

CLEAN ENERGY ADVISORY BOARD
FINAL APPROVED MEETING MINUTES

December 3, 2019
James Monroe Building
Richmond, VA

The first meeting of the Clean Energy Advisory Board (CEAB) took place in Richmond, Virginia on Tuesday, December 3, 2019. After the meeting was called to order at 10:05 a.m., Virginia Delegate Lashrecse Aird welcomed Board members, DMME staff and public guests to the event and introductions were made. The format of the day-long meeting featured clean energy-related presentations from federal, state, utility and non-profit trade association representatives in the morning, followed by the CEAB meeting in the afternoon. Virginia Department of Mines, Minerals and Energy (DMME) staff facilitated the meeting until CEAB officers were appointed later in the day.

Members present: Bond, Vehorn (proxy for M. Harris), Urban (proxy for T. Ostrowski), Wood, Bleile, Towell, Casper, Greenleaf, Coman, Reisinger, Kruse.

DMME staff present: Hearne, Farrell, Simcoe, Warren, Nguyen, Palestrant, Christopher, Jurman

Morning panel presentations were moderated by Karla Loeb (Sigora Solar), and focused on the current landscape of successful low-and-moderate income (LMI) solar programs from the national and local perspectives. Nate Hausman (Clean Energy States Alliance) described state approaches that are bringing solar benefits to LMI customers, and mentioned programs being run in CA, CO, CT, HI, IL, MD, MA, NH, NY and OR. He also made several recommendations for Virginia to consider as the Commonwealth explores its LMI solar options in the future.

Kerry O'Neil (Inclusive Prosperity Capital) discussed LMI solar financing strategies, focusing on Connecticut's Green Bank models, and provided additional recommendations to consider (e.g., targeted outreach, transparency/accountability, consumer protections, sequence strategies, partnerships, barriers reduction). Andrew Vehorn (VA-MD-DC Association of Electric Cooperatives) provided a general overview of electric cooperatives, including strengths and weaknesses of these providers serving mostly rural customers.

The second set of morning presentations provided federal and state LMI-related programs and tools available for use by government providers and utilities. Krystal Laymon (U.S. Department of Energy) described DOE's Clean Energy for Low Income Communities Accelerator (CELICA) toolkit and its [Low Income Energy Affordability Data \(LEAD\)](#) tool. Daniel Farrell (VA DMME) talked about provisions in HB 2741 that established the Clean Energy Advisory Board. Susan Hill (VA Department of Housing and Community Development) talked about Virginia's Weatherization Assistance Program (WAP) that serves 1,400 customers in the Commonwealth with a \$18.4 million budget for FY2019, and has 17 program providers. Mike Urban (VA Housing Development Authority) described how VHDA provides and services

mortgages for first-time buyers, provides education programs, and runs four loan programs. Katherine Bond (Dominion Energy) talked about provisions in HB 2789 that provides \$25 million for energy efficiency and \$25 million for solar energy installations from investor-owned utilities to use for LMI households, and asked for CEAB input on design elements to include for LMI programs.

After lunch, the Clean Energy Advisory Board meeting was called to order at 1:10 pm by DMME Solar Program staff Carrie Hearne. Members were introduced, and a brief recap of the morning's presentations was mentioned. Those presentation materials will be made available to members and the public through the DMME webpage.

A motion was made by Hannah Coman, seconded by Bill Greenleaf, to go into executive session in order for Assistant Attorney General Grant Kronenberg to conduct training on the Virginia Freedom of Information Act (FOIA) and State/Local Government Conflict of Interest Act (COIA). Once the training was conducted, and public guests were allowed back in the meeting, all Board members were asked to confirm that the FOIA/COIA proceedings were lawfully conducted, to which all answered in the affirmative.

Nominations were then accepted for a chair and vice-chair of the CEAB. Hannah Coman was nominated on a motion by Bond, seconded by Wood, and approved by unanimous consent, with the abstention of proxies. Bill Greenleaf volunteered to assume the vice-chair position, which was confirmed with a motion by Towell, seconded by Wood, and approved with 2 abstentions from proxies.

Discussions then focused on important housekeeping issues, as follows:

- Meeting frequency – every two (2) months with an option to dial-into the meeting. Physical meetings can move to different regions of the state. Standing committees will be formed and meet on alternate months. DMME staff will conduct Doodle polls to send out potential meeting dates for each CEAB meeting.
- Annual Report – the first CEAB Annual Report is due to the Governor and General Assembly by January 8, 2020. This first report will be short in nature, and will report on officers selected, any work groups/committees formed, and a Board mission statement.
- Mission statement – Will Reisinger will help draft an initial statement and send a final recommendation to Chair Hannah Coman. Board members are invited to send suggestions to Reisinger directly. Final statement will be sent to the Board for approval.

Vice-chair Bill Greenleaf made an informal presentation on financing options and mechanisms, and provided a description of the Virginia Community Capital (VCC) loans made to investors who build/own affordable multifamily units and for small businesses to install solar systems. VCC does not make consumer loans so cannot offer loans to homeowners for solar, although there are other Community Development Financial Institutions (CDFIs) in Virginia that offer consumer loans. He also discussed Opportunity Zones where capital gains can be invested for real estate projects as a tax deferral. He referenced a program in Norfolk that leverages an Opportunity Zone there to attract investors for solar projects, however it would be difficult to create a statewide program using this model because Opportunity Zones are specific to low-income census tracts.

There was some discussion of the barriers to installing solar on multi-family (MF) housing, which include:

- Non-profit housing developers can't take the 30 percent federal Investment Tax Credit for solar systems
- Limits on leases and Power Purchase Agreements (PPAs) in Virginia limit third-party ownership opportunities
- Most MF projects in Virginia have individually-metered units which makes net-metering the solar energy credits difficult if not impossible
- There is little MF housing in rural communities

The Board also discussed how to define "Low-moderate income" for purposes of their own work ... use an already recognized definition, or create their own? Clarification was offered that HB 2741 Section 45.1-399 states that *"The program shall be open to any Virginia resident whose household income is at or below 80 percent of the state median income or regional median income, whichever is greater."*

Public comments were then accepted.

- Karla Loeb, Sigora Solar, spoke further about the value of using the U.S. Department of Energy LEAD (Low-Income Energy Affordability Data Tool) which uses census tract information and energy burden information, at the county/city/state level.
 - <https://www.energy.gov/eere/slsc/maps/lead-tool>
- Kerry O'Neill, Inclusive Prosperity Capital, spoke about Community Reinvestment Act dollars and the challenges of tapping into this, and with opportunity zones that are geared toward real estate investors and appreciating assets, whereas solar installations are depreciating assets. Still trying to figure this out. They are however seeing applicability with Green Real Estate Funds. One way around this is working with CDFI's or Credit Unions. Success in partnering with Foundations, innovating different structures, then can graduate beyond Foundations.
- Chris Meyer, Local Energy Alliance Program, tricky to collect data and bills to ensure weatherization and energy reduction of >12% is met. Concerning issues, hoping these issues are taken into consideration.
- Andie Wyatt, GRID Alternatives, nation's largest solar installer, Mid-Atlantic office based in District of Columbia. Hoping that as work proceeds, goals to keep in mind and include benefits actually delivered to low to moderate income constituents delivered in tangible ways; include those stakeholders in the development of the process; refine the design in up-front process as well as implementation.
- Karla Loeb, Sigora Solar, clarification about HB 2789 that these are 2 different pieces of legislation. 2789 potentially provides incentive \$ that is separate and distinct.
 - Followed by discussion of bill language; there is lack of clarity about the program and efforts to update definitions and timing of the programs. Will likely need some technical fixes during upcoming legislative session and/or the SCC. Suggestion to not amend definition of DER (Demand Energy Response) to include Solar.
 - Goal of HB 2741 and the LMI Solar Loan and Rebate Fund is to create a sustainable mechanism that can be managed long-term, not fully reliant on short-term incentives.

A discussion of next steps and deliverables wrapped up the meeting, as follows:

- Send names of potential future meeting speakers to DMME staff; suggestions included VSEDA member, VAEEC director Chelsea Harnish, community organization officials (Kruse can help identify), Choice Neighbor representatives
- DMME staff will identify a portal to store/share information with Board members, and will work with AAG Kronenberg to avoid FOIA issues
- Board members were asked to think about how to set up a pilot LMI solar program showing “quick wins” demonstrating how it could function both short and long term
- A DMME webpage has been created for the CEAB; please review and make suggestions for improvement to DMME staff Carrie Hearne
 - <https://dmme.virginia.gov/de/CleanEnergyAdvisoryBoard2019.shtml>

On a motion from Casper, seconded by Reisinger and approved unanimously, the first Clean Energy Advisory Board meeting was adjourned at 3:20 pm EST.