



Principles and Policies for Low and Moderate-Income Solar

Part 1: Opportunities and Challenges

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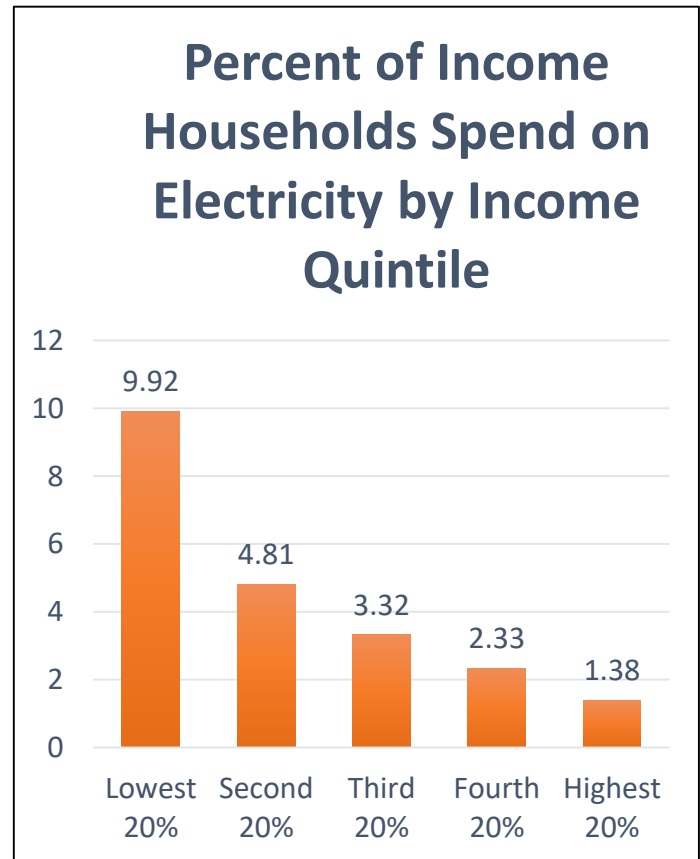
Learning Objectives

- To understand the importance of using solar to benefit LMI residents and communities
- To understand the potential for solar to benefit LMI residents and LMI communities
- To understand the challenges that can make solar adoption by LMI residents and LMI communities difficult



The Importance of Using Solar for LMI Residents and Communities

- Inequality is a serious problem
 - Solar should be part of the solution rather than part of the problem
- LMI residents pay a large share of their income on electricity
 - Unexpectedly high utility bills can cause serious problems
- A perception that solar disproportionately benefits the well-to-do could reduce public support for solar



Source: Groundswell analysis of US Bureau of Labor Statistics, *Consumer Expenditure Survey*, September 2015

The Opportunity to Benefit LMI Residents and Communities

- Costs have fallen dramatically, making solar cost-effective in many locations
- Solar can save consumers money, helping address LMI residents high energy costs
- Solar can be integrated into housing and poverty programs, reducing expenditures
- Existing solar policies can be adapted to better serve low-income consumers
- Solar can help organizations that serve low-income populations reduce their operating costs
- A growing solar industry can provide good jobs for LMI residents



Challenges: Structural Barriers

- Low home ownership rates: a high % of renters
- Problematic roofs
- Limited disposable funds for upfront payments
- Difficulty accessing financing: low or no credit scores
- May not pay enough taxes to benefit from tax credits
- HUD housing assistance requires recipients to spend 30% of income for rent + utilities

Challenges: Reasons LMI Residents May Be Hesitant to Go Solar

- Other more immediate priorities
- Precarious finances can understandably make people risk averse
- May know few people who have installed solar
- May not trust utilities and government officials



Implications of the Challenges

- LMI people need help tapping the benefits of solar
- Special marketing and outreach is required
- Programs need to be designed to ensure that there will be meaningful financial benefits and low risk to the residents
- Public budgets don't lead to as many kilowatts installed as when doing programs for wealthier residents

Different markets need different strategies

- Homeowners vs renters
- Renters who pay for utilities vs renters who don't
- Multi-family housing vs single-family housing
- Mobile homes
- Senior citizens vs young families vs singles, etc.
- Community institutions

The Picture Is not as Bleak as at First Glance

- The LMI market is being reached
 - California: in 2015, 28% of solar installations in neighborhoods with average incomes from \$40-55,000 and 6% with incomes under \$40,000
 - California median household income = \$65,000
 - Four state study: correlation with income, but still LMI participation*
 - Doing better with moderate income than low income
- Low income does not always mean bad credit**
 - Homeowners tend to have OK credit regardless of income
 - Owning a home is good for credit score
 - Highest credit score bracket (over 750) is correlated with income, but other brackets are not



*Study by GTM Research and Power Scout

**According to research for the Connecticut Green Bank

Contact Information

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Thank you for attending our webinar

Questions? Contact:
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Visit CESA's Solar In Your Community Challenge webpage
for more info and resources:

www.cesa.org/projects/sustainable-solar/solar-in-your-community-challenge-webinar-series

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About This Webinar Series

This webinar series is divided into two four-part webinars.

Principles and Policies for Low and Moderate Income Solar, Part 1

Friday, October 6, 2017

- 1. Opportunities and Challenges**
2. Case Studies
3. Financing Options
4. Direct Incentives

Principles and Policies for Low and Moderate-Income Solar, Part 2

Friday, November 17, 2017

1. Presenting solar information to LMI consumers
2. Engaging LMI communities
3. Solar+storage for LMI communities
4. Community solar for LMI customers

Webinar recordings and registration forms are available on CESA's website at:

www.cesa.org/projects/sustainable-solar/solar-in-your-community-challenge-webinar-series

Principles and Policies for Low and Moderate-Income Solar, Part 2

Friday, November 17, 12-2pm ET

Topics to be covered:

- Presenting solar information to LMI consumers
- Engaging LMI communities
- Solar+storage for LMI communities
- Community solar for LMI customers

Sign up at: <http://bit.ly/CESA-Webinar-11-17>

Virtual Office Hours

The instructors will be available for one-on-one consultations with Challenge participants after the webinars, through **virtual office hours**. To schedule a consultation, contact Diana Chace at diana@cleanegroup.org