

## Rhode Island Low-Moderate Income Solar Strategy

In 2017 Governor Raimondo issued an Executive Order with a goal of 1,000MW of clean energy by 2020. The Rhode Island Office of Energy Resources (OER) is working to ensure not only that the goal is met, but that solar is an option for all Rhode Islanders. This requires new approaches to solar, including community solar opportunities, for customers that do not have a traditional “good site” for solar, tenants of multifamily buildings, condo owners, and low/moderate income (LMI) households.

### **LMI Solar Program Challenges**

OER has convened a Solar Access Working Group since 2015 to help identify and address the issues related to LMI solar adoption as well as expanding access to solar across the state for all residents. The biggest issue we have discovered through our work is a fundamental lack of knowledge about LMI energy programs that could reduce customer electric bills. For instance, several thousand RI residents who may qualify for National Grid’s LMI rate code have not signed up to receive a lower electricity rate, despite their high energy burden. More education and outreach is needed as well as internal OER engagement with National Grid.

In addition, some well-intentioned programs to help low-income customers reduce energy bills have proven to have design problems. For example, the National Grid led SolarWise program, designed to encourage energy efficiency in addition to solar, was cancelled after robust program evaluation found that the program had low adoption rates and was unpopular among residential solar developers. In fact, it was so unpopular that a few developers would not offer the program to potential solar customers since the energy efficiency work required before going solar took too long to implement and disrupted the solar sales timeline.

One of the challenges Rhode Island has had in recent years is finding good candidates to represent the LMI sectors on the various boards that oversee both renewable energy and energy efficiency programs. The Renewable Energy Growth Program, created by statute<sup>1</sup>, is administered by National Grid and overseen by a 10 member Distributed Generation Contracts Board.<sup>2</sup> Board members must be nominated by the Governor and approved by the legislation. They represent various sectors including residential, commercial, the solar industry, and low-moderate income sectors. From early 2017 through May 2018, the DG Board member representing the low-moderate income sector resigned from the board. Unfortunately, OER was unsuccessful in finding a replacement during the 2017 legislative session. However, during the 2018 legislative session, which concluded in June 2018, a new board member representing this sector was confirmed.

The Solar Access Working Group, prior to 2017 had been co-led by OER and the previous low-income DG Board member. The group, led by exclusively by OER, met throughout 2017 and discussed a strategy for ensuring that solar is accessible to all Rhode Islanders, especially the LMI market. This strategy is designed to help understand more precisely the barriers to LMI solar adoption, especially given the expected, robust growth in the community solar market. Once the barriers are understood, we plan an education campaign with the goal of educating the LMI sector about solar, specifically community solar,

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<sup>1</sup> <http://webserver.rilin.state.ri.us/Statutes/TITLE39/39-26.6/INDEX.HTM>

<sup>2</sup> [http://www.sos.ri.gov/openmeetings/index.php?page=view\\_entity&id=6154](http://www.sos.ri.gov/openmeetings/index.php?page=view_entity&id=6154)

and making LMI residents aware of the incentive opportunities that will be available through the Community Renewables Program.

## **New and Evolving Solar Programs in Rhode Island**

Solar programs in Rhode Island are in a period of transformation. During the course of 2017, some of the Rhode Island solar programs changed in ways to allow more community solar projects. Other programs shifted focus or were eliminated altogether. New programs for 2018 have been proposed in some of the various dockets currently before the Public Utilities Commission.

Two new community solar programs became available in Rhode Island in mid-2017, the 30 MW Virtual Net Metering Pilot (30 MW VNM Pilot) and the Renewable Energy Growth Program (Community Remote Distributed Generation or CRDG). Both programs have proved to be popular among developers. Approximately 28MW of virtual net metering projects and 6 MW of CRDG projects for a total of 34 MW are currently under development. While OER did not have a stated goal for the number of community solar projects in 2017, the CRDG program had 6 MW available to the market and the MW was fully subscribed by November 2017. This was unexpected and surprising. Unfortunately, it does not appear as though any of these 34MW will be specific to the LMI community

The Renewable Energy Fund's Community Renewables program<sup>3</sup>, which went live in Spring 2018, will provide incentives to developers participating in the 30 MW VNM pilot. This program will enable developers to offer a better value proposition to customers. A higher incentive will be provided to developers when they sign up low-income customers. Several iterations of program design occurred in 2017 with the goal of creating a clear and easily understood program by both developers and community solar subscribers. Attempts were made to reduce the amount of necessary paperwork by developers and subscribers up front and require minimal monthly reporting that would not be deemed administratively burdensome by all parties, including program administrators. Community solar developers will receive the grant funding upfront, including \$300 for each participating standard residential customer (National Grid Rate Code A-16) and \$500 for each participating LMI customer (National Grid Rate Code A-60). The developer will pass through the subscription fee reduction to customers. This upfront funding should provide means and support for the expensive costs associated with customer acquisition for the developer and provide a benefit to subscribers.

In addition, National Grid recently filed a Power Sector Transformation (PST) docket, which is still under review by the PUC, with an idea to utilize utility owned community solar to provide bill credits for LMI customers.<sup>4</sup> They anticipate they would not only learn about the community solar market and the challenges associated with these types of projects, but would be able to further support their energy efficiency programs for the LMI sector through revenue generated by the projects through REC sales. This proposal is preliminary, and it is not clear yet exactly what value would be provided to LMI customers. However, it is an example of another approach that may enable LMI residents to benefit from community solar.

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<sup>3</sup> <https://commerceri.com/wp-content/uploads/2018/05/Community-Renewables-Requests-5.11.18-1.pdf>

<sup>4</sup> <http://www.ripuc.ri.gov/eventsactions/docket/4780-NGrid-PSC-Book1of3.pdf> (page 158).

# Strategies to Advance LMI Solar in Rhode Island

## Strategy #1

**Title:** Ask

**Description:** In order to understand how the residential sector, including the LMI sector, thinks about solar and about community solar in particular, we will conduct a series of online surveys. The survey will reach both A60 and A16 rate code customers.

**Target:** Receive and analyze survey responses from at least 1000 customers, including 500 A-60 customers.

**Work plan:** OER will work with the Solar Access Working Group to develop the survey questions. It will be important to frame the questions as to not skew the survey and to keep it relatively short, approximately 12-15 questions. Once developed, an OER intern will design the survey using SurveyMonkey. Email addresses will be generated from working group members who have access to hundreds of LMI customer email addresses. The survey will be co-branded by OER, the working group, and various working group companies. The survey will be sent to at least one thousand customers, with a goal of half of those customers in the LMI sectors. Two follow up reminder emails will be sent. Responses will be cataloged and the results summarized by the intern. Results will be shared with the working group.

**Timeline:** The survey will be developed in July/August and sent out to customers by mid-August 2018.

**Financial and personnel resources:** OER will provide most of the resources necessary staff time for this first strategy. Two OER staff person's time will be paid for through the SES grant. One working group phone call will take place in early August to discuss the survey questions and the email addresses this survey will be sent to will be created with time generously donated by a working group member. One OER staff person will spend time paid for through the SES grant to develop the survey and facilitate the working group phone call. Another OER staff person will help with branding the survey to include OER's logo and assist with sending the email utilizing OER's email server.

## Strategy #2

**Title:** Learn

**Description:** In order to refine and deepen the understanding gained through the online survey, OER will hire a marketing firm to conduct a series of two or three focus groups around the state to learn more about how OER and the working group can craft an education campaign on community solar. The contract for the marketing company would be short, given that the work would likely be complete by the end of Fall 2018.

**Target:** Two or three focus groups around the state, each including at least 40 participants, and in total including at least 20-25 low-income participants.

**Work plan:** OER will develop a Request for Proposal (RFP) for the marketing firm to conduct the focus groups and work with State Purchasing to issue the RFP. A few working group members have committed to help edit the RFP. Once a company is brought on board, at least one in-person meeting

with the consultant to kick off the project and create the implementation plan for the focus groups will be held. At least two focus groups will be held, one each in the northern and southern parts of the state to maximize the geographical range of customers able to attend.

**Timeline:** The RFP is currently being developed with the goal of having State Purchasing issue it in mid-August. It will be available for responses for at least four weeks and contracting another two weeks. The focus groups will be held in October. The marketing consultant will analyze the results and have a final report to OER by mid-November.

RFP Issued	Mid-August
RFP Open	4 weeks, closing mid-September
Contracting	2 weeks, finalizing early October
Focus Groups held	October 2018
Final Report with Recommendations	Mid-November

**Financial and personnel resources:** The cost of this marketing consultant contract will be paid with SES funds, approximately \$25,000-\$30,000. However, price will be twenty percent of the score and thus, OER may see better than assumed pricing. OER will work with Commerce Rhode Island to help promote the RFP utilizing their extensive database of consultants who may respond to this RFP.

OER will provide most of the staff resources necessary to complete this strategy utilizing SES grant funds. One OER staff person will be needed with supplementary work completed by the RI State Purchaser assigned to this RFP. Additional volunteer time by working group members will be utilized for RFP review and scoring.

### Strategy #3

**Title:** Educate

**Description:** For the past five years, OER has administered a successful Solarize program. Building on the resources and experiences the program created, as well as what was learned through the survey and focus groups, OER will create an education campaign on community solar. This campaign will be deployed to all residential customers across the state.

**Target:** OER has educated over 4500 residents about solar through the Solarize program. We plan to reach out to those customers who decided not to go solar (approximately 4,000) to educate them about community solar. In addition, the target range for the LMI module will be several hundred (target 500) with the goal of 100 in-person attendees for educational meetings.

**Work plan:** Many customers who went through the Solarize Rhode Island program had homes that were unsuited for solar or found that solar was not the right decision for their home. Various solar education models will be created for different audiences. These models include target audiences of past Solarize customers, an LMI-specific module and perhaps others as identified after completion of the first two strategies. The Solarize customer module will likely be email based, with the potential for a few in-person educational events in past Solarize communities. The LMI module will likely require more in-person educational meetings. OER plans to explore whether a module in Spanish is needed, especially

for LMI customers. The residential solar OER website will also be expanded to include informational resources about community solar.

**Timeline:** This strategy can be developed concurrently with the focus groups, especially for the past Solarize participant module. After the focus groups conclude, the LMI specific module will be created with a goal of completion for deployment by the end of December 2018. The modules will be deployed in early 2019.

**Financial and personnel resources:** Two OER staff people will be used for deploying this strategy with additional website support by a OER intern utilizing SES grant funds over the Fall 2018.

## Strategy #4

**Title:** Connect

**Description:** Develop an online community solar marketplace. This website, which would be hosted by OER, would link potential community solar customers with existing community solar projects actively seeking subscribers. It is anticipated that educational resources, including the modules developed under strategy #3, and links to programs, including the Community Renewables program, will be included. If developers offer discounts or other options for LMI customers, they will be highlighted as well. For example, community solar projects targeted towards affordable housing that go through the 30 MW virtual net metering program must provide additional benefits for the tenants. Possible benefits include offering reduced price or free broadband to tenants, a new playground, etc.

Community solar developers that have heard about the community solar marketplace like the idea and have tentatively stated that there is value to include their projects. That value could possibly justify a monthly fee or upfront fee for having their projects listed which would help pay for the continued maintenance of the website. One challenge to implementing this idea is to ensure, in advance of securing the services of a vendor, that a public entity could host such a marketplace and still conform to state purchasing requirements related to procurement. In addition, OER would have to seek approval from the state IT department.

**Target:** All of the community solar projects in Rhode Island actively seeking subscribers as well as potential community solar customers.

**Work plan:** OER will develop a Request for Proposal (RFP) for the firm to help develop and maintain the website. OER will work with State Purchasing to issue the RFP. A few working group members have committed to help edit the RFP. Once a company is brought on board, at least one in-person meeting with the consultant to kick off the project. Due to the complexity involved with this plan, OER expects that close coordination with the State IT department will be needed with RFP development, scoring of proposals, contracting with the selected vendor, as well as design and implementation of the website.

**Timeline:**

RFP Issued	Mid-September
RFP Open	4 weeks, closing mid-October
Contracting	3 weeks, finalizing end of November

Kick off meeting	December 2018
Website Development	Early 2019
Website go live date	March 2019

**Financial and personnel resources:** The cost of this community solar marketplace will be paid with SES funds, approximately \$75,000-\$80,000. However, price will be twenty percent of the score and thus, OER may see better than assumed pricing. OER will work with Commerce Rhode Island to help promote the RFP utilizing their extensive database of consultants who may respond to this RFP. In addition, some subscriber management companies currently active in the state who are consultants or partners of projects under development in Rhode Island might be interested in responding to this RFP. OER will ensure that these companies are also aware of this opportunity.

OER will provide most of the staff resources necessary to complete this strategy utilizing SES grant funds. One OER staff person will be needed with supplementary work completed by the RI State Purchaser assigned to this RFP. Additional volunteer time by working group members will be utilized for RFP review.

Other funding sources, including possible fees charged to developers, will be explored in order to pay for the maintenance of the marketplace in future years

## Strategy #5

**Title:** Meet with developers and subscription management companies

**Description:** Throughout all steps of implementation of this plan OER wants to continuously hear feedback from community solar developers. OER and Commerce RI have a long history of meeting with stakeholders regularly. To date, three meetings have been held specifically for community solar developers with projects in the interconnection queue to discuss both the Community Renewables program as well as the various project timelines. OER plans to continue community solar stakeholder engagement to ensure that marketing efforts to the LMI community will be made and request additional input when needed. In addition, OER will ensure that state resources are available to developers related to interconnection timelines, permitting, and siting of these projects.

Some of the community solar projects that are in development have already identified their consultant or partner who will handle subscriber management. OER has met with one to date and will ensure that future engagement and meetings for community solar developers also include their respective subscriber management companies.

**Target:** Continue meeting with the project developers of all 34MW of community solar projects in the interconnection queue and applicants of the Community Renewables program as well as subscriber management companies. Some of these companies have multiple projects, so our target audience is currently about 5-8 developers and subscriber management companies with the goal of reaching all companies working on community solar projects in Rhode Island.

**Work Plan:** OER and Commerce RI will continue to hold quarterly solar stakeholder meetings which cover solar industry updates, relevant presentations to the solar market, new policies related to

legislation, programs, or workforce development, etc. The last hour of the next several stakeholder meetings will be specific to community solar developers and subscriber management companies.

**Timeline:** Quarterly meetings continuing in Fall 2018 throughout the grant period.

**Financial and personnel resources:** OER will provide all of the staff resources necessary to complete this strategy utilizing SES grant funds.

## **Strategy #6**

**Title:** Solarize Rhode Island Community Solar Pilot Program Development

**Description:** Building on the success of the Solarize Rhode Island Program, OER will explore whether to create and implement a Solarize Rhode Island Community Solar Pilot program.

**Target:** Community Solar Projects currently under development or future projects

**Work Plan:** There are several factors OER must explore and questions answered before a decision can be made to move forward with the implementation of a Solarize Community Solar pilot program. The first step is outreach to existing Community Solar Solarize programs, such as the program in New York. In addition, OER has reached out to step up conversations with developers that have worked with such programs or have completed community solar projects in other states to learn more about their experience. Next, OER must identify a funding source for the program. As program design discussions continue, it will be important to determine whether a specific goal for LMI customers be included. Lastly, and most importantly, OER will determine whether state involvement for this program will be necessary to continue with the Solarize Rhode Island brand recognition, whether a community in Rhode Island has the resources to implement the pilot program, and what type of marketing budget would be needed for successful deployment. OER will decide whether to move forward with the program after research and identification of potential funding sources.

**Timeline:** Fall 2018

**Financial and personnel resources:** OER will provide all of the staff resources necessary to complete this strategy utilizing SES grant funds.

Funding for all five steps of the strategy would require SES grant funds. However, this plan leverages existing and planned programs, such as the Community Renewables program from the Renewable Energy Fund. As mentioned, private capital from community solar developers is possible as well, specifically for step 4.