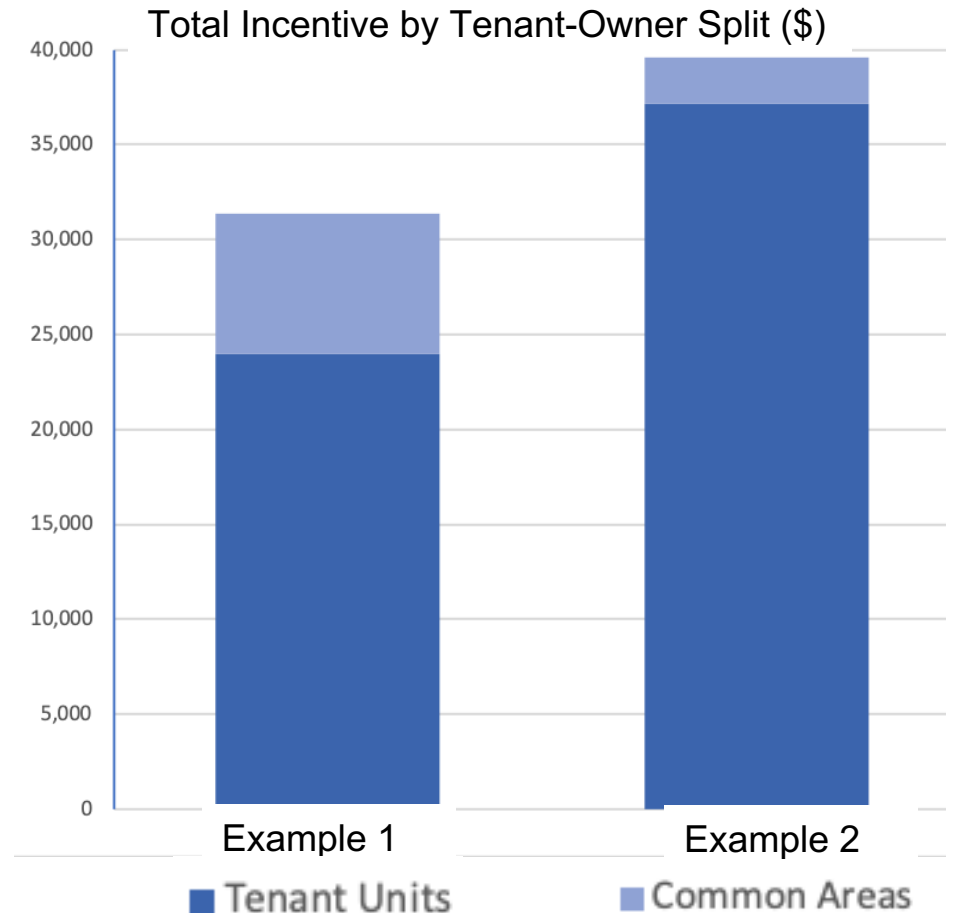
System size: 27.3 kW

Tenant load: 23,2 kW
Incentive: **\$37,128**
(23,205 watts x \$1.60).

Common area load: 4.1 kW
Incentive: **\$2,457**
(4,095 watts x \$0.60).

Total incentive: \$39,585

TAX CREDITS		\$ PER AC WATT INCENTIVE	
ITC	LIHTC	TENANT	COMMON AREAS
Yes	Yes	\$1.60	\$0.60



Technical assistance for projects

COMPREHENSIVE NO-COST SERVICES TO PROGRAM PARTICIPANTS THROUGHOUT THE PROJECT LIFECYCLE

- Solar technical assistance and bid portal
- Review portfolio
- Integration with complementary programs, including efficiency, storage, and EVs
- Information on project financing options
- Post-installation support services



Technical Assistance

There are two ways to receive Technical assistance:

- **Upfront Technical Assistance (Track A)** is for property owners who are trying to understand the solar potential for their site, and the associated costs and benefits of moving forward with a SOMAH project.
- **Standard Technical Assistance (Track A & B)** is for property owners and contractors who need assistance with energy efficiency, general project management and construction support, and project financing.

SOMAH participation tracks



Upfront TA (Track A): Projects selecting upfront technical assistance – **21** months

Step 1

Step 2

Step 3

Step 4

Step 5

Upfront TA Request

Reservation
Request + Deposit

EE Compliance
Milestone

Proof of Project
Milestone

Incentive Claim
Form

Standard TA (Track B): Projects **NOT** selecting upfront technical assistance – **18** months

Step 1

Step 2

Step 3

Step 4

Reservation
Request + Deposit

EE Compliance
Milestone

Proof of Project
Milestone

Incentive Claim
Form

[Learn more at CalSOMAH.org](https://www.CalSOMAH.org)

Track A waitlist process

- Submit Track A upfront TA requests [here](#)
- There are three documents required to submit TA request:
 - **Property Regulatory Agreement**
 - **Cover Sheet for Regulatory Agreement (HB appendix H)**
 - **Letter of authorization to receive customer information or act on a customer's behalf (HB appendix N)**

1

Submit technical assistance request form through PowerClerk along with basic eligibility documents

2

Single point of contact assigned to provide TA

3

As funding becomes available, projects are reviewed and additional documentation requested

4

Applicants invoiced for application deposit which is to be paid within 30 days

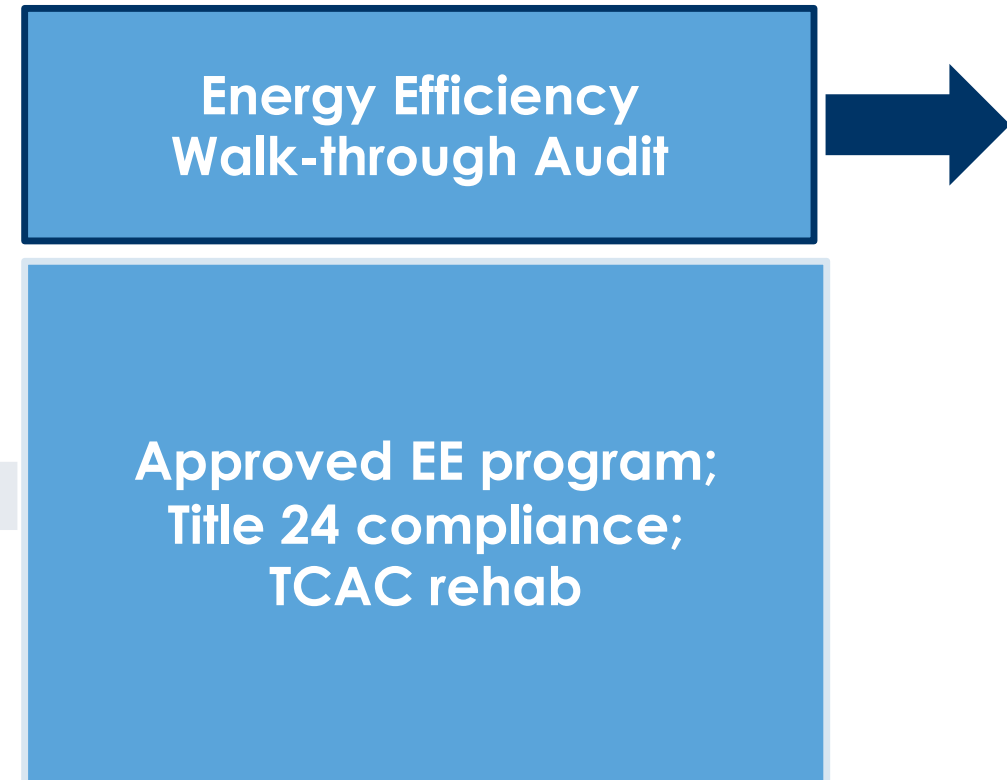
Energy efficiency compliance

1. Pathways to comply with EE requirements:

- Energy efficiency walk-through **audit**, or;
- Recent/active participation in an **approved whole-building program** (e.g. TCAC rehab, EUC, LIWP), or
- Completely constructed under **2013 Title 24** (effective 7/1/14 or more recent)

2. Solar Sizing Tool

- Identify cost-effective electricity load reduction opportunities and maximum size



Tenant education and engagement



Owner must notify tenants about the project and provide **SOMAH-approved materials** on topics like energy efficiency, rates, and resources for support.

Tenant engagement through job training opportunities, a tenant hotline, and assistance to help tenants compare energy rates.

www.CalSOMAH.org includes tenant educational materials in multiple languages.



Program comparison



Program	SOMAH	MASH	LIWP
Eligibility	≥ 80% of units at 60% AMI <u>or</u> in DACs (IOUs & CCAs only)	≥20% of units are low-income and In IOUs (PG&E, SCE, SDG&E only)	≥ 66% of units at 80% AMI and in DACs, available to all utilities (not just IOUs)
Tenant PV incentive *	\$3.20/W-AC	\$1.80/W-AC	\$3.50/W-DC
Common areas PV incentive*	\$1.10/W-AC	\$1.10/W-AC	\$1.10/W-DC
Tenant PV share	≥ 51% required	0-100%	0 – 100%
Tenant solar benefits	100% required (of the ≥ 51% required)	≥50% required (for higher incentive)	100% required
Utility allowance (UA) & rent adjustments	Must exclude solar benefits to avoid recapture and/or diminishment of tenant benefits	Owner may not adjust UA by more than 50% of tenant benefit	Must exclude solar & EE benefits to avoid recapture and/or diminishment of tenant benefits

Program comparison



Program	SOMAH	MASH	LIWP
No-cost TA	Deep, free TA	None	Deep, free TA
EE incentive	None	None	~50% - 80% of costs
EE Compliance	ASHRAE I audit <u>or</u> EE program participation, and ESA referral and solar sizing	ASHRAE I audit and ESA referral	≥ 15% energy savings & free whole building audit
Other EE programs	ESAP unit list required & optional EE referrals	ESAP unit list required & optional EE referrals	Optional EE program referrals
Tenant education & engagement	Owner must notify tenants of project and rate changes; hotline; technical assistance	Owner must post ESA program flyers onsite to notify tenants	Program provides educational materials to residents explaining energy upgrades
Program Term	life of the system or 20 years, whichever is less	life of the system or 20 years, whichever is less	10 years min. but warranties may vary; if project incl. tenant PV then it's 20 years

Application process

TRACK A EXAMPLE: Owners select upfront technical assistance

Earmarked During TA Period: **3 months &**
Reservation Period: **18 months**
(21 months from TA Request):

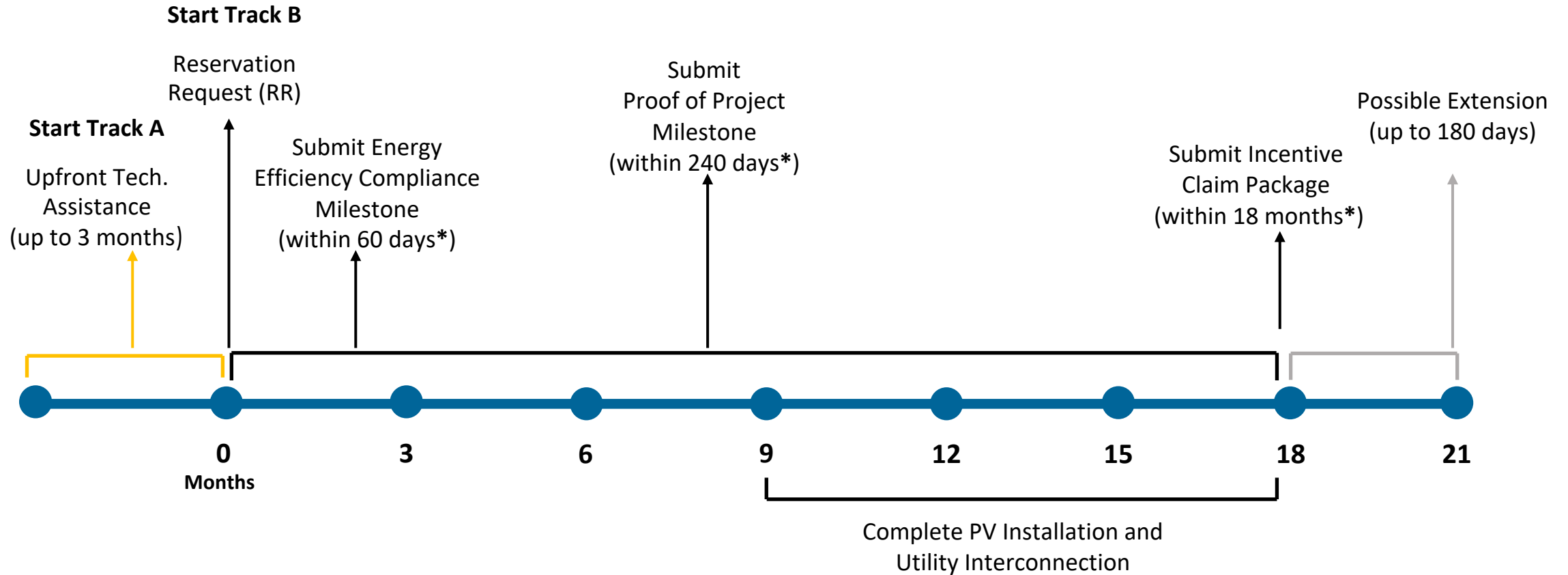
1. Upfront Technical Assistance Request
2. Reservation Request Package (+ Deposit)
3. Energy Efficiency Compliance Milestone
4. Proof of Project Milestone
5. Incentive Claim Package

TRACK B EXAMPLE: Owners ready to request SOMAH reservation

Reservation Period: **18 months**
(from Reservation Request):

1. Reservation Request Package (+ Deposit)
2. Energy Efficiency Compliance Milestone
3. Proof of Project Milestone
4. Incentive Claim Package

SOMAH project timeline



* Period begins upon the *approval* of RR, not submittal date.

SOMAH contacts

Visit CalSOMAH.org for [SOMAH Handbook](#) and [email list sign-up](#).

SOMAH Administration: contact@calsomah.org

- Submit questions and request an interest call

Nonprofits and PHAs may also directly contact:

- Blanca de la Cruz bdelacruz@chpc.net
- Srinidhi Sampath Kumar ssampath@chpc.net
- Michael Claproth mclaproth@chpc.net





Stay connected by joining the SOMAH email list

Make sure to join the SOMAH email list at calsomah.org/sign-up.

- Receive information about upcoming webinars including the **Upfront Technical Assistance Webinar in late February**
- Stay up to date when new funding becomes available