

Closing the Gaps in Solar Equity

SOMAH Program reduces low-income tenants' energy bills, expands clean energy, and trains workers for new careers

THE CHALLENGE

Low-income tenants often pay a higher percentage of their income on utility bills, but owners of multifamily properties often have little incentive to invest in solar energy systems that could reduce their tenants' energy costs – and reduce harmful greenhouse gas emissions.

To address this, California created the Solar on Multifamily Affordable Housing (SOMAH) Program. The \$1 billion incentive program, the largest of its kind in the U.S., is specifically for properties in disadvantaged, environmental justice and low-income communities.

SOMAH focuses on providing long-term, direct economic benefits to low-income households by reducing tenants' energy bills while catalyzing the general market for multifamily solar and creating local jobs. Incentives cover up to 85% of the costs of installing photovoltaic energy systems.

The Center for Sustainable Energy (CSE), with over 15 years of experience in solar incentive programs, brings policy, marketing and incentive program implementation expertise to SOMAH's program administration team to support the program's success.



THE GOALS



Incentivize 300 megawatts of generating capacity by 2030



Increase solar adoption and residential energy efficiency



Offset fossil fuel use and reduce carbon and GHG emissions



Promote solar workforce development and paid training

IMPACTS

- 600 projects funded or completed
- Over 35,000 tenant units served
- 86% of solar credits on average go to tenants
- Up to \$468 in typical energy bill savings per unit each year
- Over 53,000 hours of job training provided
- \$33 million paid to completed projects
- 70 megawatts of solar energy installed or reserved
- 178 solar contractors enrolled across the state

SOMAH can be a template for state and city programs funded by federal Solar for All grants. Solar for All seeks to put billions of dollars in solar panels on the homes of low-income families to help close the equity gap in access to solar energy.

APPROACH & OUTCOMES

Energy Benefits Primarily Go To Tenants

Properly designed incentives can significantly offset the cost of solar and deliver lower electricity bills to residents.

SOMAH requires that at least 51% of energy produced by a system be allocated to tenants via virtual net energy metering. The current average is 86%. Tenants start seeing the benefits on their electricity bill right away.

Property owners recover solar installation costs not covered by SOMAH incentives over time through reduced energy bills for common areas such as laundry rooms, community rooms and outdoor lighting.

Property Owners, Tenants And Job Seekers Get Support

SOMAH provides comprehensive technical assistance for property owners. CSE recently launched an updated, user-friendly SOMAH website with resources, videos and case studies that make it easier for property owners, contractors, tenants and job seekers to participate.

The program has provided over 53,000 hours of paid, on-the-job training to expand opportunities for job seekers to establish careers as solar installers, system designers and project managers.



SOMAH helped fund a 49-kilowatt solar project at the Coyote Mountain Apartment complex at the Bishop Paiute Reservation that switched on August 2023 – the first SOMAH project on tribal lands. The Bishop Paiute Tribal Council said they hope it inspires other tribal communities to consider solar energy projects.



CONTRACTORS ARE ENGAGED

It's important to build a quality contractor pool that can take advantage of the multifamily affordable housing solar market opportunity. SOMAH provides contractors with online training, job-trainees and partnership opportunities.

SOMAH created an eligible properties map that has been especially important to smaller contractors seeking to move up from single-family residential projects.

CSE was central to efforts to establish a progress payment option in 2021 to help contractors carry SOMAH projects through to completion.

"I knew the solar industry was a good place to be career-wise, but I did not really consider it for myself until I started doing solar installations. That opened up the world of solar for me."

*– Oscar Flores,
SOMAH job trainee*

PARTNERSHIPS STRENGTHEN THE PROGRAM

Overseen by the California Public Utilities Commission, SOMAH has a single statewide administration that is a partnership of three nonprofits: Association for Energy Affordability, Center for Sustainable Energy and GRID Alternatives. Their effectiveness in developing, improving and sharing the program is enhanced by a network of community-based organizations throughout the state and a community advisory council that provides input into program development.

Visit the SOMAH Program website at calsomah.org.

Contact CSE at consult@energycenter.org for help designing, managing and optimizing your equity-focused solar incentive programs. Learn more at energycenter.org.



Center for Sustainable Energy® (CSE) is a national nonprofit that accelerates adoption of clean transportation and distributed energy through effective and equitable program design and administration. Governments, utilities and the private sector trust CSE for its data-driven and software-enabled approach, deep domain expertise and customer-focused team. CSE's fee-for-service business model frees it from the influence of shareholders, members and donors, and ensures its independence.

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