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July 27, 2017

Department of Community Services & Development (CSD)
Low-Income Weatherization Program (LIWP)

Request for Information (RFI)
Community First: Community Solar Pilot

2017-RFI-49

Deadline for Responding to This RFI – August 23, 2017 by 5:00 p.m.

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Part A: Community First: Community Solar Pilot Overview

1. Purpose of This RFI

The purpose of this Request for Information (RFI) is to solicit feedback on the design of the Department of Community Services and Development's (CSD) proposed Community Solar Pilot program ("Pilot"). The Pilot or Pilots will be funded with $5 million of CSD's California Climate Investments (CCI) appropriation. The intent is to develop a community solar model (or models) that can be replicated by organizations seeking to bring a successful program to low-income neighborhoods. The Pilot, part of CSD's Low-Income Weatherization Program (LIWP) is intended to reduce greenhouse gas (GHG) emissions, reduce the energy burden for low-income families and cost-effectively bring the benefits of solar photovoltaics (PV) to low-income neighborhoods.

The three sections of this RFI include:

Part A: Describes CSD, our background and programs, and our vision for community solar, including some of the challenges faced in designing an effective Community Solar Pilot for low-income participants.

Part B: Discusses in more detail some of the individual components of CSD's vision of a successful community solar model.

Part C: Invites you to respond to CSD's vision for community solar, provide ideas and opinions, and answer specific questions. Your responses will be considered as CSD designs the final procurement document to select a provider (or providers) and implement a Community Solar Pilot.

2. Department Overview

Under the umbrella of the California Health and Human Services Agency, CSD partners with a network of private, non-profit, and local government community-based organizations dedicated to helping low-income families and individuals achieve and maintain self-sufficiency, meet and manage their home energy needs, and access renewable energy.

CSD's mission is to reduce poverty for Californians by leading in the development and coordination of effective and innovative programs for low-income residents. Additional information about CSD can be found online at www.csd.ca.gov.

3. Low-Income Weatherization Program

CSD's LIWP installs solar PV, solar hot water heaters, and energy efficiency measures in low-income single family and multi-family dwellings in disadvantaged communities (DACs) to reduce GHG emissions and save energy. LIWP is part of California Climate Investments (CCI), a statewide program that puts billions of cap-and-trade dollars to work reducing greenhouse gas emissions, strengthening the economy and improving public health and the environment—particularly in DACs. The cap-and-trade program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. CCI projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling and much more. At least 35 percent of these investments are made in disadvantaged and low-income communities. For more information, visit California Climate Investments.

To date, LIWP has been allocated approximately $174 million in the 2014/15, 2015/16 and 2016/17 state budgets. The program currently makes investments within DACs, as identified by the California Environmental Protection Agency using a tool known as CalEnviroScreen (CES). This tool uses geographic, socioeconomic, public health, and environmental hazard criteria to identify vulnerable communities disproportionately burdened by multiple sources of pollution and other indicators.

4. Community First

As a State Department whose mission is to reduce poverty in California, CSD's vision for the Community Solar Pilot puts community first. Beyond the traditional benefits of solar, CSD envisions a project in which the local community has a stake, educating recipients about energy efficiency and providing job and/or training opportunities for community members. Ideally, the Community Solar Pilot would be designed as part of a larger community reinvestment project that local residents can look to and say, "We helped build this solar project and now it helps power our homes and reduce our energy costs."

CSD envisions a pilot that includes leveraged energy efficiency and customer education to ensure that the electricity generated through the Community Solar Pilot is being used efficiently, both by the home and those living in it.

CSD's envisions a pilot that includes a method by which qualified customers with the greatest need can be selected to benefit from the electricity generated, whether those customers are particularly high energy users, have large families, or have specific needs which cause them to use an above average amount of electricity, such as medical equipment.

It is CSD's hope that organizations or local jurisdictions will design and submit creative proposals that meet or exceed CSD's goals for the Pilot.

5. Vision and Goals

CSD seeks a model (or models) that will:

- Be replicable by CSD should additional funds become available, or by other organizations seeking to bring an effective community solar model to low-income communities
- For CSD's $5M investment, lead to a project (or projects) that generates a total of between 1 and 3 megawatts (MW)
- Be metered for the life of the project to confirm, track and report to CSD the amount of electricity (kilowatt hours) generated and distributed
- Reduce GHG at a cost/ton (Metric Ton of Carbon Dioxide equivalent) not more than the cost/ton for an average rooftop PV system in California
- Deliver electricity at a cost/watt no more than the cost/watt of average rooftop PV system in California
- Identify a group of qualified, low-income households to be served and present a viable method for finding and enrolling those customers, including a plan to address household turnover
- Annually reduce the average electricity costs of identified households by 35 percent to 50 percent, based on their previous year's electric bills
- Reduce household energy burden. (Note that Energy Burden is defined as "annual electricity expenditures" ÷ "annual household income")

- Provide benefit with no cost to the customer; require no credit score expectations or have any financial barriers for the households served
- Be developed as part of a larger community development project
- Serve qualified customers (see discussion below on Customer Eligibility)
- Include a method whereby customers with the greatest need are served
- Bring leveraged dollars and resources to the proposal

Using leveraged dollars, additional goals include:

- Include local workforce development
- Provide energy efficiency services to the homes to be served
- Provide energy education to the customers to be served

6. Who Should Respond to This RFI?

CSD seeks responses to this RFI from a broad spectrum of interested parties, such as:

. . . non-profit and other groups who serve the low-income community;
. . . utility companies, both private and public;
. . . developers of existing community solar projects;
. . . subscribers to existing community solar projects;
. . . workforce development organizations;
. . . local governments interested in energy efficiency in their communities;
. . . tribal governments/members interested in energy efficiency;
. . . Individuals interested in reducing electric bills and investing in renewable energy; and
. . . other interested parties and stakeholders

7. RFI Submission Deadline

To have your comments and ideas considered for inclusion in the development of the community solar procurement, submit a Microsoft Word (or compatible) document **no later than August 23, 2017** by 5:00 pm via one of the following methods (emailed submissions preferred):

1. By email with "*Community Solar RFI Response*" in the subject line, to liwp@csd.ca.gov
2. By mail to:
   CSD
   Attn: Energy Division, Community Solar RFI Response
   2389 Gateway Oaks Dr., #100
   Sacramento, CA 95833

Part B: Ideas and Challenges

1. Regulatory Challenges

A critical element to enabling a Community Solar Pilot is a regulatory mechanism that allows the project to interconnect to a utility's distribution system and provides a way for customers to be credited for the renewable energy the project generates. There are currently a limited number of mechanisms available for a community solar project across the California utility service territories. While municipal utilities and Community Choice Aggregators have some internal authority to develop and implement mechanisms that could enable a community solar project, the three large investor-owned utilities (PG&E, SCE, and SDG&E) can only implement mechanisms that are directed by either the California Legislature or the California Public Utilities Commission (CPUC). The only mechanism currently available from California's three large investor-owned utilities is the Green Tariff Shared Renewables Program, which has specific eligibility and participation requirements, and currently requires participating customers to pay a premium above their retail rate[1].

The CPUC is in the process of considering various mechanisms that could encourage adoption of customer-side renewables by residential customers in disadvantaged communities across the three large investor-owned utility territories. Among the mechanisms being considered is a Community Virtual Net Energy Metering (Community VNEM) program[2]. Community VNEM would allow a developer to build a renewable energy project, get subscribers from the community, interconnect the project, and have the utility credit the subscribers at their full retail rate for the energy generated from the project. While this proposal is only one of several proposals the Commission is considering, if adopted, this mechanism could enable a Community Solar Pilot as envisioned by CSD in investor-owned utility regions.

2. Program Models

The key to a successful Community Solar Pilot will be the resulting model (or models). While CSD has looked at many community solar projects, we have not yet seen a model in California that matches our vision and goals. This lack of successful models in California may be at least partly due to the limited regulatory mechanisms that currently exist to enable community solar projects to interconnect and provide substantive economic benefits to customers. As a Department whose mission is to reduce poverty in California, CSD seeks not only to reduce GHG emissions and promote renewable energy, but to ensure that the needs of the low-income community are met, and met in a way that can be duplicated in the future, either by CSD—if additional funds become available—or by other organizations with a similar intent.

In this RFI, CSD does not identify a specific community solar model. The Department hopes for a model that fulfills our stated vision and goals. CSD believes the creativity and experience of the communities representing the solar industry, low-income communities, financial institutions, utilities and others can come together to design a successful model.

In Section C, we will ask you to comment on this approach. If you disagree and would prefer that CSD dictate a model in the final procurement document, we ask for your input and ideas.

[1] http://www.cpuc.ca.gov/General.aspx?id=12181
[2] http://www.cpuc.ca.gov/General.aspx?id=3800

3. Project Size

CSD expects that between approximately 1MW and 3MW can be funded with the $5 million allocation. RFP respondents may submit projects that generate less than this range, but CSD would expect that generation remain proportionate to funding request. For example, a $2.5 million request for funding should result in a project (or projects) that generates half of the goal, or .5MW to 1.5MW.

4. Project Timeline and In-Progress Projects

This is the current project timeline, pending receipt and consideration of RFI responses. Please note that these dates are tentative and subject to change:

Release Final RFP	12/14/2017
RFP Responses Due to CSD	3/12/2018
Contract Award	4/10/2018
Contract Start Date	5/23/2018
Contract End Date	5/15/2020

Given the extensive planning and design typically involved in the start-up of a community solar project, CSD believes that it could be difficult for a team to initiate and roll out a project that meets the proposed timeline. For that reason, CSD believes that a project where partnerships already exist and where project design has already been considered may have a better chance of success under this pilot program. CSD is interested in learning more about community solar projects already under consideration that may be seeking funding.

5. Project Life and Project Evaluation, Data Collection

Because of rules dictating the use of LIWP funds, money allocated by CSD for the Community Solar Pilot(s) must be fully spent no later than June 15, 2020. CSD would expect that, by this date, projects are interconnected and ready to benefit selected customers. However, CSD recognizes that this timeline may present challenges and would like feedback from potential bidders on the viability of the timeline or other reasonable milestones towards project completion.

During the development and implementation of the Pilot(s), CSD will report on indicators to assess success. The evaluation may include qualitative results based on surveys of stakeholders, which could include non-profit organizations and local governments, utilities, representatives from community agencies, stakeholders and the public; as well as quantitative results outcomes based on other indicators including, but not limited to number of participants, number of submitted proposals, successful applications, increased understanding or capacity within technical areas, etc.

6. Project Siting

Though CSD would prefer to see a community solar generation facility located within a DAC, the Department is willing to consider proposals that site a facility in a nearby, non-DAC census tract, as long as the facility can demonstrate ties to the community it is serving. Regardless of where the final facility is located, households served must meet the “Customer Eligibility” criteria as described in Section 9.

Thoughtful consideration should be given to the siting of generation facilities, selecting sites that do the least harm to, or even enhance, the natural or built environment. This could include siting on brownfields, rooftops, or other already disturbed lands, avoiding the use of prime agricultural land, enhancing the

surrounding area with native vegetation or incorporating the facility into a highly-visible area, such as a new or existing community park.

Similarly, CSD encourages coordination with planned or existing neighborhood development projects. An example of this would be locating a Community Solar Pilot within the project areas identified as beneficiaries of the Transformative Climate Communities (TCC) program administered by the California Strategic Growth Council. Specific TCC project areas will be determined through a competitive process in 2017, and will be located within the cities of Fresno, Los Angeles, and a third still-unidentified jurisdiction. In addition to the TCC program, there are other neighborhood development projects being planned around the state in conjunction with local governments, non-profits and others entities.

7. Team Approach to Bidding

Because of the complexity of designing a model to meet the Pilot goals, CSD would like to see a team approach for entities responding to the final procurement, with one entity fulfilling the lead role. At a minimum, CSD would like to see the following team members:

- **Non-profit or local government** entity with experience implementing programs with their local, low-income community. This team member should play an integral role in working with potential beneficiaries of the resulting Community Solar Pilot, perhaps providing customer education and/or energy efficiency upgrades.

- **Utility Company** – involvement of a utility company could be important to allow for the identification of potentially income-qualified low income households with high electric use. The utility company can also serve to track and report energy usage throughout the Pilot to determine success.

- Other potential partners, such as developers, financial institutions or others are welcome, depending on program model.

Though CSD does not expect teams to enter into a formal legal partnership, when submitting a proposal for the final procurement, teams will be required to submit written confirmation of their commitment to the project, as well as detailing each team member's specific role in the project.

RFI responses will likely impact the final decision regarding with whom CSD will consider contracting. Typically, CSD contracts with non-profits or local/municipal government entities, but if RFI responses indicate that this is a major barrier to the development of a Community Solar Pilot, CSD will evaluate contracting with for-profit entities.

8. Technical Assistance to be Offered

CSD has entered an agreement to provide Technical Assistance (TA), both during the development stage of responses to the RFP (Phase I), and after contract award (Phase 2). Currently, the two phases of available TA are defined as follows:

Phase 1 –

The goal of the Phase I TA is to help build a pipeline of strong applications for the Community Solar Pilot. The

overall objective is to develop the capacity of key stakeholders and communities. Phase I will build community awareness for community solar, educating and encouraging stakeholders and community partners to begin or further develop the strong, collaborative partnerships that will be critical to successful proposals and/or responding to future solicitations, and for program implementation.

During Phase I, the TA provider will organize and convene three town-hall style presentations and meetings in selected communities, convening stakeholders and subject matter experts involved in other low-income programs, community solar, and/or community redevelopment initiatives

Phase 2 –

CSD also plans to allocate funds for a separate post-award TA scope. The TA provider will provide support in project coordination and analytic services to successful awardee/s in areas critical to meeting program objectives and outcomes. CSD will identify a TA provider with subject matter expertise that may include, but not be limited to: solar energy technology and business models; power purchasing agreements; financial, legal and regulatory mentoring; local hiring and workforce development; community engagement and low-income outreach and education; development of program participation/subscriber materials; subscriber management and data analytics; and greenhouse gas reduction quantification estimates.

9. Customer Eligibility

Residential customers enrolled in the Community Solar Pilot must meet the following requirements:

- Single-family households, including mobile homes, or households dwelling in multi-family buildings;
- Be home-owners or renters; and
- Meet income eligibility requirements. Under CSD's current LIWP program, income eligibility is defined as household income not exceeding 80% Area Median Income as defined as "low income" by the Department of Housing and Community Development in its annual "State Income Limits" letter) OR 60% State Median Income, whichever is higher.

To date, CSD has limited LIWP expenditures to income-qualified homes in DACs, as defined by CES. Although CCI funding places some limits on where dollars are spent, CSD may have the flexibility to consider limited expenditure in low-income communities outside of CES DAC boundaries. CSD welcomes respondents' feedback on the best way to define geographic service boundaries for the Community Solar Pilot and provide insight on any challenges geographic boundary limitations may present.

10. Household Energy Efficiency

Household energy efficiency is always an important precursor to the installation of rooftop solar PV, and CSD believes that community solar should follow that same model. For that reason, before homes receive the benefits of community solar, we want them to receive an energy assessment to determine the need for energy efficiency measures, and receive the installation of needed measures.

11. Customer Education

Customer education is an important element of the LIWP rooftop solar PV program and CSD believes that community solar should follow that same model. Customers who receive the benefits of community solar should receive general energy efficiency education, including an understanding of how the Community Solar

Pilot in which they are participating benefits their household and their community; as well as specific education on any energy efficiency measures installed in their home.

12. Workforce Development

Providing jobs for unemployed or under-employed individuals living in DACs is an important part of LIWP. CSD wants to incorporate similar workforce development provisions into the Pilot. These jobs would likely occur as part of the construction of a generating facility, but could also occur in other areas, such as hiring and training local residents to provide community outreach in their neighborhood.

Part C: Questions for Your Consideration

Sections A and B laid out CSD's vision of what an ideal Community Solar Pilot would look like. Now we seek your feedback on our ideas to help us formulate an effective RFP and resulting pilot(s).

Please comment on the following topics, most of which are discussed in more detail in Part B. You don't need to respond to every item, but:

- If you agree with something, please indicate your agreement.
- If you disagree or have concerns, please express your disagreement, concerns and/or offer suggestions for improvement or change.

Please note that responses to the RFI are public record and non-confidential.

PROGRAM MODELS	
As discussed in Part B, should CSD dictate the parameters of a community solar model in its RFP, or leave it open to any model that fulfills most or all of the pilot's vision and goals? Please explain.	
What regulatory mechanisms would be required to allow a utility to interconnect a community solar project and ensure that customers receive substantive economic benefits? Does such a mechanism either currently exist or have the potential to be authorized soon in a California utility service territory? If so, please identify the utility and the regulatory mechanism. If not, please describe the type of mechanism that would be required and which entity (utility, public utilities commission, legislature) has the authority to authorize it.	
Would approval of the CPUC's "VNEM Proceeding" described in the "Regulatory Challenges" portion of this document, allow you to proceed with a planned Community Solar Pilot?	
If the CPUC's "VNEM Proceeding" is not approved, what opportunities exist under the current regulatory structure to enable low-income community solar?	
PLEASE RESPOND TO THE FOLLOWING COMMENTS THAT "COMMUNITY SOLAR PILOT PROJECTS SHOULD…"	
Generate from 1 – 3MW of capacity in return for the $5M in funding (the 1- 3MW	

could be split into multiple pilot projects and multiple awards).	
Be metered for the life of the project to confirm, track and report to CSD the amount of capacity generated and distributed.	
Reduce GHG at a cost/ton not more than the cost/ton for an average rooftop PV system	
Provide electricity at a cost/watt less than the average cost/watt to provide rooftop PV.	
Include a method to identify a sufficient number of qualified, low-income customers to receive the benefits of community solar. Given that low-income customer acquisition and retention has been problematic in other low-income community solar programs, how can CSD overcome that problem with the design of its pilot?	
Annually reduce the average electricity costs of those identified households by 35 percent to 50 percent, based on their previous year's electric bills. Please discuss the suggested percentage reduction and whether or not you believe it is realistic.	
With the desired electricity bill reduction, as well as the other parameters of the Pilot, how many households do you think can be served with a Community Solar Pilot?	
Provide benefit with no cost to the customer; require no credit score expectations or have any financial barriers for the households served.	
Geographically restrict Pilot service areas boundaries to DACs, or consider limited expenditures in low-income areas outside DACs, as discussed in Item 9, above. Please discuss how boundary limitations could impact your ability to design a successful Community Solar Pilot.	
Sited in brownfields, rooftops, or other already disturbed lands, as discussed in Item 6, above.	
Coordinate with a Transformative Climate Community (TCC) project or other	

neighborhood development project, as discussed in Item 6, above.	
Be restricted solely to serving households whose income meets stated income guidelines.	
Include a method whereby customers with the greatest need are served.	
Bring leveraged dollars to the project to allow for the funding of:	
- Local workforce development.	
- Energy education to the customers to be served.	
- Energy efficiency to the customers to be served.	
- Other project elements not identified above.	
TECHNICAL ASSISTANCE	
If your project is selected by CSD, what, if any, type of technical assistance do you anticipate you'd need in as a successful awardee to meet program objectives and outcomes?	
Do you have any other thoughts or ideas about technical assistance for a Community Solar Pilot?	
SPECIFIC PROJECT DETAILS	
Are you currently working on development of a community solar project? If so, how long would it take you to ramp-up/complete the project?	
If you have been working on the development of a community solar project, can you describe it here: the partners, the model, etc. If you don't want to give project specifics, you are welcome to speak in generalities. For example, you may mention that you are working with a "financial institution" or a "utility company," rather than stating the names of those organizations.	
Would your organization participate in a Community Solar Pilot bidding opportunity with CSD? Why or why not?	

OTHER CSD QUESTIONS	
What key metrics (data) should CSD collect to determine Pilot success?	
Do you believe that a community solar project can be designed and implemented exclusively for low-income customers, or must a low-income project be a carve-out of a larger community solar project that primarily serves NON-low-income or non-residential customers?	
Please feel free to share any other feedback regarding the development of a Low-Income Community Solar Pilot.	

I represent:

☐ an Investor-Owned Utility Company in California
☐ a Municipal Utility Company in California
☐ a Community Choice Aggregator
☐ a developer of Community Solar projects
☐ a non-profit organization
☐ a local government
☐ a tribal government
☐ a financial institution
☐ none of the above

OPTIONAL CONTACT INFORMATION

CSD may want to ask follow-up questions to your responses. If you give permission to CSD to contact you or someone from your organization to discuss community solar in general, and your responses in particular, please complete the following information.

Please note that this is completely optional and if you don't provide your personal contact information, you can still have input into CSD's Community Solar planning process via public comment and/or workshops.

Responses to this RFI are public record and non-confidential.

Contact Name:	
Name of Organization:	
Phone #:	
Email:	