

Clean Energy Advisory Board
Program Development Committee Meeting
FINAL MINUTES
Tuesday, September 22, 2020
3pm – 5pm

Note: Due to the COVID-19 state of emergency, this meeting was held via Webex, using electronic meetings protocol

In attendance:

Staff: Dan Farrell, Carrie Hearne, Jordan Burns

Board: Bill Greenleaf (Chair), Janaka Casper, KC Bleile, Toni Ostrowski

Members of the Public: (See Webex export)

Roll call was made at 3:10, a quorum was met.

Meeting qualified as electronic meeting, and a statement was read by Dan Farrell, DMME staff.

Motion to approve that meeting meets criteria to conduct electronic meeting.

[see electronic meetings provision]

Motion: Toni Ostrowski

Seconded by Janaka Casper

All in favor (roll call was conducted to confirm)

Motion passed

Bill provided an overview of what programs have been reviewed to-date, including the Massachusetts model, the DC Solar for All PPA and Community solar models, and noted that the VCEA now also offers PPA for Low to Moderate Income Virginians.

Dan provided an update that ARRA funds available for developing the Demonstration projects have been reduced from \$500,000 to \$200,000, as a result of the budget freeze and re-appropriation from Department of Planning and Budgeting and re-allocation from DMME. In addition, DMME has discussed issuing an RFP (request for proposals) to solar installers for how to structure PPAs for LMI residential customers in Virginia. This solicitation would also potentially leverage public money that DMME has access to via ARRA funds.

Bill noted that loan products would be a challenging path forward, and that PPA agreements appear to be a more effective way to scale a low to moderate income solar program.

To the committee – how does this sound? Is this an effective way to use the \$200,000?

KC: Thank you to DMME for navigating. The PPA appears to be a more favorable option. One piece KC keeps coming back to is the energy efficiency piece. Household needs to provide a minimum of 12% energy reduction through efficiency/weatherization. Will the same regions be selected?

Janaka: Will be important for solar provider to link up to weatherization provider; no cost to the project. With limited amount of money, needs to be part of expected leverages. Hard to imagine one solar provider being able to serve multiple areas. Could be wrong, if there's a statewide solar provider. Could be a challenge.

Bill: Is it feasible if someone hasn't done weatherization, they could get the solar company to sub-contract that piece out? Does it have to be done by a weatherization provider, or could it be done by a private company?

Janaka: Weatherization providers are the only group that will do it for free (within the confines of the DHCD WAP program) There are waiting lists at DHCD here too.

KC: Critical that this demonstration is limited to 60% to take advantage of the WAP program funding.

Toni: Building on what KC and Janaka said. In agreement to pursue PPAs as well.

Bill: In agreement that exploring PPA model is the best path. Advise to DMME to evaluate best way to use the money, does it start with issuing an RFP, or doing a study to determine best model? This is a new "product" for solar companies in Virginia. There are financing components to figure out. They won't likely do it for a small portfolio of homes. Thoughts from the board?

KC: Nothing to add at this point

Janaka: If we had an installer on the committee, this is where it would be helpful to add perspective

Toni: Agree with Janaka.

Carrie: Provided an update on the stakeholder engagement meeting that is being set up with MDV-SEIA and residential solar energy installers. Also, 7 of the 17 appointments are still open, including the solar appointments.

Dan: Noted that Kirk Johnson from ODEC contributed to the chat on this topic: wondering if community "Shared" solar will be eligible for this demonstration program?

from Kirk Johnson to all panelists: 3:42 PM

This is Kirk Johnson, from ODEC, participating as the public until the Senate acts on the vacancies. I was going to raise this during the public participating, but one question I have is whether community solar projects are eligible for this program. they present a much lower cost of entry for consumers.

Bill: Recommends the Program Development committee circles back after the solar engagement meeting.

Janaka: what size project would make this demonstration project viable?

Dan: It's a great question

Bill: Turn to next agenda item, to have Carrie Hearne present on updates from the technical assistance

Carrie: DMME is working with Clean Energy States Alliance (CESA) on market analysis and technical assistance in anticipation of requesting funding from US Department of Energy. Will include market

analysis from North Carolina Clean Technology Center on what amount is needed for a rebate in different VA markets to make a project cash flow positive. CESA has opportunities available for Virginia to potentially gain funding from DOE to support the launch of a new LMI solar program in a new market, Virginia being one. In addition to work with NC-CTC, DMME has conducted analysis of LMI household distribution through the LEAD (Low Income Energy Affordability Data) Tool. NC-CTC will conduct the analysis for 3 discreet markets in Virginia, including Virginia Beach (Dominion territory), Roanoke (Appalachian Power territory) and Accomack (A&N Co-op territory).

KC: Has created a process map diagram which compares different LMI options being explored, including rooftop solar through a loan or PPA, or community “shared” solar, or multifamily shared solar. This document is on DMME’s website.

Group discussed adding sections to KC’s map:

- Who owns the system?
- Who are the beneficiaries (who can monetize the tax credit)?
- Where are the panels installed?
- What are the benefits of having the panels on the house, in the neighborhood, vs. offsite.

Janaka: One side effect of the increase in the home value, is the property taxes go up. Double edged sword. Falls into unintended consequences.

Toni: Thank you for putting this together! Will be helpful to Board.

KC: What percentage of bill offset is included?

Dan: NC-CTC is looking at what size loan to make the investment cash flow positive. Maybe this program only incents up to 6kw, but could be paired with other incentives if that is what the customer needs.

Carrie: Will make revisions to the swim lanes. Dan made comments in KC’s document to reflect revisions.

Bill: Suggests meeting 2-3 weeks after the Solar installer workshop.

Dan: Will send around a poll after the solar meeting is scheduled to book a date and time for the committee.

Carrie: Reminded the group that Hannah Coman (Board Chair) will be scheduling meetings in early November with the Investor Owned Utilities (IOUs) to discuss their marketing and outreach with LMI customers about ways to save money on energy bills through solar programs.

Bill asked if there was any further comment or questions.

Meeting was adjourned at 4:19pm