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CECâ€™s Solar for All Program Request for Information

Additional submitted attachment is included below.

March 14, 2025

Submitted via email to docket@energy.ca.gov

California Energy Commission
Docket Unit, MS-4
Docket No. 25-SOLAR-01
715 P Street

Re: Reactivate's Comments on CEC's Solar for All Program Request for Information

Dear Director Carillo,

Reactivate DevCo, LLC ("Reactivate") appreciates the opportunity to submit comments in response to the California Energy Commission's Solar for All Program Request for Information.

Reactivate, an Invenergy company, is a mission-driven company that develops, owns, and operates renewable energy solutions to improve low-to-moderate income and energy transition communities across the country. Our focus areas include community solar, commercial & industrial solar, small utility scale solar, energy storage, and EV charging projects.

By delivering economic development and energy resiliency with renewable energy solutions, Reactivate provides energy cost savings, job opportunities, workforce training, and opportunities for businesses, creating positive social and environmental impact.

Based on our leadership teams decades of experience in the Renewable Energy Sector, our comments emphasize best practices in solar program design and project development, leveraging our team's extensive experience in program implementation, project development, finance, low-to-moderate income (LMI) community impact, workforce training, enhancing access to contracting opportunities for all, and maximizing economic and social impacts through distributed solar and storage deployment.

Should you have any questions or require further clarification regarding any aspect of our comments, please do not hesitate to contact me. We appreciate the opportunity to submit these comments and look forward to the opportunity to support successful implementation of CEC's Solar for All Program.

Thank you for your consideration.

Tom Figel

VP, Policy
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Comments Request

(1) Program Structure

CEC's Solar for All program is expected to provide $25 million in grants for residential solar (single- and multi-family), community solar, and associated energy storage systems. The grants must benefit low-income and disadvantaged communities and California Native American tribal residents located in publicly owned utility (POU) territories. Funding must be disbursed by May 2029.

1. The Solar for All grants must benefit low-income and disadvantaged communities and California Native American tribal residents located in publicly owned utility (POU) territories. Funding must be disbursed by May 2029. What are examples of existing or planned projects/programs that can utilize these funds by the deadline? If possible, provide solar nameplate capacities (kW or MW) or storage nameplate capacities (kWh or MWh).

Reactivate recommends a primary focus on community solar and storage programs including rooftop and ground mount projects, which will help maximize CEC's program impact through the ability to serve customers in all housing types.

Research and experience demonstrate that POUs don't necessarily have a "silver bullet" in terms of community solar design or implementation; programs vary significantly and are highly dependent on localized contexts[1]. Generally, a POU should work with a third-party community solar provider. POU-developer partnerships can leverage the unique positions of POUs for administration and bill crediting, and developer expertise in optimal design, implementation, financing and operations to ensure a safe and reliable grid at an affordable cost to consumers.

Community solar and other distribution-grid connected projects can be developed quickly, well within the May 2029 deadline mentioned above. Community solar projects can generally be constructed within 1-2 years of award or notice to proceed. Specifically, urban sited rooftop projects generally have a faster permitting and interconnection process. Rooftop projects less than 5 MW in size will be eligible for the California Public Utilities Commission (CPUC) Rule 21 Fast Track interconnection process and local building permits.

Following this RFI, CEC could maximize impact by quickly deploying funds to community solar projects to jumpstart the already speedy development timeline for such projects.

[1] Lessons Learned: Community Solar for Municipal Utilities, NREL (National Renewable Energy Laboratory) at p2

An example of an existing POU project is the municipal utility of Fort Collins Colorado's community solar project, originally developed under a demonstration project for community solar integration with weatherization assistance, led by the Colorado Energy Office[2]. A few highlights of this project:

- Called the Solar Affordability Program, the project brought together solar, energy efficiency, and financial assistance for low-income customers into one structure, focusing on subscribers who receive electric heat
- The project provided long-term bill credits for 25 years, equivalent to retail rate minus an on-bill payment (also known as net crediting)
- The project was sited on a city owned rooftop

2. What is the range of costs that are common for residential solar (single- and multi-family), community solar, or associated energy storage systems that serve low-income and disadvantaged communities? This could be expressed as total installed cost or $/kW installed cost, along with describing the associated solar/storage nameplate capacities. Please specify if the information provided is California-based and, if not, what region it is based on.

While we are not commenting specifically on project cost, we recommend that CEC's funding structure consider cost ranges between project sizes, as well as whether projects are sited on rooftops and other built environments or ground mount systems. It is reasonable to provide incrementally greater funding for smaller and rooftop sited projects, which we discuss further in the following program funding allocation structure question below.

3. Given the CEC's Solar for All program has $25 million to award, which of the following program funding allocation structures would be most effective in supporting access to solar and storage for the targeted LIDAC communities and California Native American tribes?
    a. Competitive solicitation. Eligible program participants submit applications for a competitive grant funding opportunity where applications are evaluated and scored based on criteria pre-specified in the solicitation and the highest scoring applications are awarded.
    b. First-come, first-served application period. Applications are selected based on passing minimum criteria and funding is awarded based on submittal order until exhausted.
    c. Segmented funding. Total funding is divided into separate or segmented funding pools based on applicant type (e.g., large POUs, small POUs, California Native American tribes, or some other recommended basis).

[2] Insights-from-the-CEO-Low-Income-Community-Solar-Demonstration-Project.pdf at 68

> Grants in each segmented funding pool can be awarded to eligible applicants within that pool using either a competitive or first-come, first-served process as described above.

We recommend the first-come, first-served structure. Minimum eligibility criteria should include project milestone requirements to encourage mature projects that have a high chance of success. Milestones should include legally binding site control, evidence that non-ministerial permitting application has been approved or is not required, and an interconnection agreement or equivalent based the utility's requirements and processes. Applicants should also be required to have a demonstrated track record of successful implementation of similar projects.

If CEC is concerned that funding will be oversubscribed, a slight variation of this first-come, first-served approach could utilize a funding application "window" (for example, 30 days). If funds are oversubscribed during the window, scoring would kick in considering additional bid commitments, which could include the below scoring factors. Minnesota's community solar program currently uses this approach[3].

- Percentage-based workforce training and hiring commitments for individuals from disadvantaged communities (DACs) and/or low-to-moderate income census tracts, based on the number of trainees and overall job hours (e.g. 10% of a project's total work hours performed by individuals from DACs)
- Enhancing accessibility for local contracting to support programming and initiatives
- Engaging community stakeholders to tailor local needs and community support letters
- Other social benefit commitments, documented through a Community Benefits Agreement (CBA)
- Siting benefits (utilizing rooftop / built environment, dual use / agrivoltaics, grid benefits)

Segmented funding as proposed could also be generally applied to the funding buckets, but not at the individual utility or tribe level, as not all will choose to pursue projects. Aside from the potential scoring variation discussed above, competitive solicitation is generally not preferrable due to administrative burden and subjectivity.

Incentives could be structured as a production-based incentive (PBI) paid out as a percentage (40-50%) at commercial operation of the facility and the remainder paid over the contract term, to encourage system performance.

[3] Prioritization-Scoring-Rubric.pdf

Incentive or funding tiers should also consider:

- Project size – it may be appropriate to segment incentive tiers based on the project's size, with higher funding for smaller projects, e.g. > 500 kW, 500kW-2MW, 2-5 MW, following the structure of other leading state incentive programs, such as the Illinois Adjustable Block Program[4]
- We recommend including an adder or incremental incentive amount available for rooftop sited projects, which can be more expensive on average, due to reduced production and higher engineering costs, but can provide greater energy, capacity, and distribution value on a levelized basis[5]. These projects can also minimize land use impacts through use of built environment and create additional benefits such as more accessible workforce training opportunities and siting in disadvantaged communities (DACs). This adder should allow for incremental project costs of up to 20%.
- Other project co-benefits, such dual use / agrivoltaics, pollinator friendly, etc.

4. The primary goals of the Solar for All program are to deliver savings to LIDAC and tribal communities and reduce greenhouse gas emissions (GHG). What should the program prioritize for disbursing awards to help achieve the primary goals? For example, maximize solar megawatt (MW)/$, promote resiliency, or strive for proportional funding distribution?

We recommend the program prioritize the following, which are well aligned with deployment of community solar + storage projects:

- Savings and duration of savings (how long savings are provided through access to a program bill credit)
- Megawatts deployed
- Other project and community impacts
    - Workforce training (Percentage based workforce training and hiring commitments for individuals from disadvantaged communities and/or low-to-moderate income census tracts, based on the number of trainees and overall job hours (e.g. 10% of a project's total work hours performed by individuals from DACs)
    - Social benefit commitments, documented through a community benefits agreement
- Including energy storage
- Other distributed energy resource (DER) benefits and grid services provided

[4] See Table 7-11 on p197 of the 2024 Long-Term Renewable Resources Procurement Plan Microsoft Word - FINAL Compiled 2024 LTP 4-19-24 748pm.docx

[5] Brattle_Value of Rooftop CSS in California.pdf - Google Drive at p3

5. Should CEC's Solar for All program be required to ensure that distributed solar deployment is incremental to California Energy Code requirements so that the program avoids subsidizing the cost of meeting existing code?

Yes, the program should support and complement Title 24.

6. What level of match funding should an applicant be expected to contribute towards the total project cost (e.g. 0%, 10%, 20%, 30%, or higher), with the remaining portion funded by CEC's Solar for All program?

Reactivate is not providing a response to this question.

7. Which applicant types should the program work with to maximize deployment/benefits at the lowest cost (including program administration, compliance, etc.)? For example, applicant types could be POUs and tribes, project developers, third-party program administrators, or a mix.

We recommend the program predominantly work with POUs and tribes partnered with project developers, including a strong focus on third-party owned projects, to support competition and lower costs. The program could potentially utilize program administration / nonprofit support partners in targeted areas, such as in technical assistance, supporting outreach and engagement, coordinating LMI participation, and coordinating workforce training programming.

8. As initially defined by US EPA, LIDAC eligibility will be based on census tract-level data, properties providing affordable housing, and geographically dispersed low-income households that meet area median income (AMI) or Federal Poverty Level thresholds. In cases where household income is used to meet eligibility, what documentation should be required? What are best practices for verifying eligibility for low-income utility programs?

As detailed by leading low-income solar providers in a recent letter[6] around the structure of the United States Treasury Department's low-income bonus credit program, self-attestation is the best practice for qualification for low-income solar programs and should be the primary methodology used for CEC's program.

If income qualification is required, documentation required should allow for:

- Qualification through existing income-qualified services, such as energy assistance, SNAP, or deed restricted housing. This is not a best practice, as it can miss a large percentage of income-qualified customers. Studies have shown that only a fraction

[6] https://www.regulations.gov/comment/IRS-2022-0023-2141

of people, 20-50% depending on the program, who qualify for government assistance programs actually participate in them.
- Income verification through an approved third-party program administrator or list of qualified income verification providers (community action agencies, solar nonprofits like GRID Alternatives, etc.)
- Qualification can also be used based on locational data, such as a low-income census tract or DAC using CalEnviroscreen, for example.
- A combination of the above.

POUs generally have intimate knowledge of their rate base and may also be able to provide pre-qualified pools of subscribers through their existing energy assistance, energy efficiency, or other income-qualified energy services.

9. What are best practices for conducting outreach to LIDAC communities and/or California Native American tribes? How can Community-Based Organizations (CBOs) best assist with outreach?

Community Based Organizations could be selected on a program level, as LIDAC or tribal outreach program administrators, to support outreach to LIDAC communities and tribes and encourage their participation (as project hosts, subscribers, etc.). This could be similar to how other CA income qualified programs, like Solar on Multifamily Affordable Housing (SOMAH), partner with CBOs[7].

10. Are there challenges or needs that are particular to LIDAC communities or California Native American tribes that CEC should consider to inform program design and structure?

Reactivate is not providing a response to this question.

11. What types of technical assistance would help support successful projects benefitting rural, tribal, and other communities that experience access barriers?

Technical assistance focused on outreach and education to LIDAC and tribal communities, and establishing a list of state approved vendors (per our response in question #20) that can be shared with rural tribal and other communities.

12. Certain projects under the Solar for All award will be subject to “Build America, Buy America” domestic sourcing requirements for iron and steel, manufactured products, and construction materials. What, if any, barriers may this cause? How can those barriers be mitigated and addressed?

[7] Learn SOMAH's Community-Based Partners

Reactivate is not providing a response to this question.

13. Is there other information or topics the CEC should consider regarding program design and structure that haven't been covered in the previous questions?

Reactivate is not providing a response to this question.

(2) Benefits

14. As a condition of receiving funding from CEC's Solar for All program, awardees must deliver a minimum 20% average household electricity bill savings to all LIDAC households served under the program, including households in master-metered, multi-family buildings.
    a. What are effective mechanisms to apply bill savings that do not affect resident income levels and ensure residents' eligibility for other low-income programs is unaffected?

On-bill crediting applied by the utility, applied to utility bills within 30 days, is an effective and well-established mechanism that will not affect eligibility for other programs. Consolidated billing, also called net crediting, which provides both the energy credit and the subscription fee on a single utility bill, can also help ensure that residents' eligibility for other low-income programs is not affected, as discussed in a recent paper by the National Association of State Energy Offices (NASEO).[8]

The US Department of Housing and Development (HUD) has also issued guidance that enables residents of HUD-assisted housing to access cost-saving community solar subscriptions without inducing a rent increase or utility allowance adjustment[9]. Coordination with other California low-income programs, such as LIHEAP, may be prudent to ensure program design does not run the risk of jeopardizing qualification.

    b. Should the bill savings calculation be based on an average monthly or annual percentage of a customer's electrical usage?

Reactivate is not providing a response to this question.

    c. What are best practices to ensure households that do not receive individual electricity bills (e.g. master-metered, multi-family buildings) receive the savings?

Reactivate is not providing a response to this question.

[8] Microsoft Word - Community Solar Consolidated Billing Final.docx p10
[9] Community Solar and Low-Income Utility Allowances | Department of Energy

d. How should bill savings be verified? By whom and when?

Bill savings should be verified through POU annual reporting, utilizing on-bill crediting and consolidated billing.

15. As initially defined by US EPA, community solar funded by the CEC Solar for All program must meet the following definition: 1) nameplate capacity of 5 MW_{AC} or less, 2) deliver at least 50% of the electricity generated from the system to multiple residential customers within the same utility territory as the facility, and 3) verify that at least 50% of the benefits and/or credits of the power generated from a community solar system be delivered to residential customers in the same service territory.
    a. How do existing POU community solar projects verify delivery of benefits and/or credits to residential customers?

By ensuring that customers are on a residential rate class.

b. What verification processes for benefits and/or credits should be used for the CEC Solar for All program?

In addition to rate class, self-attestation for any income qualification requirements, as discussed in further detail in Question 8.

16. What process should be used to ensure community solar bill discounts are linked with the customer even if the customer moves to a new location within the same service territory?

Customer participation should be able to continue as long as they remain in the same POU.

(3) Siting, Permitting, and Interconnection

17. What tools, processes, or best practices should CEC require/encourage to streamline permitting and interconnection of solar and storage, and community solar projects? Are there technical assistance tools or examples of existing programs that can be leveraged?

Reactivate is not providing a response to this question.

18. Should CEC's Solar for All program require energy storage with solar development? What are potential impacts of energy storage on solar project development in terms of cost, timeline, permitting, or other factors?

Reactivate is not providing a response to this question.

19. How can a community solar development be structured to support resiliency by delivering energy to benefitting residents during grid outages?

Reactivate is not providing a response to this question.

(4) Consumer Protection

20. What existing consumer protections are currently provided by residential solar, community solar, and energy storage programs?

One method to ensure strong consumer protection in solar programs is using an approved vendor process, such as in the Illinois Shines program[10]. This process ensures strong consumer protection by requiring vendors to provide company background and be in good standing in the state and program, provide legal and regulatory information including customer complaints, and submit marketing materials for review. Approved vendors are the only entities allowed to contract with customers. An online database is also maintained by the program administrator so customers can confirm approved vendors status, if they are ever solicited for subscriptions.

21. How should the CEC Solar for All program incorporate consumer protection requirements? Are there consumer protection considerations particular to different housing types such as multi-family or single-family rental properties, or for LIDAC communities, that CEC should consider?

Reactivate is not providing a response to this question, please refer to our response in Question 20.

(5) Quality Jobs

22. How can awardees support high-quality jobs for solar and energy storage projects that promote prevailing wage and training opportunities such as apprenticeship programs? What other workforce development, education, and training opportunities are available that should be required/encouraged by CEC's Solar for All program?

Reactivate is not providing a response to this question

23. What are best practices for estimating or reporting on the job opportunities for solar and energy storage projects that should be incorporated in CEC's Solar for All program?

[10] Approved-Vendor-Application_2024-25-Program-Year.pdf

Reactivate is not providing a response to this question

24. Are there examples of existing community investment plans or agreements that include High Road principles, (e.g. Project Labor Agreements, training trust fund contributions, local hire commitments, Disadvantaged Community hiring targets, regional living wage standards)? If so, please describe how CEC can best support.

Reactivate is not providing a response to this question

25. What other workforce criteria should be considered as part of the CEC Solar for All program?

Any scoring or incentive provided for workforce training should be applied to programs that are state, federal or Interstate Renewable Energy Council approved workforce training opportunities or apprenticeship programs. The training programs should include a curriculum that is aligned with nationally recognized certification programs such as the North American Board of Certified Energy Practitioners (NABCEP) certification.