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| **Response to Recommendations (RTR) in Impact, Process, and Market Assessment Studies** | | | | |
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| **Study Title:** | SOMAH Vendor Assessment |
| **Program:** | Solar on Multifamily Affordable Housing (SOMAH) |
| **Author:** | Verdant Associates |
| **Calmac ID:** | **CPU0330.06** |
| **ED WO:** | N/A |
| **Link to Report:** | [SOMAH Vendor Assessment Evaluation Report](https://nam12.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.cpuc.ca.gov%2F-%2Fmedia%2Fcpuc-website%2Fdivisions%2Fenergy-division%2Fdocuments%2Fsomah%2Fsomah_vendorassessment_final_20220201_.pdf&data=05%7C01%7Camy%40verdantassoc.com%7C43c9dd539d10485279e708da2df24eb6%7Cbfa12df747f44a99a8ad1209e99b84fe%7C1%7C0%7C637872816014187229%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=3yddl%2Fv%2BGwsQY10iYPL1hl%2F3AxO9QAzX0qJbO8cCAJ0%3D&reserved=0) |

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|  |  |  |  | **Program Administrator or IOU Name (Add columns as needed)** | |
| **Item #** | **Page #** | **Findings** | **Best Practice /  Recommendations** | **Disposition** | **Disposition Notes** |
|  |  |  |  | Choose:  Accepted, Rejected, or Other | Examples:  Describe specific program change, give reason for rejection, or indicate that it's under further review. |
| 1 | 58 | The SOMAH Phase II final report documented the primary barriers that participating and nonparticipating contractors faced to partaking in the SOMAH Program. As part of the Vendor Assessment the contractor and property owner barriers were mapped to the SOMAH PA tasks and associated spending that address these barriers to identify areas where additional SOMAH PA support may be necessary | Areas identified where the SOMAH PA could do more to address barriers faced to participation include:  a. Application Burden – Increase the support provided to contractors and property owners to minimize the application burden experienced. | Accept | As outlined in the Phase II Evaluation RTR, the SOMAH PA will re-evaluate the processing times and application requirements for the Reservation Request (initial document review, data request, application deposit) to determine the greatest opportunity for time efficiency and relief for the application document burden in Q1 2022. The Reservation Request is the most robust application milestone with the greatest opportunity for relief of administrative application burden, but there are likely opportunities in other application milestones/areas as well. The SOMAH PA is actively working to review, plan, and implement changes to application process to streamline the user experience, without sacrificing program requirements that are in keeping with program benefits, including energy efficiency, paid job training, direct economic benefits to tenants, performance, and permanency requirements, etc. In most cases, SOMAH incentives are in the hundreds of thousands of dollars, and the SOMAH PA is committed to balancing the need for a streamlined process with the need to ensure the intended benefits are upheld for 20 years after installation through our due diligence. The PA believes that streamlining efforts for the application process will provide the largest and most immediate impact to contractors and property owners to minimize the application burden and recognizes the opportunity the expanded support services for program areas like Tenant Education and Technical Assistance to help support applicant tasks and participant requirements. Additional details on application streamlining will be shared and circulated for feedback through stakeholder consultation and Public Forum content forthcoming.  Areas of improvement may be addressed through the Advice Letter process with the currently proposed Handbook changes (Handbook 5.0), including application deposit waivers for priority groups, clarification of the application deposit refund and reassignment (form requirements and process flow), and the opportunity to submit select milestones in tandem to reduce administrative fatigue at multiple engagement points where projects have already progressed with the necessary requirements.  **Stakeholders:** Applicants – Contractors and Property Owners  **Timeline:** Q1 & Q2 2022 |
| b. Generating Project Leads – Increase engagement with SOMAH-eligible property owners to help build a robust pipeline of future SOMAH projects. | Accept | The SOMAH PA’s 2022 ME&O Plan includes detailed information regarding plans to build a robust project pipeline to meet SOMAH’s overarching program goal of 300 MW of solar generating capacity by 2030. The SOMAH PA is committed to conducting outreach to at least 200 affordable housing organizations in 2022. Direct outreach efforts will be tailored by property owner organizations as well as a variety of other factors, including geographic region, SOMAH enrollment status, number of identified potentially eligible properties, etc. Furthermore, the SOMAH PA is committed to creating resources designed to address and mitigate barriers to participation, such as informational webinars on topics like an overview of solar and third-party solar financing offerings. Lastly, the SOMAH PA will continue to develop and foster relationships with key affordable housing partners, such as affordable housing associations, to ensure that property owners across the state are aware of SOMAH.  The SOMAH PA team is also aware that more structural program and incentive design changes may be warranted to ensure the program is successful in attracting sufficient participation to meet its ambitious goal and will get feedback on and announce proposed changes through public forums and other venues.  The Eligible SOMAH Properties Map is also a well-received resource for helping identify potentially eligible projects to support pipeline maintenance across the state.  **Stakeholders:** Property Owners  **Timeline:** Ongoing 2022 and beyond |
| c. Project Financing – Provide additional support to property owners and contractors to ensure they are aware of all available ownership options, including those that facilitate the installation of solar at no cost to the affordable housing property owner. | Other | As noted in the PA response in Phase II Evaluation RTR, the PA will implement welcome calls for newly participating owners to ensure they understand all types of financing options, build out the TA report information on finance options, identify and provide listings for bridge and gap loan providers that work with SOMAH (without recommending or endorsing specific products or financial service providers), and work to increase awareness about progress payments. The SOMAH PA, however, will not explicitly endorse any particular methodology, including cash purchases, PPAs or other third-party finance options.  **Stakeholders**: Applicants – Contractors and Property Owners  **Timeline**: Q1 – Q2 2022 and ongoing |
| d. Utility Coordination – Help to ease the burden of program participation for affordable property owners and contractors by providing additional coordination support with the utilities. This could include working with the utilities to help property owners and contractors facilitate access to data critical to program participation (such as tenant meter numbers, property and tenant usage data, interconnection issues, equipment labeling standards, etc.) | Other | The SOMAH PA will continue to relay feedback on challenges and barriers communicated from participants to the IOUs and Energy Division as needed. Further efforts are being deployed for referral handoff and tracking between program stakeholders and other clean energy programs to facilitate smooth handoffs of potentially eligible SOMAH projects to the SOMAH PA. Additionally, the SOMAH PA uses the monthly IOU Working Group along with one-on-one/as needed communications to connect with the IOUs on topics like usage data and interconnection issues. However, this recommendation will require CPUC direction for additional access to data (ex. Tenant meter numbers) that is not currently approved to be collected in the program’s Program Implementation Plan (PIP).  **Stakeholders:** IOUs, Contractors and Property Owners  **Timeline:** Q3-Q4 2022 (additional data access) and ongoing |
| 2 | 58 | The SOMAH PA’s spending to date on property owner outreach has been well-aligned with forecasted spending, however, there currently does not appear to be sufficient support to help some property owners (primarily smaller organizations) participate in the program. | Increase focus on one-on-one outreach to non-participating property owners to increase the pipeline of future SOMAH projects. Increasing the level of individual property owner outreach, as well as assistance provided to CBOs to strengthen their outreach activities, can help to ensure the ME&O activities are effectively working to build a project pipeline. Care must be taken to ensure the increased property owner outreach is right-sized and does not leave property owners feeling overwhelmed or harassed by the program. | Accept | The SOMAH PA understands that property owners require a series of intentional and well-timed touchpoints and follow-ups to garner sufficient participation, without accidentally triggering permanent opt-outs/un-subscriptions. The PA’s direct outreach efforts build on and supplement other marketing efforts, such as conference engagement, webinars, videos, and other media.  The PA is encouraged that, as the state begins to emerge from pandemic-era economic conditions that demanded owners’ attention and as our number of completed projects and success stories/case studies grow, direct outreach will become increasingly effective at not only introducing the program to owners, but in encouraging them to participate, given the comfort they will take in early adopters’ success stories.  The SOMAH PA understands the necessity to tailor marketing and outreach materials to fit the needs of non-participating property owners and has launched a variety of initiatives, such as the Solar 101 Institute, a free event that provides a detailed overview of the mechanics and benefits of Solar PV to address key knowledge gaps that may serve as barriers to program participation. Additionally, the SOMAH PA has developed and will continue to build project case studies that showcase the program’s incentives and financial benefits of solar. Additionally, the SOMAH PA is actively conducting one-on-one outreach, with the support of partner CBOs, to non-participating property owners on a consistent basis with various messaging tactics that include invitations to upcoming SOMAH events and information about potentially eligible SOMAH properties in their portfolios.  Finally, the SOMAH PA will propose additional program resources that enhance property owners’ capacity to participate in the program, such as upcoming webinars designed to address key program barriers like financing, as well as tailored case studies that demonstrate the tangible benefits of participating in SOMAH. The PA will continue to evaluate the success of ongoing property owner outreach strategies on an ongoing basis.  **Stakeholders**: Property Owners  **Timeline**: Q3 2022 and ongoing |
| 3 | 59 | CBOs currently engage with SOMAH-eligible property owners located in or near the territories where they operate. The CBOs interviewed for the Vendor Assessment reported they would benefit from further SOMAH PA training and support regarding interacting with affordable housing property owners to ensure the benefits from these interactions are maximized. | The SOMAH PA should ensure CBOs have the necessary training and involvement from the PA to support their property owner engagement activities. CBOs typically engage with community members and so while they are comfortable and familiar engaging with tenants, the skills required to engage with property owners could use further development and training support from the SOMAH PA. The CBOs reported that most of the properties they contact have not previously engaged with an eligible SOMAH contractor. | Accept | The SOMAH PA receives regular feedback from CBOs to understand what they need to be effective at property owner outreach, which is difficult in general, given the layers of management and umbrella/parent company structures, the fact that solar is not the property owner’s top priority, timing issues such as rehab/rescindication plans, etc.  The PA is collating this feedback and plans to roll out new resources to enable CBOs to be more effective at property owner outreach, including customer journey mapping, nurture campaign management, revisions of key messages and materials, leveraging new cases of successful participation by property owners (to supplement the generic introduction to SOMAH information available at the beginning of the program before anyone had yet completed the entire process), improved coordination through targeted owner engagement meetings and Salesforce training, and clear handoff processes to members of the PA responsible for ushering owners through the Upfront TA process.  **Stakeholders**: CBOs and Property Owners  **Timeline**: Q2 2022 and ongoing |
| 4 | 59 | To date 162 individual PA staff have billed time to the SOMAH Program, however 90 percent of SOMAH spending has been conducted by 48 staff members (30 percent). Increased number of staff working on a project increases the level of coordination needed which leads to increased program spending. | The SOMAH PA should consider what are optimal project staffing levels. The SOMAH PA should ensure the “core” staffing is appropriate for the current stage of the program and that the use of subject matter experts who are brought into the program’s implementation add appropriate value. | Other | Staffing levels are always in flux, and necessarily so due to turnover, promotions, specialized needs, time-based needs, and emergent needs, but the SOMAH PA works diligently to ensure the right people are engaged to meet the needs of the program. The additional staff billing to the program outside of the core of higher billers (48 staff members) are thoughtfully included in program work to ensure efforts stay on track, resulting in a high-quality work product and timely results. Additionally, many of the additional staff members bring a specific expertise (e.g., graphic design, research and analysis, etc.), and the program scope does not support a full-time allocation.  **Stakeholders**: SOMAH PA  **Timeline**: Ongoing |
| 5 | 59 | A substantial portion (31%) of SOMAH PA spending was found to have been spent on meetings and calls (over $3M across all spending categories). The SOMAH PA has begun to assess some reoccurring meetings to ensure they are “right-sized” and occurring at an optimal cadence. | The SOMAH PA should on a bi-annual basis (at a minimum) review all program meetings and requirements to ensure they continue to be necessary, the frequency with which they occur continues to be appropriate, and they are providing the outcomes desired. This includes check-in meetings with CBOs which should be aligned program activities reporting and management. | Other | Ensuring that staff are both well-coordinated, informed and aligned across a large program and team is critical to the functioning of the program. Reviewing meeting load, cadence, and structure is a regular part of the work of the SOMAH PA Leadership Subcommittee (which meets quarterly). In 2020, the SOMAH PA, like many others, transitioned to an entirely remote environment, which required pivoting in many settings and often resulted in additional virtual calls and meetings to ensure teams remain coordinated. In 2021, the PA reduced our number of subcommittees, moved several subcommittees and meetings to less frequent cadences, and reviewed the structure of each meeting to ensure they’re serving current needs. The PA will continue to review meeting cadence, necessity, and attendance throughout 2022 and beyond.  **Stakeholders**: SOMAH PA  **Timeline**: Ongoing |
| 6 | 59 | More than $250,000 has been spent on Working Group Meetings and Public Forums. PA staff mentioned there is the potential for cost savings related to the SOMAH Public Forums that are held quarterly and require significant time to plan and attend. | The SOMAH PA should make efforts to reduce the costs of standing meetings such as the SOMAH Public Forum. In quarters where there is little of substance to report on consider transitioning the Public Forum meeting to an email to reduce the costs associated with these quarterly updates. This would lower the cost of creating the meeting presentation materials, as well as reduce the time staff spend attending the meetings. | Other | The SOMAH PA has already reduced the length of public forums when there’s little to report and has moved to cancel several IOU Working Group Meetings when there are no timely items for discussion or coordination with IOUs. Given SOMAH’s complexity, however, maintaining time and space to hear from participants, share updates, and answer questions is critical.  Through 2022, the SOMAH PA will launch email newsletters that may further enable the team to reduce meetings further and will closely coordinate cancellations or changes in cadence with relevant stakeholders. The PA is transitioning to cadence of 2-3 quarterly Public Forums per year to align with program activity and valuable stakeholder engagement opportunities instead of maintaining four, quarterly, meetings by default.  **Stakeholders**: SOMAH PA, IOUs, and General Program Stakeholders  **Timeline**: Ongoing |
| 7 | 59 | Currently quarterly forecasts are provided on a per person, per month, per task basis. This level of granularity is time consuming, overly tedious and is not necessarily leading to improved forecasts at that detailed a level. It is also difficult to provide such a detailed forecast many months in advance (these forecasts are being created sometimes as much as 6 months in advance). | Reduce the level of granularity required for the quarterly forecasts. Eliminating the need for forecasts to be developed at the staff level (so by month and task only) would make forecasting a much more manageable activity, reducing the time and cost to create the forecast, and would still allow for tracking of forecasted to actuals on a program category and task level. It would likely also improve the task level forecasts as they could more manageably focus on their past and future spending without becoming overwhelmed by the staffing aspect. For some PA’s with more limited roles on the SOMAH PA (namely AEA and CHPC), it may be sufficient to utilize the previous quarters’ forecast and only provided updates if the past forecasts have been consistently off in one direction or another—or if work is anticipated to ramp up or drop off. | Accept | It is important to note that this recommendation is dependent on Energy Division and SCE due to the contract management and invoicing structure. However, the SOMAH PA supports reducing the granularity of the quarterly forecasts as recommended, to remove the burden of individual staff forecasting. Some PA member organizations have upwards of 30 staff involved in SOMAH for some portion of their billable time, and SOMAH administration tasks are divided among approximately 35 billing codes. For a 3-month forecast, this means the PA needs to predict several months into the future how much time each staff member will spend on each code. This level of false precision is unnecessary, time-consuming, and counter-productive, as the PA is paid, ultimately, based on its actual rather than forecasted expenses via an established true-up process.  The SOMAH PA also supports the recommendation to utilize previous quarters’ forecasts (or actual spending) where appropriate, instead of providing entirely new forecasts where work is often cyclical and repetitive for a good portion of tasks.  **Stakeholders**: SOMAH PA, Energy Division, and SCE  **Timeline**: Q3 2022 |
| Compare quarterly forecasts to historical spending prior to submittal. The SOMAH PA should review at a program category level their forecasted spending to actual spending during recent months, as well as any anticipated program changes that could result in increases or decreases to PA spending, to ensure their forecast is reasonable. Ensuring these types of feedback loops are incorporated into the planning process should help to ensure forecasts are within 30 percent of actuals. | Other | The SOMAH PA agrees that referencing actual spending is valuable information and currently uses historical data as a starting point in drafting invoice forecasts. This comparison of quarterly forecasts to actual spending in recent/prior months is a valuable step that the PA utilizes in preparing forecasts, while also incorporating an estimate of time by task and by staff member for the quarter ahead based on where the program is currently and is expected to head in terms of work planning. With the current forecast and actual invoicing requirements, it is important maintain a balance of estimation and review of historical spending, unless there are process changes to shift the focus on historical data as the overriding consideration in forecasting, which would effectively negate the purpose of estimation forecasting at the task and staff member level. Additionally, monthly actual invoices already include an analytic reporting page to compare the monthly actual charges against what was originally forecasted by billing category.  Ultimately, the PA is paid based on actual expenses (each quarterly forecast has a true-up to the prior actual spending incurred), so the view of the PA is that forecasting and prepayment should be simplified in general. The current forecasting process entails an onerous requirement of false precision, which has, in large part, contributed to lengthy processes to develop, submit, and approve quarterly forecasts. The onerous process also requires a significant amount of administration funds that could be better spent on program activities. PA discussions are ongoing with Energy Division and SCE to determine if there are any opportunities to streamline the process and reduce the administrative time and costs associated with invoicing.  **Stakeholders**: SOMAH PA Energy Division, and SCE  **Timeline**: Ongoing – quarterly |
| 8 | 60 | The SOMAH subcontractor primarily responsible for workforce engagement has little interaction with SOMAH contractors who are in need of Job Trainees for their projects. | Increase engagement between Workforce Development program staff and program contractors. Increasing interaction between SOMAH PA staff focused on workforce development and contractors can improve understanding of typical hiring practices for SOMAH job opportunities and the timing of future job opportunities. | Accept | The SOMAH PA and subcontracting partners are actively building capacity to supplement self-serve tools such as the online resume bank and job portal. Additionally, the PA is expanding staff support for contractor engagement, including matchmaking trainees (emphasizing local and targeted hires) with contractors’ training opportunities and assistance engaging eligible job training organizations. The PA will also expand resources and communications around best practices for hiring SOMAH job trainees, including resources encouraging contractors to hire trainees as permanent, full-time staff who may still be counted as eligible trainees for up to a year after their graduation from an eligible program.  **Stakeholders**: SOMAH PA, Contractors, Job Training Organizations and Job Trainees  **Timeline**: Ongoing |
| 9 | 60 | Currently it is not possible to track the level of effort and time spent working on an individual SOMAH applications. AEA is the only SOMAH PA member regularly including project application numbers or name within their timekeeping notes. | Expand timekeeping notes to include SOMAH application numbers and ensure staff hours are billed to the appropriate tasks. Including this level of detail in SOMAH invoices would allow future assessment to better estimate the costs of processing applications. Additionally, accurately assessing spending requires that staff bill their time to a correct task, which was not always the case based on our detailed review of timekeeping notes. | Reject | Application numbers are not relevant for every task, many of which are general/global in nature. While many activities contribute to application processing in tangential ways, the SOMAH PA has a specific code for tracking “Application Processing” with the intent for specifying time spent on the task. Time spent billing to “Application Processing” often covers multiple applications at the same time and/or may include support for general support application processing tasks like team application meetings, review of the application queue, and portfolio calls with Contractors and/or Property Owners. Additionally, there are already notes for each billing entry, so there should be a considerable information accessible for evaluation. In the PA’s opinion, adding application numbers to billing notes will not improve the accuracy of billing, nor will it provide more discrete detail about application processing times. It will, however, increase the PA’s timekeeping costs.  It is valuable to note that the SOMAH PA has also been cited as spending too much time and resources on timekeeping (which already includes specific billing notes for each entry), and the SOMAH PA has its own timekeeping billing category as well to support tracking and evaluation efforts. |