

## **Increasing Access Part II:**

**Expanding Access to Community Shared Solar In Your Community** 

Metropolitan Area Planning Council (MAPC)

June 28, 2017
Solar Webinar Series



#### Webinar Agenda

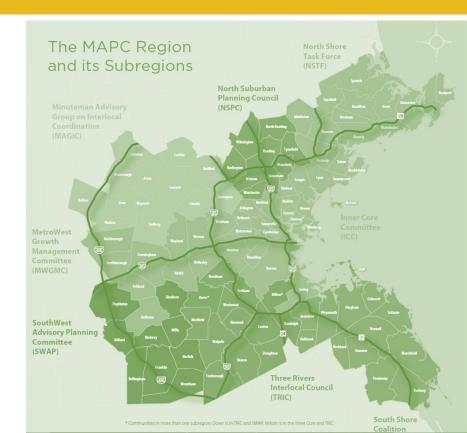
- Brief Introduction to MAPC & the Clean Energy Department Cammy Peterson, MAPC
- Solar Access Program
  Isaac Baker, Resonant Energy
- Low- to Moderate-Income CSS & SEEDS2
  Kelly Roache, Solstice
- Affordable Access Initiative Opportunities
  Filomania Falcucci, Department of Energy Resources
- 5 Q&A with all panelists



## MAPC: About Us

- Regional Planning Agency
- ▶ 101 cities and towns
- ▶ 80+ employees
- Wide range of planning expertise





## MAPC: Clean Energy

#### 1. Regional Energy Projects

- ESCO Procurement
- Regional Solar Initiative
- LED Streetlight Purchasing Program
- Community Aggregation
- Hybrid Conversion Technology
- Energy Resiliency

#### 2. Local Energy Action Program

- Connecting municipalities with incentives + plug-and-play programs
- · Community energy and climate baselining, planning, and strategizing
- Outreach programming and education

#### 3. Energy Technical Assistance

- Grant Writing
- Green Communities Designation
- Methane Leaks

- Solar Permitting and Zoning
- State and Local Policy





## Solar Opportunities & Resources

MAPC's Guide to Streamlining the Solar PV Permitting Process and Developing Supportive Zoning Bylaws

http://mapc.ma/solarpermits

The SolSmart Program, funded by the U.S. Department of Energy's SunShot Initiative

http://mapc.ma/solsmartprogram

Municipal Solar Survey – let us know how we can help!

http://mapc.ma/solarsurv

Stay tuned for more upcoming opportunities!

## Solar Access Program





## **Resonant Introduction**

**Mission:** We are committed to making 100% clean energy an easy choice for 100% of people.

**Background:** We are a Massachusetts, community-based solar developer, with experience supporting houses of worship and nonprofits to go solar. B-Corp organization.

**Focus:** Expanding access to solar, and specifically working with houses of worship, nonprofits, low-moderate income homeowners to go solar solar affordably.

**Impact:** Working with communities around New England and New York to rapidly transition away from fossil fuels and build local clean energy alternatives.

## Solar Solutions for All

























We build local community partnerships around the Solar Access Program that allow us to reach people across income brackets.

## **Coalitions for Solar Access**



Goes Solar



Second Church

Cambridge Solar Access Campaign







Sun For All Somerville







# What are some of the barriers to expanding clean energy?

- **Financing.** Lack of access to capital and perceived credit risk prevent the growth of solar in low-moderate income communities.
- Trust. Many people distrust conventional solar developers as not having their community's best interest in mind.
- Political Barriers. Government agencies at local and national level do not have tools yet to meet social equity goalsmandated for clean energy.
- Physical Limitations. Old buildings and absent landlords make solar installations on many urban rooftops a challenge.

## Residential Financing Problem

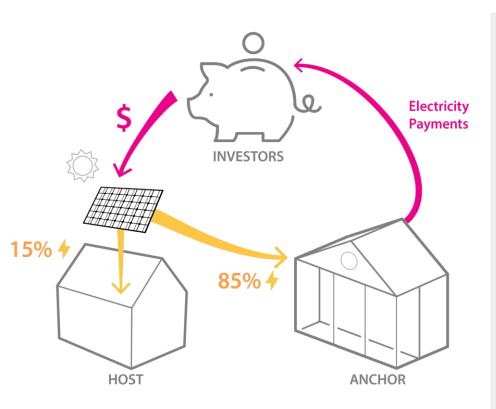
**51%** of U.S.

homeowners do not qualify for zero-down solar installations (PPAs) on the basis of credit score.

Result: Half the addressable market has no way to go solar.



## Solution: The Solar Access Program



- 1. FINANCE: Investors pay for solar array.
- 2. HOST:
  leases roof for solar
  array; gets 15%
  solar output.
- buys clean power (85% of solar output). Revenue from sales repays investor.

## Thank You

**Contact:** 

Isaac Baker - <u>isaac@resonant.energy</u>



## Increasing Access: Implementing Low-to-Moderate Income Community Solar

Kelly Roache Solstice June 28, 2017

## **About Solstice**

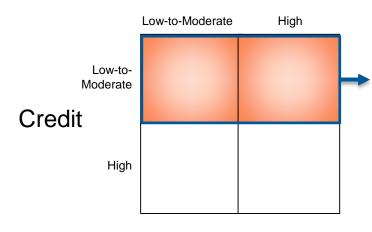
- Up to 80% of Americans are locked out of the rooftop solar market - particularly low-tomoderate income households and renters
- Solstice is a New England-based social enterprise founded in 2014 to increase community solar deployment and uptake
- Households support clean energy at no up-front cost and save >10% annually on utility bill

## Setting the Scene

- Low-to-moderate income households face severely limited access to renewable energy.
- These same households bear a disproportionate energy burden - even as costs decline.
- Low-to-moderate income people bear the brunt of the ill effects of climate change.
- Community solar can uniquely serve low-to-moderate income Americans, and is growing faster than ever.

### **Problem Definition**

#### Income



Unbankable by most mainstream financiers, leading to product offerings catering to the affluent and creditworthy:

- · 680+ FICO requirement
- · 20-year commitment
- Stringent or sometimes no cancellation policy

Not suitable for low/no-credit or renter populations, which are often LMI

#### **Creating Access, Growing the Market**



Approximately <u>26 million</u> Americans are credit invisible. Approximately <u>19.4 million</u> Americans have credit records that cannot be scored.

Almost <u>30%</u> of all consumers in low-income neighborhoods are credit invisible, and an additional <u>15%</u> have unscored records. This means that <u>approximately 5 million low-income consumers</u> are credit invisible or have unscored records.

Source: Corporation for Enterprise Development's Excluded from the Mainstream: How the Economic Recovery is Bypassing Millions of Americans (2015)

Consumer Financial Protection Bureau's Data Point: Credit Invisible (2015)

## Dept. of Energy – SEEDS2

- Solar Energy Evolution and Diffusion Studies 2:
  - Scale LMI inclusion in community solar via alternative qualifying metric to FICO
  - SunShot Initiative grant awarded January 2017
  - Partnership with academics at MIT, Stanford University
  - Three year funding opportunity

#### **Developing a Data-Backed Solution**

Analyze existing data to identify trends in our target demographic



Construct alternative qualifying metric: "EnergyScore"



Collect data through pilot projects executed with local partners



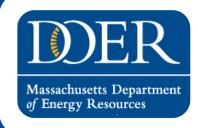
# Financing Product Innovation

- Short-term contracts
  - Consumer-friendly and -protectionist
  - Serves LMI renter market
  - Reduces need for credit requirements
- Direct credit support
  - Address bankability by guaranteeing performance
  - Solstice reduces administrative burden
    - Outreach, waitlist, subscription maintenance
  - Sustainable, scalable + replicable

## **Questions + Follow-Ups**

#### **Kelly Roache**

Senior Program Manager Low-to-Moderate Income Inclusion kelly@solstice.us



# Affordable Access to Clean and Efficient Energy Initiative (AACEE): Update



**JUNE, 2017** 

#### **AACEE Initiative**

- Goal: Increase access to clean energy and energy efficiency for low and moderate income residents
- Feb, 2016: Kicked off by Governor Baker initiated an inter-secretariat working group
- Apr, 2017: Governor Baker announced final report with recommendations, \$15 million for programs to support goal







## **AACEE Working Group**

- Goal: Identify key barriers and program/policy recommendations to increase access to clean energy for low & moderate income residents
- Steering Committee co-led by Energy and Housing Agencies
- 30 Stakeholders representing various interests
- 5 stakeholder meetings, April through August 2016
- Final Report outlines recommendations
- Ongoing collaboration to advance recommended actions

#### **State Agencies**

- Massachusetts Department of Energy Resources
- Massachusetts Department of Housing and Community Development

#### Public and Quasi-Public State Organizations

- Community Economic Development Assistance Corporation (CEDAC)
- Massachusetts Clean Energy Center (MassCEC)
- MassHousing
- Mass Housing Partnership
- Metropolitan Area Planning Council (MAPC)

#### **Private Stakeholders**

- Boston Community Capital (BCC)
- Center for Sustainable Energy (CSE)
- Co-Op Power
- Energy Efficiency Program Administrators (PAs)
- Habitat for Humanity: Cape Cod
- Homeowner's Rehab, Inc. (HRI)
- Local Initiatives Support Corporation (LISC)
- Low Income Energy Assistance Network (LEAN)
- New Ecology (NEI)
- Preservation of Affordable Housing (POAH)
- Worcester Green Low Income Housing

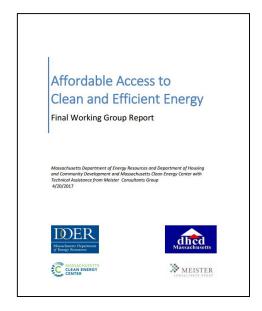




#### Recommendations

#### 32 Specific recommendations in final report

- Area 1: Maximize Clean Energy
   Opportunities at Key Times in the
   Affordable Housing Capital Cycle by
   Aligning Housing and Clean Energy
   Processes and Data
- Area 2: Support and Strengthen Clean Energy Market Growth and Demand in the Low and Moderate Income (LMI)
   Developer and Homeowner Community
- Area 3: Target and Structure Clean Energy Programs and Incentives to Better Serve Low and Moderate Income Residents







#### **Currently Operating Programs – \$5 million**

#### Renewable Thermal for Homes on Fuel Assistance (\$1.4 million)

- Provides secondary renewable heating source for those homes utilizing LIHEAP in areas without natural gas distribution
- Targets those most in need that are without opportunity for cheaper natural gas; creates local knowledge of renewable thermal technologies and installation

#### Low Income Clean Energy Challenge (\$2 million)

- Four grants that increase access to clean energy including whole building energy audits, technology optimization, innovative solar PV financing, and renewable thermal in low income homes
- Identified key low income barriers to clean energy; demonstrates replicable models; and addresses whole building challenges

## Clean Heating and Cooling Rebate Adders for Low and Moderate Income (\$1.6 million)

 Increased adders for MassCEC's residential Clean Heating and Cooling program with additional funding for income-qualified residents

> Massachusetts Department of Energy Resources

Expanded existing and successful MassCEC program to low and moderate residents

#### DOER's New Affordable Access Programs, con't

#### Renewable Thermal in Public Housing Interagency Services Agreement with Dept of Housing & Community Development (DHCD), \$1.5 million

- Increase capital funding to state-owned public housing administered by DHCD for renewable thermal technologies and provides technical assistance to housing authority directors.
- Provides operational cost savings to state housing for lowest-income Massachusetts residents

#### Affordable Clean Residential Energy (ACRE) Challenge, \$3 million

- Grants through MassClean Energy Center (CEC) and DOER to develop replicable delivery models for renewable heating and solar PV in low income single family homes
- Model could be replicated by communities to overcome barriers to program delivery in low income populations, including customer identification and outreach

## Green Communities – Affordable Access Regional Coordination (AARC) Grant Program, \$800,000

- Technical assistance and capacity building to local organizations for community-based programs to access existing clean energy incentives
- Builds capacity at local and community levels for continued access to clean energy programs





#### **DOER New Affordable Access Programs (\$10 million)**

#### Zero Energy Manufactured Homes Grant, \$1 million

- Proof of concept grant to replace low quality energy-wasteful manufactured homes, primarily found in rural communities, with zero energy modular homes
- Extends EE and renewable energy to very low income residents in manufactured homes which are ineligible for our current programs because of poor construction quality and health impacts
- Could use pilot to investigate use of federal USDA Rural Development Direct Loan funding for future zero energy manufactured home market growth

#### Whole Building Opportunity Funding, RFI, up to \$4 million

- Funding to subsidized housing projects that have identified energy cost savings through whole building comprehensive energy audits
  - > Builds on Low Income Energy Challenge audit results
- Utilize project data from program to create permanent financing models
  - > Enable underwriting of EE and RE measures by housing finance agencies and
  - > Inform future EE program design and incentives

#### **CSS Demonstration Project,** delayed release, up to \$300,000

• Grant funding for pilot project to demonstrate new solar incentive for increasing solar PV access in low income rental community (coordinated with new SMART solar program)





#### **SMART**

#### **Timeline**

DATE	MILESTONE
September 23, 2016	Straw Proposal Released
June 5, 2017	Emergency Regs Filed
June 19, 2017	Beginning of Comment Period*
July 10, 2017	Westfield & Worcester Public Hearing
July 11, 2017	Boston Public Hearing
July 11, 2017	End of Comment Period

<sup>\*</sup>Comments can be submitted as attached pdf files to emails addressed to <a href="DOER.SMART@state.ma.us">DOER.SMART@state.ma.us</a>, with the word SMART COMMENTS in the subject line





## **Tariff Pricing**

- Tariff price to be established after a competitive procurement process
  - ➤ Solar Tariff Generation Units with a capacity between 1 MW and 2 MW, the Ceiling Price shall be \$0.15 per kWh. For Solar Tariff Generation Units with a capacity equal to or larger than 2 MW, the Ceiling Price shall be \$0.14 per kWh.

Generation Unit Capacity	Base Compensation Rate Factor (% of Clearing Price)
Low Income Solar Tariff Generation Units less than or equal to 25 kW AC	230%
Less than or equal to 25 kW AC	200%
Greater than 25 kW AC to 250 kW AC	150%
Greater than 250 kW AC to 500 kW AC	125%
Greater than 500 kW AC to 1,000 kW AC	110%





#### **Tariff Adders**

Generation Unit Type	Adder Value (\$/kWh)
Community Shared Solar Tariff Generation Unit	\$0.05
Low Income Property Solar Tariff Generation Unit	\$0.03
Low Income Community Shared Solar Tariff Generation Unit	\$0.06
Public Entity Solar Tariff Generation Unit	\$0.02

Generation Unit Type	Adder Value (\$/kWh)
Building Mounted Solar Tariff Generation Unit	\$0.02
Solar Tariff Generation Unit on a Brownfield	\$0.03
Solar Tariff Generation Unit on an Eligible Landfill	\$0.04
Canopy Solar Tariff Generation Unit	\$0.06
Agricultural Solar Tariff Generation Unit	\$0.06

- A Solar Tariff Generation Unit with a capacity larger than 25 kW AC can combine its Base Compensation Rate with no more than one Compensation Rate Adder
- A Solar Tariff Generation Unit with a capacity of 25 kW AC or less may only combine its Base Compensation Rate with the Energy Storage Adder

#### Solar Incentive Payment

- = (Base Compensation Rate + Compensation Rate Adders
- Greenfield Subtractor) \* total kWh generated
- value of energy generated





#### **More Information**

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Link to AACEE webpage

Link to AACEE Report

Link to SMART Webpage

Link to SMART Emergency Regs

Link to Low Income Guidance Document

Creating a Clean, Affordable and Resilient Energy Future for the Commonwealth







## **Q & A**

#### Cammy Peterson

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#### Megan Aki

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## Thank You!

Presentation slides and recording will be made available shortly after the webinar.

