

S**LAR** for A**LL**!

V**irginia** E**nergy** (SAVE)

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EPA Greenhouse Gas Reduction Fund

Objectives

1. Reduce greenhouse gas emissions and other air pollutants.
2. Deliver the benefits of greenhouse gas- and air pollution-reducing projects to American communities, particularly low-income and disadvantaged communities.
3. Mobilize financing and private capital to stimulate additional deployment of greenhouse gas and air pollution reducing projects.

\$27 Billion EPA Fund established through the Inflation Reduction Act



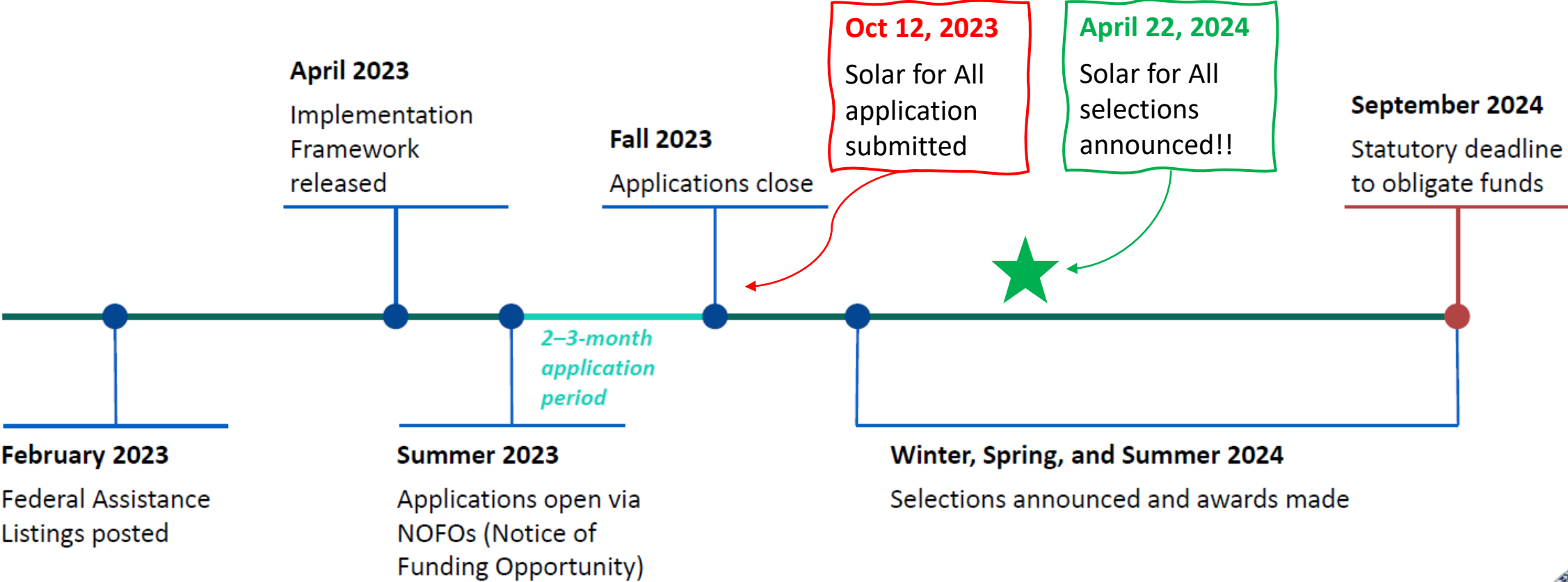
Greenhouse Gas Reduction Fund

Overview of the Greenhouse Gas Reduction Fund competition structure

	 National Clean Investment Fund	 Clean Communities Investment Accelerator	 Solar for All
Competition description	Fund 2-3 national nonprofits to partner with private capital providers to deliver financing at scale catalyzing tens of thousands of clean technology projects	Fund hub nonprofits to rapidly build clean financing capacity of networks of community lenders to finance pollution-reducing projects in low-income & disadvantaged communities	Support states, territories, Tribal & municipal governments, & nonprofits to expand access to solar for low-income & disadvantaged communities by priming markets for investment
Number and type of grantees	2-3 national nonprofits	2-7 hub nonprofits	Up to 60 states, Tribal & municipal governments, & eligible non-profit entities
Funding available	Nearly \$14B	\$6B	\$7B
Expected impacts	Historic public sector investment with the scale to attract private capital leverage in clean projects, supporting the 2030, 2035, & 2050 climate goals of the United States and catalyzing tens of thousands of clean technology projects	Robust pipeline of thousands of community-led clean projects with meaningful benefits, generated by hundreds of community lenders capitalized by GGRF to start or expand clean lending in underserved communities	Energy bill savings and energy resiliency for millions of underserved American households via states, Tribal & municipal governments, & other recipients creating new or expanding existing low-income solar programs across the country

EPA Greenhouse Gas Reduction Fund

Competition Timeline



Solar for All

Overview

- Virginia Department of Energy has been selected by EPA Greenhouse Gas Reduction Fund to receive award for **\$156,200,000** (\$156M) ✓
- Full application was submitted **October 12, 2023** ✓
- **100%** of program funds must enable **low-income** and **disadvantaged communities** (LIDAC) to benefit from **residential-serving** distributed solar
- Funded programs must deliver at least **20% bill savings** (of avg bill in the utility territory) to all households served
- Funds must be deployed within **5 years** (by 2029)



Solar for All

Virginia's Program Performance Metrics (estimated)

\$156 million
award for
Virginia

~109 MW of
rooftop &
community solar

~\$400M lifetime
economic
benefits

~1,200 new
jobs created

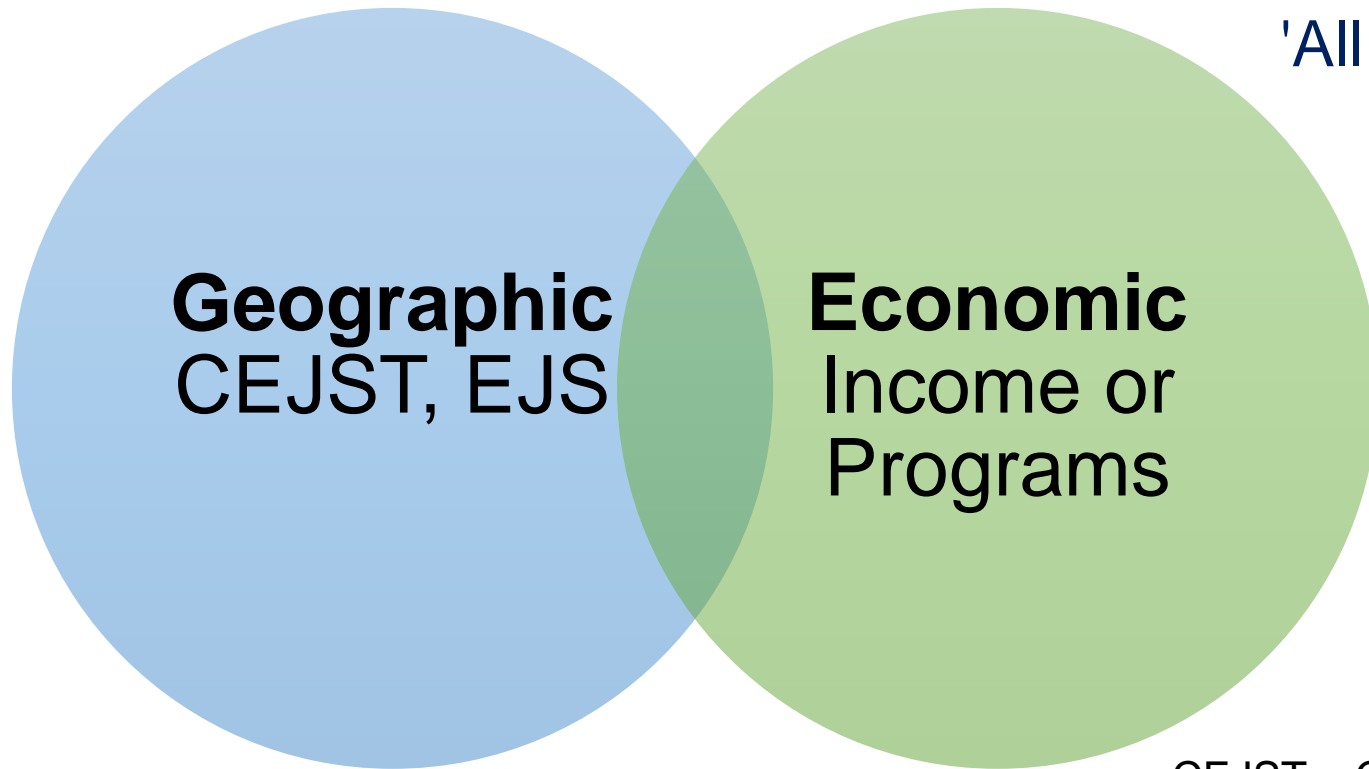
~16,200 house-
holds served

≥140 GWh new
gen. annually



Solar for All

Definition: Low-Income and Disadvantaged Communities



'All of the Above' Definition

>1.75 M households in Virginia may be eligible

Full list of eligibility in application guidelines

Strategic use of funds:
Meet both geographic + economic criteria

CEJST = Climate & Economic Justice Screening Tool

EJS = Environmental Justice Screening Tool



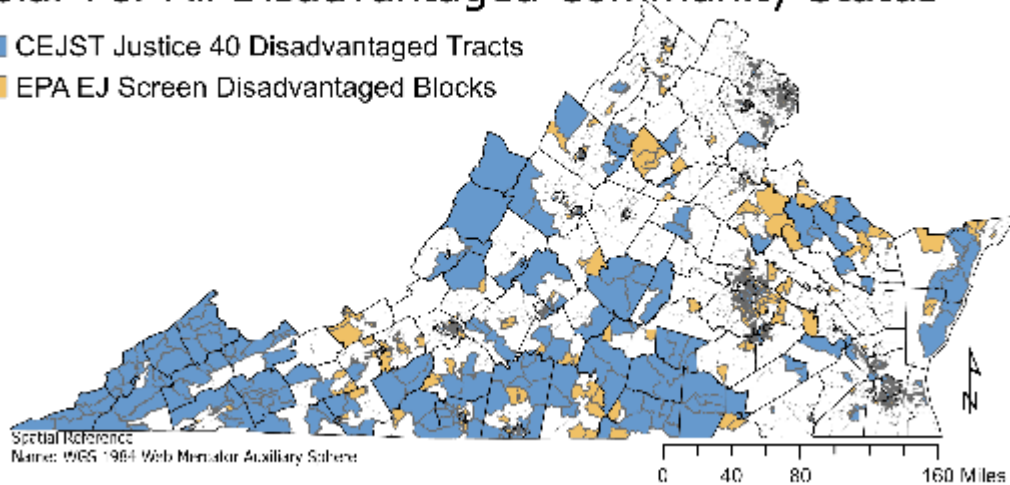
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Definition: Low-Income and Disadvantaged Communities

Geographic

Solar For All Disadvantaged Community Status

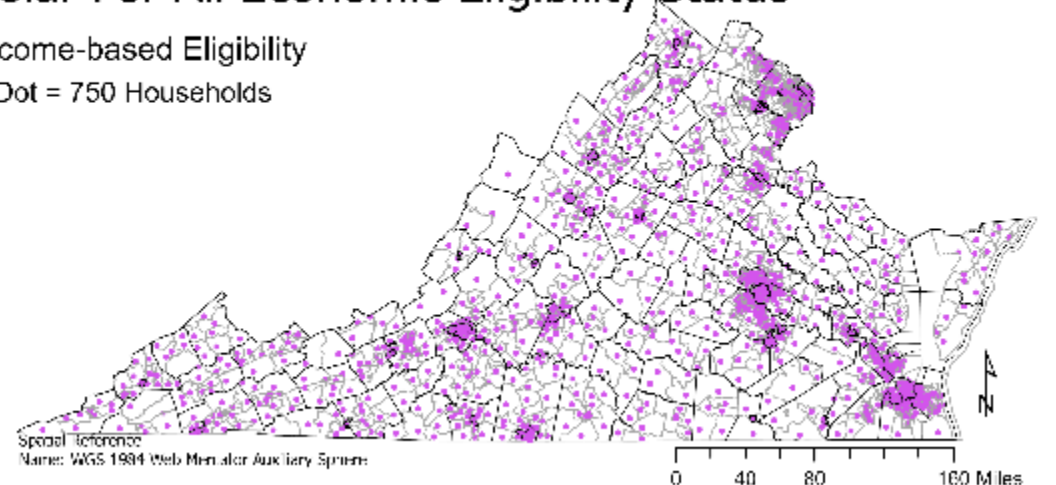
- CEJST Justice 40 Disadvantaged Tracts
- EPA EJ Screen Disadvantaged Blocks



Economic

Solar For All Economic Eligibility Status

- Income-based Eligibility
- 1 Dot = 750 Households



Sources: CEJST: <https://screeningtool.geoplatform.gov/en/>; EPA EJScreen: <https://ejscreen.epa.gov/mapper/>; DOE LEAD: <https://www.energy.gov/scep/slsc/lead-tool>



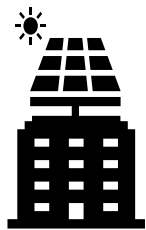
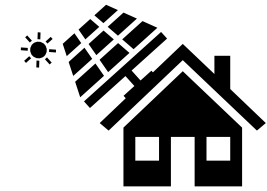
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Virginia Portfolio of Programs (Financial Assistance)



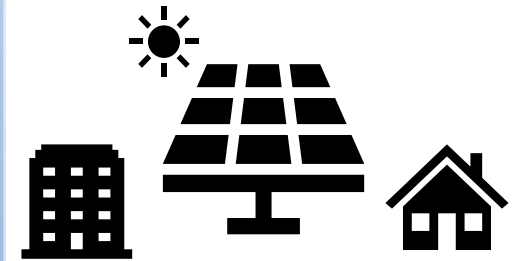
Single-Family
Third-Party
PPA or Lease

Single-Family
Direct
Ownership

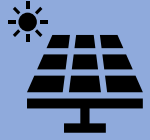


Onsite
Multi-Family

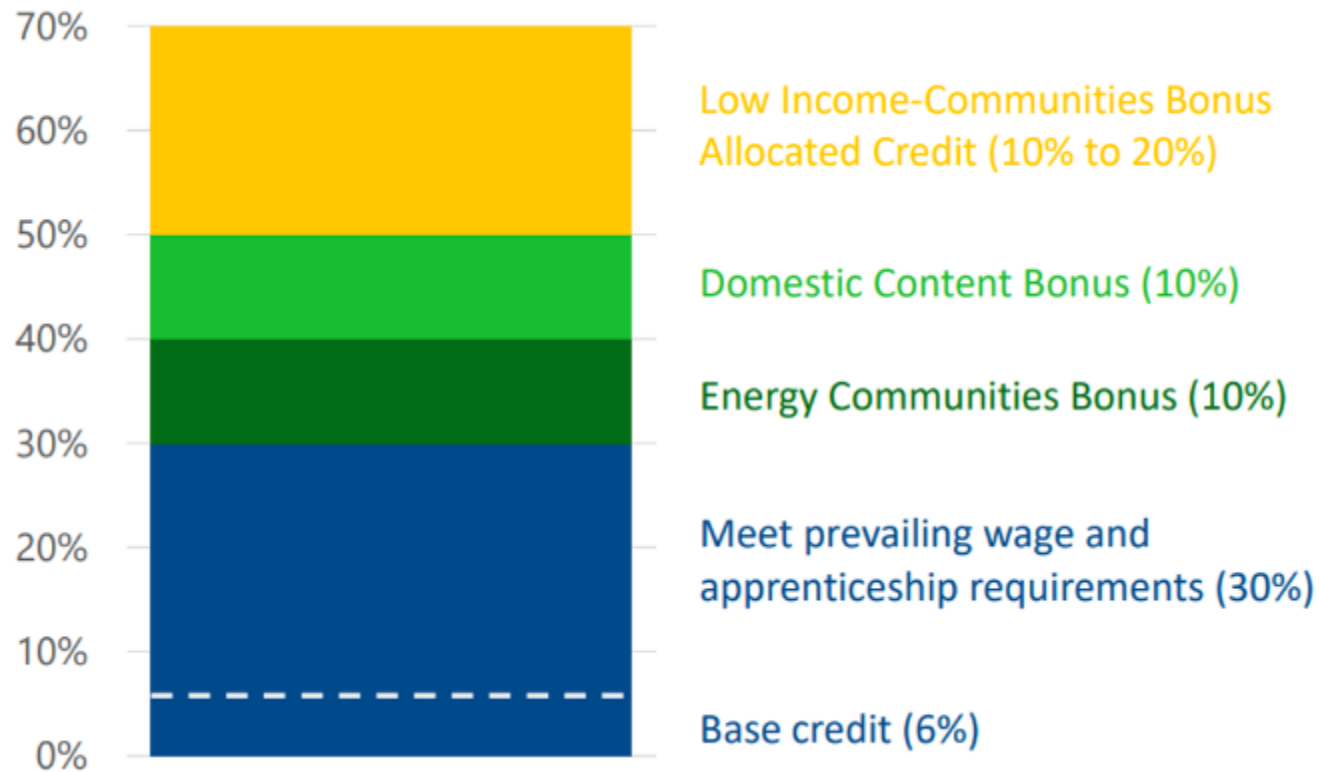
Shared/
Community
Solar



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Community/Shared Solar Stackable Benefits (>1MW)



Ref: Clean Energy States Alliance

Proposed Capacity Incentive (CI) would add another 20-40% of funding.

Maximum of 100% benefits through all credits, bonuses and CI.

Minimum of 51% capacity LI subscriptions required for CI funds.
Minimum 20% bill savings based on average of participants.

Dependency on percentage of LI customers served by project. Formula TBD.



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Portfolio-Wide Technical Assistance

Marketing, education and outreach (MEO) for contractors and consumers

Virginia Energy is investing in statewide strategic planning for MEO. Pooling various funding to cover all available solar and EE access and funding or financing options.

- Contractor/installer workshops
- Web-based tools and in-person events
- Consumer support for navigating project options and programs
- Goal of maximizing EE before/while accessing solar
- Grants to localities, regional planning commissions, Tribes and/or community-based orgs

Policy/Analysis

- Analysis and stakeholder engagement to help address known barriers
- Legal analysis and support
- Staff capacity to conduct solar research and policy guidance



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Workforce Development

Workforce training grants

- ✓ Complementary with other new and existing workforce funding
- ✓ Implementation of goals identified in Virginia Energy workforce gap report

Business Accelerator

- ✓ Partnership with VA Small Business Financing Authority to support small, woman-owned and minority-owned (SWAM) businesses

Program requirements for participating contractors

- ✓ Local hiring
- ✓ Incentives to hire women, people of color, veterans, and workers from fossil fuel industries
- ✓ Pre-apprenticeship & Registered Apprenticeships for community solar project developers



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Interconnection and Grid Upgrades Fund



- Fund for grants (behind the meter projects) or loans (front of meter)
 - Carveout for community or shared solar projects (loans)
- Available on an as-needed basis for single-family or multi-family projects
- Based on key criteria to be developed in planning period (year 1)
- Build upon SCC Interconnection Workgroup findings, IREC best practices, and US DOE Interconnection Innovation e-Xchange (i2X)



U.S. Department of Energy: i2X



Solar for All

Public Comments Submitted

- **Public comment period** ran May 19 – June 15, 2023. ✓
- Responses collected on VA Town hall and through dedicated email account. ✓
- Over **230 pages of written public comments** were received from 37 organizations, including:
 - *Consumer advocates, non-profit organizations, solar developers, financial institutions, utilities, local governments, law centers, trade associations and housing organizations.* ✓
- **Nearly 100 letters of support** were included in final application. ✓
- Virginia Energy staff will continue to make ourselves available to create a best-in-class program.

Thank you for your public contributions!



Solar for All

Virginia Energy Contact Information

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Resources available on energy.virginia.gov or epa.gov/greenhouse-gas-reduction-fund



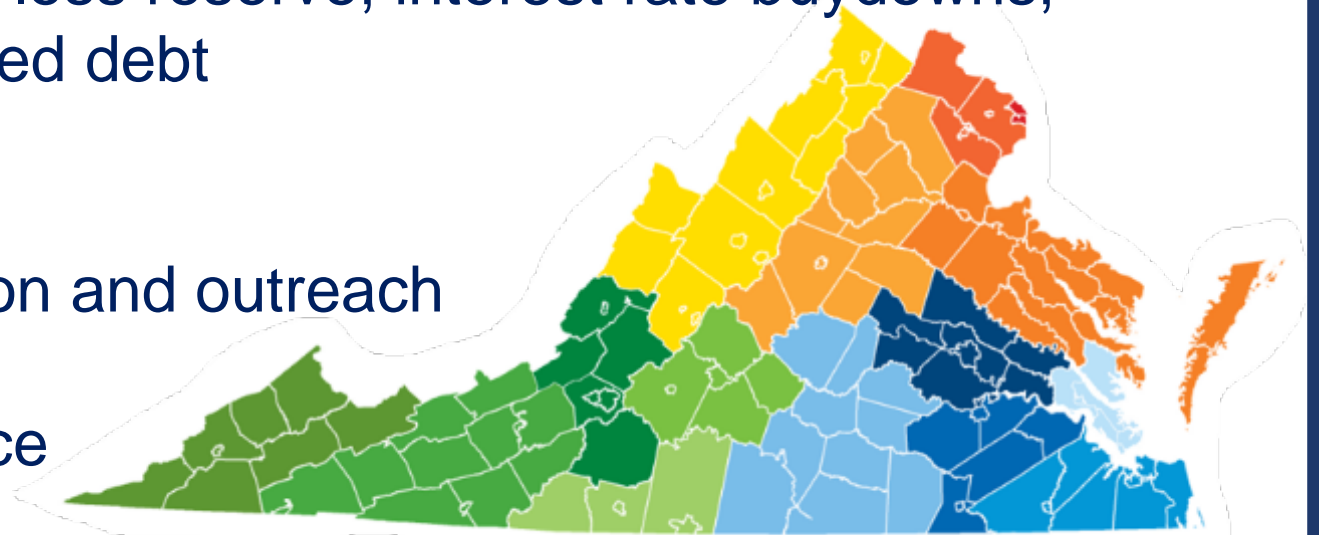
Additional questions may be directed to
SolarForAll@energy.virginia.gov



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Use of Funds

- Financial assistance for eligible project technologies (*at least 75% of program costs*)
 - Flexible: could be grants, loan loss reserve, interest rate buydowns, low-cost loan fund, subordinated debt
- Technical assistance
 - Consumer marketing, education and outreach
 - Workforce development
 - Project development assistance
 - Funding administration



*Deployment of funding may be evaluated on a regional basis with goal to reach all of VA
Emphasis will be placed on low-income and disadvantaged communities*



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Eligible Project Technologies

- Residential solar, including:
 - *On-site single family (SF)*
 - *On-site multifamily (MF)*
- Shared solar and/or community solar
 - *Residential-serving*
- Energy storage (e.g., *Tesla power wall, Generac PWRCELL, or commercial scale storage paired with community solar*)
- “Enabling upgrades” such as roof replacement, energy efficiency (e.g., attic or wall insulation) – *up to 20% of financial assistance deployed*



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Types of Solar Projects Potentially Eligible

	Residential Behind-the-Meter	Commercial Behind-the-Meter	Community Scale	Utility Scale
Typical Size Range	5KW – 25KW	10KW – 3 MW	0.5-5MW	20-X00MW
Energy User	Resident	Org/Resident	Subscribers	Utility Customers
Interconnection	Behind-the-Meter	Behind-the-Meter	Distribution Grid	Transmission Grid
Solar for All Eligible	Yes	Yes (housing only)	Yes	No



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Definition: Low-Income and Disadvantaged Communities

1. Communities identified as disadvantaged by the CEJST mapping tool.
2. A limited number of additional communities identified as disadvantaged by the EJScreen mapping tool.
3. Geographically dispersed low-income households (<80% AMI, <80% rural SMI, or <200% FPL) OR Individuals and households currently approved for assistance from or participation in at least one of the following income-based or income-verified federal assistance programs... (see list).
4. Multifamily housing with rents not exceeding 30% of 80% AMI for at least half of residential units and with an active affordability covenant from one of the following federal or state housing assistance programs... (see list) OR Naturally-occurring (unsubsidized) affordable housing with rents not exceeding 30% of 80% AMI for at least half of residential units.



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Program Design Considerations

- Property ownership status, site conditions
 - Single family owner-occupied; multi-family housing; renters
- Energy policy landscape
 - 3rd party ownership (PPAs & leases); shared solar, net metering
- Financial cost-benefit analysis
- Metering in buildings, multi-family buildings
 - Single family homeowners have one meter, pay bills
 - Multifamily properties could be “master metered” (owner pays the bill) or individually metered (tenants pay individual bills)
- Tax status
 - Lack of tax liability has made direct ownership challenging for LMI homeowners & tax-exempt entities, makes third party ownership attractive; Transferability and Direct Pay open new options

