



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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Mark Stivers

Date: June 19, 2015

To: Users of the California Utility Allowance Calculator

From: Mark Stivers, Executive Director

Re: Photovoltaic kWh Estimates for Inputs

The Tax Credit Allocation Committee (TCAC) has since 2009 approved the use of the California Utility Allowance Calculator (CUAC) as a means for developers of new Low Income Housing Tax Credit (LIHTC) projects to determine tenants' utility allowances. The approved procedures have required that when accounting for the input from photovoltaic (PV) systems, consultants are to use the monthly kWh estimates from the "CEC PV Calculator", the software associated with the New Solar Homes Program (NSHP).

At the request of the solar and affordable housing communities, TCAC has recently expanded the approved use of the CUAC to existing LIHTC projects that have added or are adding PV through the Multifamily Affordable Solar Home (MASH) program. The MASH program requires participants to use a different PV software to estimate kWh output; the Expected Performance Based Buydown (EPBB) calculator. Affected parties requested that TCAC allow them to use estimates from the EPBB as the PV inputs to the CUAC For their MASH projects. The primary reasons given for the request are to maintain consistency with what the PV programs require and to avoid placing an additional burden on the consultants. While there may be good reasons to maintain a consistency between a project's kWh estimates from the program giving the project its incentive dollars (MASH in this case) and the utility allowance estimates approved by TCAC, TCAC is more interested in ensuring

consistency in the CUAC methodology used to estimate utility allowances for all projects for which it has responsibility.

Additionally, some energy consultants who perform the analyses for solar projects have stated that the extra work of doing the CEC PV analysis is fairly minor.

Therefore, when a developer chooses to use the CUAC for establishing utility allowances, TCAC is directing consultants to use the CEC PV calculator to derive the monthly PV kWh estimates needed as inputs to the CUAC, regardless of whether the PV is part of a new construction LIHTC project or is being added to an existing LIHTC project. In addition, TCAC will require the energy consultants use the CEC PV calculator when submitting the annual updates.