

# Multifamily Affordable Solar Housing (MASH) Track 2 Workshop

August 20, 2009



# California **Solar** Initiative

## Agenda

- MASH Background
- Track 1
- Virtual Net Metering
- Track 2
  - Overview
  - Questions



# California Solar Initiative

## MASH Program Overview

- Part of the California Solar Initiative
- Offers solar incentives to qualifying multifamily affordable housing developments
- Ratepayer funded
- Provides capacity-based rebates for solar PV
- \$108.34M of statewide funding is allocated to the program

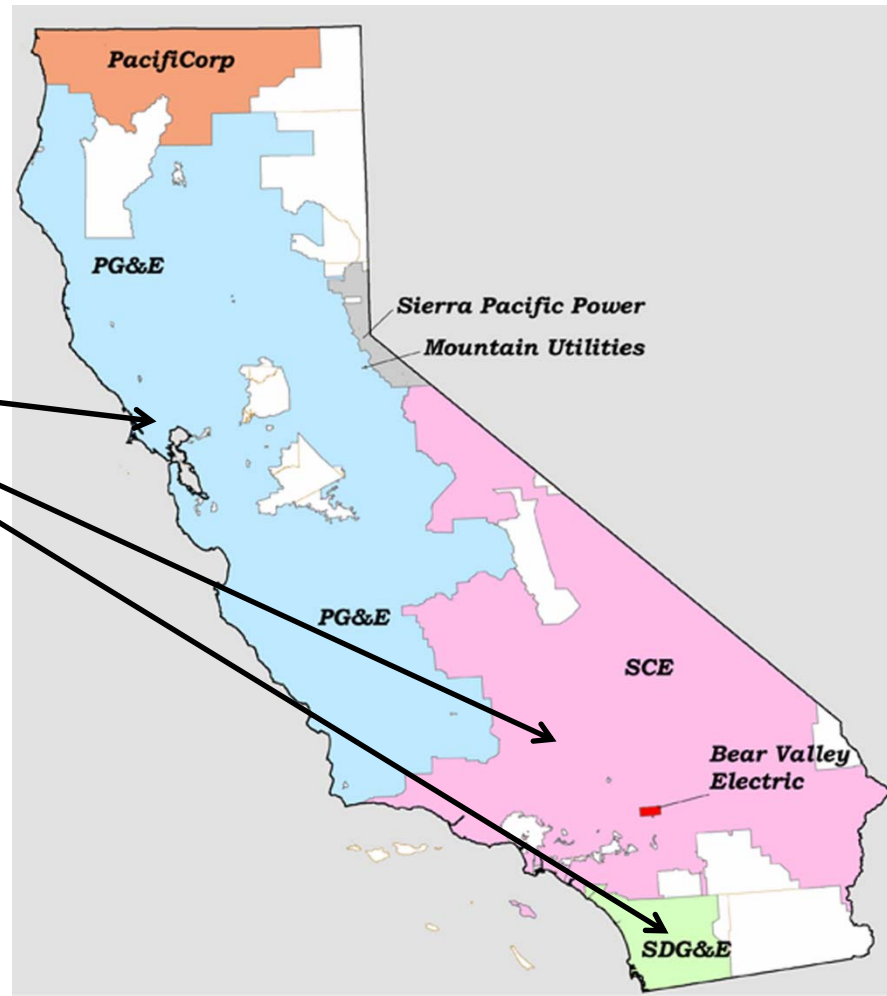


Source: [www.cooperativecommunityenergy.com](http://www.cooperativecommunityenergy.com)



# California **Solar** Initiative

Available to customers in PG&E, SCE and SDG&E territories



# California Solar Initiative

## MASH Program Overview



- Incentives available for systems 1 kW to 1 MW
- System size justification
  - Past 12 month utilization for common area
  - Tenant units will be aggregated for sizing limits (up to 5 kW/unit)
- Two incentive tracks are offered
  - Track 1 A/B
  - Track 2



# California Solar Initiative

## California Public Utilities Commission (CPUC) Program Goals

- Stimulate adoption of solar power in the affordable housing sector
- Improve energy utilization and overall quality of affordable housing through application of solar and energy efficiency technologies
- Decrease electricity use and costs without increasing monthly household expenses for affordable housing building occupants
- Increase awareness and appreciation of the benefits of solar among affordable housing occupants and developers



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## Which buildings qualify for MASH rebates?

- Existing multifamily affordable housing must meet the definition of low-income residential housing established in Pub. Util. Code 2852.a.2
  - a) Multifamily housing financed with low-income housing tax credits, tax exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans and grants and meets definition of Health and Safety Code Section 50079.5
  - or
  - b) A residential complex in which at least 20% of total units are sold or rented to lower income households as defined in Health and Safety Code Section 50079.5 and housing units targeted for lower income households are subject to deed restriction or affordability covenant...for at least 30 years
- Must have an occupancy permit for at least **two** years prior to applying for MASH incentives (no new construction)



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## Program Budget

|                             | SCE                 | PG&E                | CCSE                | Total                |
|-----------------------------|---------------------|---------------------|---------------------|----------------------|
| Budget %                    | 46.0%               | 43.7%               | 10.3%               | <b>100%</b>          |
| Track 1 A/B                 | \$34,656,032        | \$32,923,230        | \$7,759,938         | <b>\$75,339,200</b>  |
| Track 2                     | \$9,200,000         | \$8,740,000         | \$2,060,000         | <b>\$20,000,000</b>  |
| Admin<br>(Includes M&O,M&E) | \$5,980,368         | \$5,681,350         | \$1,339,082         | <b>\$13,000,800</b>  |
| <b>Total</b>                | <b>\$49,836,400</b> | <b>\$47,344,580</b> | <b>\$11,159,020</b> | <b>\$108,340,000</b> |



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## Incentive Structure – Track 1

| <u>Track 1A</u><br>Common Area Load | <u>Track 1B</u><br>Tenant Load |
|-------------------------------------|--------------------------------|
| \$3.30/watt                         | \$4.00/watt                    |

- Fixed incentive dollars per watt for Track 1; Not subject to megawatt triggers
- Projects can be a combination of Track 1A and 1B
- Incentives are paid in one time lump sum payment **after interconnection** (Expected Performance Based-Buydown or EPBB)
- May be eligible for 30% Federal Investment Tax Credit; Consult with the IRS or your tax consultant for more details
- Renewal Energy Credits belong to the System Owner



# California **Solar** Initiative

## Program Update

### Track 1 Incentive Summary – PG&E

As of 8/3/2009

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|                             |                     |
|-----------------------------|---------------------|
| Total Applications Received | <b>59</b>           |
| Reservations Granted        | 39                  |
| Applications in Queue       | 20                  |
| <br>                        |                     |
| Incentive Budget            | \$32,923,230        |
| Requested Funds             | \$11,381,019        |
| <b>Incentives Remaining</b> | <b>\$21,542,211</b> |



# California Solar Initiative

## Program Update

### Track 1 Incentive Summary - SCE

As of 8/3/2009

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|                             |                     |
|-----------------------------|---------------------|
| Total Applications Received | 7                   |
| Reservations Granted        | 7                   |
| Applications in Queue       | 0                   |
| <br>                        |                     |
| Incentive Budget            | \$34,656,032        |
| Requested Funds             | <u>\$2,935,116</u>  |
| <b>Incentives Remaining</b> | <b>\$31,720,916</b> |



# California Solar Initiative

## Program Update

### Track 1 Incentive Summary – CCSE

As of 8/3/2009

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|                             |                    |
|-----------------------------|--------------------|
| Total Applications Received | 1                  |
| Reservations Granted        | 1                  |
| Applications in Queue       | 0                  |
| <br>                        |                    |
| Incentive Budget            | \$7,759,938        |
| Requested Funds             | <u>\$677,204</u>   |
| <b>Incentives Remaining</b> | <b>\$7,082,734</b> |



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## Virtual Net Metering (VNM)

- Electric tariff that allows application of credits from a single solar generating system to multiple electric service accounts
- Building owner designates percentage of credits allocated to common and tenant accounts
- MASH VNM tariff approved – effective as of June 8, 2009
- Requires a net generator output meter capable of recording generator output in fifteen minute intervals at property owner's cost



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## Incentive Structure – Track 2

- Competitive grant style process
- Incentive amount varies
- Allows applicants to compete for higher incentives above the track one level if additional tenant benefit is demonstrated in the following categories:
  1. Direct financial benefit
  2. Energy efficiency upgrades
  3. Outreach and education
  4. Green job training or creation



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## Incentive Structure – Track 2

- 2 Cycles per year - Current Cycle Underway
  - PAs accepting applications (July 1 – Sept. 30)
  - Awards announced Q4



- Current cycle limited to 20% of Track 2 budget
  - \$412,000 for CCSE (SDG&E Territory)
  - \$1,748,000 for PGE
  - \$1,840,000 for SCE



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## Incentive Structure – Track 2

- Grant package should include the following:
  - MASH Track 1 Reservation Request Form + documents
  - Grant proposal + supporting documents (if applicable)
  - Signed grant proposal form
- Must be received by Sept. 30 (not postmarked; no hand deliveries, faxes or e-mailed applications)



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## Track 1 and Track 2 Comparison

| Feature                           | Track1   | Track 2  |
|-----------------------------------|--|--|
| Application Process               | First come, first-served   | Competitive grant-style  |
| Application Cycle                 | Open application process   | First and Third Quarter only   |
| Incentive Rate                    | Fixed - \$3.30 common and \$4.00 tenant                                | Varies   |
| Demonstrate Direct Tenant Benefit | Not required   | Required   |
| Incentive Award Limitation        | No more than 80% of Track 1 budget can be allocated to either 1A or 1B | Only 20% of Track 2 budget can be awarded at any given application cycle |



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## Resources

California Energy Commission:  
[www.gosolarcalifornia.ca.gov](http://www.gosolarcalifornia.ca.gov)

EPBB Calculation Tool: [www.csi-epbb.com](http://www.csi-epbb.com)

California State License Board: [www.cslb.ca.gov](http://www.cslb.ca.gov)



# California **Solar** Initiative

## MASH Program Contact Info

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PG&E's Smarter Energy Line: 1-800-933-9555  
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### **CCSE (SDG&E Territory)**

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SCE's CSI Customer Service Hotline

E-mail: [CSIGroup@sce.com](mailto:CSIGroup@sce.com)

Phone: 1-866-584-7436



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## Questions & Answers



# California **Solar** Initiative

**Q: Can an organization receive Track 2 funds if you don't have a specific education, outreach and green jobs program?**

**A: Yes, but if there is no E&O, you may lose up to 20% of your possible score**

One time training  
event

Informational  
Solar Brochure

Organized ongoing  
sustainability  
education program  
with clear path to  
green jobs



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Q: How will the PAs score “direct tenant benefit”?  
Is there is difference between short and long  
term cost savings?

A: Projects that can demonstrate a more  
concrete, quantifiable tenant benefit (vs  
assumptions or projections) will receive a higher  
score



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Q: Can an organization receive Track 2 funds if you don't offset tenant load?

A: Yes, but projects still need to provide a direct tenant benefit to qualify for Track 2



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**Q: How will the PAs review and compare the population served?**

**A: Projects will be scored based on the income level of the tenants and the total percentage of low income tenants in a building**



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Q: Will the PAs perform credit/background checks on Track 2 applicants and customers?

A: The PAs will not perform credit checks, but may request additional information to document an applicant's experience (references, case studies, etc).



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Q: How will the PAs score projects with multiple parties (Experience/Track Record)?

A: PAs will first look at the developer, but more information given may enhance a project's score. Be sure to provide all relevant background information on all of the organizations included in the application.



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## Questions

