

CLEAN ENERGY ADVISORY BOARD MEETING MINUTES

March 24, 2021 (Wednesday)

12:00 – 2:00 pm

****Meeting was open to the Public ****

Meeting Recording Found [Here](#)
CEAB website hosted at DMME.Virginia.gov, direct link [here](#)

Chair Hannah Coman called meeting to order at 12:02pm

Roll Call:

KC Bleile – (joined after roll call), Sam Towell – present, Janaka Casper – present, Bill Greenleaf – (joined after roll call), Hannah Coman – present, Will Reisinger – present, Susan Kruse – present, Toni Ostrowski – present, Katharine Bond – present, Taylor Brown – (not present) , John Warren – present

Quorum was met with the above present

DMME Staff present: Carrie Hearne, Jordan Burns, Nam Nguyen
Office of Attorney General: Grant Kronenburg

Electronic meeting provisions were ready by Carrie Hearne to cover the state of emergency order and meeting status. Katharine Bond moved to adopt a motion stating that the purpose and agenda of the meeting is to transact and discuss business that is statutorily required and necessary to continue operations of the Board and discharge of the Board's lawful purposes, duties and responsibilities. Seconded by Sam Towell. A roll call vote was conducted with the following votes all in the affirmative: Bleile, Towell, Casper, Greenleaf, Coman, Reisinger, Kruse, Ostrowski, Warren. The motion passed with unanimous support.

Meeting minutes from previous meeting (December 18, 2020) were reviewed.

Corrections were submitted

- Name of Susan Kruse
- COVID
- Tweaks – spelling update

Motion to approve meeting minutes as edited above was made by Katharine Bond, seconded by Sam Towell. A roll call vote was conducted with the following votes all in the affirmative:

Bleile, Towell, Casper, Greenleaf, Coman, Reisinger, Kruse, Ostrowski, Warren. The minutes were approved with unanimous support.

Committee Updates:

Program Development Committee update presented by Cmte Chair Bill Greenleaf.

Committee met 2-24-21

Heard presentation from Clean Energy States Alliance on project research for Pilot.

Also discussed PPA model, how to create incentive for solar installers to develop a scalable LMI PPA model in Virginia. Many unknowns for a solar company. Guidance from CESA to help clarify market opportunity.

Stakeholder Engagement & Marketing Committee update presented by Cmte Chair Hannah Coman
Committee met 2-26-21

Discussion focused on community engagement. Next steps would be to reach out to Community Based Organizations to solicit their input. Organizations and contacts being gathered. Location and eligibility of Pilot will inform outreach over the next year.

Clean Energy States Alliance Presentation by Nate Hausman and Wafa May Elamin

Presentation link found [here](#)

CESA research report found [here](#)

Presentation team included Nate Hausman, Project Director, CESA
Autumn Proudlove, Senior Policy Program Director, NC Clean Energy Technology Center
Wafa May Elamin, Project Manager, CESA

Recording of presentation can be found [here](#)

Initial questions from the Board included:

- Where to find more details (see report linked above)
- Solar Lease legality (later in the agenda)
- Single family vs. Multifamily (MF not included in this Pilot as Shared Solar programs are ramping up for that sector)
- Single family LMI vs. Total LMI households by county – look at data another way

Key takeaways from CESA and NC analysis (Presentation from Nate):

1. Initial negative cashflow from taking out a loan to finance a solar system on top of Virginia's relatively low costs of electricity makes it difficult to pencil out residential solar projects for LMI households.
2. A 25-year lease offers a preferable financing terms for LMI homeowners in Virginia.
3. Solar property tax exemption has a substantial impact on the amount of subsidy needed to achieve cash-flow positive solar transactions for Virginians.
4. Based on NCCETC's analysis, we estimate that about \$6,500 in public subsidy per solar project will be necessary to ensure participating LMI households benefit from their solar transactions.
5. Assuming an initial pilot program financing budget of \$200,000 and approximately \$6,500 in direct public subsidy per project, about 30 solar installations could be completed under the pilot.

Locational Variables (Presentation from Wafa May Elamin):

See presentation link and youtube recording above for details.

Question was raised about whether property taxes on solar equipment is passed on to a 3rd party system owner – the distinction was made between sales taxes on equipment vs. property tax increases to a home (and homeowner) as the result of installing solar on a home.

Narrowed down to potential target pilot jurisdictions. Primarily utility territories were focused outside APCo and DOM as to not duplicate their funded (or to-be funded) LMI solar programs.

Potential target counties/cities included Bath County, Louisa Co, Accomack Co, Northhampton Co., Hopewell, Brookneal, Halifax, Danville City Co, Essex Co, Scottsville, and more.

Stakeholder Engagement:

CESA anticipates working with groups on the ground (community based organizations and communities) throughout the process, soliciting interest and ideas to inform program.

Including:

- Community-based organizations
- WAP providers
- Local utility representatives
- Municipal officials—permitting officials and community representatives
- Local solar installers
- Single-family affordable housing providers

Considerations/Recommendations from CESA Research:

- Suggestion to start with the lower income band, 60% of area median income (AMI) given that energy efficiency weatherization measures are available at this time for these households.
- CESA agrees using a proxy of a Savings-to-Investment Ratio of greater than 1 is a good idea to get around the burden of producing bills and demonstrating the greater than 12% energy consumption reduction.
- Note that the installer requirement means the licensed contractor has installed a minimum of 150 net-metered residential solar systems in Virginia.
- Statute states that LMI Incentive will be issued in a lump-sum payment, and CESA notes this must be factored into system cost to reduce monthly payments from Day 1.
- The Incentive Cap of no more than \$2/DC watt for up to 6 KW of solar capacity installed – interpretation is this is a cap on the incentive amount, not on allowable system size, as systems may exceed 6kw (given national system size averages)

Questions/Comments from Board:

- Based on research and analysis in Charlottesville/Albemarle County through Susan Kruse’s organization The Community Climate Collaborative, they have found there can be very high energy burdens for LMI households that may not show up in a county or city-wide analysis, as the jurisdictional average can be skewed by a high wealth gap. Recommendation to look to the more granular census tract or census block level.
- Would like to see a diversity component to the location variables. We know there are additional barriers to solar adoption in certain communities.

- Question: what happens in the case that a customer who qualifies moves, and then someone else moves into the home? Lease can be assumed by subsequent customer. There are existing lease programs for LMI customers (e.g. CT) that are overcoming this obstacle. There also may need to be more education for realtors, appraisers, etc. So solar doesn't become a barrier at time of sale.
- Outreach to weatherization providers is a key piece of this program puzzle. Strong recommendation to get this tie-in.
- What are the concrete next steps?
 - Look at population make-up in each of the target jurisdictions. Must be working in diverse communities. Need to see statistics for the jurisdictional analysis.
 - Bath County – BARC electric coop has been innovative in new programs, community solar, etc. Would be helpful to have a utility on-board with this program
 - Danville – has high dollar amount being spent on electricity and high energy burden
 - Recently made solar investments in the community
 - CVEC pursuing solar projects in the Albemarle County (Scottsville)
 - Interesting tension between avoiding DOM/APCo and looking at community diversity
 - Stakeholder Engagement Committee to consider engaging in survey or outreach process
 - Hopewell may be a good community to consider given its census population data as a majority-minority community; also the Legal Aid center that Susan Kruse has connections to is active in the Hopewell/Petersburg area.
 - Include Delegate Aird and other legislators who may be active in the target jurisdictions.
 - Make sure we reach out the area WAP provider so they can navigate the wait list for those who are eligible. DMME/DHCD can help identify WAP provider.
 - CESA has some additional funding available to engage a consultancy, supplementing their on-the-ground work.
 - APCo has not yet filed for their LMI Solar funding program. CEAB work in this arena could inform APCo's
 - Look more into solar lease legality open question.

Presentation on LMI PPAs in Qualified Opportunity Zones by Ruth McElroy Amundsen

Presentation file can be viewed [here](#).

Doing solar PPAs in Qualified Opportunity Zones in the Norfolk area on schools, businesses, NGOs and most recently a household (first residential LMI solar PPA in Virginia, in Dominion Energy territory).

Questions for Ruth:

Barriers to replicate? Need to find the people to do it (Investors). Ruth would suggest doing it as a standard fund, not a QOZ Fund. Makes tax structure very complicated.

Solar Leases in Virginia, Legal Questions:

Grant Kronenburg, legal counsel to the Board began the discussion. Gave option to the Board to enter closed suggestion. Board's choice. Nobody voiced concern about keeping the session open.

Did not see any legal prohibitions on solar leases. Low income allowance and greater flexibility for PPAs via the Virginia Clean Economy Act. However there are slightly different reference points for income eligibility (PPA allowance refers to locality whereas the LMI Solar Loan Fund statute refers to state or areas median income; question relating to what defines an area vs. locality)

Follow up Question for Grant:

Q: Is there anything that would give you pause for DMME to issue an RFP solicitation for a solar lease model?

A: If there are legal concerns from the 3rd parties, that would be good to have on the front end before an RFP is issued.

Recommendation to survey the field with 3rd party providers to understand where the concerns are.

Public Comment:

Will Geise, SEIA. New Southeast regional director from Solar Energy Industries Association. Will be participating in these meetings. Happy to be a part of it.

Abby Johnson, PACE financing. There's opportunities to combine C-PACE with different forms of solar installments or improvements. Happy to help.

Chase Counts, CHP energy solutions. Janaka Casper is CEO. Weatherization network is excited to be of service to program.

Billy Weitzenfeld, Association of Energy Conservation Professionals. Hopes group will take some of these comments into consideration. Will there be a floor and a cap on system size? Hope smaller systems will be considered. Will help with cost, but also a lot of low income housing stock won't be able to accommodate more than a 2 or 3 KW system. Hopes there will be flexibility to consider pole-mounted or ground-mounted systems. Roof stock is critical and can be a barrier and disincentive. Billy was involved in the conversation around SIR as a proxy – willing to be a resource.

Announcements:

Hannah Coman has been active in the Shared Solar and Multi-Family Shared Solar discussions. Hoping to have more time to report back on Shared Solar status updates at future meetings. Serving on LMI Stakeholder Group in capacity as Apex Clean Energy representative and CEAB Board Chair.

VCEA requires the IOUs to consult with the Clean Energy Advisory Board about solar programs that would reduce bills of low-income customers. This consultation happened with Dominion in the Fall of 2020. Haven't yet had this with APCo and ODP. These IOUs were invited to the next (May) meeting.

CESA and DMME will continue to work on Pilot program structure.

1:58pm meeting adjourned.

All presenters were thanked for the informative discussion.

Meeting Agenda

Times	Topics	Speakers/Presenters
12:00 – 12:05 pm	Introductions and Roll Call and Welcome Electronic Meeting approval	Hannah Coman, Chair Carrie Hearne, DMME
12:05 – 12:10 pm	Approve Meeting Minutes from Previous Board Meeting (December 2020 Meeting)	Hannah Coman, Chair
12:10 – 12:15 pm	Committee Meeting Updates (<i>Lightning Round</i>) <ul style="list-style-type: none"> • Program Development Cmte (PDC) • Stakeholder Engagement & Mktg (SEM) 	Bill Greenleaf, PDC Chair Hannah Coman, SEM Chair
12:15 – 1:00 pm	Clean Energy States Alliance – Virginia Pilot Program	Nate Hausman, CESA Wafa May Elamin, CESA
1:00 – 1:15 pm	Board Comments & Questions with CESA	Board and CESA
1:15 – 1:35 pm	Presentation on Norfolk QOZ LMI Solar Fund	Ruth McElroy Amundsen
1:35 – 1:45 pm	Further guidance and reference points regarding Solar Power Purchase Agreements and/or Solar Leases in Virginia	Grant Kronenburg, OAG Larry Corkey, DMME
1:45 – 1:55 pm	Public Comment	Public
2:00 pm	Meeting Adjourn	Hannah Coman, Chair