



# San Diego Solar Equity Program

## *SDG&E Annual Report*

Program Year 1

Statistics from Sept. 27, 2022, to March 27, 2023



Center for  
Sustainable  
Energy®

April 12, 2023

© 2023 Center for Sustainable Energy

Disclaimer: The Center for Sustainable Energy® (CSE) makes every effort to present accurate and reliable information. However, the content is presented “as is” without warranty of any kind. Reference to any specific commercial product, process or service does not constitute or imply endorsement, recommendation or favoring by CSE. Center for Sustainable Energy, CSE and CSE logo are registered trademarks of the Center for Sustainable Energy.

**CSE Headquarters**

Center for Sustainable Energy  
3980 Sherman Street, Suite 170  
San Diego, CA 92110  
858-244-1177  
EnergyCenter.org



# Contents

- Report Purpose ..... 4
- Program Overview ..... 4
  - Background ..... 4
  - Current Program Statistics ..... 5
- Program Design ..... 6
  - Incentive Structure ..... 6
  - Eligibility Requirements ..... 7
    - Customer Eligibility Requirements ..... 7
    - Solar Contractor Eligibility Requirements ..... 8
    - Equipment Eligibility Requirements ..... 8
  - Application Process ..... 9
- Program Trends ..... 9
  - Canceled Applications ..... 10
  - Active Applications and Paid Projects ..... 11
    - By Income ..... 11
    - By Geographic Location ..... 13
    - By Adders ..... 15
    - By Solar Contractor ..... 17
- Engagement, Outreach and Program Materials ..... 18
  - Website and Application Portal ..... 18
  - Marketing Activities ..... 20
    - Events ..... 20
    - Program Resources ..... 20
- Policy Impacts ..... 21
- Next Steps ..... 21

## Report Purpose

This report, written by the Center for Sustainable Energy (CSE) for San Diego Gas and Electric<sup>(R)</sup> (SDG&E<sup>(R)</sup>), documents the outcomes of Program Year 1 of the San Diego Solar Equity Program (SDSEP). SDSEP is a 10-year solar incentive program launched in September 2022.

As the Program Administrator (PA) of SDSEP, CSE is responsible for developing an annual report by the end of March to report on the prior year's activities. The annual report describes the program administrative costs, incentives paid, systems installed and other relevant information regarding the progress of the program.

This report documents the outcomes of the majority of the first program year of SDSEP, which will run from Sept. 27, 2022 to May 31, 2023. The program statistics provided in this report span the first six months of SDSEP and cover program activities from Sept. 27, 2022 through March 27, 2023. In future years, this report will be completed and submitted after the completion of a full program year.

*The San Diego Solar Equity Program is an equity-focused, residential solar incentive program intended to accelerate the adoption of solar panels.*

## Program Overview

### Background

SDSEP is a product of SDG&E's 2021 franchise agreement with the City of San Diego. As part of the Energy Cooperation Agreement within this contract, SDG&E committed a total of \$10 million in shareholder funds to provide monetary assistance to income-qualifying, City of San Diego residential customers to install solar photovoltaic (PV) panels on their homes.

These funds finance SDSEP with \$1 million annually for 10 years. Of this annual amount, up to \$100,000 is allocated to administration, marketing and outreach costs of the program. The remaining \$900,000 is allocated to incentives. CSE was selected by SDG&E to act as the third-party nonprofit to design and administer the program.

The contract between CSE and SDG&E is broken into two phases: Phase 1 – Completion of Program Design and Phase 2 – Program Management. Phase 1 focused on development of the initial program design and was scheduled to conclude within 90 days of the effective date of the contract, March 11, 2022. During this period, CSE was required to identify important stakeholders, conduct outreach and consultation sessions, draft a program design and present an initial program design to the City of San Diego Environment Committee and City Council members.

CSE was also permitted to begin work on marketing and outreach, application material development and website development during Phase 1 so that SDSEP could be launched quickly after the completion of Phase 1. Phase 1 was considered complete when the program received a formal letter of support from City Council President Sean Elo-Rivera. The program received this letter on June 27, 2022. Regular administration of the program falls under Phase 2 – Program Management.

## Current Program Statistics

Between Sept. 27, 2022 and March 27, 2023, SDSEP received a total of 55 applications. Of these 55 applications, 21 were canceled, leaving 34 active applications. Thirty applications have approved incentive reservations and are ready to begin permitting and installation, three applications are pending paperwork and still under review, and one project is completed, interconnected and paid. A breakdown of incentives submitted, reserved, paid and remaining are summarized below.

TABLE 1

### Incentive Allocations for Year 1

Area Median Income (AMI)	Number of Active or Paid Applications	Submitted	Reserved	Paid	Total	
< 80% AMI	29	\$79,824	\$543,286	\$12,884	\$635,994	71%
80- 100% AMI	0	\$0	\$0	\$0	\$0	0%
100- 120% AMI	5	\$0	\$122,016	\$0	\$122,016	14%

The values in TABLE 1 above reflect program statistics as of March 27, 2023, capturing the first six months of the first year of the program. The incentive amounts noted in the “Submitted” column indicate the total incentive amount across applications that passed the initial eligibility screening, but have not yet been approved for reservation request. The documents for these applications are either under review or the program team is waiting to receive missing documents.

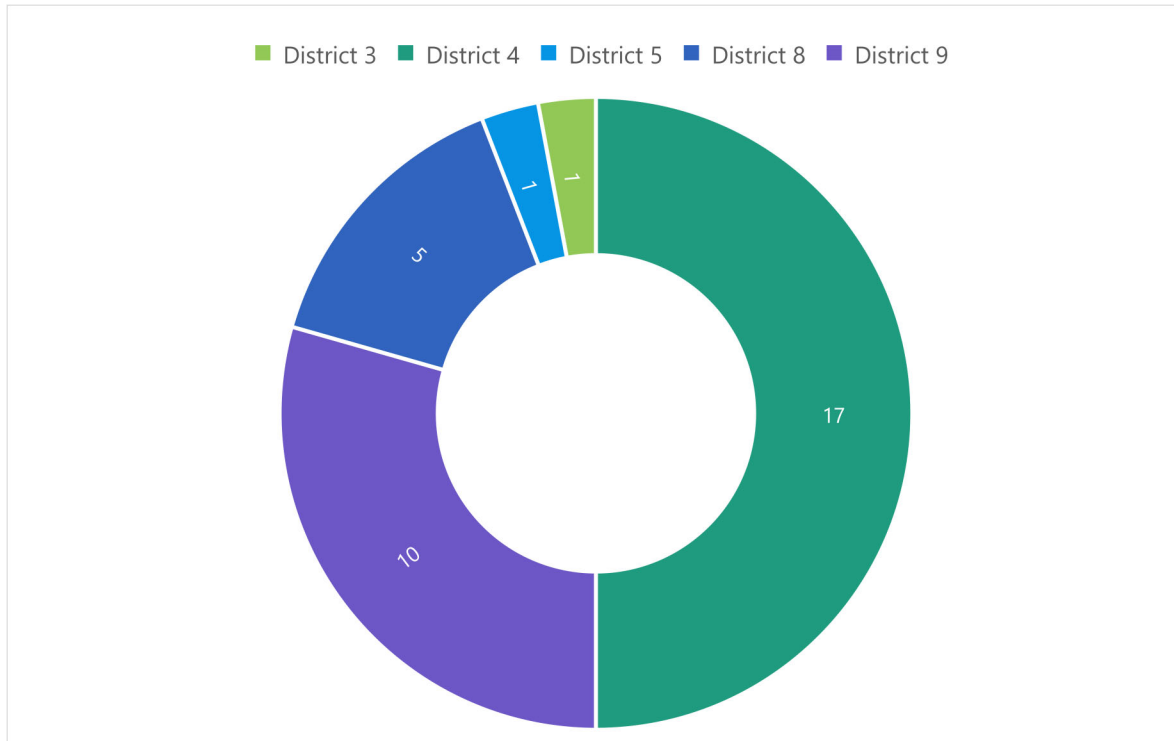
The incentive amounts in the “Reserved” column capture the incentives reserved by projects that have been reviewed and received reservation request approval notifications. These projects are approved to begin installation and can be anywhere in the process from permitting to interconnection. Each project has 12 months from the reservation request approval date to complete the project and submit an incentive claim form. Projects must be interconnected and receive permission to operate from SDG&E to submit an incentive claim form.

The amounts in the “Paid” column capture the projects that have already completed installation, received permission to operate from the utility, completed the incentive claim process and been approved for payment.

There was \$141,990 remaining in Program Year 1 incentive funding on March 27, 2023. The average system size is 4.92 kilowatt (kW) with an average incentive reservation of \$22,294. FIGURE 1 illustrates the breakdown of active and paid projects by San Diego City Council district. Further analysis of application cancellations and distribution of active applications will be explored in greater detail in Program Trends.

FIGURE 1

### Distribution of Active Projects by District



## Program Design

This section of the report summarizes the initial program design of SDSEP that dictated incentive structure, eligibility requirements and application processes for Year 1.

### Incentive Structure

The financial incentive is set at \$4 per watt for up to 6.5 kW systems. The maximum allowable solar incentive is calculated using the following formulas:

$$\text{California Solar Incentive AC System Size} = \text{CEC-AC Rating} \times \text{Design Factor}$$

$$\text{Maximum Allowable Solar Incentive} = \text{California Solar Incentive AC System Size} \times \text{Incentive Rate}$$

For example, the California Solar Incentive AC System size for a PV system with a CEC-AC rating of 5,000 Watts (W) (5 kW) and a 90% design factor would be calculated as follows:

$$5,000 W \times 0.9 = 4,500 W$$

Therefore, the SDSEP base solar incentive would be calculated as follows:

$$4,500 W \times \$4.00/W = \$18,000$$

The host customer can sign up for two additional incentives. Participants are eligible for up to an additional \$3,500 to cover costs associated with electrical panel upgrades and up to an additional \$1,000 for providing job training hours through the program.

Incentives are provided up to the cost of the system and should not exceed the net purchase price of the solar system as submitted and approved in the reservation request stage. Eligible costs include, but are not limited to, solar equipment capital costs, engineering and design costs, construction and installation costs, interconnection costs and building permit costs.

## Eligibility Requirements



### Host Customer

- Must be located within a Community of Concern.
- Must have a total household income of 120% AMI or less.



### Solar Contractor

- Must pay prevailing wages.
- Must discuss energy efficiency with potential customers.
- Must be certified to install solar per the California Contractors State Licensing Board (CSLB).



### Equipment

- System size up to 6.5 kW.
- Must be on California Energy Commission's Solar Equipment List.
- Must be installed for the duration of its useful life.
- Must meet program warranty requirements.

To qualify for an incentive, the host customer, solar contractor and PV equipment must satisfy eligibility requirements outlined below.

### Customer Eligibility Requirements

SDSEP is an income-qualifying incentive program. To be eligible, the applying host customer must have a total household income of 120% or less of the San Diego County AMI for the application year.

For Program Year 1 of SDSEP the 2022 San Diego County AMI limits, effective April 18, 2023, were used. The total household income must meet this requirement for at least 12 months preceding the date of application. Household income is subject to verification and the host customer is required to provide supporting documentation; however, proof of enrollment in other income-qualifying programs may be accepted in lieu of household income verification.

In addition to the income eligibility requirements, host customers are also subject to geographic eligibility requirements. To qualify, a host customer must reside both within the City of San Diego and within a census tract that is a Community of Concern per the City of San Diego's Climate Equity Index. Communities of Concern are census tracts that have very low, low, or moderate access to opportunity due to environmental, socioeconomic, mobility and health equity barriers.

Participating homes must be owner-occupied, single-family homes. SDSEP is broad in defining "single-family" and includes duplex, triplex and quadplex buildings. Mobile and manufactured homes are also eligible if their roofs can support a permanent solar installation. Finally, host customers cannot have an existing solar PV system, as SDSEP is intended to advance the adoption of solar for residents who have not previously had access to this technology.

### **Solar Contractor Eligibility Requirements**

To install solar PV systems under SDSEP, solar contractors must be certified to install solar systems per the CSLB and listed on the program's eligible solar contractor list. Solar contractors are added to the eligible solar contractor list by attending a mandatory annual workshop hosted by the PA and submitting an intake form at the end of the workshop. This requirement must be completed each year to remain on the list. Solar contractors are only permitted to complete five projects through SDSEP within each program year.

Participating solar contractors are required to pay prevailing wage, as defined by the California Department of Industrial Relations, to all staff working on the project. Solar contractors are also required to submit a signed attestation for each project and attend a pre-construction meeting with a third-party prevailing wage consultant on their first project installed under SDSEP. Finally, solar contractors are required to discuss energy efficiency with the customer during the initial consultation phase. SDSEP provides an energy efficiency handout to help support these discussions.

### **Equipment Eligibility Requirements**

The only technology eligible for SDSEP is solar PV systems. All major system components must be new, must not have been previously placed in service in another location or application, and must be listed on the California Energy Commission's solar equipment lists.

Incentivized system size is limited to 6.5 kW for detached single-family homes and scales up to 23 kW for quadplexes. Qualifying solar PV systems must be host customer-owned systems, and all systems must



have minimum warranties as listed below to protect the host customer against system or component breakdown.

- 10-year warranty for string inverters
- 20-year warranty for microinverters
- 20-year warranty for modules
- 10-year workmanship warranty

## Application Process

1. On behalf of the host customer, the solar contractor submits an incentive application intake form through the SDSEP website.
  - a. To start the process to reserve incentive funds, the solar contractor must have completed an initial site walk at the host customer's residence and must have a contract with the host customer.
  - b. This web-based form generates a pre-populated reservation request form, which is attached to the submission confirmation email.
2. The PA contacts the solar contractor and host customer within three business days of receipt of the incentive application intake form with a secure Box link for document submission and next step instructions.
3. The solar contractor and host customer must review, sign and submit the reservation request form along with supporting documents to the PA via the Box link.
4. Once the application and all supporting documents are reviewed and approved by the PA, a reservation approval notice is emailed to the solar contractor and host customer that identifies the amount of funds reserved.
  - a. Funding is not reserved until the PA sends the reservation approval notice email.
  - b. The solar contractor then has 12 months to install an eligible system, receive permission to operate from SDG&E, and submit the incentive claim form and supporting documentation.
5. Once SDG&E has issued an interconnection approval and the system is operational, the solar contractor submits the incentive claim form with supporting documentation and notifies the PA.
6. After the PA determines the final system is eligible, the incentive payment is sent to the payee listed on the incentive claim form and supporting documentation is sent to SDG&E.

## Program Trends

This section summarizes and analyzes the trends observed in Program Year 1. Understanding the program's reach and gaps is vital to ensure the program accomplishes its goal of accelerating adoption of solar in the City San Diego, specifically by income-qualifying residential customers who have

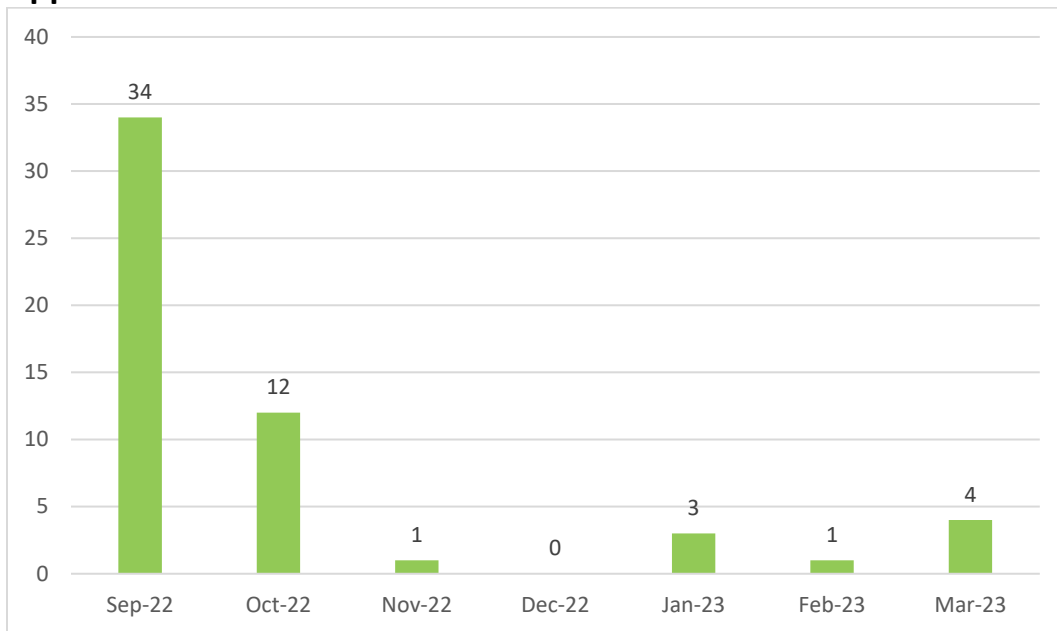
historically been excluded. Each year’s program results help inform areas of improvement for future program design revisions.

In total, the program received 55 applications between the launch on Sept. 27, 2022 and March 27, 2023. FIGURE 2 illustrates the flow of applications through the first six months. The program received the highest volume of applications in the first month; specifically the first week of the program. Applications continued to come into the program steadily in October and then slowed at the end of 2022.

At the beginning of 2023, the program team sent out communications to the participating solar contractors to notify them that there was still funding remaining for Year 1 and encourage those who had not reached their project cap to submit additional applications. This accounts for the small swell of applications received between January and March 2023.

FIGURE 2

### Application Volume over the First 6 Months

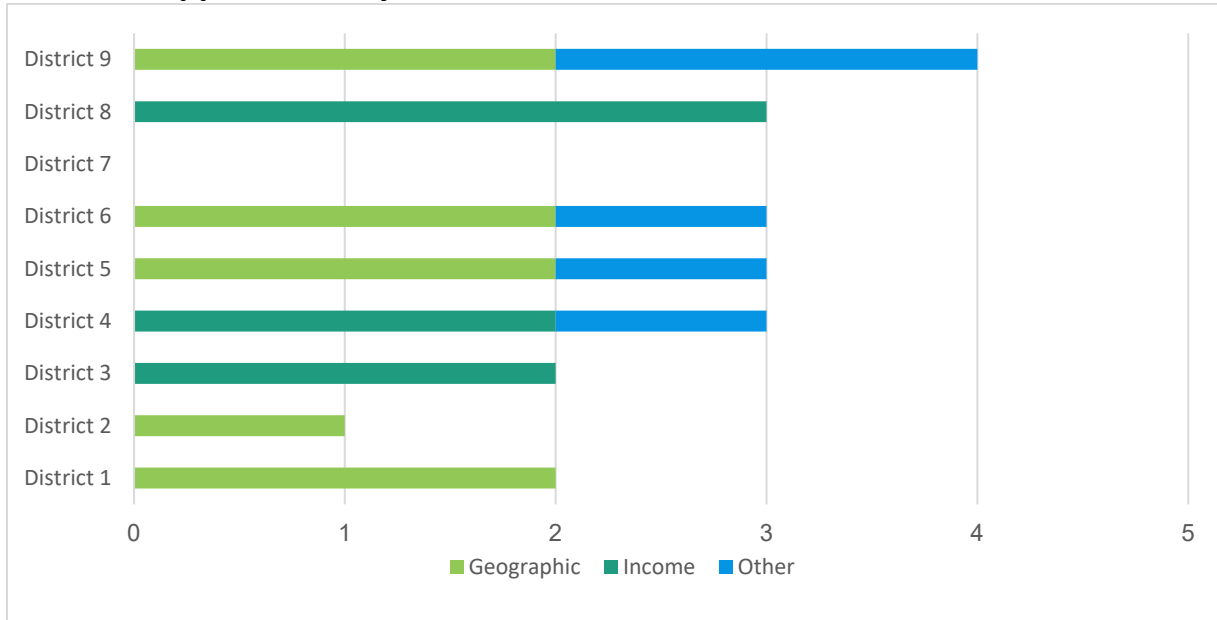


### Canceled Applications

Of the 55 submitted applications, 34 are still in the program as active or paid projects. FIGURE 3 shows a breakdown of the 21 canceled applications by San Diego City Council district and by cancellation reason.

FIGURE 3

### Canceled Applications by District and Reason



Geographic and income eligibility is screened upon application submission. Applications that do not meet program eligibility criteria are canceled before the Box upload link is provided. Geographic ineligibility indicates the host customer was not located within a Community of Concern per the city’s Climate Equity Index.

Looking more closely at the applications that were canceled due to geographic ineligibility, five of the nine canceled projects were for households in the lowest income band of the program, meaning they had a total household income of 80% AMI or less. Income ineligibility denotes that the host customer had a total household income greater than 120% of the area median income.

Cancellations in the “Other” category vary. Three applications listed under “Other” were canceled because the host customer either submitted multiple applications with various contractors or had two redundant applications due to a typo on the original submission. Two met the eligibility requirements of the program but were canceled later in the Reservation Request stage. One was canceled because of unresponsiveness, and one was canceled due to necessary roof upgrades to be able to support solar.

### Active Applications and Paid Projects

This section explores the distribution of the 33 active and one paid project by different metrics.

#### By Income

For reference, TABLE 1, first shown in Current Program Statistics section above, shows a breakdown of active projects by their application status and income band.

TABLE 1

### Incentive Allocations for Year 1

AMI	Number of Active or Paid Applications	Submitted	Reserved	Paid	Total	
< 80% AMI	29	\$79,824	\$543,286	\$12,884	\$635,994	71%
80-100% AMI	0	\$0	\$0	\$0	\$0	0%
100-120% AMI	5	\$0	\$122,016	\$0	\$122,016	14%

The program set initial soft targets for distribution of incentives across the income bands defined in TABLE 1 above. The target allocations were about 60% of the annual incentives for households in the lowest income band (80% AMI or less) and 20% each to the higher income bands.

Notice there was no uptake for the middle band (80-100% AMI). However, upon further inspection the program team identified that this income band is very narrow. This is due to the adjusted AMI formula used by U.S. Department of Housing and Urban Development (HUD) in San Diego because it is a high cost of living area.

For example, for a family of four in 2022, 80% AMI is \$104,100, 100% AMI is \$106,900 and 120% is \$128,300. Consequently, the middle band has a range of only \$3,000 compared to the highest band, which has a range of over \$20,000. FIGURE 4 shows HUD AMI cutoffs for San Diego in 2022.

FIGURE 4

### 2022 San Diego AMI Limits per HUD

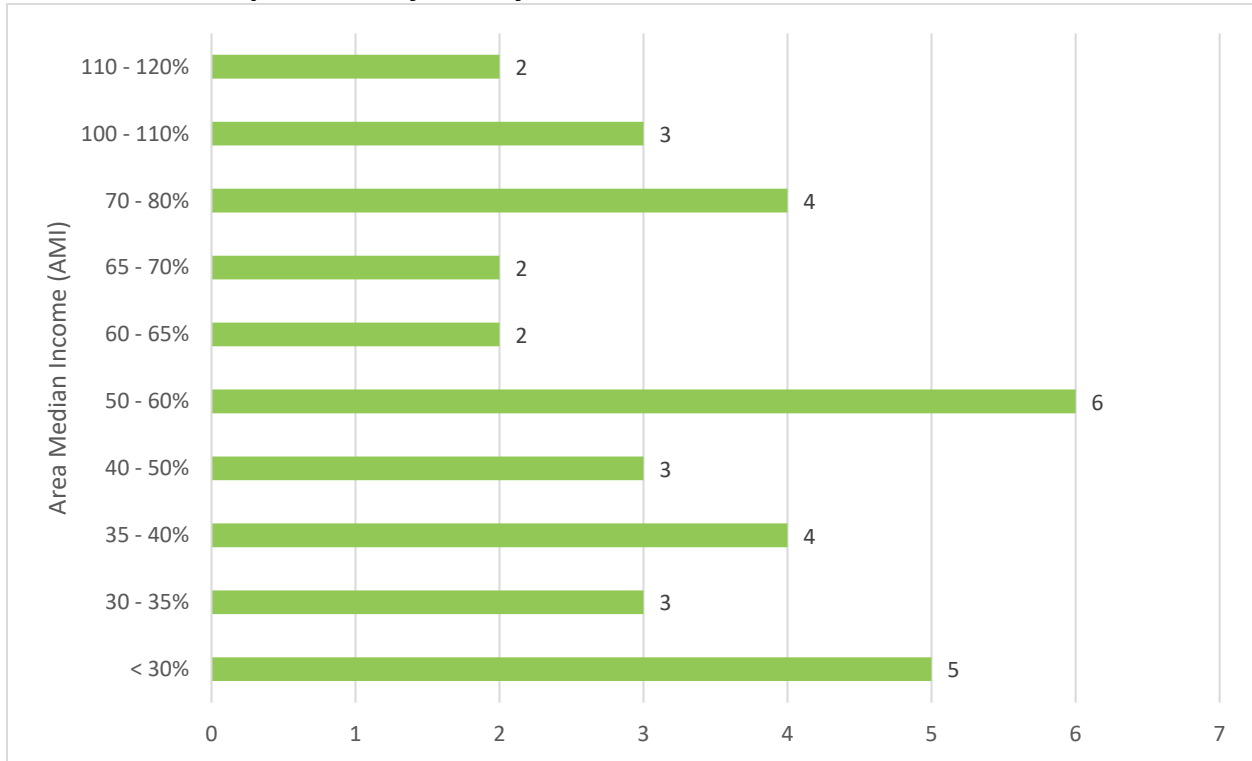
Family Size	60% Income	65% Income	70% Income	Low Income	Moderate Income	Moderate Income	Moderate Income	Moderate Income
				80% Income				
ONE	\$54,660	\$59,200	\$63,750	\$72,900	\$73,875	\$74,850	\$82,300	\$89,800
TWO	\$62,460	\$67,650	\$72,850	\$83,300	\$84,400	\$85,500	\$94,100	\$102,650
THREE	\$70,260	\$76,100	\$81,950	\$93,700	\$94,950	\$96,200	\$105,850	\$115,450
FOUR	\$78,060	\$84,550	\$91,050	\$104,100	\$105,500	\$106,900	\$117,600	\$128,300
FIVE	\$84,360	\$91,300	\$98,350	\$112,450	\$113,950	\$115,450	\$127,000	\$138,550
SIX	\$90,600	\$98,100	\$105,600	\$120,800	\$122,400	\$124,000	\$136,400	\$148,850
SEVEN	\$96,840	\$104,850	\$112,900	\$129,100	\$130,825	\$132,550	\$145,800	\$159,100
EIGHT	\$103,080	\$111,600	\$120,200	\$137,450	\$139,275	\$141,100	\$155,250	\$169,350

Source: U.S. Department of Housing and Urban Development

The program has reserved a higher proportion of incentives for the lowest income band than the original 60% target. Because funding was not fully allocated upon launch for Year 1, the program team accepted additional projects in the lowest income band to help as many households as possible in the first year of funding. FIGURE 5 shows the applications broken down beyond the three target income bands to show the distribution of household incomes with respect to AMI.

FIGURE 5

### Active and Completed Projects by Total Household Income



Most active applications (29/34) are for homeowners with a total household income of 80% AMI or less. Looking more closely at the lowest income band, over half these projects (15/29) have a total household income of 50% AMI or less and are considered “Very Low Income” per the HUD AMI limits.

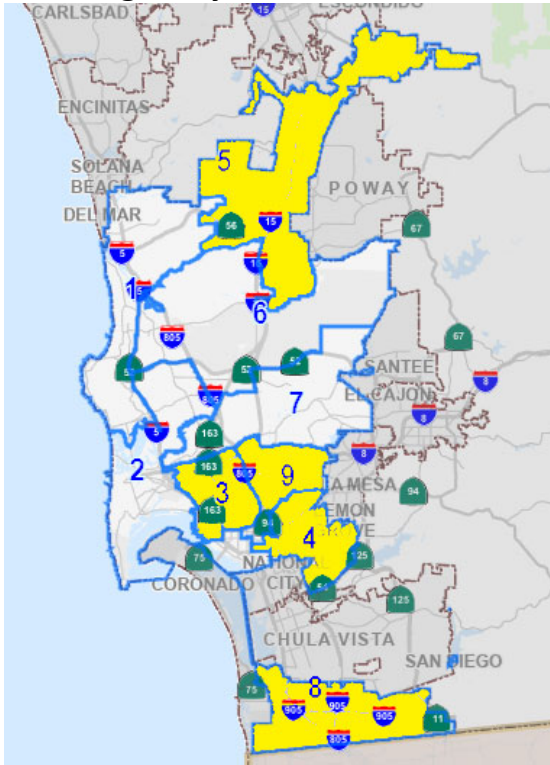
The highest number of projects (6) are in the 50%-60% AMI range; however, <30% AMI is close behind with five projects. Thirteen of the 34 active applications (slightly under 40%) are for households that participate in another income-qualifying program such as California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA).

#### By Geographic Location

The active applications and paid project in Program Year 1 were spread across five city council districts: District 3, District 4, District 5, District 8 and District 9. FIGURE 6 shows a map of San Diego City Council districts and the yellow highlighted areas show regions with active or paid SDSEP applications.

FIGURE 6

### San Diego City Council Districts with Active/Paid SDSEP Applications



Source: City of San Diego

TABLE 2 and FIGURE 7 illustrate the distribution of applications across district and income bands. Half of the 34 active projects are located within District 4, with most of those projects (88%) for households in the lowest income band. The next most represented City Council districts are District 9 and District 8 with five and 10 applications, respectively. There is one project in District 3 and one project in District 5.

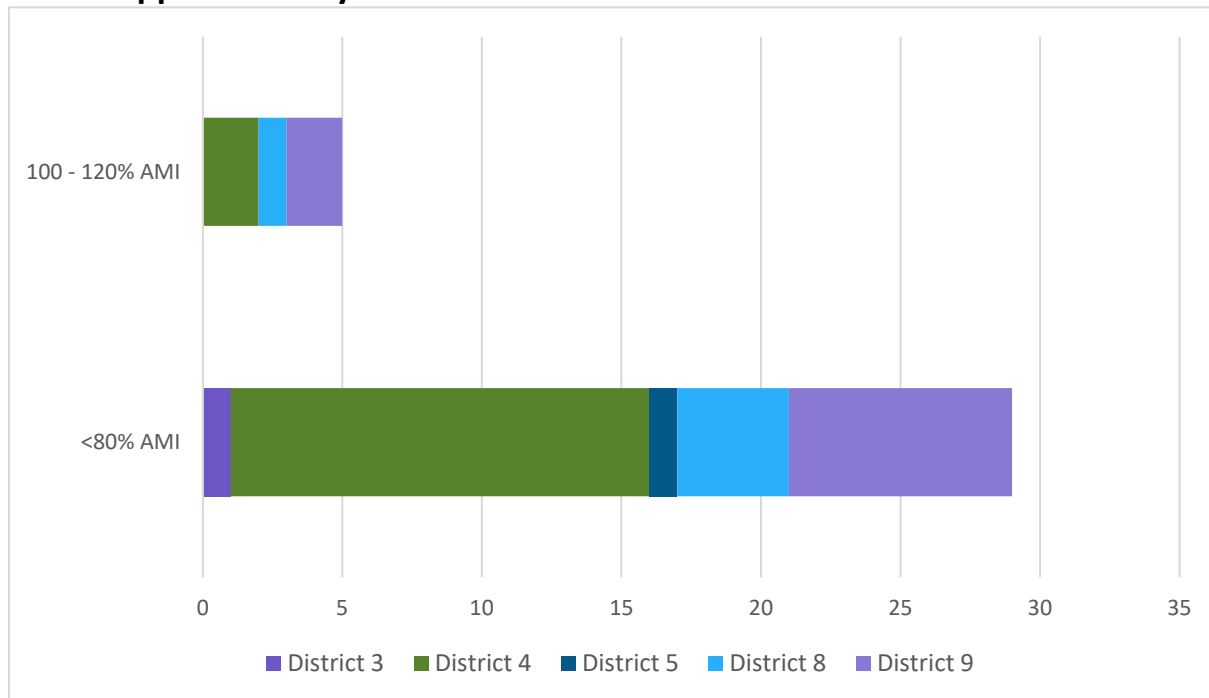
TABLE 2

#### Active and Completed Projects by District and Income Band

District	< 80% AMI	80 to 100% AMI	100 to 120% AMI	Total
District 1	0	0	0	0
District 2	0	0	0	0
District 3	1	0	0	1
District 4	15	0	2	17
District 5	1	0	0	1
District 6	0	0	0	0

District	< 80% AMI	80 to 100% AMI	100 to 120% AMI	Total
District 7	0	0	0	0
District 8	4	0	1	5
District 9	8	0	2	10
<b>Total</b>	<b>29</b>	<b>0</b>	<b>5</b>	<b>34</b>

FIGURE 7  
**Active Applications by District and Income Band**



The single projects in District 3 and District 5 are both for homeowners with a total household income of 80% AMI or less. Districts 4, 8 and 9 have projects in the lowest income band and the highest income band.

### By Adders

In addition to the basic SDSEP solar incentive of \$4/W, applicants were also eligible to apply for two incentive adders: for job training and electrical panel upgrades.

The job training incentive is intended to encourage participating solar contractors to use trainees on their projects. Each application is eligible for up to \$1,000, not to exceed the cost of the project, for providing at least 40 training hours to a qualifying trainee. More details about job training requirements are outlined in the Program Handbook. At the incentive claim stage, applicants pursuing this adder must

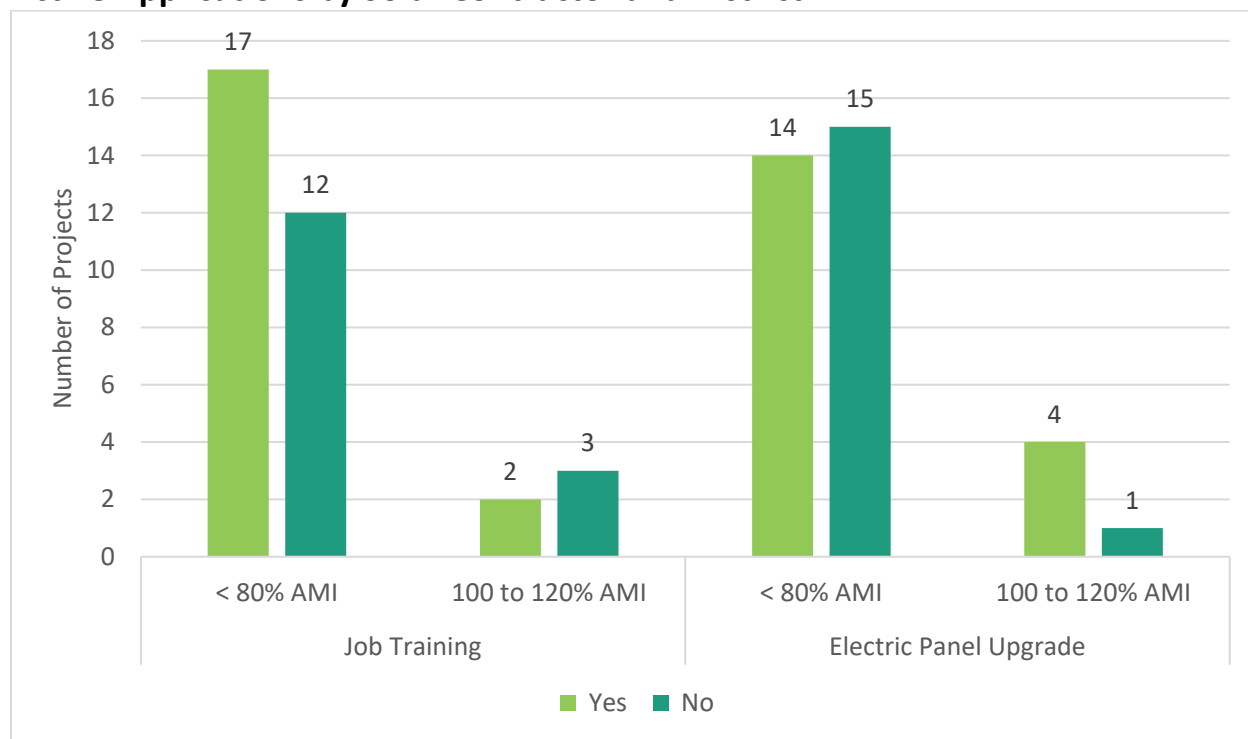
provide a signed job training attestation. The program will share more information regarding the number of job trainees engaged and total job training hours in a future stage. Additionally, in future annual reports the PA will communicate the total number of jobs created and hours worked on SDSEP projects.

In consultation meetings conducted to inform the development of an initial program design, the PA received feedback from numerous participants that the cost of repairing their homes to support solar PV systems is a significant barrier for low-income customers.

While SDSEP was unable to provide support for roof upgrades in its first year, the electrical panel upgrade incentive was added to help ease the burden of preparing a home for solar. Applicants were eligible for an adder incentive of up to \$3,500 for necessary electrical panel upgrades to support solar installation on the home. FIGURE 8 shows the uptake of adder incentives across active Year 1 applications.

FIGURE 8

### Active Applications by Solar Contractor and District



There was an even mix of projects that did and did not pursue either or both added incentives. Of 34 applications, 19 plan to claim the job training adder and 18 requested an electric panel upgrade incentive.



### By Solar Contractor

There are 17 eligible solar contractors on the eligible solar contractor list. Of these, 13 submitted projects. Two organizations, Lumio and Massella Electric, submitted projects that did not meet program eligibility criteria. The remaining 11 solar contractors submitted between one and five projects.

TABLE 3

### Active Applications by Solar Contractor and District

Company	Office Location	District 3	District 4	District 5	District 8	District 9	Total
Aicon Solar	San Diego, CA District 1	0	2	0	0	0	2
Aloha Solar**	Encinitas, CA	1	0	0	0	1	2
Bee Connected**	San Diego, CA District 4	0	1	0	0	0	1
BVI Solar	San Diego, CA District 6	0	3	1	0	1	5
GRID Alternatives San Diego	San Diego, CA District 9	0	5	0	0	0	5
Infinity Energy	San Diego, CA District 6	0	3	0	0	2	5
Roof King Roofing, Inc.	Vista, CA	0	1	0	0	1	2
Sunlit Direct	San Diego, CA District 2	0	2	0	2	1	5
Sunspired Builders	San Diego, CA District 5	0	0	0	1	2	3
United Plumbing, Heating, Air, and Electric	San Diego, CA District 6	0	0	0	1	1	2
VESCO JV	Vista, CA	0	0	0	1	1	2
<b>Total</b>		<b>1</b>	<b>17</b>	<b>1</b>	<b>5</b>	<b>10</b>	<b>34</b>

**Notes:**

\*\* Union Contractor recommended by IBEW Local 569

The 11 solar contractors that submitted applications that were not screened out participated in a mandatory pre-construction meeting with the program’s third-party prevailing wage consultant, Gafcon.

Additionally, many of the participating solar contractors have provided feedback to the PA that has helped guide discussions for program updates in Year 2. A summary of the Year 1 feedback is captured in the Solar Contractor Roundtable Memo, shared with SDG&E on Feb. 17, 2023.

## Engagement, Outreach and Program Materials

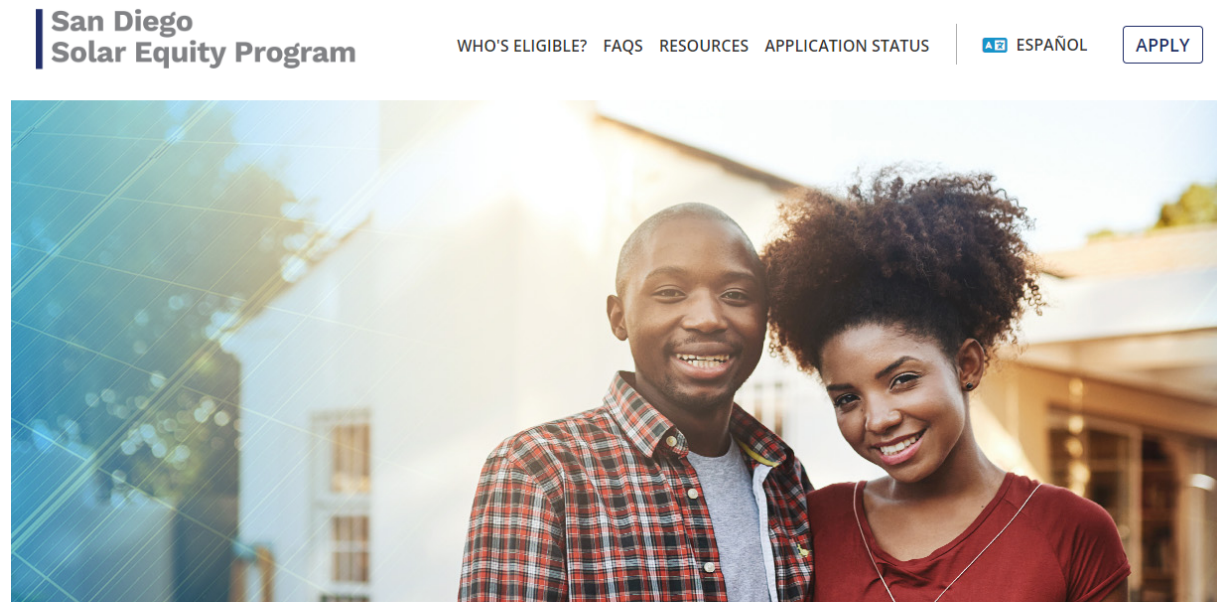
In addition to consultations, program design development and application processing, CSE is also responsible for developing and maintaining materials required to support SDSEP. This includes the program website and online application portal, outreach and engagement activities, program forms and documents and fact sheets. This section outlines the work completed from July 2022 to March 2023.

### Website and Application Portal

SDSEP uses a website to house its online application form and supporting documents. CSE’s platform development team built this website between July 2022 and September 2022. FIGURE 9 displays a screenshot of the main landing page.

FIGURE 9

#### SDSEP Website Landing Page ([sdsolarequity.org](https://sdsolarequity.org))



## PROVIDING SAN DIEGO RESIDENTS WITH ACCESS TO SOLAR

The San Diego Solar Equity Program, sponsored by San Diego Gas & Electric® (SDG&E®), is designed to enable income-qualified homeowners who live within the City of San Diego to install rooftop solar and enjoy the benefits of clean energy and energy savings.

The website includes an eligibility page, which explains the eligibility criteria for participating homeowners and solar contractors, a Frequently Asked Questions page, a resources page and an application status tool. The website is integrated with Google Translate and can be translated to Spanish.

Clicking on the “Apply” button in the top right corner of the website takes a user to the online application intake form (see FIGURE 10). Solar contractors use this form to submit applications on behalf of homeowners. Prior to the creation of this page and the program launch in September, interested homeowners and solar contractors instead filled out an interest form to join a mailing list and receive launch updates.

FIGURE 10

## SDSEP Application Intake Portal

The screenshot shows the top navigation bar of the SDSEP Application Intake Portal. On the left is the logo for the San Diego Solar Equity Program. In the center are links for 'WHO'S ELIGIBLE?', 'FAQS', 'RESOURCES', and 'APPLICATION STATUS'. On the right is a language toggle for 'ESPAÑOL' and a blue 'APPLY' button.

### Incentive Application Intake Form

Note that the incentive reservation is not confirmed until you submit all required documents and receive the Reservation Approval Notice via email.

Host Customer Contact Information

Primary Contact - First Name *	Primary Contact - Last Name *
<input type="text"/>	<input type="text"/>
Street Address *	City *
<input type="text"/>	<input type="text"/>
Zip Code *	Primary Contact - Phone Number
<input type="text"/>	<input type="text"/>
Primary Contact - Email *	Primary Contact - Confirm Email Address *
<input type="text"/>	<input type="text"/>

Since SDSEP began accepting applications, modification of the program website has been limited. Minor modifications were made to the application intake form to improve user experience. One such example was to limit the number of digits allowed in the CEC-AC Rating (kW) field to three decimal places. This ensures all entries match the formatting of the Expected Performance Based Buydown (EPBB) Calculator.

Changes like these allow solar contractors to more easily input information and avoid mistakes that require later correction. No major website updates are expected at this time, but there may be future modifications to support program design changes.

## Marketing Activities

Marketing, while the smallest focus of the administrative activities, is an important part of the SDSEP. It includes not only growing awareness of the program, but also developing the materials needed to run the program. CSE's internal marketing team and program team met with the SDG&E marketing team from July to March 2023 to coordinate on website layouts, a press release and launch event, and program progress.

### Events

On August 9, 2022, CSE co-hosted an event with SDG&E to announce the upcoming launch of SDSEP. At this event, representatives from CSE, the City Council and SDG&E all had an opportunity to speak in support of the program. Multiple English- and Spanish-language media outlets (both written and audio/visual) attended and reported on the event.

After this event, traffic to the program website increased significantly. SDSEP received over 600 interest forms from interested homeowners and solar contractors over the month following the press event.

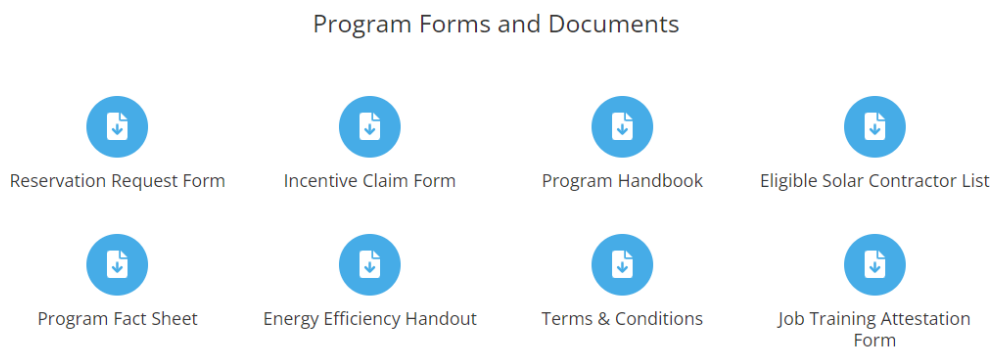
Currently, CSE is coordinating with the SDG&E marketing team to identify an active application to showcase at a future press event.

### Program Resources

FIGURE 11 shows publicly available resources for SDSEP. Resources include application materials such as the Reservation Request Form, Incentive Form and Terms & Conditions. The page also includes supporting materials, such as the Program Handbook and instructions for using the Climate Equity Index Map. In addition, CSE plans to feature a program statistics sheet on this page, which will be regularly updated to improve transparency.

FIGURE 11

## Available Resources



## Policy Impacts

CSE will seek out opportunities to use lessons from SDSEP to inform related legislation and policy. The policy impacts of the program, as well as lessons learned, are limited at this time due to SDSEP's brief operation.

However, in October 2022 the CPUC released an Assigned Commissioner's Ruling (ACR) seeking comments for Assembly Bill 209 implementation. This bill authorized legislatively appropriated state funds to be applied to solar and storage incentives through the Self-Generation Incentive Program.

The ACR sought guidance across a variety of topics, one of which was focused on incentive levels and how the program should approach the re-incorporation of solar. CSE was able to use learnings from the program design development of SDSEP to help inform comments on this proceeding.

CSE will continue to leverage the data collected throughout the life of SDSEP to help inform discussions around other incentive programs.

## Next Steps

Consultation and input for program design will be ongoing throughout the program. As such, program design elements can be adjusted year to year as the program progresses. In preparation for the Program Year 2, CSE gathered feedback on the initial program design from participating solar contractors, external stakeholders, the City Sustainability and Mobility Department, SDG&E and City Council Offices for District 7 and 9. These discussions are expected to continue until June 2023.

At this time the main takeaways, which require further investigation and may be incorporated into proposed program design updates for Program Year 2, include:

- **Leverage the Climate Equity Index in the program as a tool for prioritizing customers located within Communities of Concern.** Based on the feedback received from interested homeowners, the City of San Diego and the District 7 City Council office, CSE explored the potential for adjusting the current requirement that participants be located within a Community of Concern.

However, there was strong consensus between both the participating community-based groups and the technical groups that the Community of Concern requirement stay in place. CSE will work with city staff to integrate the Climate Equity Index into the program design in a way that aligns with the city's intent for this tool.

- **Adjust the target income bands.** In Program Year 1, none of the applications represented homeowners in the middle-income band (i.e., those with a total household income between 80 and 100% AMI). Upon further examination, the range of total household incomes for this band is very narrow (about \$3,000 compared to \$20,000+ for the 100% to 120% band). For this

reason, CSE will consider adjusting the targets to two income bands – less than 80% AMI or 80 to 120% AMI.

- **Keep the Solar contractor project cap at five projects, but additional projects may be pursued in targeted locations.** Solar Contractors are currently the bottleneck for getting customers into the program. However, stakeholders were not in support of changing the annual project cap from five projects. Participating stakeholders encouraged the program to seek out more solar contractors to participate.

However, a suggestion was made that solar contractors who meet the cap but are interested in pursuing more projects can do so if they seek out projects in targeted areas. These targeted areas can be updated year to year to capture City Council Districts or building types that are underrepresented by the current program participants.

- **Consider providing deposit support and partnering with a local bank to provide financing support to participating solar contractors.** One stakeholder suggested that the program consider making progress payments to alleviate the burden on the solar contractor to fully float the cost of the project until the incentive claim stage. However, upfront payments or progress payments present too much of a risk for a program of this size.

CSE will explore the possibility of the program supporting the deposit on behalf of the homeowners so that homeowners are not responsible for any costs of the system. Additionally, CSE will evaluate the potential to partner with a local bank to provide loans to the participating solar contractors so they do not need to take on costs before the incentive is paid.

The following are takeaways that CSE will likely not implement in Program Year 2, but will explore further for implementation in future years:

- **The program should consider expanding to non-owner-occupied housing to allow renters to benefit from the program.** While the program is currently open to duplex, triplex and quadplex structures, only detached single-family homes participated in the first year of the program. Additionally, the current program structure targets homeowners, so only duplex, triplex and quadplex residences that are owner-occupied would qualify. CSE will explore potential changes to the existing program structure that may encourage small multi-family buildings to participate.



Center for  
Sustainable  
Energy®

---

## One mission — DECARBONIZE.®

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.

[EnergyCenter.org](https://EnergyCenter.org)