

San Diego Solar Equity Program

SDG&E Annual Report

Program Year 2

Statistics from August 1, 2023 to June 30, 2024



Center for
Sustainable
Energy®

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Report Purpose

This report, written by the Center for Sustainable Energy (CSE) for San Diego Gas and Electric^(R) (SDG&E^(R)), documents the outcomes of Program Year 2 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 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 second program year of SDSEP, which provides program statistics in this report span activities from August 1, 2023 through June 30, 2024 which covers activities for the full Year 2 program year.

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 August 1, 2023 and June 30, 2024, SDSEP received a total of 56 applications. Of these applications, 18 were canceled, leaving 38 active applications. From these active applications, 22 have approved incentive reservations and are ready to begin permitting and installation, 5 applications are pending paperwork and under review, and 11 projects were completed, interconnected and paid. A breakdown of incentives submitted, reserved, paid and remaining are summarized below.

TABLE 1

Incentive Allocations for Year 2

Area Median Income (AMI)	Number of Active or Paid Applications	Submitted	Reserved	Paid	Total	
< 80% AMI	33	\$35,392.00	\$520,184.00	\$293,704.00	\$849,280.00	88%
80- 100% AMI	2	\$29,700.00	\$27,580.00	\$0	\$57,280.00	6%
100- 120% AMI	3	\$0	\$59,036.00	\$0	\$59,036.00	6%

The values in TABLE 1 above reflect program statistics as of July 30, 2024, 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.

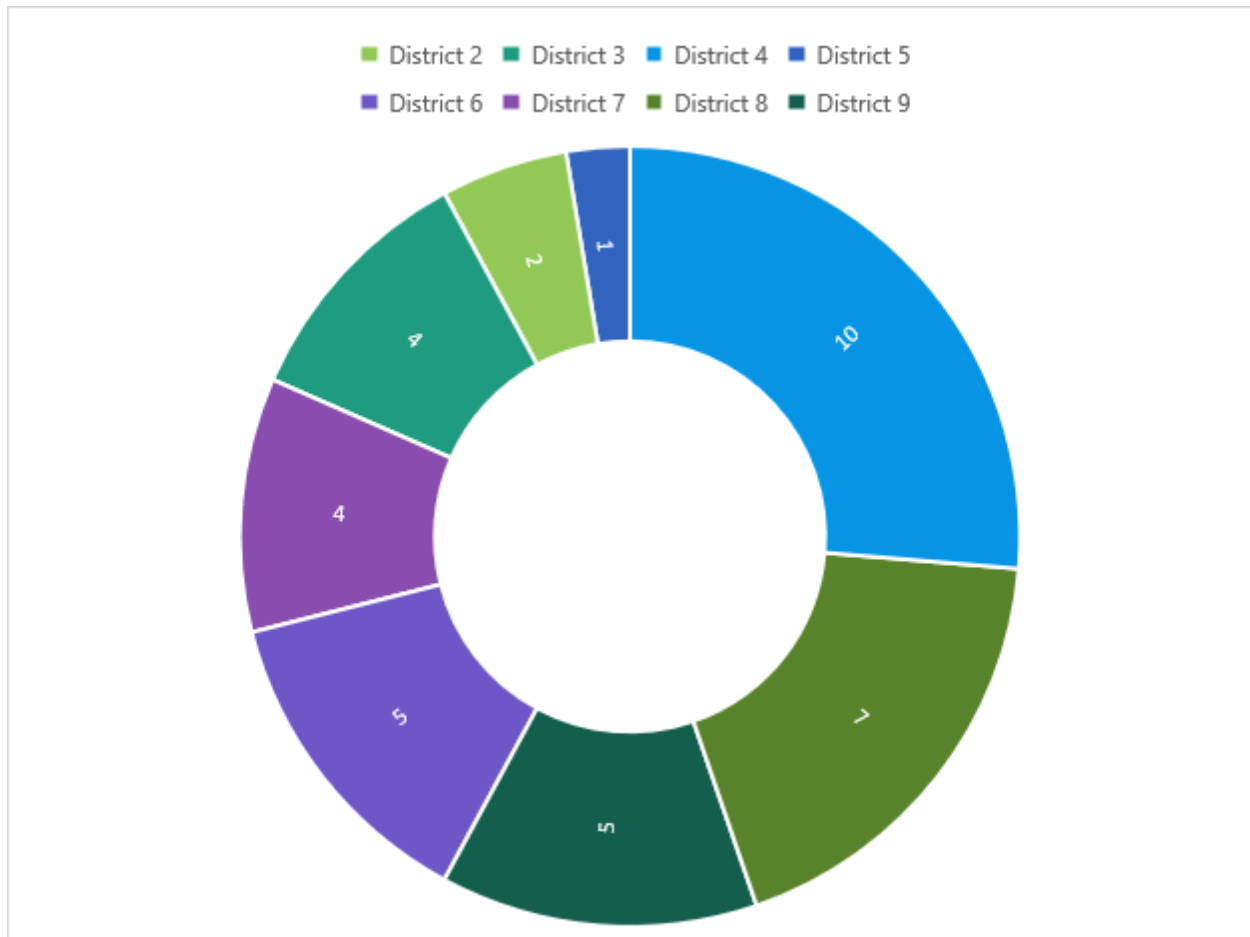
The incentive amounts in the “Reserved” column capture the incentives reserved by projects that have been reviewed and received reservation request approval notifications. These projects are approved to begin installation and can be anywhere in the process from permitting to interconnection. Each project 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 \$138,808 remaining in Program Year 2 incentive funding on June 30, 2024. The average system size is 6.03 kilowatt (kW) with an average incentive reservation of \$25,927.89. FIGURE 1 illustrates the breakdown of active and paid projects by San Diego City Council districts. 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 2.

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:

$$5,000 \text{ W} \times 0.9 = 4,500 \text{ W}$$

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

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

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

In Year 2 of the program, eligibility requirements were rolled out in phases as described in the Eligibility Table below. If the applicant applied for the program in a phase for which they do not qualify, the application was canceled and was required to re-apply in the appropriate phase.

Homeowner Eligibility Requirements

	Phase 1	Phase 2	Phase 3
Length	<i>6 months</i> (August 1, 2023 to January 31, 2024)	<i>3 months</i> (February 1, 2024 to April 30, 2024)	<i>2 months</i> (May 1, 2024 to June 30, 2024)
Eligibility	Total household income less than 80% AMI AND located in a Community of Concern	Total household income less than 120% AMI and located in a Community of Concern OR total household income less than 80% AMI	Total household income less than 120% AMI

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



Host Customer

- 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.

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 2 of SDSEP the 2023 San Diego County AMI limits, effective April 17, 2024, were used. The total household income must meet the income threshold requirement per each Phase description 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 for Phase 1 of the program, a host customer must meet the 80% income limit for low income and 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. In Phase 2 of the program, the host customer must meet one of the following requirements, have a total household income less than 120% and reside within both the City of San Diego and a community of concern or have a total household income less than 80% AMI and live within the City of San Diego. In Phase 3 of the program (for the last 2 months of the program) a host customer must have a total household income of less than 120% AMI and reside within the City of San Diego.

Participating homes must be owner-occupied, single-family homes. SDSEP is broad in defining "single-family" and includes duplex, triplex and quadruplex 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 duplexes. 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

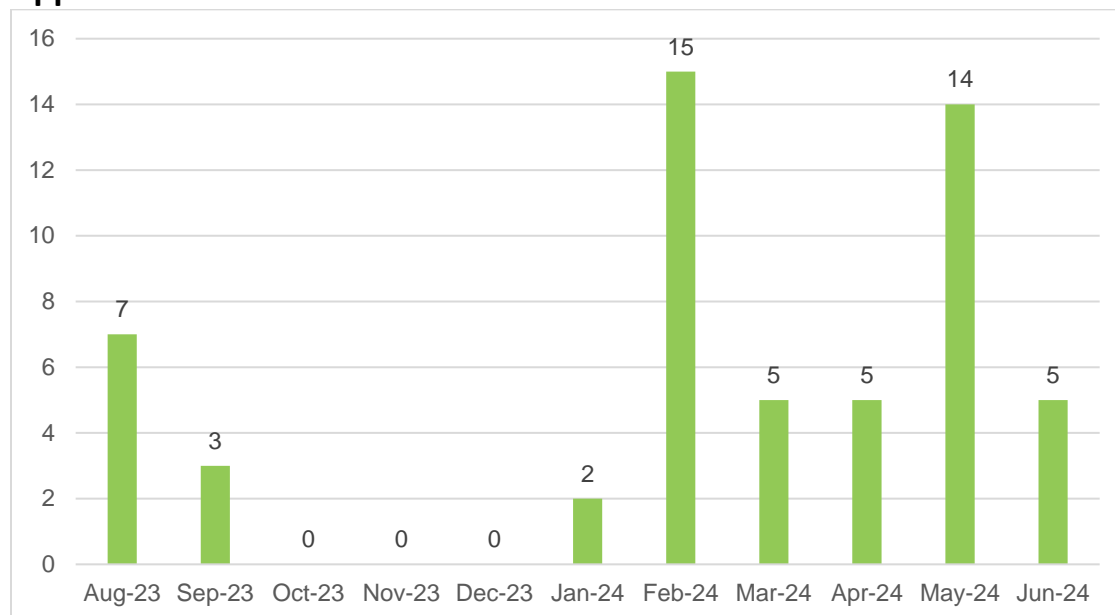
This section summarizes and analyzes the trends observed in Program Year 2. Understanding the program's reach and gaps is vital to ensure the program accomplishes its goal of accelerating adoption of solar in the City San Diego, specifically by income-qualifying residential customers who have historically been excluded. Each year's program results help inform areas of improvement for future program design revisions.

In total, the program received 56 applications in Year 2 which ran between August 1, 2023 and June 30, 2024. FIGURE 2 illustrates the flow of applications through the course of the year. The application volume over the year shows significant peaks in February 2024 and May 2024, with 15 and 14 applications respectively. There are noticeable drops in application volume during September 2023 (3 applications) and December 2023 (2 applications). The overall trend indicates fluctuations with higher activity during late winter and spring months which coincides with the opening of the last two phases to allow a wider range of applicants.

The application trends relative to the program's phase changes reveal that the strategic approach was effective. During Phase 1 (July 2023 - December 2023), preparation and communication led to a temporary drop in applications as contractors adjusted to new requirements. In Phase 2 (January 2024 - March 2024), training sessions successfully boosted application volume, peaking in February and stabilizing in March. Phase 3 (April 2024 - June 2024) showed continued engagement with another peak in May, indicating sustained contractor participation and effective ongoing outreach.

FIGURE 2

Application Volume Over the Course of the Year

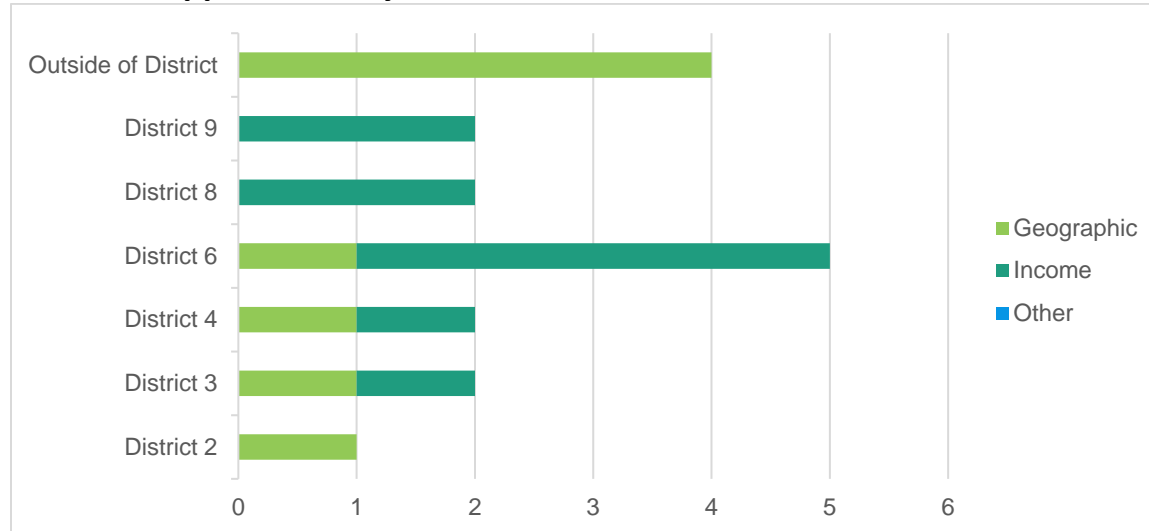


Canceled Applications

Of the 56 submitted applications, 38 are still in the program as active or paid projects. FIGURE 3 shows a breakdown of the 18 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 or resides outside of the City of San Diego.

Looking more closely at the applications that were canceled due to geographic ineligibility, four of the eight canceled projects were for households whose residence were outside of the City of San Diego city limits and not eligible for the program. While four applications had a total household income greater than 120% of the area median income.

For the income category, the 10 cancelled applications were due to the host customer submitting applications with ineligible incomes. The total household incomes were greater than 120% AMI and did not meet the eligibility requirements of the program.

Active Applications and Paid Projects

This section explores the distribution of the 38 active projects by different metrics.

By Income

For reference, TABLE 1, first shown in the Current Program Statistics section above, shows a breakdown of active projects by their application status and income band. The program set initial soft targets for distribution of incentives across the income bands defined in TABLE 1. 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.

The current application distribution referenced in TABLE 1, with 88% of applications from households below 80% AMI and only 12% from households between 80-120% AMI, has led to leftover funds at the end of the program year. Adjusting the balance to 60% for those below 80% AMI and 40% for those above 80% AMI will ensure the full utilization of available funds and prevent unspent resources. Data from FIGURE 2 indicates that opening applications to a wider range of income levels in Phase 2 and 3 led to a rise in submission volumes. While this adjustment allows more households to benefit, it still prioritizes low-income households by allocating the majority of resources (60%) to them. This approach balances supporting low-income households with effective resource use, fostering economic diversity and sustainability within the program, and enhancing its overall impact.

FIGURE 4

2024 San Diego AMI Limits per HUD

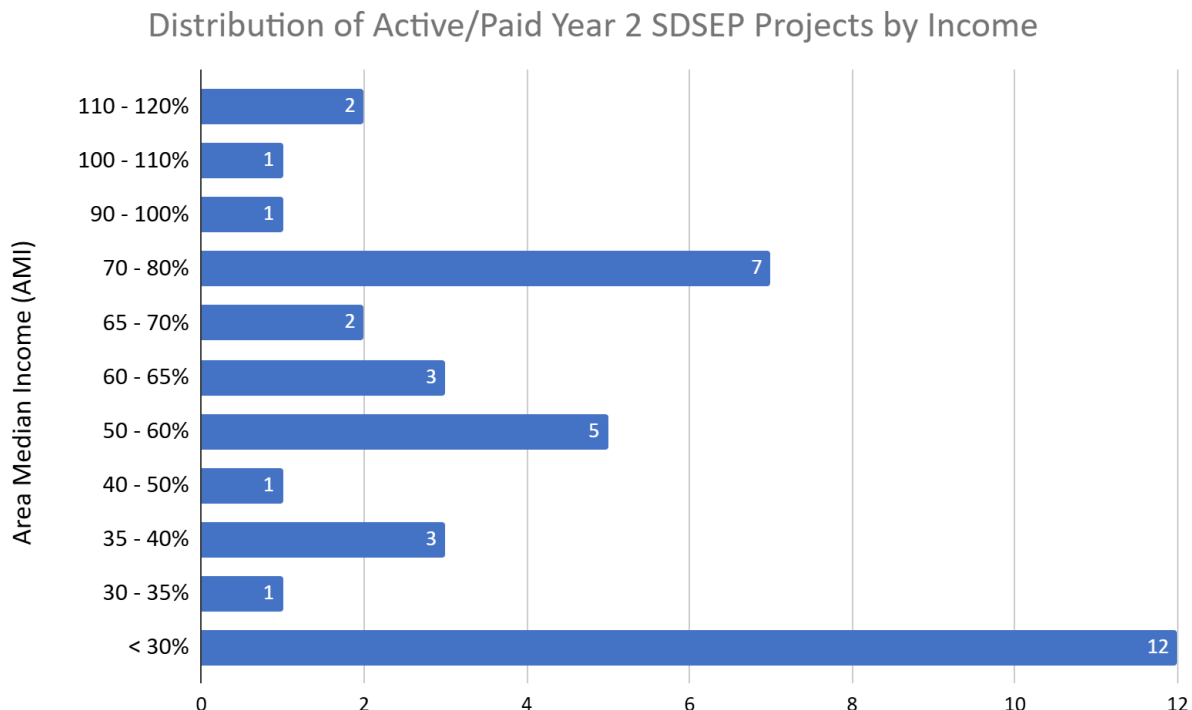
				Low Income					
Family Size	60% Income	65% Income	70% Income	80% Income	Family Size	Moderate Income 90% Income	Moderate Income 100% Income	Moderate Income 110% Income	Moderate Income 120% Income
ONE	\$63,660	\$68,950	\$74,250	\$84,900	ONE	\$84,275	\$83,650	\$92,000	\$100,400
TWO	\$72,720	\$78,800	\$84,850	\$97,000	TWO	\$96,300	\$95,600	\$105,150	\$114,700
THREE	\$81,840	\$88,650	\$95,450	\$109,150	THREE	\$108,350	\$107,550	\$118,300	\$129,050
FOUR	\$90,900	\$98,500	\$106,050	\$121,250	FOUR	\$120,375	\$119,500	\$131,450	\$143,400
FIVE	\$98,220	\$106,400	\$114,550	\$130,950	FIVE	\$130,000	\$129,050	\$141,950	\$154,850
SIX	\$105,480	\$114,250	\$123,000	\$140,650	SIX	\$139,625	\$138,600	\$152,500	\$166,350
SEVEN	\$112,740	\$122,150	\$131,500	\$150,350	SEVEN	\$149,275	\$148,200	\$163,000	\$177,800
EIGHT	\$120,000	\$130,000	\$140,000	\$160,050	EIGHT	\$158,900	\$157,750	\$173,500	\$189,300

Source: U.S. Department of Housing and Urban Development updated 4/2024

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 second 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 (34/38) 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 (22/29) have a total household income of 50% AMI or less and are considered “Very Low Income” per the HUD AMI limits.

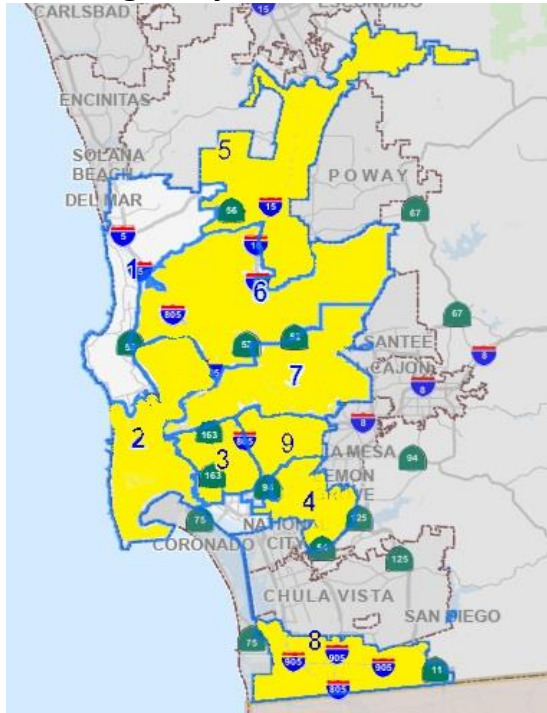
The highest number of projects (12) are in the less than 30% AMI range; however, households between the 70-80% range are close behind with seven projects. Of these 38 active applications, 18 of these households participate in another income-qualifying program such as California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA).

By Geographic Location

The active applications and paid project in Program Year 2 were spread across eight city council districts: District 2, District 3, District 4, District 5, District 6, District 7, 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. Currently, the data shows that most applications came from households below 80% AMI with a total of 34 applications compared to only 4 from households in the 100-120% AMI range. District 4 has the highest number of applications (10) from below 80% AMI, while District 1 has no applications in either category. Districts 7, 8, and 9 show applications in both AMI categories, with District 8 having the highest total number of applications (7). This indicates the program currently has a strong focus on lower-income households across most districts.

TABLE 2

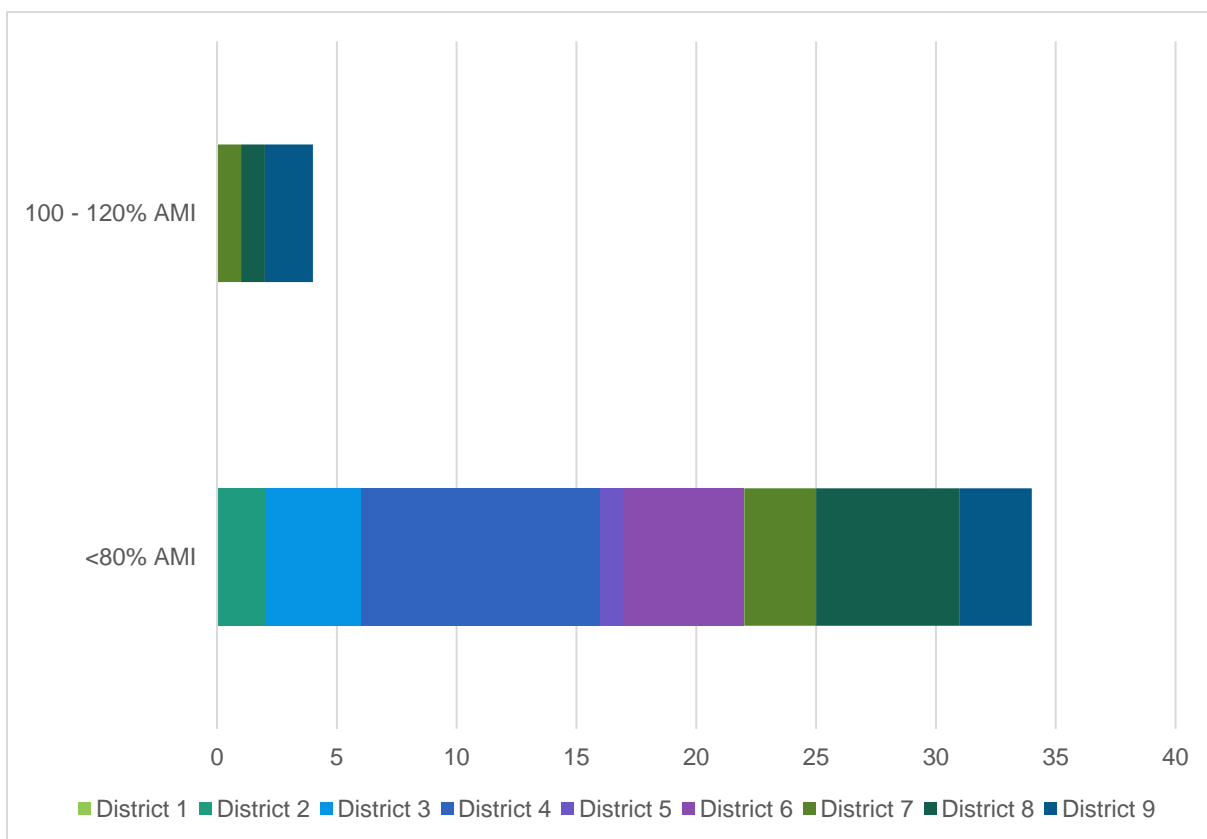
Active and Completed Projects by District and Income Band

District	< 80% AMI	80 to 100% AMI	100 to 120% AMI	Total
District 1	0	0	0	0
District 2	2	0	0	2
District 3	4	0	0	4
District 4	10	0	0	10

District	< 80% AMI	80 to 100% AMI	100 to 120% AMI	Total
District 5	1	0	0	1
District 6	5	0	0	5
District 7	3	0	1	4
District 8	6	0	1	7
District 9	3	0	2	5
Total	34	0	4	38

FIGURE 7

Active Applications by District and 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.

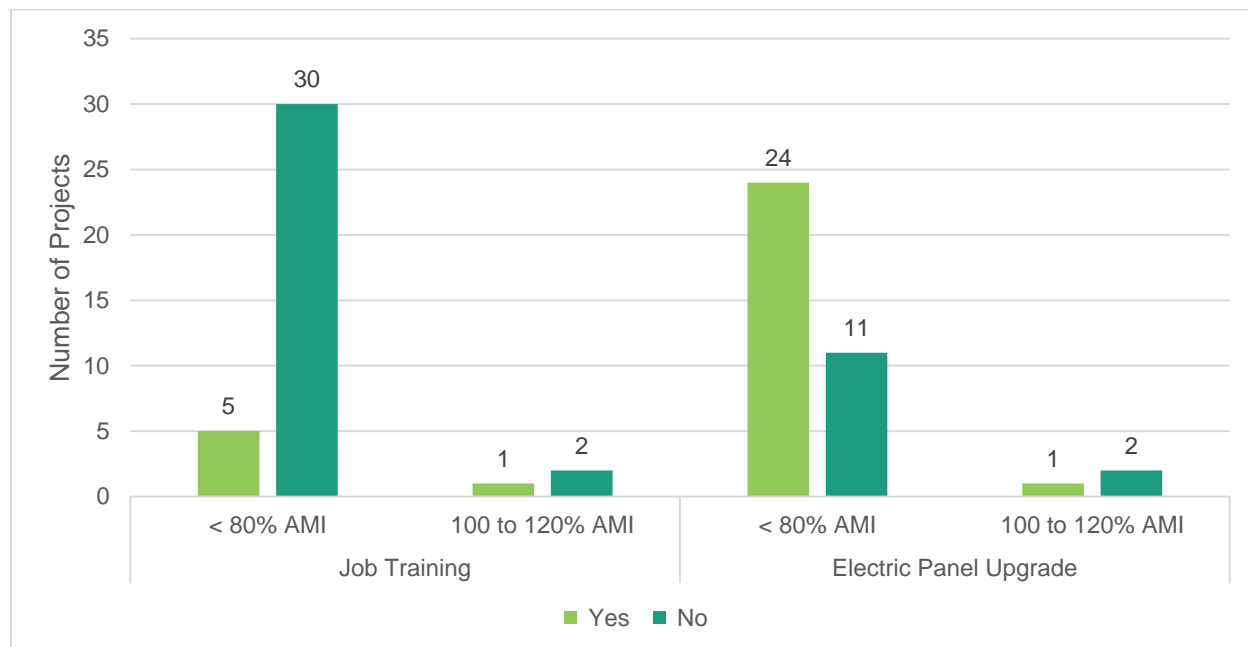
The job training incentive is intended to encourage participating solar contractors to use trainees on their projects. Each application is eligible for up to \$1,000, not to exceed the cost of the project, for providing at least 40 training hours to a qualifying trainee. More details about job training 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 roofs 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 two years of the program, 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 2 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 38 applications, 6 plan to claim the job training adder and 25 requested an electric panel upgrade incentive.

By Solar Contractor

There are 15 eligible solar contractors on the eligible solar contractor list. Of these, 12 submitted projects. One organization, Aicon Technologies, submitted projects that did not meet program eligibility criteria. The remaining 11 solar contractors submitted between one to five projects. See below in TABLE 3 for breakdown.

TABLE 3

Active Applications by Solar Contractor and District

Company	Office Location	District 2	District 3	District 4	District 5	District 6	District 7	District 8	District 9	Total
Aloha Solar	Encinitas, CA	0	1	2	0	0	2	0	0	5
Bee Connected	San Diego, CA District 4	0	0	3	0	0	0	0	1	4
BVI Solar	San Diego, CA District 6	0	0	0	0	1	0	0	0	1
Grid Alternatives San Diego	San Diego, CA District 9	1	0	1	0	0	0	1	1	4
Incentive Solar	San Diego, CA District 9	1	0	1	0	1	1	0	0	4
Liberty Solar & Construction	San Diego, CA District 7	0	0	0	0	1	0	1	1	3
Power Up Solutions LLC	San Diego, CA	0	0	1	0	0	0	0	0	1
Sattler Solar Inc	Del Mar, CA	0	0	1	1	0	1	1	1	5
Sunlit Direct	El Cajon, CA	0	1	1	0	0	0	2	1	5
Sunwell Solar Company	San Diego, CA District 6	0	2	0	0	2	0	1	0	5
Zenith Solar LLC	Fallbrook, CA	0	0	0	0	0	0	1	0	1

Total	2	4	10	1	5	4	7	5	38
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Administrative Costs

SDSEP receives \$1 million annually from SDG&E shareholder funds for administering the program and for incentive payments. Administrative funds are limited to 10% annually, yielding at least \$900,000 in incentive funds. Any unspent administrative funds in a given calendar year roll over to the following year.

Additionally, CSE received an initial upfront payment of \$200,000 for program design activities before the initial program design was approved by the City Council president. The following sections outline the budget breakdown by the overall contract as well as expenditures for the work completed to date.

Contract Budget

TABLE 4 illustrates the PA budget as stated in the CSE and SDG&E contract. CSE can use up to 10% of annual funding for administrative costs. This amount was front-loaded in Year 1 to help with the one-time, upfront costs of developing the program materials and website.

TABLE 4

Contract Budget

	Invoice Date	Administrative Funds	Incentive Funds	Total
Phase 1 Funds (NTE)	4/19/2022	\$200,000	\$0	\$200,000
Phase 2 – Year 1	6/17/2022	\$160,000	\$900,000	\$1,060,000
Phase 2 – Year 2	12/12/2022	\$80,000	\$900,000	\$980,000
Phase 2 – Year 3	Expected 1/1/2024	\$80,000	\$900,000	\$980,000
Phase 2 – Year 4	Expected 1/1/2025	\$80,000	\$900,000	\$980,000
	Agreement Total	\$600,000	\$3,600,000	\$4,200,000

Phase 1 Expenditure

Phase 1 of the program ran from March 2022 to June 26, 2022, with a budget not to exceed (NTE) \$200,000. The focus of Phase 1 was to identify local stakeholders, conduct consultation meetings and develop an initial program design.

CSE worked with SDG&E to create a stakeholder list, then coordinated with community-based and technical groups with City Council offices District 7 and District 9 to gather input on initial program design. During this phase, the PA created milestone deliverables including a stakeholder contact list, consultation memo and draft program design.

The phase concluded after CSE received a signed letter of support from the San Diego City Council president. The remaining Phase 1 funding at that time was \$126,360.50. TABLE 5 shows CSE's expenditure across the different project scopes throughout Phase 1.

TABLE 5

Phase 1 – Program Design

Month	Consultation	Program Design	ME&O	Website Development	Total
March	\$175.00	\$1,725.00	\$0.00	\$430.00	\$2,330.00
April	\$8,112.50	\$5,275.00	\$0.00	\$0.00	\$13,387.50
May	\$19,537.50	\$8,012.50	\$937.50	\$1,122.50	\$29,610.00
June	\$8,557.50	\$7,168.75	\$5,673.75	\$1,670.00	\$23,070.00
July	\$37.50	\$350.00	\$1,485.00	\$80.00	\$1,952.50
Totals	\$36,420.00	\$22,531.25	\$8,096.25	\$3,302.50	\$70,350.00
	(52%)	(32%)	(12%)	(5%)	

CSE requested that a portion of the \$200,000 NTE funds be used for all efforts pertaining to maintaining the prevailing wage requirements of the program during Phase 1. CSE earmarked \$10,000 for prevailing wage activities completed in Phase 2. These activities were primarily completed by Gafcon, the third-party prevailing wage consultant.

TABLE 6 shows the expenses accrued for prevailing wage activities.

TABLE 6

Prevailing Wage Expenses

Vendor	Month	Description	Expense
Procopio	July 2022	Consultation from a prevailing wage law firm (from Phase 1)	\$3,289.50
Gafcon	October 2022	Third-party prevailing wage consulting firm conduction pre-construction meetings with participating Solar Contractors (conducted in Phase 2)	\$117.00
Gafcon	November 2022		\$2,187.00
Gafcon	December 2022		\$18.00
Gafcon	January 2023		\$36.00
Gafcon	February 2023		\$306.00
Gafcon	March 2023		\$252.00
		Total	\$6,205.50

Phase 2 Expenditure

The SDSEP program year does not align with the calendar year, but the annual funding for program administration is an annual allocation. Therefore, this report covers the administrative funds spent in Q3-Q4 2023 and Q1-Q2 2024. TABLE 7 shows the administrative expenditure from July 2023 to the end of 2023 across six scope areas.

TABLE 7

2023 Administrative Expenses

Month	Program Management	Program Design	ME&O	Website Development	Analysis & Evaluation	Application Review	Total
July	\$2,417.93	\$45.06	\$804.69	\$946.31	\$414.58	\$2,698.60	\$7,327.17
August	\$2,629.08	\$0.00	\$302.56	\$540.75	\$92.70	\$3,218.75	\$6,783.84
September	\$692.68	\$0.00	\$128.75	\$234.33	\$252.35	\$2,039.40	\$3,347.51
October	\$1,144.59	\$0.00	\$869.06	\$0.00	\$0.00	\$1,799.93	\$4,125.58
November	\$589.68	\$0.00	\$579.38	\$0.00	\$45.06	\$2,594.31	\$3,808.43
December	\$1,756.15	\$0.00	\$0.00	\$0.00	\$0.00	\$1,035.15	\$2,791.30
Non-Labor*	\$312.00	\$0.00	\$300.00	\$0.00	\$0.00	\$0.00	\$612.00
Total	\$9,542.11	\$45.06	\$2,984.44	\$1,721.39	\$804.69	\$13,386.14	\$28,483.83
Percent	34%	0%	10%	6%	3%	47%	

*Non-labor costs include software licensing fees to set up the Box folders for secure document upload and website URL fees.

The administrative budget for 2024 is \$80,000. TABLE 8 shows the expenditure from January 2024 through the end of June 2024.

TABLE 8

2024 Administrative Expenses

Month	Program Management	Program Design	ME&O	Website Development	Analysis and Evaluation	Application Review	Total
January	\$3,221.16	\$0.00	\$2,669.45	\$291.75	\$143.22	\$2,036.85	\$8,362.43
February	\$4,591.05	\$0.00	\$1,111.28	\$2,635.03	\$0.00	\$3,122.86	\$11,460.22
March	\$2,703.93	\$0.00	\$1,027.73	\$2,883.03	\$0.00	\$2,323.23	\$8,937.92
April	\$4,646.72	\$0.00	\$928.27	\$556.98	\$0.00	\$1,973.15	\$8,105.12
May	\$2,544.80	\$0.00	\$198.92	\$1,060.91	\$0.00	\$2,800.60	\$6,605.23
June	\$1,476.33	\$0.00	\$53.06	\$3304.72	\$0.00	\$2,779.60	\$7,613.71
Non-Labor*	\$105.00	\$0.00	\$0.00	\$350.00	\$0.00	\$0.00	\$455.00

Total	\$19,288.99	\$0.00	\$5,988.71	\$11,082.42	\$143.22	\$15,036.29	\$51,539.63
Percent	37%	0%	12%	22%	0%	29%	

*Non-Labor costs include software licensing fees to maintain access to the Box folders for secure document upload, and annual URL fees.

Engagement, Outreach and Program Materials

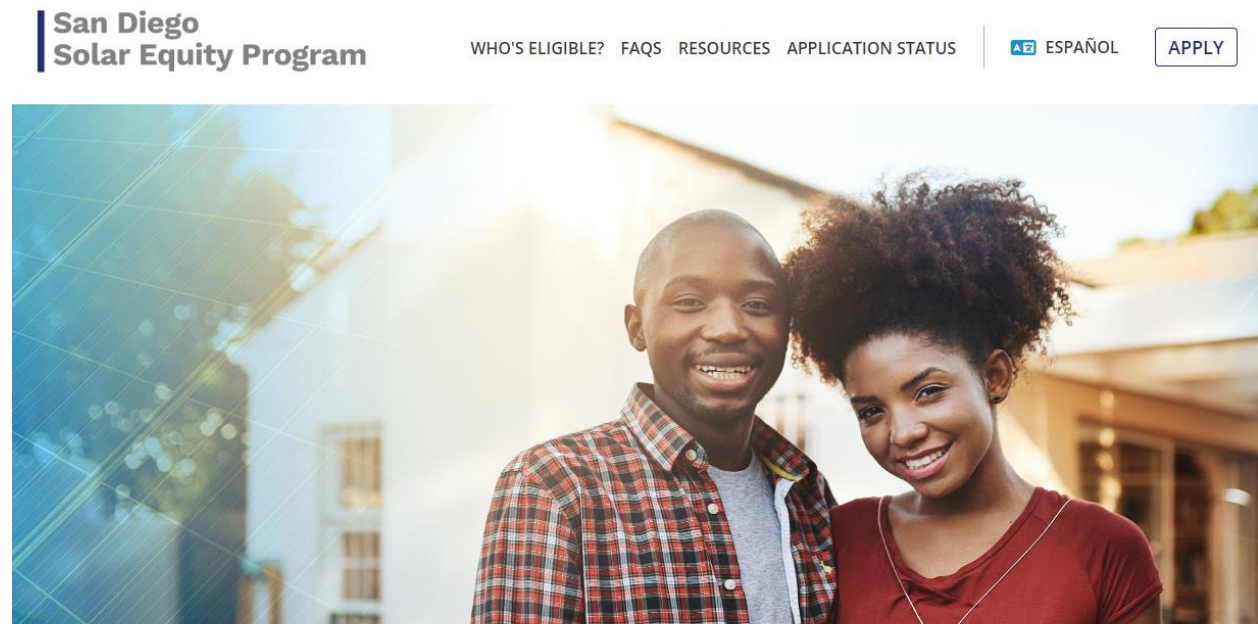
In addition to consultations, program design development and application processing, CSE is also responsible for developing and maintaining materials required to support SDSEP. This includes the program website and online application portal, outreach and engagement activities, program forms and documents and fact sheets. This section outlines the work completed from August 2023 to June 2024.

Website and Application Portal

SDSEP uses a website to house its online application form and supporting documents. CSE's platform development team updated the website between August 2023 and June 2024. FIGURE 9 displays a screenshot of the main landing page.

FIGURE 9

SDSEP Website Landing Page (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.

FIGURE 10

SDSEP Application Intake Portal

San Diego
Solar Equity Program

[WHO'S ELIGIBLE?](#) [FAQS](#) [RESOURCES](#) [APPLICATION STATUS](#)

[ESPAÑOL](#)

[APPLY](#)

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.

Events

In 2024, the San Diego Solar Equity Program (SDSEP) implemented various marketing activities to engage contractors and homeowners. The program conducted two webinar training sessions for solar contractors on January 23, 2024 and January 25, 2024. These sessions aimed to onboard additional contractors to the Eligible Solar Contractor List in preparation for Phase 2 of the eligibility requirements starting on February 1, 2024. Promotional emails for these webinars were sent to contractors on January 10, 2024 and January 23, 2024.

Additionally, targeted email campaigns were conducted for the homeowner interest list. On January 30, an email was sent to announce the opening of Year 2, Phase 2, and in May 2024, another email announced the opening of Year 2, Phase 3 funding. These efforts were designed to ensure continuous engagement and support for both contractors and homeowners participating in the SDSEP.

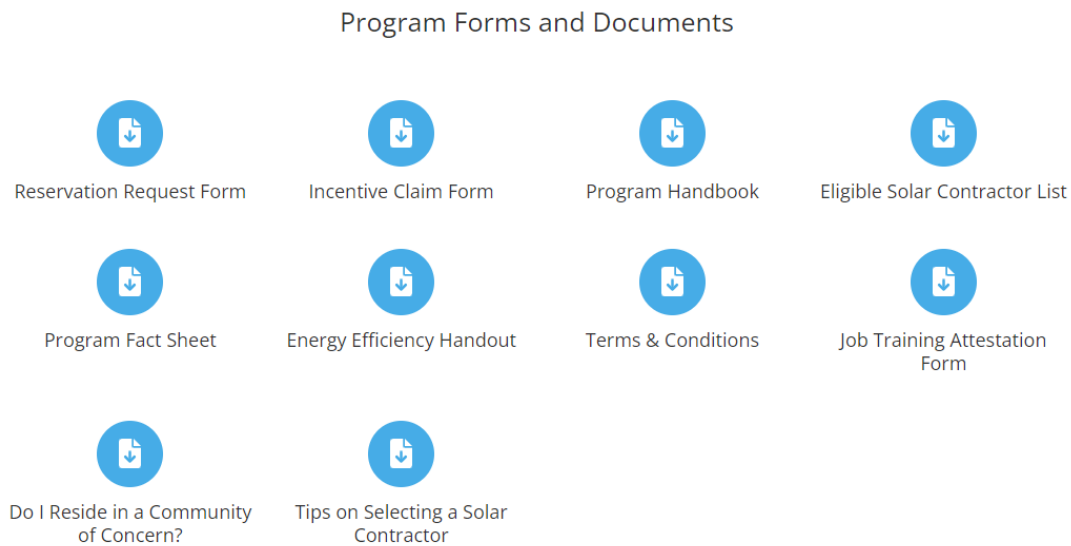
The program's phased eligibility requirements, set up to progressively include more income-qualifying households, were communicated clearly through these marketing activities, ensuring stakeholders were well-informed about their opportunities to participate.

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



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 3, CSE gathered feedback on the initial program design from participating solar contractors, external stakeholders, the City Sustainability and Mobility Department, and SDG&E.

The main takeaways that will be incorporated into program design updates for Year 3 are as follows:

- **The program three-phase approach will be condensed to a two-phase approach.** Based on the feedback the program received from participating Solar Contractors, the three-phase approach is confusing to homeowners. Furthermore, technical and community consultation groups suggested combining phase 2 and phase 3 to streamline the eligibility process. To address the concerns raised by Solar Contractors and technical and community consultation groups, the program's three-phase approach will be condensed into a two-phase approach. This adjustment aims to simplify the process for homeowners, making it easier for them to understand and access the program. By combining Phase 2 and Phase 3, we can streamline the eligibility process, reducing confusion and improving clarity, thereby enhancing the overall experience for residents.
- **The program will be prioritizing flood victims from the San Diego January 2024 flood in Year 3 implementation.** The program received multiple inquiries from different stakeholders regarding

how SDSEP could assist these flood victims. The City's decision to prioritize flood victims was made directly by the City Council, with consensus among the City to support these residents. CSE proposed adopting a two-phase approach in Year 3. In Phase 1, applications would be opened to low-income households (80% AMI or less) in communities of concern and residents in neighborhoods affected by the January 2024 flooding. In Phase 2, applications would be opened to residents with a total household income of less than 120% AMI who live within the City of San Diego.

- **The Solar Contractor project cap will be raised to 8 projects per contractor.** Over the two years of the program, participating Solar Contractors were limited to five projects per program year to prevent the concentration of funding in a single large company. During this period, 16 different companies submitted SDSEP applications. Four of these companies reached the five-project cap and showed interest in applying for additional projects in Year 2. There was still sufficient funding in Year 2 to support about 5 more projects. CSE proposed increasing the cap to 10 projects per year, with the possibility of allowing additional projects for contractors who meet their cap but have projects within targeted neighborhoods, provided funding remains available toward the end of the program year. SDG&E emphasized the need to monitor participation and proposed exceptions for contractors if funding remains at the year's end to avoid leaving funds unutilized while ensuring equity among contractor groups. Concerns were also voiced about ensuring smaller contractors were not disadvantaged, highlighting the importance of monitoring participation trends and their effects on funding distribution. In response, the City proposed capping projects at 8 per contractor while closely monitoring smaller contractor exit numbers and reasons during Year 3 implementation.

The following are takeaways that CSE will not implement in Year 3, but will explore further for implementation in future years of the program:

- **Should the incentive for electrical panels be increased?** At the solar contractor roundtable, the program contractors requested a higher incentive for the replacement of electrical panels. The current incentive stands at \$3,500 for replacing electrical panels, but contractors have requested an increase to \$4,000 or \$4,250 to align with market rates. Comparatively, SCE's Charge Ready Home program offers \$4,200 for similar households. Discussion points included the impact on project numbers and funding, and the possibility of implementing tiered incentives based on income levels. However, both the City and SDG&E agreed that a dollar amount closer to market pricing is desirable but expressed the need for data on the actual costs and impact on project numbers. CSE will be looking at providing panel upgrade data and costs and exploring what price range would be appropriate.
- **Should the incentive for workforce development be increased?** In the technical and community group, workforce development was discussed as a change to the program as either a mandatory

component or increased incentive to be more enticing for uptake by contractors. Currently, only 22 of the 74 (30%) active projects have received the higher incentive (\$1,000) for workforce development. The group debated whether to increase this incentive and how much the program should offer. Considerations included assessing the community impact in terms of hiring and training outcomes, and potentially reducing the incentive while making it mandatory. There was a need to understand whether the incentive was a driving factor for hiring or merely a supportive measure. The City suggested collecting data from Years 1 and 2 to evaluate the incentive's effectiveness before making any changes.