

San Diego Solar Equity Program

SDG&E Annual Report

Program Year 3

Statistics from October 7, 2024 to June 30, 2025

August 8, 2025



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 (SDG&E), documents the outcomes of Program Year 3 of the San Diego Solar Equity Program (SDSEP).

As the Program Administrator (PA) of SDSEP, CSE is responsible for developing an annual report at the conclusion of each program year. The annual report describes the program incentives paid, systems installed, and other relevant information regarding the progress of the program for the completed program year. This report provides program statistics spanning activities from October 7, 2024 through June 30, 2025.

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 (ECA) within this contract, SDG&E committed a total of \$10 million 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. CSE was selected by SDG&E to act as the third-party, non-profit to design and administer the program.

Current Program Statistics

Between October 7, 2024 and June 30, 2025, SDSEP received 53 applications to the program. Of these, 10 applications were cancelled, leaving 43 active applications. Due to oversubscription, 8 applications were placed on a waitlist for processing in Year 4, which is slated to begin in Fall 2025. This left 35 active applications for Year 3. As of June 30, 2025, 34 applications have been approved for funding and 1 application was still being processed and pending reservation approval. Of the 34 approved projects, 5 were already completed, interconnected, and paid out.

Table 1 below summarizes Year 3 application and incentive processing data as of June 30, 2025. 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 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 received

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 utility “permission to operate” or PTO, completed the Incentive Claim process and were approved for payment.

TABLE 1

Incentive Allocations for Year 3

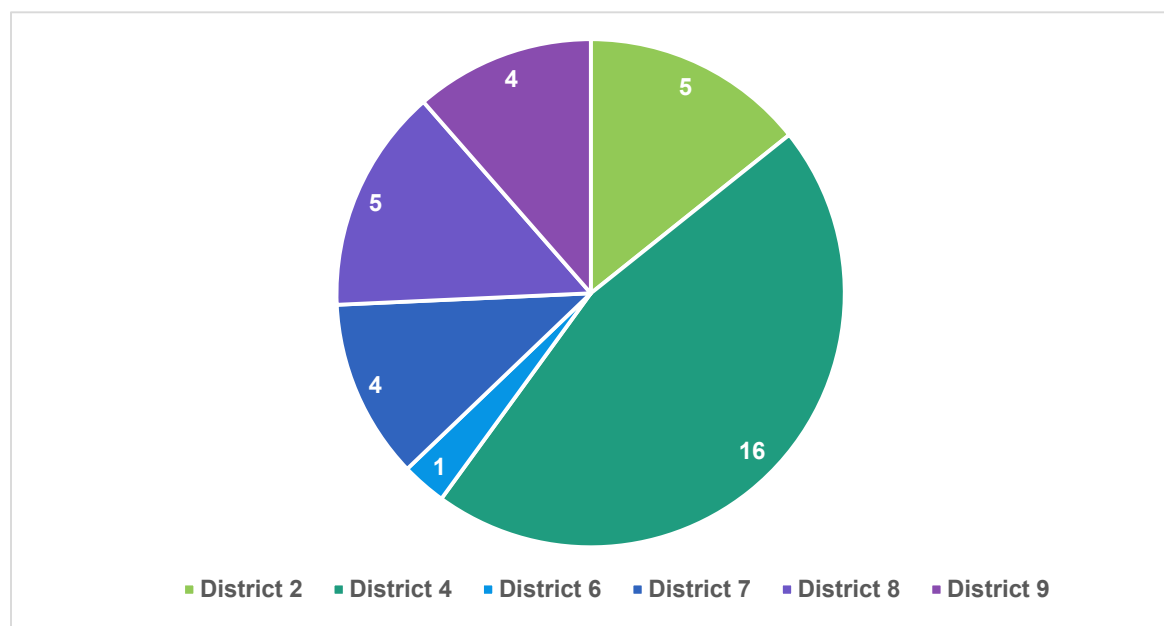
AMI	Number of Active or Paid Applications	Submitted	Reserved	Paid	Total	
< 80% AMI	31	\$23,024	\$796,600	\$110,528	\$930,152	90%
80 – 120% AMI	4	\$0	\$102,644	\$0	\$102,644	10%

The average system size is 6.76 kW with an average incentive reservation of \$29,508.64. Note, that the average system size is larger than the allowable system size for a standalone, single-family system (6.5 kW) because Year 3 included two homes with multi-units and larger allowable system sizes which skewed the average.

Figure 1 illustrates the breakdown of the active and paid projects by San Diego City Council district. Further analysis of the application cancellations and distribution of active applications will be explored in greater detail in Program Trends.

FIGURE 1

Distribution of Active Projects by District in Year 3



Program Design

Incentive Structure

The financial incentive is set at \$4 per watt. 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 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 incentive adders. Participants are eligible for up to an additional \$3,500 to cover the 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

FIGURE 2

Eligibility Requirements



Host Customer

- Must be located within the City of San Diego



Solar Contractor

- Must pay prevailing wages
- Must discuss energy efficiency with potential customers



Equipment

- System size up to 6.5 kW
- Must be on California Energy Commission's Solar Equipment List



Host Customer

- Must have a total household income of 120% Area Median Income (AMI) or less.



Solar Contractor

- Must be certified to install solar per the California Contractors State Licensing Board (CSLB)



Equipment

- Must be installed for the duration of its useful life
- Must meet the program's 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 Area Median Income (AMI) for the application year. For Program Year 3 of SDSEP, the 2024 San Diego County AMI limits, effective April 18, 2024, were used. The total household income must meet this requirement for at least the 12 months preceding the date of application. Household income was subject to verification and the Host Customer was 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, the Host Customers were also subject to geographic eligibility requirements. In Year 3 program, eligibility requirements were rolled out in two phases as described in the Table 2 below.

TABLE 2

Homeowner Eligibility Requirements

	Phase 1	Phase 2
Length	<i>6 months</i> (October 7, 2024 to April 7, 2025)	<i>3 months</i> (April 8, 2025 to June 30, 2025)
Eligibility	Total household income less than 80% AMI AND located in a Community of Concern OR Total household income less than 120% AMI AND located within neighborhoods impacted by the January 2024 flooding (zip codes 92102, 92113, and 92114)	Total household income less than 120% AMI AND located within the City of San Diego

In Phase 1, 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 (CEI) **or** within the neighborhoods devastated by the January 2024 floods which includes the following zipcodes: 92102, 92113, and 92114. Phase 2 opened the program to all residents living within the City of San Diego municipality and represented by one of the city's nine districts.

Participating homes must be owner-occupied, single-family homes. SDSEP is broad in defining "single-family" and includes duplex, triplex and quadplex buildings in this definition. Mobile and manufactured homes are also eligible for the program if their roofs can support a permanent solar installation. In Year 3, the program saw increased participation from duplexes, particularly single-family homes converted into duplexes through the addition of attached ADUs.

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 California State Licensing Board (CSLB) and listed on the program's Eligible Solar Contract 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 in order to remain on the Eligible Solar Contractor List. The number of projects per Solar Contractor was limited to eight projects this program year.

Participating Solar Contractors were required to pay prevailing wage, as defined by the California Department of Industrial Relations (DIR) to all staff working on the project and required to submit a signed attestation on each project. Contractors were also required to 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. 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 List. The 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 (HCO) 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 application process and 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.
2. The web-based Incentive Application Intake Form generates a pre-populated Reservation Request Form which is attached to the submission confirmation email.
3. The PA will contact the Solar Contractor and Host Customer within three (3) business days of receipt of the Incentive Application Intake Form with a secure Box link for document submission and next step instructions.
4. 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.
5. Once the application and all supporting documents are reviewed and approved by the PA, a Reservation Approval Notice will be provided by email to the Solar Contractor and Host Customer that identifies the amount of funds reserved.
 - a. Please note, the 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 the PTO from SDG&E, and submit the Incentive Claim Form along with supporting documentation.
6. 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.
7. After the PA determines the final system is eligible, the incentive payment will be sent out to the Payee listed on the Incentive Claim Form and supporting documentation is sent to SDG&E.

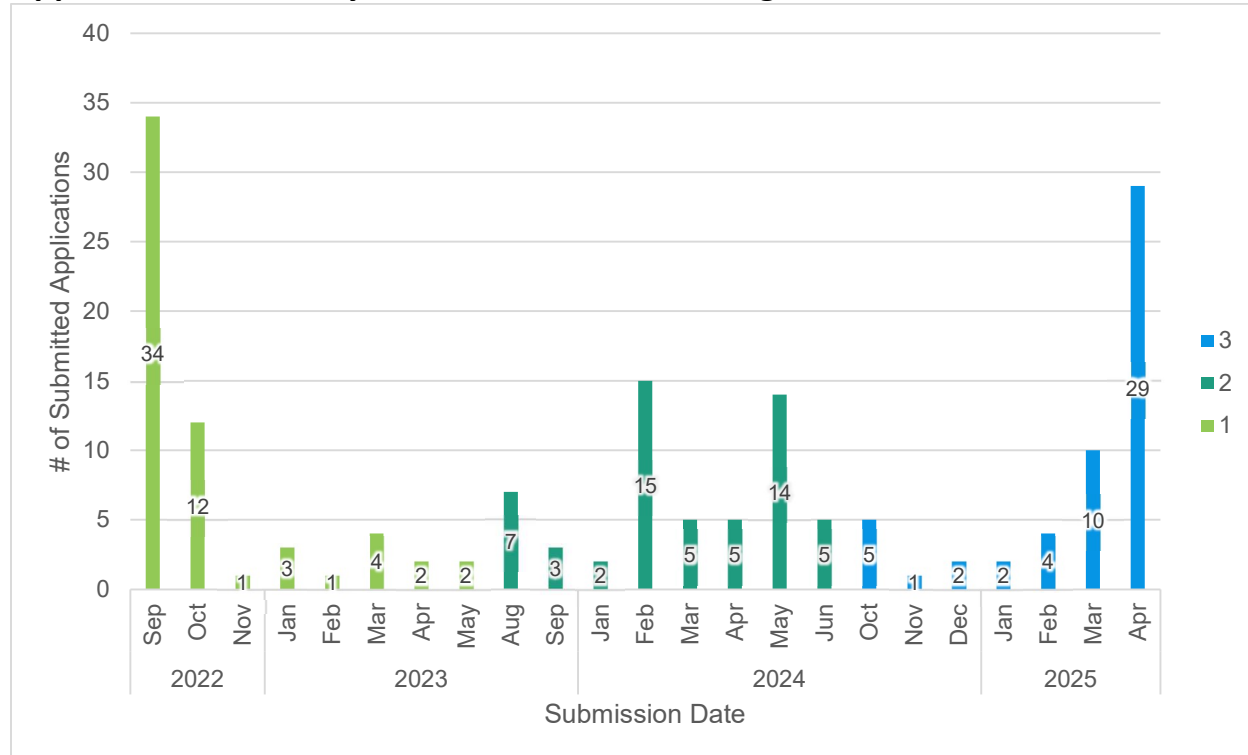
Program Trends

Understanding application trends is crucial for identifying the program's reach and gaps, ensuring it successfully achieves its goal of accelerating solar adoption among income-qualified residents who have been historically underserved. The program's annual and cumulative performance provide valuable insights that inform and help to improve future program design and revisions.

Figure 3 explores the application volume by submission date and program year.

FIGURE 3

Application Volume by Submission Date and Program Year



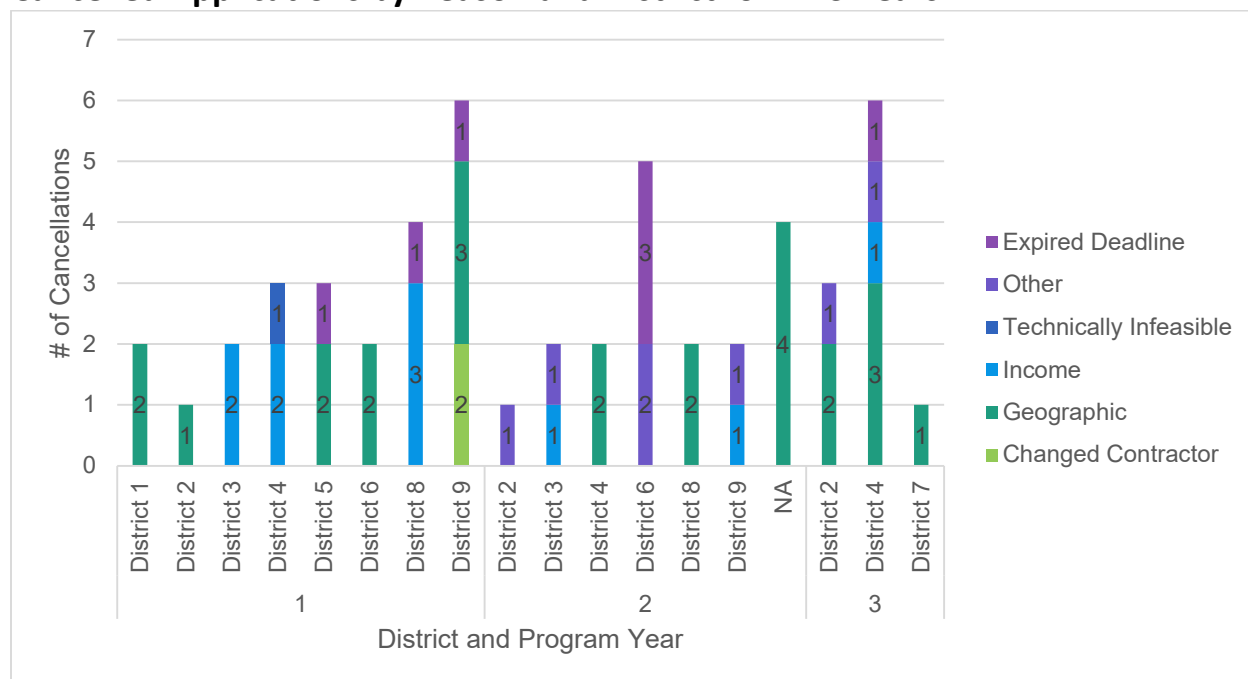
Between the program launch on September 27, 2022, and June 30, 2025, SDSEP received 168 applications total. Application volume wasn't steady; it is marked by distinct spikes. The initial launch in September 2022 saw the highest number of applications in Year 1 with 34 submissions, followed by a sharp decline through the remainder of the year. Application volume remained low but steady in early 2023, with a small increase in August when Year 2 funding was released and a more noticeable spike in February and March of 2024, due to renewed outreach efforts driven by contractors and program readiness. Year 3 witnessed a significant upswing in application activity in April 2025 with an unprecedented 29 applications – the highest submission volume since the program's inception – when Phase 2 of Year 3 opened. This surge in applications strongly indicated robust demand, leading to the full subscription of available funding by the end of the month. Further analysis reveals a strong alignment between heightened application volume and strategic, public-facing media efforts. This includes the joint press releases and outreach events orchestrated by SDSEP, the City of San Diego, and SDG&E in Years 1 and 3, with a prominent media event in April 2025 contributing to the Year 3 application surge.

Cancelled Applications

Of the 168 submitted applications, only 117 are still in the program as active, paid or waitlisted projects. FIGURE shows a breakdown of the 51 cancelled applications by San Diego City Council district and by cancellation reason.

FIGURE 4

Cancelled Applications by Reason and District for All 3 Years



Geographic and income eligibility is screened upon application submission, and applications that do not meet the program eligibility criteria are cancelled before the Box upload link is provided. Geographic ineligibility indicates that the Host Customer is located outside the designated community boundaries defined by the program's eligibility criteria. Income ineligibility means that the Host Customer has a total household income greater than 120% of the area median income.

The cancellations in the "Other" category vary. For instance, three applications listed under "Other" were cancelled because the Host Customer either submitted multiple applications with various contractors or the customer had two redundant applications due to a typo on the original submission. Two met the eligibility requirements of the program but were cancelled later in the Reservation Request stage. One was cancelled because of unresponsiveness, and one was cancelled due to the roof needing additional upgrades to be able to support solar.

Geographic cancellations are the most consistent reason for application cancellations, responsible for 24 or nearly half of the cancellations over the three program years. These trends suggest that geographic

ineligibility—particularly for applicants outside the eligible service area or where program boundaries may be unclear—remains a common barrier.

Active Applications and Paid Projects

By Income

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

TABLE 1

Incentive Allocations for Year 3

AMI	Number of Active or Paid Applications	Submitted	Reserved	Paid	Total	
< 80% AMI	31	\$23,024	\$796,600	\$110,528	\$930,152	90%
80 – 120% AMI	4	\$0	\$102,644	\$0	\$102,644	10%

Based on the Year 3 data shown in the table, the program experiences strong uptake and demand from lower income households. The vast majority of the incentive funding, 90%, was allocated to households with total incomes of 80% AMI or less. The income limits by AMI for Year 3 are shown below in Figure 5.

FIGURE 5

2024 San Diego AMI Limits per U.S. Department of Housing and Urban Development (HUD)

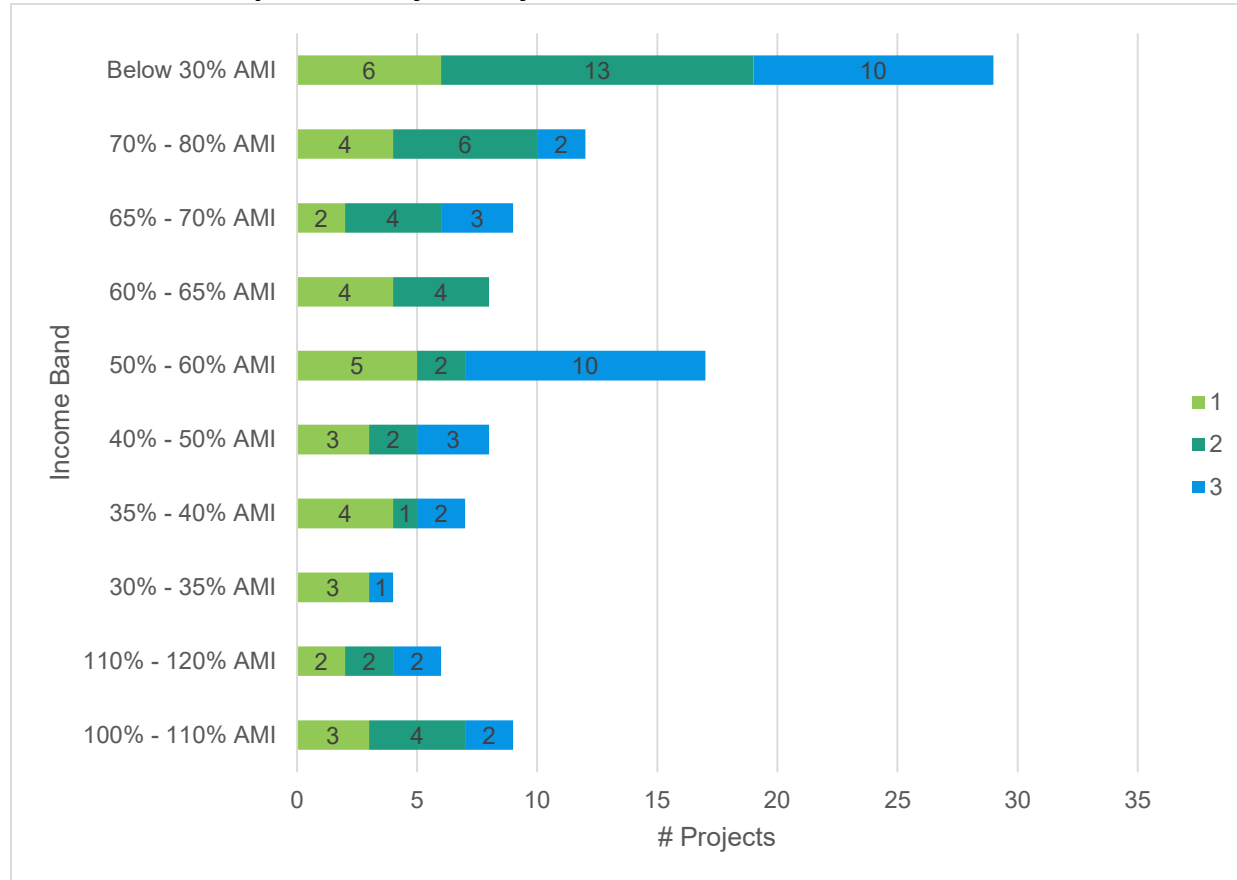
Family Size	Low Income				Family Size	Moderate Income	Moderate Income	Moderate Income	Moderate Income
	60% Income	65% Income	70% Income	80% Income		90% Income	100% Income	110% Income	120% Income
ONE	\$63,660	\$68,950	\$74,250	\$84,900	ONE	\$84,275	\$83,650	\$92,000	\$100,400
TWO	\$72,720	\$78,800	\$84,850	\$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: HUD April 2024

Figure 6 shows the applications broken down by income bands to show the distribution of household incomes with respect to AMI.

FIGURE 6

Active and Completed Projects by Income and District for All 3 Years



As noted above, most program active applicants fall within low to moderate-income bands, particularly those earning 80% AMI or less. There is strong representation from households in the < 30% AMI range, with additional uptake from those between 50% – 60% AMI. This reflects the program’s intended focus on supporting lower-income households and indicates that incentive structures are effectively reaching the target demographic. While some applications from higher income households (above 100% AMI) are present, their proportion is noticeably smaller (15 out of 109 projects), suggesting limited but ongoing engagement from that group.

By Geographic Location

The active applications and paid projects in Program Year 3 were spread across 6 different city council districts: District 2, District 4, District 6, District 7, District 8, and District 9. Figure 7 is a heat map of the San Diego City Council districts according to the number of active applications received per each area.

FIGURE 7

Active and Completed Projects by San Diego City Council Districts in Year 3

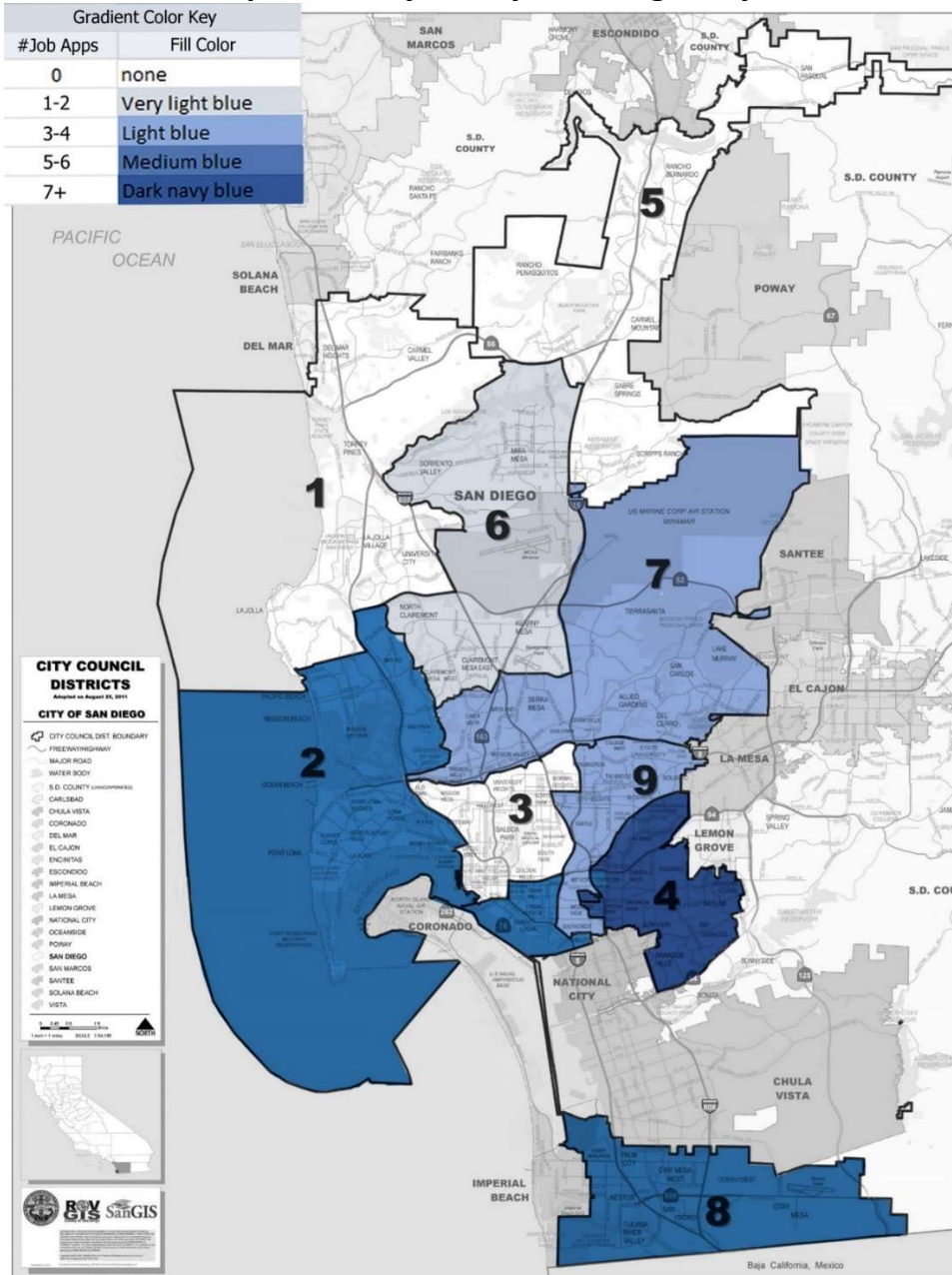


Table 3 highlights the geographic and income distribution of applications. Nearly half (46%) of the 35 active projects in Year 3 are in District 4, with approximately 88% of these projects serving households earning below 80% AMI. Districts 2 and 8 follow with five projects each, with 90% of which also serve the lower income band. Districts 7 and 9 each have four projects, with District 7 evenly split between the two income bands and District 9 fully within the lowest band.

TABLE 3

Active and Completed Projects by District and Income Band

District	< 80% AMI	80 to 120% AMI	Total
District 2	4	1	5
District 4	15	1	16
District 6	1	0	1
District 7	2	2	4
District 8	5	0	5
District 9	4	0	4
Total	31	4	35

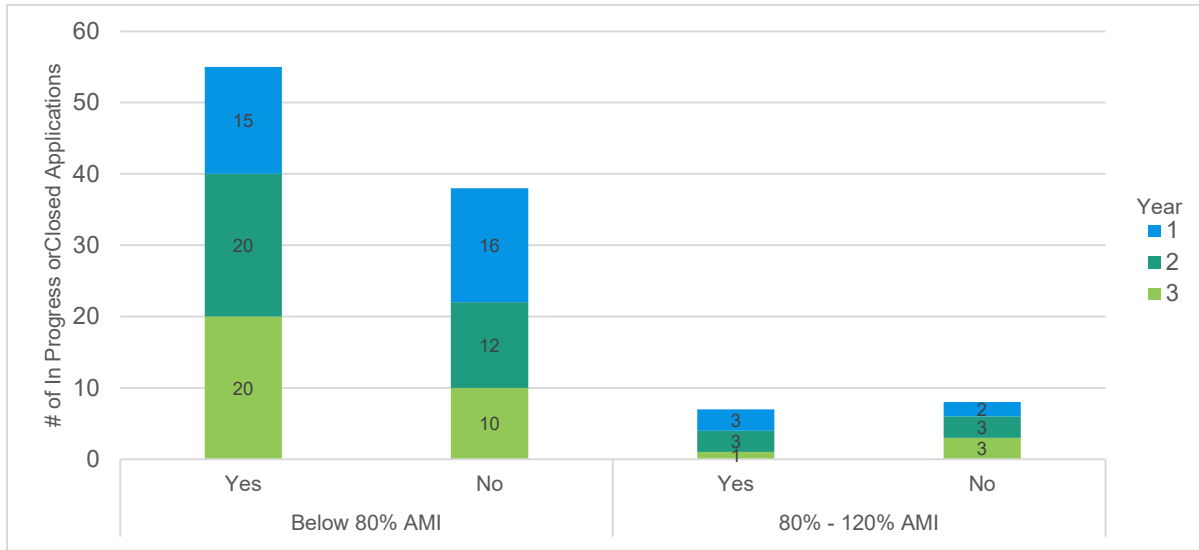
Program participation is heavily concentrated among households earning less than 80% of the Area Median Income (AMI), with District 4 contributing the largest number of participants in this category. Other districts with notable representation include Districts 2 and 8. In contrast, participation among households in the 80%–120% AMI range is minimal, with small contributions from Districts 2, 4, and 7. Overall, the data suggests the program is primarily serving lower-income households, with significantly less uptake among moderate-income groups.

By Adders

Beyond the basic solar incentive which was set at \$4/W, applicants were also eligible to apply for two incentive adders: for electrical panel upgrades and for job training. Applicants were eligible for an added incentive of up to \$3,500 for electrical panel upgrades in preparation for installing solar.

FIGURE 8

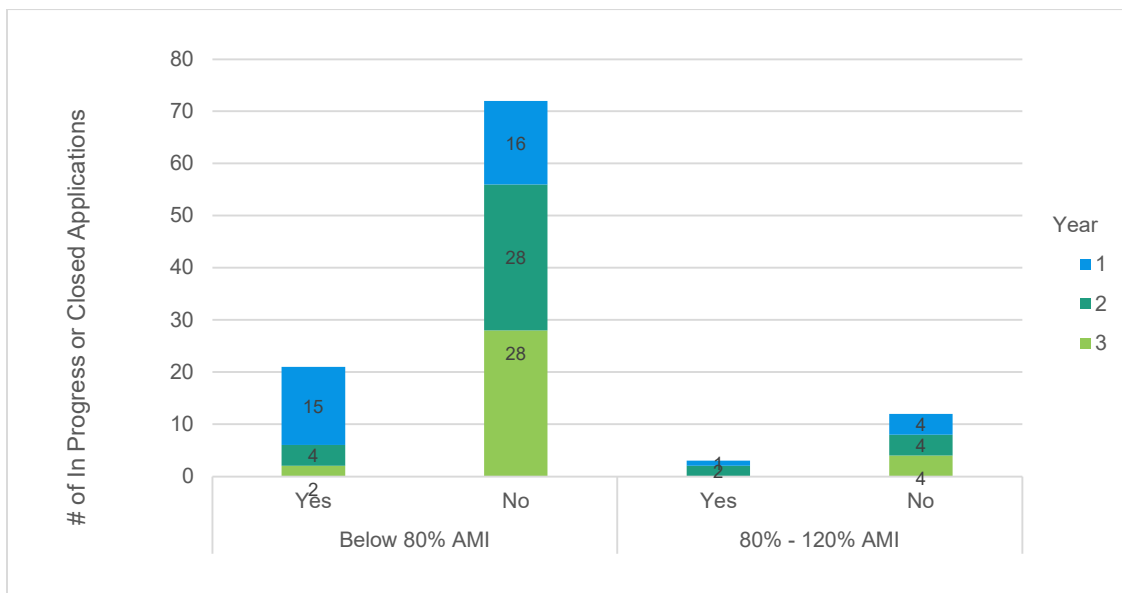
Electrical Panel Upgrade Incentive Requests



The job training incentive is intended to encourage participating Solar Contractors to utilize trainees on their projects. Each application is eligible to 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 requesting the additional job training incentive must provide a signed Job Training Attestation.

FIGURE 9

Job Training Incentive Requests



In conclusion, requests for job training incentives remained low and even declined in the recent program years. This suggests a possible lack of interest or perceived value in the incentive among contractors or applicants. Further outreach or adjustments to the incentive may be needed to increase utilization.

By Solar Contractor

Currently, 23 eligible Solar Contractors participated in Year 3 of the SDSEP program. Across the three years of the program's implementation, 27 Solar Contractor companies have participated. Of these, 26 of them successfully submitted active projects. AllTech Solar, the single exception, submitted an application in Year 3 but remains on a waitlist for processing in fall of 2025 alongside the commencement of Year 4. The average rate of project submissions per contractor is seven projects. Table 4 shows that over the three years of the SDSEP program, the number of active solar projects has stayed about constant, with Districts 4, 8, and 9 consistently receiving the highest volume of projects. Contractors such as Sunlit Direct and Sunwell Solar Company were key drivers of this growth, submitting the most applications while serving multiple districts.

TABLE 4

Active Applications by Solar Contractor and District

Company Name	Y1	Y2	Y3	SD City Districts Served
Aicon Technologies	3	0	2	D4, D8, D9
Alltech Solar	0	0	0	D9
Aloha Solar**	2	5	2	D2, D3, D4, D7, D8, D9
Bee Connected Electric**	3	4	4	D2, D4, D6, D7, D9
BVI Solar	5	1	0	D4, D6, D8, D9
GRID Alternatives San Diego	5	4	0	D2, D4, D5, D8, D9
Incentive Solar	0	4	5	D2, D4, D6, D7, D9
Infinity Energy	4	0	0	D4, D8, D9
Liberty Solar & Construction	0	3	0	D6, D8, D9
Power Up Solutions LLC	1	1	0	D4, D8
Roof King Roofing & Solar	1	0	2	D2, D4, D7
San Diego County Solar	0	0	3	D2, D8
Sattler Solar Inc	1	5	0	D5, D7, D8, D9
SolHome	0	0	0	D5
Sunlit Direct	5	5	7	D2, D3, D4, D6, D7, D8, D9
Sunspired Builders	3	0	0	D3, D4, D9
Sunwell Solar Company	0	5	8	D3, D4, D6, D7, D8, D9
United Plumbing Heating Air and Electric	2	0	1	D4
VESCO JV	1	0	0	D8
Zenith Solar LLC	0	1	1	D4, D8
Total Projects	36	38	35	

Notes:

** Union Contractor recommended by IBEW Local 569

Engagement, Outreach, and Program Materials

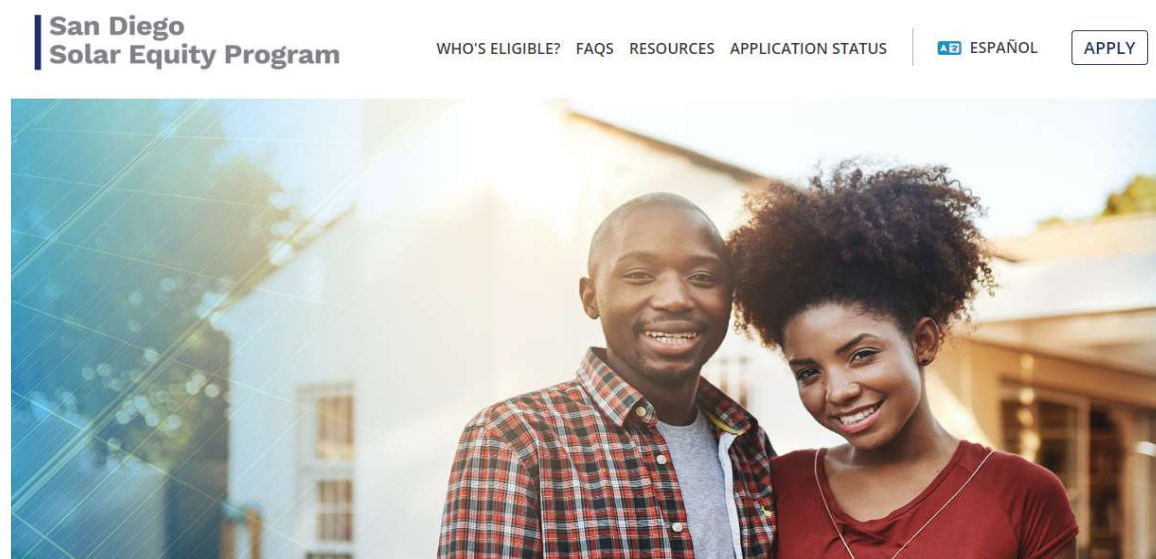
CSE is also responsible for developing and maintaining materials required to support SDSEP. This includes the program website and online application portal, outreach and engagement activities, program forms and documents, and fact sheets.

Website and Application Portal

SDSEP utilizes a website to house its online application form and supporting documents. FIGURE 10 is a screenshot of the main landing page.

FIGURE 10

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 look-up feature. Since SDSEP opened to applications, there has been limited work completed on the program website. In Year 3, there have been minor modifications made in the “Who’s Eligible?” page. It was updated to reflect the most current program guidelines. The eligibility requirements table was revised to align with Year 3 criteria, and the page was redesigned to follow a more concise, pre-screening-style flow. This improved layout helps guide users through confirming

customer type, geographic location, and income eligibility before leading them to connect with eligible Solar Contractors to take the next step in the application process.

Marketing Activities

Events

In Year 3, a media event was co-hosted in April 2025 by the City of San Diego, CSE, and SDG&E at the home of a completed project to highlight the impact of SDSEP and to feature the Host Customer and participating contractor, offering the public a tangible example of the program’s benefits.

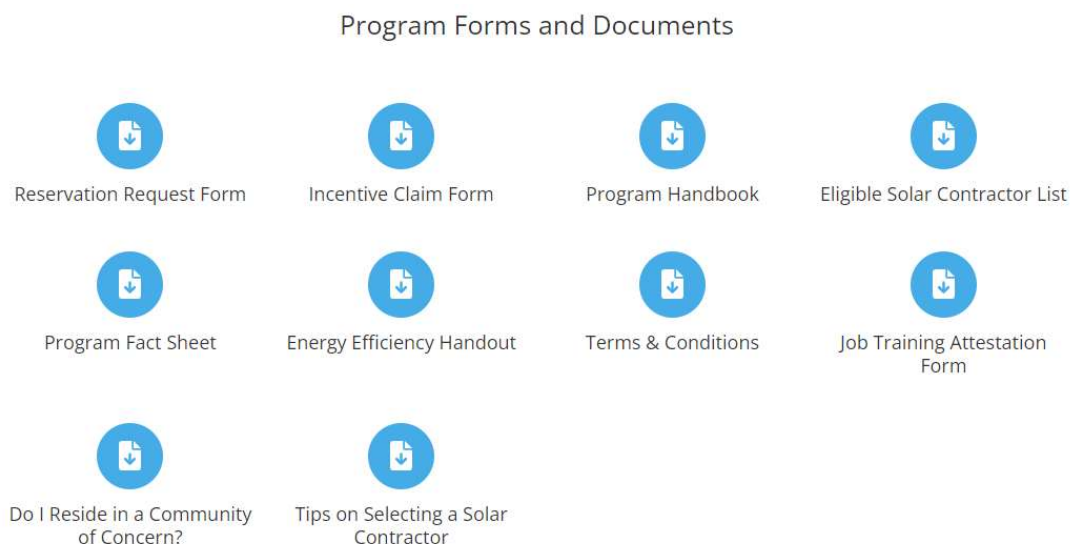
Program Resources

Figure 11 highlights the publicly available resources for the San Diego Solar Equity Program (SDSEP). These include core application materials such as the Reservation Request Form, Incentive Claim Form, and Terms & Conditions. The resources page also provides supporting documents like the Program Handbook and instructions for using the Climate Equity Index map.

In Year 3, the program has continued to actively maintain and update these materials. Updates have included revising the Eligible Solar Contractor List as companies join or leave the program and refining definitions within the Program Handbook in response to new applications and emerging issues. For example, due to a noticeable increase in applications from duplexes and multi-unit properties this year, the program updated its property type definitions to better guide applicants and ensure consistent eligibility screening.

FIGURE 11

Available Resources



Next Steps

Consultation and input for program design is ongoing throughout the lifetime of the program. As such, program design elements can be adjusted year to year as the program progresses. In preparation for Program Year 4 of the SDSEP, CSE is gathering feedback on program design improvements from the City Sustainability and Mobility Department and SDG&E.

Due to the slow uptake in Year 3 during Phase 1 and then surge of applications submitted when Phase 2 opened in April 2025, CSE is reviewing the eligibility requirements currently in the phase structure to determine what combination of requirements could result in a steadier application flow. Ideally, phased requirements will allow the program to prioritize target Host Customers without creating a demand bottleneck that overwhelms processing staff when Phase 2 opens.

Additionally, due to the increase in multi-unit single-family homes (i.e. duplexes and quadplexes) participating the program in Year 3, CSE is also revisiting the program rules around these larger projects.



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