# BEFORE THE NEW ORLEANS CITY COUNCIL

# RULEMAKING PROCEEDING TO AMEND THE RULES FOR COMMUNITY SOLAR PROJECTS DOCKET NO. 18-03

Please accept the following comments of the Coalition for Community Solar Access regarding the above referenced docket, for electronic filing.

Coalition for Community Solar Access

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### **DOCKET NO: UD-18-03**

# IN RE: ORDER ESTABLISHING DOCKET AND INVITING COMMENTS TO AMEND THE COMMUNITY SOLAR RULES

## COMMENTS ON BEHALF OF THE COALITION FOR COMMUNITY SOLAR ACCESS AND ITS MEMBERS

Pursuant to Council of New Orleans ("Council") March 28th, 2019 Order Establishing Docket and Inviting Comment ("Order"), the Coalition for Community Solar Access ("CCSA respectfully submits these comments and general recommendations for creating a sustainable and successful community solar program for New Orleans. On behalf of our members, CCSA appreciates the opportunity to submit these comments and applaud the Council for the establishment of a community solar program in the first place and willingness to hear recommendations for updating and sustaining a program.

CCSA is a national coalition of businesses and non-profits working to expand customer choice and access to solar for all American households and businesses through shared solar programs. CCSA's mission is to empower every American energy consumer with the option to choose local, clean, and affordable shared solar. CCSA works with customers, utilities, local stakeholders, and key decision makers to develop and implement policies and best practices that ensure community solar programs provide a win, win, win for all, starting with the customer. CCSA is composed of over 100 member companies and non-profits working together to expand access to clean, local, and affordable energy. The members and staff of CCSA have experience working in many different states under different community solar policy models across the country.

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## I. Introduction

As an initial matter, CCSA applauds the Council for creating a program as a city and leading the way for others to do so. Community solar has been successfully operating in this country for over a decade and states that have unlocked the potential of community solar have seen widespread benefits as a result. These benefits include far-reaching economic development, increased tax revenue to local jurisdictions, economic opportunities for farmers and other rural landowners and significant utility bill savings for subscribers. An effective community solar program unlocks private investment to build and operate clean energy generation resources for many years to come.

Community solar can also be an integral part of an innovative future energy strategy for New Orleans. In a city and state prone to hurricanes and flooding, community solar projects can provide local energy in times of disaster or transmission grid outages as seen in Florida this past year. Depending on the system design and the potential for energy storage, community solar projects can support "resilience hubs," powering community shelters for emergency needs including medical devices, refrigerators, heating or air conditioning, and charging devices.<sup>1</sup>

The following comments are intended to provide a source of information on the mechanics of community solar and the economic benefits that such programs can bring, in addition to the bill savings opportunities afforded to low-income subscribers and other residents unable to access net metered solar. While these comments are directed towards the proposed changes to the Community Solar Program, there are a number of useful, additional resources for policy makers on the topic of community solar. CCSA has developed a Community Solar Policy Decision Matrix, which walks through different elements of a successful program, along with CCSA's

https://www.southface.org/resilience-hubs/#:~:text=What%20are%20resilience%20hubs%3F,solar%20and%20battery%20energy%20 storage.

<sup>&</sup>lt;sup>1</sup> See e.g.

recommendations on each. That resource, along with others, is available on CCSA's website.<sup>2</sup> The Solar Energy Industries Association (SEIA), which CCSA often partners with, also includes a number of other helpful links and articles available on its website.<sup>3</sup>

Generally, CCSA supports adequate structures for a long-term community solar program and agrees with adopting rules to increase solar access and best practices for ensuring financeable projects such as adequate project compensation, increasing project size limits, allowing for a longer PPA term, and increasing the Low- and Moderate-Income (LMI) customer requirement to 40%.

## II. Economic Certainty is Key to Programmatic Success

Economics are the most important underlying factor driving the direction of a community solar program. While a community solar project may have modest ongoing costs because its fuel source, the sun, is free, the upfront costs can be a multi-million dollar endeavor. Before moving ahead in a market, prudent investors require assurance that the cost outlay for developing and constructing the project will be recoverable primarily through the credits associated with its generation. In order to make these projects work, developers and long-term owners of community solar projects need long term stability in credit rates, certainty around the length of time those credit rates are available, and transparency in the crediting process. In building a sustainable long-term community solar program in New Orleans, credit rates and economic stability should be the central pillar around which the rest of the program is built. CCSA supports the subscriber organization ownership of RECs and adjusting the bill credit rate in order for projects to provide the most benefits to customers and be financeable in the long term.

#### **Credit Rate Methodologies**

Typically, when a state or city enables community solar, it begins by using a simple credit rate that mirrors a subscriber's current retail rate, akin to net metering, albeit usually as a monetary credit and not a kilowatt-hour offset. In fact, using a credit rate based upon embedded cost rates

<sup>&</sup>lt;sup>2</sup> CCSA's resource page is available at https://www.communitysolaraccess.org/resources/.

<sup>&</sup>lt;sup>3</sup> SEIA's community solar resources are available at <a href="https://www.seia.org/initiatives/community-solar">https://www.seia.org/initiatives/community-solar</a>

has been the most practical mechanism for getting successful community solar markets established throughout the country. Over time and as a market evolves, it may move toward more complex rate structures that are designed to value the solar generating resource based on location, time of production, societal benefits and other factors.

For example, three of the most robust community solar markets in the country - Massachusetts, Minnesota, and New York - launched successful community solar programs using retail rate compensation structures. As those state programs gained traction and expanded, and developers and the state utilities commissions learned more about project development and market dynamics specific to each state, the credit rate designs evolved and became more sophisticated. We understand and commend the Council for adopting the retail rate bill credit for LMI customers, but often the baseline for sustainable programs is retail rate for non-LMI customers and additional compensation for LMI customers so that bill credit savings can be increased and costs of LMI customer stewardship are offset. For this reason, we recommend New Orleans consider a credit rate that is based on a subscriber's retail rate for electricity for non-LMI, plus an additional adder to facilitate greater low-income participation and any other goals the Council may want to set for the program going forward.

If a program elects to use a fixed credit rate as opposed to floating embedded cost rate (such as the retail rate), it's important to acknowledge the principles of time value of money, and that a dollar today is worth more than a dollar tomorrow. In the case of a fixed credit rate, this means that the effective value of that rate will diminish over time. Hawaii's Community Based Renewable Energy ("CBRE") program, for example, ties a fixed credit rate for generation against a variable retail rate. In six years of that program's life, there has only been one successful project constructed. To counter that decline in value, a program should incorporate an annual escalator - typically tied to inflation - that ensures the rate is providing a similar value to the subscriber over the duration of the subscription contract. Another solution that achieves the same result is to establish a fixed rate which is levelized based on expected inflation.

Over a decade of experience shows that a low and or unstable credit rate is generally the single variable that makes a program unviable. The table below outlines the credit rate for most third-party programs in the country. As the table shows, programs with supply rate or avoided

cost rate programs have yielded no capacity. Illinois appears to be an exception; however, that program coupled the bill credit rate with a large renewable electricity credit, plus a \$250/kW upfront rebate for projects that used smart inverters.

Table 1. States with Community Solar Programs, credit values and capacity as of 2022

Market	Program / Utility	Credit Rate (\$/kWh)	Notes	Installed / Awarded Capacity
со	Solar Rewards (for projects awarded up through 2015) / Xcel	\$0.07273 <sup>4</sup> Residential; Varies for C&I	Market partly driven by RECs (bidding process) and targeting C&I customers that have high customer-specific variable rates. 10% of projects go to low-income – generally treated as 10% loss in revenue.	~ 50 MW capacity was awarded and developed
	Solar Rewards (for projects awarded 2016 or later) / Xcel	\$0.07273 <sup>5</sup> Residential; ~\$0.05-07 (C&I.)	Bidding driven market toward fewest/largest C&I. Utilities responsible for low-income component (10% of program, not project)	60 MW of bids awarded in 2016
н	CBRE / HECO	\$0.150	This is a fixed value for Phase 1 projects. Phase 2 will have the same fixed default value, but turns to bidding process if applications exceed capacity.	>3,800 MW-ac capacity developed
IL	Adjustable Block Program / ComEd, Ameren	~\$0.06 (Residential) ~\$0.03 <sup>6</sup> (Lg. Comm.)	RECs are designed to make economics work. These rates also assume projects will utilize state-mandated \$250/kW rebate (i.e., \$500K for 2 MW project) for use of smart inverter.	>670 MW of new solar generation energized or planned
МА	SREC II / National Grid, Eversource, Unitil, some Municipal Light Plants	~\$0.125 for projects from 1-2 MW-AC ~\$0.175 for projects under 1 MW-AC	Projects generate full-value SRECs (~\$0.26/kWh) for 10 years; SRECs are monetized independent of the bill credit rate.	>250 MW-dc capacity developed
	SMART / National Grid, Eversource, Unitil	~\$0.34 for projects <25 kW ~\$0.17-\$0.25 for projects >25kW <sup>7</sup>	Credit rates operate on a declining block structure; projects qualify for base rate + any location or offtaker-based per-kWh adders	>1600 MW-dc capacity developed
MD	CSEGS / BGE	~ \$0.13 (Residential) ~\$0.07 (Lg. Comm.) <sup>8</sup>	Three-year pilot program. RECs can be monetized, but value is currently low (> \$10/MWh)	Year 1 capacity is not entirely reserved for all utilities, due partly to land use/low-income challenges.

<sup>&</sup>lt;sup>4</sup> https://www.xcelenergy.com/staticfiles/xe/PDF/Regulatory/CO-Rates-&-Regulations-Entire-Electric-Book.pdf

<sup>5</sup> Ibid

 $<sup>^6\</sup> https://www.comed.com/SiteCollectionDocuments/MyAccount/MyBillUsage/CurrentRates/Ratebook.pdf$ 

<sup>&</sup>lt;sup>7</sup> https://www.mass.gov/doc/2022-btm-value-of-energy-workbook/download

<sup>&</sup>lt;sup>8</sup> https://www.bge.com/MyAccount/MyBillUsage/Pages/RatesTariffs.aspx

Market	Program / Utility	Credit Rate (\$/kWh)	Notes	Installed / Awarded Capacity
MN	Pre-2017 Applications / Xcel	\$0.13539 (Residential) \$0.10515 (Lg. comm.) <sup>9</sup>	Projects can leverage (optional) fixed (25 year) \$0.02/kWh REC adder for projects over 250 kW.	>270 MW-AC in service at end of January. <sup>10</sup>
	2017 or later Applications Xcel	\$0.1006, escalating to \$0.1724 by year 25. Levelized = \$0.1239. These are proposed – not yet confirmed. <sup>11</sup>	N/A	69 applications submitted in 2017 suggests 2017 VOS works at least commercial. 12 2018 VOS has raised concerns as too low. 13
NY	Net metering / O&R	~\$0.163 for residential subscribers	Varies significantly by utility/load zone, ranging from \$0.204 for ConEd customers to \$0.09 for Rochester Gas & Electric customers	Development is robust in the utility territories with the highest rates outside NYC and minimal elsewhere.
	VDER / O&R	~\$0.157 for Tranche 2 (~90% of retail rate)	Varies significantly by utility/load zone, ranging from \$0.17 for ConEd customers to \$0.083 for NGrid Zone D customers	Development is robust in the utility territories with the highest rates outside NYC and minimal elsewhere.
RI	CRNM / National Grid	\$0.15 <sup>14</sup>	RECs can be monetized.	Statutory cap of 30 MW, full with ~20 MW waiting list <sup>15</sup>
	REG / NGrid	\$0.27-\$0.31 (Residential) <sup>16</sup> \$0.109 <sup>17</sup> (Commercial)	This is a feed-in tariff REC purchasing program required to be offered through utility.	~30-40 MW-dc developed annually since 2020

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 $<sup>^9</sup> https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPoup\&documentId=\{10E25661-0000-C412-9CF2-F02761268D6B\}\&documentTitle=20182-139687-01$ 

<sup>10</sup> Ibid.

<sup>&</sup>lt;sup>11</sup>https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPoup&documentId={CO CFDE5E-0000-CC1C-9F19-BC735EB0478B}&documentTitle=201710-136017-01

<sup>&</sup>lt;sup>12</sup>https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPoup&documentId={40 1F9661-0000-C713-A108-D739ED278E17}&documentTitle=20182-140096-01

 $<sup>^{13}</sup> https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPoup\&documentId=\{40.09735F-0000-C710-B8D1-AD0D69679ACF\}\&documentTitle=201710-136974-01$ 

<sup>&</sup>lt;sup>14</sup> https://ripuc.ri.gov/sites/g/files/xkgbur841/files/generalinfo/Synapse-CRNM-BCA-2021-Redacted.pdf

<sup>&</sup>lt;sup>15</sup> https://ngus.force.com/RI/s/article/Net-Metering-in-Rhode-Island

<sup>&</sup>lt;sup>16</sup> https://ngus.force.com/servlet/servlet.FileDownload?file=0156T00000FLwcH

<sup>&</sup>lt;sup>17</sup> https://ngus.force.com/s/article/Rhode-Island-Renewable-Energy-Growth-Program

## <u>Credit Valuation in the Context of Solar Project Development</u>

The bill credit rate is essential because projects must recover project costs. Certainty of adequate revenues is essential to ensuring project financeability. Community solar costs include a combination of upfront (one-time) project development and customer acquisition costs, followed by ongoing (year-over-year) costs to account for project O&M, customer management, and billing costs. In connection with a long-term community solar program, many markets undertake an economic modeling exercise to ensure projects will be financially viable under the state's program rules. Without a sufficient modeling exercise, it is difficult to land on even a reasonable estimate for the range of costs for a particular program in a particular state. The following list attempts to capture some of the most variable aspects of project development, some of which are based in program design while others are dictated by local, state and federal policies.

## • Project Development Costs

- **Permitting.** Counties vary in their permitting fees.
- Interconnection. Connecting to the utility grid is typically among the highest and
  most variable costs associated with project development. CCSA believes it is
  important for the Council to consider the interconnection rules and standards
  applicable to community solar programs and consider adopting learnings from
  other states' experience in this area.
- Labor costs. Projects need to ensure licensed electricians and high-quality labor are building projects. Typical labor costs vary widely from state to state. In the case of New Orleans, additional cost considerations should be included to make sure New Orleaners are among the workforce, have adequate training and are prioritized, resulting in greater economic benefits.
- **Property taxes.** Counties and states vary significantly in their property tax structure.
- Land leases. Market-based land lease prices also vary depending on availability of land.

## • Subscriber Acquisition and Management Costs

• Small Subscriber and Low-Income Participation. Depending on program rules and Council goals for low-income participation, these costs can vary significantly.

#### • Federal and Global Cost Influence

Import tariffs and global commodities prices. While solar panel pricing has been steadily declining over the past decade, the global pandemic, oil prices, trade policies and other disruptions have dramatically impacted the cost of materials for solar development. As SEIA's Solar Market Insight - Year-in-Review 2021 Report notes, supply chain constraints and raw material prices have increased system

- prices from 4.6% (residential) to up to 18% (fixed tilt tracking utility scale) year-over-year. 18
- o **Interest rates.** Interest rates have gone up to combat inflation, as such financing costs have increased significantly. The Federal Reserve has increased the federal funds rate from ½ percent at its March 17, 2022 meeting to 4.00% at its November 2nd meeting, nearly doubling its year end goal of 1.9% increases over the course of 2022. 19

There is substantial data available on project costs and tools for modeling project economics the Council could use to evaluate program economics. The Council should take stakeholder feedback on aspects that impact financeability and remain open to reviewing changing economic factors periodically over time.

## Timing and Administration of Credits

Beyond costs, the length of time during which a project is guaranteed to receive solar credits, i.e. program length, greatly impacts the financeability of projects. Most community solar projects guarantee incentives or credits for 20 to 25 years from the date the project is placed in service - which coincides with the expected life of the asset. The current ten year life of the program PPA coupled with the low credit values make it difficult to finance a project for fear that that may not be enough time for a project to realize a reasonable return. For additional program elements, we recommend CCSA's *Community Solar Policy Decision Matrix*, <sup>20</sup> which provides a wealth of details and guidance for policymakers who are establishing a community solar program. IREC's *Shared Renewable Energy for Low- to Moderate-Income Consumers: Policy Guidelines and Model Provisions*<sup>21</sup> also provide great background and ideas on ways to achieve meaningful low and moderate income participation.

Although there are some parcels primed for ground mounted solar in New Orleans, it is likely that most of the solar developed would be rooftop solar, this increases costs for developers significantly. This is another reason the Council may wish to allow for REC ownership at the

<sup>&</sup>lt;sup>18</sup> See "Wood Mackenzie/SEIA US Solar Market Insight" Year-in-Review, March 2022, pp. 44-50. https://www.seia.org/us-solar-market-insight

<sup>&</sup>lt;sup>19</sup> See https://www.federalreserve.gov/newsevents/pressreleases/monetary20220316a.htm

<sup>&</sup>lt;sup>20</sup> http://www.communitysolaraccess.org/wp-content/uploads/2019/04/2019CommunitySolarPolicyMatrix-2.pdf

 $<sup>\</sup>frac{https://irecusa.org/resources/shared-renewable-energy-for-low-to-moderate-income-consumers-policy-guidelines-and-model-provisions/}{}$ 

subscriber organization level, in order to offset the costs of installation.

Finally, increasing the project size cap from 2MW to 5MW is feasible, as a preliminary buildable area analysis conducted using Anderson Optimization solar siting software showed more than 45 parcels in the Entergy New Orleans area with 15+ acres of buildable area. In order to maximize LMI participation, land use and co-location allowances per the current rules, increasing to a 5MW project size can maximize buildable area in an already land-constrained and flood-prone city.

## III. Community Solar as an Economic Driver

Community Solar projects have a far reaching economic development impact on the communities they serve, creating well-paying jobs in communities across the United States. They also provide economic opportunities for landowners through property and roofleases and provide significant tax revenue to local municipalities, which in turn can fund local public services and infrastructure improvement projects. The following section discusses these multiplier effects of community solar on state and local economies.

### Hiring for Project Construction and Customer Sign-up

Community solar developers typically rely on Engineering, Procurement and Construction (EPC) companies that hire a broad scope of local contractors to complete different aspects of project development. Below is a list of common contractors and subcontractors that solar developers often hire to complete aspects of project development. Not every project will need every type of contractor listed below but the following list provides a range of opportunities that are common in project development.

## **Development:**

- Land agent
- Third-party civil engineering for permitting, which often contracts out the following work to other specialists for the following types of work:
  - GIS services
  - Archeological assessment
  - Wetlands Delineation specialist
  - Army Corps Coordination
  - o Property Value assessment

- Environmental assessment
- Land Surveyor
- Interconnection consultant
- Local Lawyers for permitting and taxing
- Geotechnical surveys of site conditions
- Title company
- Printing company

#### **Pre-construction**:

- Local engineering firm for environmental construction permits (stormwater during construction)
- Land surveyor
- Underground surveyor

#### **Construction**:

- Civil contractors (site cleaning and leveling, concrete work, access road, etc.)
- Electrical work
- Structural contractors (pile drivings, racking installation)
- Fencing
- Landscaping
- Tree removal services, if necessary
- Septic Service
- Signage
- Traffic Control
- Equipment Freight
- Equipment Storage
- Office Trailer Rental
- Dumpster Rental
- Generator Rental
- Bathroom and Wash Station rental
- Insurance
- Performance Bonds company

## **Long-Term Operations and Management**:

- Electrical contractor to address wear and tear, equipment repairs
- Landscaping (mowing, pollinator planting)
- Panel washing
- Production monitoring

#### **Customer Acquisition and Management**

- Marketing and sales representatives
- Customer education and outreach representatives
- Billing and customer service specialists
- Portfolio management specialists

#### Tax Revenue to Local Jurisdictions

Community solar raises tax revenue in local communities, which often have difficulty finding ways to increase their tax base. These additional property taxes fund fire protection and emergency operations, schools, infrastructure and other resources for communities.

Correspondingly, community solar projects require virtually no additional community services in exchange for the tax revenue they generate. There are no additional burdens on emergency services, virtually no additional traffic on local roads and no burden on local schools. A report by the North Carolina Sustainable Energy Association shows the dramatic increase in property taxes collected in a number of North Carolina counties before and after solar was developed in that county. That report found that properties with solar paid nearly 2,000% more than they did prior to solar. These property taxes are usually assumed by the developer of the community solar facility, not borne by the landowner.

## Examples from Economic Impact Studies

Several universities have recently published studies to model the holistic economic development impacts that flow to a state from a community solar program. The most recent studies have come from Pennsylvania State University and Michigan State University. The following are excerpts from the conclusions of those reports that summarize the topline findings.

## From the Pennsylvania State University Study:23

...of the currently planned 235 community solar facilities in the Commonwealth could generate a one-time, temporary \$1.8 billion increase in economic output and 11,631 jobs in the Commonwealth. This includes about 5,991 jobs directly within the firms doing the construction, interconnection, and advertising work, about 1,907 jobs in businesses with more sales due to the construction work, and 3,733 jobs resulting from employee spending income earned through these jobs and landowners spending the lease dollars they receive.

Once operating, these 235 community solar facilities annually will generate around \$83.3 million in economic output, supporting 520 jobs across the Commonwealth. This includes 114 jobs directly within the firms operating these

<sup>&</sup>lt;sup>22</sup> Increased North Carolina County Tax Revenue from Solar Development <a href="https://energync.org/wp-content/uploads/2019/07/Small\_Increased-NC-County-Tax-Revenue-from-Solar-Developmentv3.pdf">https://energync.org/wp-content/uploads/2019/07/Small\_Increased-NC-County-Tax-Revenue-from-Solar-Developmentv3.pdf</a>

<sup>&</sup>lt;sup>23</sup>Potential Economic Impact of Community Solar in Pennsylvania, p. 14, available at: https://www.pa4communitysolar.com/\_files/ugd/678dcb\_2bef0068ce3d4c91ae465b3c99098ca9.pdf.

facilities, 53 jobs in businesses who will provide goods and services to these facilities, and 354 jobs resulting from employee spending, landowners spending the lease dollars they receive, and consumers spending what they save from buying electricity from these facilities. In addition, these facilities will increase annual real property tax collections by about \$574,260 across the Commonwealth.

## From the Michigan State University Study:24

Once we consider how direct activities give rise to secondary activities that ripple throughout the economy, we show that each 5 MW installation supports about 30 Michigan jobs with total annual income of just under \$2 million per year (2021 prices). Collectively, the estimated total instate income generated (as measured by gross state product) from a single 5 MW installation is \$2.97 million.

Both of these studies show there is a considerable, positive ripple effect in the economy from community solar facilities.

## IV. Expanding clean energy access for all

Community solar is the only renewable energy source that has the ability to provide clean energy access to all Americans. It bridges the gap between those who can afford to purchase their own systems and those who cannot, also allowing those who do not own their home or have adequate property to host a system<sup>25</sup> to participate in the growing clean energy economy and workforce. From an affordability perspective, community solar lowers the energy burden for LMI customers by providing savings on their utility bills. It also increases the likelihood that customers will be able to pay their bills each month, reducing risk to the utility. CCSA believes its imperative that the benefits of community solar be ascribed to individuals in communities with the greatest needs and who will benefit most; therefore, we support the proposal to increase the LMI customer enrollment requirement from 30 to 40% per project.

LMI programs can encourage innovative partnerships, especially between utilities, developers, state agencies, municipalities, non-profits, affordable housing authorities, green banks and other

<sup>24</sup> Michigan Community Solar: An Economic Assessment,

https://static1.squarespace.com/static/603804d68a94027d64852e25/t/616ed9ed4b5052410ff788c9/1634654701678/ MSU+Community+Solar+Report\_FINAL.pdf

<sup>&</sup>lt;sup>25</sup> The National Renewable Energy Laboratory ("NREL") estimates that, nationally, nearly 50% of households and businesses are unable to host a PV system on-site because they do not own their buildings or have access to sufficient roof space. See this NREL report: https://www.nrel.gov/docs/fy15osti/63892.pdf

community-based organizations. Such partnerships can be beneficial to multiple aspects of the program, from siting to outreach to project development. Additional information is available via IREC's Shared Renewable Energy for Low- to Moderate-Income Consumers: Policy Guidelines and Model Provisions.<sup>26</sup>

Community solar is a very effective way to build energy equity by making the benefits and savings from solar energy available to more LMI customers than most other programs could reach. Historically, low-income residents have been more expensive to serve, as a result of added risk and additional regulatory requirements needed to effectively serve this market. States have typically created carve-outs and/or offered additional project revenue for meeting or exceeding low-income program objectives. Additional revenue that flows to the community solar provider can overcome the challenge of financing projects for low-income participants.

When considering increasing the LMI participation percentage in this program, one aspect that has proven particularly important is ensuring that the LMI verification process is respectful and reasonable. For example, requiring sensitive income documents to verify a prospective customer's income is at best difficult and in some cases impossible. Moreover, requiring LMI subscribers to jump through many additional hoops is extremely intrusive and does not set up a respectful process. Customers may be reluctant or unable to provide copies of documents like tax returns, W2s, or pay stubs. Processing and storing these documents creates additional data security and privacy risks for the community solar provider. There are challenges with tying eligibility to other low-income programs as the only means of qualification. Not all eligible low-income customers are currently participating in federal, state or local assistance programs and most moderate-income residents are not likely to be eligible for such programs. Furthermore, a potential subscriber may not have any income at all, which would be difficult to determine through conventional sources. Based on CCSA's experience working in different markets across the U.S., it is best to provide a range of options to best meet the needs of the subscriber and community solar provider. These options could include proof of income, participation in other federal, state, or local benefits or economic assistance programs, census data for the subscriber's

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 $<sup>\</sup>frac{https://irecusa.org/resources/shared-renewable-energy-for-low-to-moderate-income-consumers-policy-guidelines-and-model-provisions/}{}$ 

address i.e. proof of residence in a disadvantaged community, or allowing a customer to self attest to their eligibility as an LMI customer.

Low- and moderate-income participation is a central and important component of a well-functioning community solar program. With a right-sized approach to credit value, tangible benefits, consumer protection and income verification, community solar is able to deliver on its promise of increasing energy equity and providing LMI subscribers with meaningful savings on their monthly electricity bills.

## V. Conclusion

CCSA and its members greatly appreciate the opportunity to weigh in on the many benefits that a well run community solar program can bring to New Orleans. We look forward to continued dialogue in this docket and would be happy to answer any questions the Council may have on this topic.

Respectfully submitted this 7th date of December, 2022.

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