

# Solar with Justice: A New Report on Solar for Under-Resourced Communities

December 12, 2019



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#### Webinar Speakers









**Danielle Deane-Ryan** Director of the Inclusive Clean Economy Program, The Nathan Cummings

Foundation

#### **Chandra Farley**

Director of the Just Energy Program, Partnership for Southern Equity

#### Nate Hausman

Project Director, Clean Energy States Alliance (moderator)

#### Warren Leon, Executive Director, Clean Energy States Alliance







### Thank you for attending our webinar

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### **Upcoming Webinars**

#### **Solar with Justice: Recommendations for Community Organizations** Thursday, January 16, 1-2pm ET

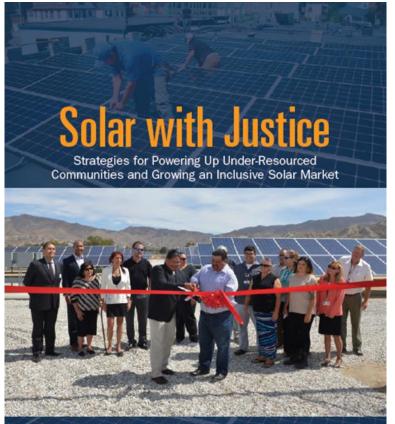
#### **Solar with Justice: Recommendations for State Governments** Wednesday, January 29, 1-2pm ET

Read more and register at: <u>www.cesa.org/webinars</u>



#### **CESA Webinar**

**December 12, 2019** 



Clean Energy States Alliance - Jackson State University Department of Urban and Regional Planning Partnership for Southern Equity - Paulos&nalysis - University of Michigan School for Environment and Sustainability The Nathan Cummings Foundation - The Solutions Project

#### Overview of the Report and Its Recommendations

## The Project Team

- Clean Energy States Alliance (CESA)
  - Nicole Hernandez Hammer
  - Nate Hausman
  - Warren Leon
  - Rob Sanders
  - Laura Schieb
- Jackson State University Department of Urban and Regional Planning
  - Berneece Herbert
- Partnership for Southern Equity
  - Chandra Farley
- Paulos Analysis
  - Ben Paulos
- University of Michigan School for Environment and Sustainability
  - Tony Reames
- The Nathan Cummings Foundation
  - Danielle Deane-Ryan
- The Solutions Project
  - Rudi Navarra





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PaulosAnalysis





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#### What Makes the Report Different

- 1. A diverse team worked together to explore solar in under-resourced communities in a comprehensive manner
- The report gathered the viewpoints of a large number of experts: 76 interviews with 82 people (plus interviews for case studies)
- 3. The views of leaders of community organizations were given special attention
- 4. The report makes clear recommendations



Kick-off workshop in Atlanta, January 2019

### First Part of Report: Background

- Challenges Under-Resourced Communities Face and How Solar Can Help
- 2. Obstacles to Solar for Under-Resourced Communities
- 3. The Importance of Community Empowerment





### Clearing Up Confusion about Community Solar

#### Community Solar vs. Shared Solar vs. Locally Controlled Solar



## Second Part: Findings and Recommendations

- General findings and recommendations
- Chapters for specific groups:
  - State governments
  - Philanthropic foundations
  - Community organizations
  - Other stakeholders (solar industry, municipalities, etc.)
- Changing project financing





#### **Case Studies**

- **Connecticut Green Bank/PosiGen**: 2,500+ solar installations on single-family homes in Connecticut
- **Denver Housing Authority**: 2-megawatt shared solar array
- Energy Trust of Oregon: 9 communities received grants to develop projects
- Fellowship Energy: Installed at numerous churches and other buildings of faith-based communities
- Kresge Foundation: Loan guarantee program will support many solar+storage projects at multifamily affordable housing
- LaGrange Housing Authority: 2.5-kilowatt ground-mounted installation with tracking system
- Native Renewables: Several homes have received solar installations with many more in the planning stage
- **PUSH Buffalo**: 64-kilowatt solar in major building renovation project
- **RE-volv**: Installations for numerous nonprofit organizations
- **Sunwealth**: Solar projects at a variety of buildings and institutions in under-resourced communities
- **UPROSE**: 685-kilowatt shared solar project on roof of decommissioned Army building

## Top Ten General Findings and Recommendations

- 1. Partnerships involving trusted community organizations are essential
- 2. It's still the experimental phase for LMI solar
- 3. Installations for community institutions deserve special consideration
- 4. Resilience should be a component of LMI solar
- 5. Financial risk needs to be minimized for LMI households and community organizations

- 6. Strong consumer protection is crucial
- 7. Shared solar projects can play a useful role but they are not a panacea
- 8. Training and workforce development should remain a priority
- 9. Solar education is important
- 10. Increasing the availability of financing for solar projects in underresourced communities is essential

#### State Governments

- 1. Measure progress towards energy equity
- 2. Make sure pro-solar state policies are in place
- 3. Adopt special incentives and policies
- 4. Leverage private capital
- 5. Work with and help community organizations
- 6. Bring LMI issues into public utility commission proceedings
- 7. Design solar programs for specific market segments
- 8. Ensure financial benefits reach LMI households



9. Impose high consumer protection standards

# Recommendations for Philanthropic Foundations

- 1. Incorporate input from community groups
- 2. Support frontline organizations with unrestricted multi-year grants
- 3. Invest in projects with a strategic focus
- Leverage financing and program-related investments to de-risk projects

- 5. Provide funding to determine the most viable community empowerment models for solar
- 6. Lean in to challenging locations to accelerate equity in solar access
- 7. Leverage strategic new channels to teach LMI households



### **Community Organizations**

- 1. Insist on the involvement of community organizations
- 2. Develop an internal education plan
- 3. Engage the community in dialogue on solar
- 4. Control the decisionmaking process and make careful decisions about project ownership
- 5. Push for community benefit agreements
- 6. Identify key institutions and help them adopt solar
- 7. Take part in shaping policy





#### **Other Stakeholders**





- 1. Solar businesses should seek local partners
- 2. Solar businesses should have a plan for workforce development
- 3. The solar industry should self-police
- 4. Local governments can support solar that benefits LMI communities and residents
- 5. Communities with municipal utilities and electric coops have special opportunities
- 6. Large electricity users can help shared-solar projects work for LMI households

## Expanding and Improving Project Financing





- 1. Build capacity so that community-led development teams and financing institutions can successfully implement projects
- 2. Present credible solar information in familiar formats
- 3. De-risk project finance for financial institutions and borrowers
- 4. Use alternatives to FICO credit scores
- 5. Negotiate project ownership and distribution of benefits

### Project Ownership and Empowerment





- The community should shape decisions and be able to ensure there are adequate community benefits
- Sometimes community wealth building best achieved by owning the project (e.g., PUSH Buffalo case study)
- Community organizations should do an honest self-assessment. Do they have:
  - The appetite and expertise to be a solar project developer?
  - The resources to withstand unexpected financial losses?

## More on Project Ownership and Empowerment

- A community organization need not give up control if it doesn't own the project. Wellstructured contracts can realize economic benefits without ownership risks
  - Community organization can initiate, control, and make the decisions about a solar installation.
  - Third-party entity owns the system and takes responsibility for maintaining it. Also can qualify for federal tax credit.

#### • A hybrid approach

- Community organization brings in a partner with solar development experience
- Partner withdraws after 5-10 years when they receive their tax benefits, leaving the community group with ownership (e.g., UPROSE case study)
- Need to make sure that this doesn't delay the community group receiving meaningful financial benefits

#### We welcome your comments

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