

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on Customer-  
Generated Renewables for Priority  
Communities

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Rulemaking 25-01-005  
(Filed January 16, 2025)

**CLEAN COALITION COMMENTS ON PROPOSED DECISION MODIFYING THE  
SOLAR ON MULTIFAMILY AFFORDABLE HOUSING PROGRAM**

/s/ BEN SCHWARTZ

Ben Schwartz  
Policy Director  
Clean Coalition  
1800 Garden Street  
Santa Barbara, CA 93101  
Phone: 626-232-7573  
[ben@clean-coalition.org](mailto:ben@clean-coalition.org)

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## **SUBJECT INDEX OF RECOMMENDED CHANGES**

Pursuant to Rule 14.3(b) of the California Public Utilities Rules of Practice and Procedure, Clean Coalition submits the following recommended changes, which are further delineated in Appendix A.

- The Commission has recognized that the status quo and simple market forces do not produce the pace of development needed to achieve California's goals, especially for disadvantaged communities.
- The Decision should adopt new construction as eligible for SOMAH to avoid perpetuating a two-tiered system that disadvantages low-income residents of new housing installations.
- Master-metered properties should not be categorically excluded where tenant benefits can be verified.
- Existing CARE and FERA benefit-distribution procedures for master-metered sites demonstrate a workable path for distributing SOMAH benefits to tenants.

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**I. INTRODUCTION**

Pursuant to Rule 14.3 of the California Public Utilities Commission (“the Commission”) Rules of Practice and Procedure, the Clean Coalition respectfully submits these comments on the *Proposed Decision (“PD”) Modifying the Solar on Multifamily Affordable Housing Program*, issued at the Commission on May 28, 2026. As written, the PD focuses exclusively on the treatment of the funds accrued in the SOMAH program accounts, with the Commission declining to consider expanding eligibility to new facility types, notable new construction or master metered sites. The PD suggests that the rate of projects developed through SOMAH thus far, totaling 119 MW, is sufficient to meet the 300 MW capacity target by 2032, when the program is slated to close. The clear conclusion is that business as usual seems to be working and that no program augmentations are needed. The PD rationalizes the choice by arguing, first, that expanding eligibility would create an additional administrative burden requiring the allocation of additional ratepayer funds, and second, that Senate Bill (“SB”) 355 does not impose a statutory mandate to change eligibility.

Clean Coalition disagrees that progress under the status quo is sufficient to meet the target and previously argued in comments that simply meeting the 300 MW goal by 2032 should not be viewed as an ideal outcome for the state when there are so many additional opportunities for projects that can create real value for disadvantaged populations and additional funds remain available to catalyze those projects. Even if the same rate of project development occurs as over the next six years as during the past six years, doubling the 118 MW of capacity will not result in 300 MW of deployed capacity. A higher rate of SOMAH project installations will be needed. Moreover, many of the existing SOMAH projects are low-hanging fruit that were easy to advance from the outset of the program. The longer SOMAH operates, the more challenging it may become to continue to find a pipeline of eligible, feasible, and interested projects, potentially threatening to slow the pace of project installations that the Commission suggests is sufficient to meet the 300 MW program goal.

Clean Coalition also finds the Commission’s reading of SB 355 to be incorrect, in so far as the

Commission finds the lack of plain language explicitly directing the Commission to expand program access to mean that there is no clear obligation to take any action. In contrast, we believe that SB 355 reflects a legislative determination that the expanded eligibility population should be considered for inclusion in SOMAH. While the statute may not impose a ministerial duty compelling immediate implementation, the Commission's refusal to exercise the authority at all risks defeating the legislative purpose that motivated the amendment. Therefore, Clean Coalition suggests that the PD relies on a legal error as justification for refusing to take actions to synergistically meet multiple policy objectives simultaneously. We have the following recommendations:

- The Commission has recognized that the status quo and simple market forces do not produce the pace of development needed to achieve California's goals, especially for disadvantaged communities.
- The Decision should adopt new construction as eligible for SOMAH to avoid perpetuating a two-tiered system that disadvantages low-income residents of new housing installations.
- Master-metered properties should not be categorically excluded where tenant benefits can be verified.
- Existing CARE and FERA benefit-distribution procedures for master-metered sites demonstrate a workable path for distributing SOMAH benefits to tenants.

## II. DESCRIPTION OF PARTY

The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of distributed energy resources ("DER")—such as local renewables, demand response, and energy storage—and we establish market mechanisms that realize the full potential of integrating these solutions for optimized economic, environmental, and resilience benefits. The Clean Coalition also collaborates with utilities, municipalities, property owners, and other stakeholders to create near-term deployment opportunities that prove the unparalleled benefits of local renewables and other DER.

## III. COMMENTS

### A. **The Commission has recognized that the status quo and simple market forces do not produce the pace of development needed to achieve California's goals, especially for disadvantaged communities.**

A decision not to expand eligibility would imply that existing programs and incentives are sufficient to achieve electrification and clean-energy adoption in disadvantaged multifamily communities. That conclusion is difficult to reconcile with the Commission's findings in other

proceedings that customer economics remain a significant barrier to electrification and that additional incentives and rate reforms are needed to drive customer adoption.

The Commission has repeatedly recognized that market forces alone do not deliver clean-energy investments equitably. SOMAH was created precisely because low-income tenants and disadvantaged communities were not receiving the same benefits of distributed solar deployment as other customers. New-construction affordable housing and master meter properties face many of the same economic barriers. Excluding them from eligibility leaves some of the state's most climate-vulnerable and energy-burdened residents without access to a program specifically designed to address those inequities.

The relevant question is not whether these projects can technically proceed without SOMAH. The question is whether they will proceed at the scale and pace necessary to achieve California's clean-energy, affordability, and environmental-justice goals. The Commission has already recognized that customer adoption responds to economic signals. Where economics remain a barrier, targeted incentives are necessary to catalyze investment. Expanding SOMAH eligibility is consistent with that principle.

The Commission should not allow concerns regarding incremental administrative costs to outweigh the substantial benefits that expanded eligibility would provide to disadvantaged communities. Administrative considerations should not become a barrier to extending program benefits to affordable housing residents whom the Legislature expressly contemplated when it enacted SB 355.

While statistics regarding DER deployment in disadvantaged communities demonstrate meaningful statewide progress, those statistics do not answer the more specific question before the Commission: whether affordable multifamily housing residents are receiving equitable access to the benefits of solar generation and electrification. Absent data demonstrating that these communities are being adequately served, the Commission should not assume that existing program eligibility criteria are sufficient or that additional action is unnecessary. The lack of targeted data regarding affordable multifamily housing weighs in favor of expanding access rather than maintaining exclusions that may continue to leave this underserved population behind.

Until the record demonstrates that affordable multifamily housing residents are being served at a level consistent with California's clean-energy, affordability, and environmental-justice goals, the Commission should not presume that the status quo is sufficient. The eligibility expansions discussed below represent reasonable and targeted steps toward addressing those remaining gaps.

## **B. The Decision should adopt new construction as eligible for SOMAH**

Affordable housing developers face unique financial and logistical constraints that make the development stage the most practical and cost-effective opportunity to incorporate solar and DER. Unlike market-rate developments, affordable housing projects rely on complex financing structures assembled years in advance, leaving little flexibility to add significant capital improvements after construction is complete. Excluding new construction from SOMAH therefore risks creating a missed opportunity to deploy solar at the time when installation is most efficient and economically feasible.

The need for solar deployment is particularly important as California increasingly promotes all-electric affordable housing. Electrification can provide significant environmental and public health benefits, but those benefits depend on maintaining affordable energy costs for residents. The Commission has repeatedly recognized that customer adoption of clean-energy technologies is driven by economics and that targeted incentives are often necessary to overcome market barriers. Solar generation helps offset electric costs, reduce household energy burdens, and improve the economic viability of electrified affordable housing developments. Without access to programs such as SOMAH, many projects may be forced to scale back solar investments or forego them altogether.

Expanding SOMAH eligibility to new construction would also advance the program's core equity and ESJ objectives. Affordable housing developments built today will serve disadvantaged communities for decades to come. Providing access to solar at the outset allows residents to benefit from lower utility costs throughout the life of the property and helps ensure that low-income households share equitably in California's clean-energy transition. **Denying eligibility to new construction risks perpetuating a two-tier system in which residents of newer affordable housing developments are excluded from benefits available to similarly situated residents solely because of when their building was constructed.** Expanding eligibility would help ensure that SOMAH continues to advance affordability, electrification, and environmental justice goals across all eligible affordable housing communities.

As noted in the PD, the proposal to extend SOMAH eligibility to new construction has received support from a broad range of stakeholders, including SCE, PG&E, SEIA, CHPC, CALSSA, Sunrun, GRID Alternatives, CBD, CEJA, and CSE.<sup>1</sup> This diverse coalition—representing utilities, affordable housing advocates, solar providers, environmental organizations, and program

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<sup>1</sup> PD, at p. 10.

implementers—reflects a broad consensus that expanding eligibility would advance SOMAH's affordability, electrification, and equity objectives. The Commission should therefore amend the PD and extend eligibility to new and under-construction facilities.

**C. CARE and FERA benefit-distribution procedures provide a workable model for including master-metered properties in SOMAH**

The Commission finds party comments opposed to allowing master metered sites to be eligible to be persuasive, despite the fact that procedures are already in place to address similar issues for CARE and FERA customers at master metered properties. The PD ignores a precedent for fairly applying benefits to master metered properties, incorrectly asserting that there is no way to effectively account for distribution of benefits for a number of reasons. In IOU service territories, each utility has a formula to calculate CARE/FERA incentives distributed to master meter sites based on the number of CARE/FERA customers at a submetered site. The same would be true for submetered properties interested in taking service under SOMAH.

The PD notes, “projects at master-metered properties would rely on landlords and property owners to deliver bill credits to their tenants,” which is already the case for CARE/FERA benefits and should not be deemed a sufficient reason to disallow these legacy facilities, often in need of upgrades, electrification, and energy efficiency from cost-effectively modernizing from participating in SOMAH.<sup>2</sup> The PD accepts PG&E’s rationalization that adding submeters comes with a cost, a reason that has nothing to do with remaining ratepayer funds, tangible benefits for low-income ratepayers, or any actual technical challenge.<sup>3</sup> If a facility wants to install submeters using private capital and is legitimately able to deliver financial benefits to tenants, incurring an additional cost should not be weighed by the Commission as sufficient to preclude program participation. Moreover, this should not be a persuasive reason to prevent facilities with existing submeters in place from participating.

SCE argues that the SOMAH VNEM tariff cannot accommodate master meter properties with only one utility customer and Cal Advocates and the IOUs maintain that it will be challenging to ensure that the benefits are received by the tenants.<sup>4</sup> However, CARE/FERA tenants at submetered sites already receive appropriate benefits each month. With a well-defined methodology in place, the Commission should have every confidence that implementation will be just as effective as the

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<sup>2</sup> *Ibid*, at p. 26.

<sup>3</sup> *Ibid*, at p. 25.

<sup>4</sup> *Ibid*, at p. 25

distribution of CARE/FERA benefits. If an applicant is able to show that every tenant will be allocated an equal portion of the benefits (totaling at least 51% of the credits from the onsite generation) and can apply it to the tenant bills, there is a clear way to determine that the financial benefits are flowing to the tenants.

The goal of SOMAH is to address historical inequities stalling the adoption of clean energy for vulnerable populations. Continuing to exclude master metered properties, which are known to be old facilities in need of modernization and electrification, perpetuates existing inequities rather than breaking them down, especially in the context of legislation that affords the Commission the opportunity to expand eligibility. Clean Coalition urges the Commission to allow participation, especially where an applicant can demonstrate a clear, auditable allocation of at least 51% of credits to tenants.

#### **IV. CONCLUSION**

The Clean Coalition appreciates the opportunity to submit these comments. The PD should be modified to ensure that SOMAH continues to advance its core affordability, equity, and environmental-justice objectives, rather than preserving program exclusions that prevent eligible low-income tenants from receiving the benefits of onsite solar generation.

The record does not support a conclusion that the status quo is sufficient simply because SOMAH may eventually reach its 300 MW target by 2032. The Commission should use the discretion provided by SB 355 to expand access where doing so can accelerate deployment, reduce tenant energy burdens, and extend program benefits to affordable housing residents who otherwise remain excluded.

Specifically, the Commission should modify the PD to: (1) make new and under-construction affordable multifamily housing eligible for SOMAH incentives for solar capacity that exceeds Title 24 requirements, and (2) allow master-metered or submetered affordable multifamily properties to participate where the applicant can demonstrate a clear, enforceable, and auditable method for delivering at least 51 percent of project benefits directly to tenants.

These targeted modifications would better align SOMAH with its statutory purpose, the Commission's ESJ commitments, and California's broader clean-energy and affordability goals. Administrative concerns should not justify categorical exclusions where practical implementation pathways exist and where the excluded residents are precisely the communities SOMAH was designed to serve.

/s/ BEN SCHWARTZ

Ben Schwartz

Policy Director

Clean Coalition

1800 Garden Street

Santa Barbara, CA 93101

Phone: 626-232-7573

[ben@clean-coalition.org](mailto:ben@clean-coalition.org)

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**APPENDIX A:  
MODIFICATIONS TO FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDERING  
PARAGRAPHS**

**Proposed Modifications to Findings of Fact**

1. The plain language of Pub. Util. Code Section 2870(f) does not require the Commission to expand the SOMAH program to include newly constructed or under-construction affordable multifamily properties, but Pub. Util. Code Section 2870(f)(8) reflects that the Legislature contemplated Commission consideration of SOMAH eligibility for new construction, provided that SOMAH funds are not used to satisfy Title 24 requirements.
2. The Commission has discretion to decide whether to expand the SOMAH program to include newly constructed or under-construction affordable multifamily properties based on various factors, such as affordability, administrative burden, ~~and necessity to meet the program's goal of installing at least 300 MW on qualified properties by 2032~~ equity, tenant bill savings, progress toward the program's 300 MW target, consistency with the Commission's Environmental and Social Justice Action Plan, and whether program modifications would advance SOMAH's statutory purpose.
3. ~~Expanding SOMAH incentives to newly constructed or under-construction affordable multifamily properties will be administratively burdensome and add costs to the program.~~ Expanding SOMAH incentives to newly constructed or under-construction affordable multifamily properties for solar capacity that exceeds Title 24 requirements would create a targeted pathway to increase program participation, reduce tenant energy burdens, and advance SOMAH's affordability and equity objectives.
4. ~~Resources used to expand SOMAH to newly constructed and under-construction affordable multifamily properties would divert GHG funds that could support projects at existing eligible property types with more transparent bill savings for customers.~~ Allowing new and under-construction affordable multifamily properties to participate in SOMAH, limited to solar capacity that exceeds Title 24 requirements, would extend SOMAH benefits to low-income tenants who otherwise may be excluded from the program solely because of when their housing was constructed.
5. Any unspent SOMAH funds would otherwise be directed to direct ratepayer bill relief at program close or as otherwise authorized; however, the primary purpose of SOMAH funds through December 31, 2032 is to support qualifying solar energy systems on qualified multifamily affordable housing properties.
6. ~~Expanding SOMAH program eligibility to newly constructed or under-construction affordable multifamily properties may crowd out investments in existing property types and limit funds that can be returned to customers.~~ The record does not demonstrate that targeted eligibility expansion for new and under-construction affordable multifamily properties would prevent SOMAH from serving existing eligible property types or meeting its program goals.
7. There has been broad adoption of residential solar in DACs outside of SOMAH and other Commission-coordinated incentive programs; however, general residential solar adoption in disadvantaged communities does not demonstrate that affordable multifamily housing residents are receiving equitable access to onsite solar benefits.
8. The plain language of Pub. Util. Code Section 2870(g) does not require the Commission to expand the SOMAH program to include master-metered affordable multifamily properties, but the statute allows the Commission to consider such expansion where tenant benefits can be verified.

9. Requiring the PA to develop a methodology or process to ensure owners of master-metered buildings appropriately distribute to tenants bill credits or alternative benefits, such as those listed by HUD, would add a significant administrative burden and cost on the PA. Existing CARE and FERA benefit-distribution procedures for master-metered and submetered sites demonstrate that tenant benefits can be allocated and verified using established administrative mechanisms.
10. Master-metered or submetered affordable multifamily properties should not be categorically excluded from SOMAH where an applicant can demonstrate a clear, enforceable, and auditable method for delivering at least 51 percent of project benefits directly to tenants.
11. Expanding SOMAH eligibility to include new and under-construction affordable multifamily properties and master-metered or submetered affordable multifamily properties with verifiable tenant benefit allocation would better align the program with its affordability, equity, environmental justice, and tenant bill-savings objectives.

### **Proposed Modifications to Conclusions of Law**

1. Pub. Util. Code Section 2870(f)(8) does not prohibit SOMAH incentives for new or under-construction affordable multifamily housing, provided that SOMAH funds are not used to satisfy Title 24 energy code requirements.
2. It is reasonable and consistent with SOMAH's statutory purpose, the Commission's Environmental and Social Justice Action Plan, and California's affordability objectives to expand SOMAH eligibility to include new and under-construction affordable multifamily housing for solar capacity that exceeds Title 24 requirements.
3. It is reasonable and consistent with SOMAH's statutory purpose to allow master-metered or submetered affordable multifamily properties to participate in SOMAH where the applicant demonstrates a clear, enforceable, and auditable method for delivering at least 51 percent of project benefits directly to tenants.
4. Existing CARE and FERA benefit-distribution procedures for master-metered and submetered sites provide a reasonable implementation model for verifying the allocation of SOMAH benefits to tenants.
5. The SOMAH Program Administrator should revise the SOMAH Program Handbook and related implementation materials to allow participation by new and under-construction affordable multifamily housing and by master-metered or submetered affordable multifamily properties that satisfy tenant benefit-verification requirements.
6. It is appropriate to begin planning for the wind-down of the SOMAH program ahead of its statutorily mandated end date of December 31, 2032, including the handling of unused funds and accrued interest on SOMAH funds, while also ensuring that available SOMAH funds continue to be used through the program term to advance eligible solar deployment, tenant bill savings, affordability, and environmental justice benefits.

### **Proposed Modifications to Ordering Paragraphs**

1. The Solar on Multifamily Affordable Housing Program Administrator is directed to revise the SOMAH Program Handbook and related implementation materials to make new and under-construction affordable multifamily housing eligible for SOMAH incentives for solar capacity

that exceeds applicable Title 24 energy code requirements. SOMAH incentives shall not be used to satisfy Title 24 requirements.

2. The Solar on Multifamily Affordable Housing Program Administrator is directed to revise the SOMAH Program Handbook and related implementation materials to allow master-metered or submetered affordable multifamily properties to participate in SOMAH where the applicant demonstrates a clear, enforceable, and auditable method for delivering at least 51 percent of project benefits directly to tenants.
3. For master-metered or submetered affordable multifamily properties, the Solar on Multifamily Affordable Housing Program Administrator shall develop a tenant benefit-verification process that may rely on existing CARE and FERA benefit-distribution procedures, tenant bill disclosures, owner certifications, annual reporting, or other documentation sufficient to verify that required tenant benefits are delivered.
4. The Solar on Multifamily Affordable Housing Program Administrator shall file a Tier 2 Advice Letter within 120 days of the effective date of this decision proposing revisions to the SOMAH Program Handbook and any necessary implementation procedures to comply with Ordering Paragraphs 1 through 3.