

Clean Energy Advisory Board
Program Development Committee

August 6, 2020

1:00pm – 3:00pm

FINAL Meeting Minutes

Committee Chair Bill Greenleaf called the meeting to order. Roll call was taken and the following Clean Energy Advisory Board (CEAB) Program Development Committee members were present: KC Bleile, Janaka Casper, and Toni Ostrowski, meeting the quorum. DMME staff and CEAB co-facilitators Carrie Hearne and Daniel Farrell were present, as well as DMME's Jordan Burns and Barbara Simcoe.

DMME's Farrell read the required electronic meeting notification, and Chair Greenleaf asked for a motion to approve the meeting as an electronic meeting pursuant to Code of Virginia § 44-146.17. A motion was made by Casper and seconded by Bleile. The motion carried on a voice vote.

Farrell reviewed three slides that detail Low-to-Moderate Income Solar Loan and Rebate Program ("Program") criteria from the statute. The upper limits on income are set in the statute at 80 percent of state or regional median income, whichever is greater. Per household incentive or loan is limited to \$2 per DC watt of system capacity, up to 6 kW (or \$12,000). Casper raised a question if there are underlying requirements for energy efficiency or energy use reduction specified in the statute. Farrell responded that there is a requirement that the occupant demonstrate at least a 12 percent reduction in energy use in order to qualify, and that the associated section of the code references the weatherization providers.

Ostrowski noted that the timing of when solar system would be installed is important as low income customers would have difficulty paying for solar installation without the rebate. Farrell suggested that program models in which it is not a direct incentive to the end customer may be more effective in addressing this issue. Hearne asked if there were limitations on funds that could be deposited at Department of Treasury for purposes of the Program, and what restrictions there are on funds that could be deposited in this account. DMME will get clarification on State Treasury rules or limitations.

Bleile made the point that the statute as written seems to focus on existing buildings. She raised the question if the program could be used to install solar panels on newly constructed buildings or on major renovations for residents that would qualify based on income. Farrell suggested that an alternative compliance pathway may need to be established for new construction or major renovation. Casper stated that new homes are not eligible for WAP. Bleile mentioned that language that requires an audit, however it would be possible to demonstrate a newly built or renovated home exceeds energy code requirements and produces energy savings in excess of the required 12 percent. Bleile mentioned that for new construction homes and residential buildings achieving ENERGY STAR designation, an energy model and Home Energy Rating Certificate (HERC) developed to demonstrate the extent to which predicted energy efficiency performance exceeds code minimum requirements (average of 35% for EarthCraft certified units). Casper asked if the 12% savings was to be provided by the PV system; it was

clarified that there was a pre-requisite of energy retrofit and demonstration of the savings. Bleile read the relevant section of the code which lists typical measures installed in an energy retrofit.

Hearne asked that members note where language can be improved, if appropriate. It was generally agreed that based on the language in the statute that retrofits are the target market for the program.

Bleile asked about the time limit in which solar installation must take place. For example, would someone qualify whose home was retrofitted through the WAP program 10 years ago? Some discussion ensued around how long WAP program measures are considered to be viable. Casper stated Insulation and HVAC have relatively long measure lives. Hearne asked what a reasonable standard would be in terms of time frame. Casper stated that five years seemed reasonable. Community Housing Partners (CHP) has weatherized 40,000 homes in Virginia, and has access to data on these homes. Farrell asked if Casper could provide an average expected useful life of measures installed in CHP's WAP projects that might be good guideline; Casper said he would have this conversation with his staff.

Hearne noted that we are still looking for solar industry affiliated professionals to join the CEAB. The expertise on the PV side will be helpful in determining program design.

On the eligibility questions, Ostrowski stated that if a resident qualified for WAP several years ago it is possible income could have changed in ensuing years. Ostrowski asked if the 80% state or regional median income limit was based on household or borrower income. The statute appears unclear on this, and all agreed that this needs to be clearly defined in the Program Guidelines. Greenleaf stated that it was important to have these discussions and see how practicable the code language is as written.

Hearne mentioned that possible legislative fixes and/or budget requests the CEAB and Committees should consider now, in order to make recommendations. She mentioned the upcoming CEAB Annual Report to the Governor and Assembly is due in January, 2021, and is another mechanism for legislative recommendations.

Greenleaf directed conversation to next agenda item, program funding, and asked DMME staff if there were any updates. Farrell noted that the demonstration pilot would be funded out of residual American Reinvestment and Recovery Act (ARRA) funds, but the CEAB needs to make a determination if this is the best use of these funds, or if some other leveraging of these funds would be preferable. Hearne noted that General Assembly special session begins on August 18, and we should have more visibility on ARRA funding availability thereafter. It was discussed that legislative fixes and requests general fund dollars could be suggested at the same time. Greenleaf mentioned the CEAB could consider private or non-profit funding sources. As over the next six to nine months we develop specific program, the Board could apply for a foundation grant.

Public comments were then called for, and Kirk Johnson from Old Dominion Electric Cooperative (ODEC) offered comments on behalf of the Maryland/DC/Virginia Association of Electric Cooperatives (MDVAEC). Kirk has requested appointment to the CEAB and looks forward to this process completing and representing MDVAEC on the Board. He noted that for this program it will be important to engage the distribution coops as well as the generation coops (such as ODEC) Electric cooperatives in VA have a good pipeline of solar projects, either operating or in construction, representing about 60 MW of capacity. He thought the discussions held to that point had been very good at clarifying the proposed loan/rebate program.

Greenleaf then led a discussion on program/financing models such as occupant-owned and third-party owned systems, and he walked through slides about the Massachusetts LMI solar program, which was featured in a recent Clean Energy States Alliance (CESA) webinar he attended. Incentives, loan requirements and results of the Massachusetts program were discussed. One of the financing models sparked lively discussion on the topics of shared solar and addressing the multi-family market (e.g., time commitment length, what other states offer shared solar and what are their requirements). State Corporation Commission (SCC) rulemaking will be released in 2021 on third-party owned systems that may address the shared solar issues. The suggestion was made that the CEAB Program Design Committee interact with the Department of Housing and Community Development and the electric cooperatives on shared solar topics of interest.

The Committee then moved onto next steps, and will hold its next virtual meeting after the scheduled September 9 full CEAB meeting. A date of Tuesday, September 22 from 3:00 – 5:00 pm EDT was set. Shared solar, availability/sources of funding, and the need for guidelines will be the main topics including shared solar for LMI and MF. Possible speakers could include representatives of BARC Electric Coop or Montgomery County Green Bank's shared solar program.

The meeting was adjourned at 2:52 pm EDT.