

**NY-Sun Inclusive Community Solar Adder  
Proposed Round 2 Program Design  
Version 2.0: Revised March 14, 2023**

Feedback Requested: March 14, 2023 through April 11, 2023 by 3:00 pm Eastern Time

**Purpose**

The purpose of this document is for the New York State Energy Research and Development Authority (NYSERDA) to share with stakeholders draft revisions to the Inclusive Community Solar Adder (ICSA) program rules and obtain responses to the specific program design questions presented below. These proposed draft rules are Version 2.0 of the proposed rules for ICSA Round 2; Version 1 of the proposed rules was shared with stakeholders in August 2022.

Version 2.0 of the Round 2 proposed modifications are based on the Public Service Commission's April 2022 *Order Expanding NY-Sun Program*<sup>1</sup>, lessons learned from administering the initial ICSA round, and stakeholder feedback received for Version 1 of Round 2 modifications. NYSERDA requests that stakeholders review the draft rules and respond to the specific program design questions below, to the extent that they are applicable to your own experience or business model. The stakeholder responses will help NYSERDA refine and finalize the program rules.

**Background**

On May 14, 2020, the New York Public Service Commission approved additional funding for the NY-Sun program to achieve New York's goal of 6 GW of solar by 2025, as codified in the Climate Leadership and Community Protection Act (CLCPA). This funding includes a budget carve-out for a Solar Energy Equity Framework of incentives for projects benefiting low-to-moderate income (LMI) customers, affordable housing, and environmental justice and disadvantaged communities. The May 2020 *Order Extending and Expanding Distributed Solar Incentives*<sup>2</sup> adopted NYSERDA's proposal for establishing the ICSA. Launched on June 20, 2021, the first round of ICSA resulted in over 400 MW of projects agreeing to dedicate at least 20% of their capacity and provide guaranteed savings to eligible subscribers.

In the *Order Expanding NY-Sun Program* dated April 14, 2022, the Public Service Commission noted that, "the ICSA has been demonstrably successful in fostering community solar projects serving low-income customers. The Commission thus directed that the ICSA be expanded to further drive distributed solar development that directly benefits LMI customers". NYSERDA released the first draft of Round 2 proposed modifications for stakeholder feedback on August 3, 2022. After the passage of the Inflation Reduction Act (IRA) on August 16, 2022, NYSERDA modified the stakeholder feedback request to include specific questions about the interaction of the ICSA with the IRA-proposed "low-income bonus" tax credits (known hereafter as Bonus ITC). Because the IRA directed that the U.S. Department of Treasury and Internal Revenue Service (IRS) would issue guidance on the Bonus ITC in 2023, and the Bonus ITC was likely to overlap with the ICSA in purpose and function, NYSERDA paused the release of the ICSA. NYSERDA's goal is to ensure that the federal funds can be maximally leveraged to benefit New York's underserved communities and the level of public funding a project receives is commensurate with the benefits it provides to customers.

The initial Bonus ITC guidance from the U.S. Treasury, released February 13, 2023, provides that applications for Bonus ITC will be opened in the third quarter of 2023 and further guidance will be released later this year. This document contains the draft rules that enable the expansion of the ICSA with this initial guidance taken into consideration.

---

<sup>1</sup> <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7B498EE5D6-6211-4721-BA98-AF40EF3F620C%7D>

<sup>2</sup> <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={A67E946F-40B0-49C4-93CD-7BC454987CDF}>

### **Stakeholder Feedback Submission Process**

This document presents the draft rules for the Round 2 of ICSA, and is also available on NY-Sun's [Inclusive Community Solar Adder](#) page.

Provide your feedback on each of the proposed main components of the ICSA. While we encourage you to respond to the specific details, general comments are also welcome. Reference any specific experiences, examples, or data that support your responses. The stakeholder feedback will not be treated as confidential information and may be disclosed and discussed publicly.

Feedback and responses must be sent to [communitysolar@nyserda.ny.gov](mailto:communitysolar@nyserda.ny.gov) with the subject line "Spring 2023 ICSA Round 2 Feedback: Organization Name". Failure to use this subject line may result in NYSERDA not receiving your response. Upon receipt, we may request further details or a call/meeting to discuss the respondent's submission. Feedback and responses are requested by April 11, 2023 at 3PM.

For stakeholders who prefer to provide their feedback verbally, NYSERDA will be available between March 29<sup>th</sup> and April 5<sup>th</sup> to take feedback over the phone. Email Dylan Cunningham ([dylan.cunningham@nyserda.ny.gov](mailto:dylan.cunningham@nyserda.ny.gov)) at least 72 hours in advance to schedule a 30-minute call.

If you have questions, please contact [communitysolar@nyserda.ny.gov](mailto:communitysolar@nyserda.ny.gov).

## Inclusive Community Solar Adder - Draft Program Manual Pages

The Inclusive Community Solar Adder (ICSA) is available for Community Distributed Generation (CDG) solar projects serving low-to-moderate income (LMI) subscribers, affordable housing, residents of disadvantaged communities (DACs) and select nonprofit and public facilities located within and serving DACs. For the purposes of the ICSA, DACs will be based on the final DAC criteria<sup>3</sup> once adopted by the Climate Justice Working Group. Upon adoption of the final DAC criteria, NYSERDA may make additional adjustments to the program rules as needed.

The goal of the ICSA is to increase access to community solar and resulting electric bill savings for LMI and DAC households and to reduce operating costs for affordable housing and nonprofit entities serving DACs. Eligible projects may receive the ICSA in addition to any NY-Sun incentive or adders for which they are eligible, with the exception of the Multifamily Affordable Housing Incentive. Incentive availability is displayed on a live dashboard at [nyserdera.ny.gov/icsa](https://nyserdera.ny.gov/icsa).

### Project Eligibility

To be eligible for the ICSA, projects must:

- Be metered as CDG;
- Meet the requirements of the NY-Sun Commercial/Industrial or NY-Sun Nonresidential Program;
- Be in "Approved" status [or Achieved commercial operation approval from the utility after June 7, 2022 but before [open date of ICSA Round 2]], and;
- Dedicate no less than 40% of the project capacity (Wdc) to eligible subscribers, dedicate no less than 50% of the ICSA portion of the project capacity (Wdc) to eligible residential subscribers. Refer to the *Eligible Subscribers* section below for further explanation.

Projects located in the PSEG-Long Island territory are not eligible for the ICSA. Projects that were awarded the ICSA in Round 1 are prohibited from withdrawing their application(s) and resubmitting for Round 2 funding levels. Projects that applied for but were not awarded the ICSA are eligible to apply for Round 2.

### Incentive Levels

The ICSA funding that a project may claim is determined by the capacity allocated to eligible subscribers with different incentive rates for different types of projects. The adder rates and initial capacity blocks detailed in the table below apply only to the capacity allocated to eligible subscribers.

#### *Incentive Levels for Upstate CDG Projects*

Project Type	Adder \$/Watt	Initial Adder Capacity Block (MW)
<ul style="list-style-type: none"><li>• Upstate CDG project</li><li>• Received MW Block and/or Community Adder</li><li>• Guaranteed Discount of 10%</li><li>• ≥50% of ICSA capacity filled with Eligible Residential Subscribers</li></ul>	\$0.10	860 MW
<ul style="list-style-type: none"><li>• Upstate CDG project</li><li>• Received Phase One NEM, the Market Transition Credit, or the Community Credit</li><li>• Guaranteed Discount of 10%</li><li>• ≥50% of ICSA capacity filled with Eligible Residential Subscribers</li></ul>	\$0.05	

<sup>3</sup> <https://climate.ny.gov/DAC-Criteria>

*Upstate CDG Projects that qualify as Community Benefit Projects*  
(Capacity will be drawn from the total 860 MW block above)

Project Type	Adder \$/Watt
<ul style="list-style-type: none"> <li>Upstate CDG project that received MW Block and/or Community Adder</li> <li>≥50% of ICSA capacity filled with Eligible Residential Subscribers</li> <li>Guaranteed Discount of 20%</li> <li>Achieves all the requirements to qualify as a <i>Community Benefits Project</i></li> </ul>	\$0.20
<ul style="list-style-type: none"> <li>Upstate CDG project that received Phase One NEM, the Market Transition Credit, or the Community Credit</li> <li>≥50% of ICSA capacity filled with Eligible Residential Subscribers</li> <li>Guaranteed Discount of 20%</li> <li>Achieves all the requirements to qualify as a <i>Community Benefits Project</i></li> </ul>	\$0.15

*Incentive Levels for ConEd CDG Projects*

Project Type	Adder \$/Watt	Initial Adder Capacity Block (MW)
<ul style="list-style-type: none"> <li>Con Edison CDG Project</li> <li>Guaranteed Discount of 15%</li> <li>≥50% of ICSA capacity filled with Eligible Residential Subscribers</li> </ul>	\$0.30	100

*ConEd CDG Projects that qualify as Community Benefit Projects*  
(Capacity will be drawn from the 100 MW block above)

Project Type	Adder \$/Watt
<ul style="list-style-type: none"> <li>Con Edison CDG Project</li> <li>Guaranteed Discount of 20%</li> <li>≥50% of ICSA capacity filled with Eligible Residential Subscribers</li> <li>Achieves all the requirements to qualify as a <i>Community Benefits Project</i></li> </ul>	\$0.40

***Incentive Requirements: Community Benefit Projects***

Projects in the Upstate and ConEd regions can qualify as Community Benefit Projects, which are projects that provide at minimum a 20% bill discount and incorporate measures that increase access to community solar and demonstrate a greater commitment to the Eligible Subscribers and their surrounding communities that can be established from the factors below.

Community Benefit Projects can either provide a 20% bill discount to all eligible subscribers and meet at least 3 of the following criteria; or provide a 15% bill discount and meet all five of the below criteria.

1. Demonstrated close partnerships with community organizations and stakeholders from the DAC local to the project site **throughout** the project development process, including siting, construction, and customer outreach.
  - A close partnership can be demonstrated using documents including the following:
    - A letter or email from community organizations within the DAC that verifies participation in the project development process and details at what level and how long they have been involved.
    - A memorandum of understanding between the project team and the community organization(s) from within the DAC outlining the activities that they are part of in the project development process.
  - **Note:** A project in which the partnership with a community organization is limited to conducting customer acquisition/outreach does not qualify for this criteria.
2. Workforce training and hiring commitments of priority populations or members of the surrounding DAC community.
  - Projects can demonstrate commitment by participating in NYSEERDA's [\*Program Opportunity Notice \(PON\) 3982: On the Job Training \(OJT\) Program\*](#). Projects must receive an acceptance of a Business Application and submission and acceptance of New Hire Applications from Priority populations as defined by the PON.
3. Community based or participant ownership models:
  - The contractor must submit a written summary that outlines the following:
    - If and how the project will be owned by DAC stakeholders or a community organization that serves a DAC. Detail if it will be full ownership, majority stake, or another model.
    - Details on how the project profits, including how the profit will be collected, stored, and distributed.
    - Details on what the governance structure will be for the projects and its monetary and non-monetary benefits, including ownership, control, and voting rights for all parties.
4. Dedicated strategy to target individuals in DACs with Limited English Proficiency.
  - Submission of marketing materials, contracting materials and customer service protocol that demonstrate reasonable support for this customer segment.
5. Sited within a DAC and serving surrounding community eligible subscribers: At least 60% of project capacity is dedicated to eligible subscribers from the surrounding community, defined as the same or adjacent zip code.

**Incentive Adjustments for projects receiving Bonus Investment Tax Credits**

NYSEERDA reserves the right to adjust or cancel the ICSA Award if the associated project receives additional federal Investment Tax Credits (Bonus ITC) under sections 48(e) and 48E(h) of the Inflation Reduction Act of 2022, also known as the "Special Programs for Certain Facilities Placed in Service in Connection with Low-income Communities". Project owners are encouraged to apply for the Bonus ITC, and submittal of an application for Bonus ITC not resulting in a project receiving the additional Investment

Tax Credits will not trigger an adjustment to the ICSA award. The project owner must inform NYSERDA when the project receives an allocation of Bonus ITC. NYSERDA intends to add further details to this section as additional federal guidance is released.

### Eligible Subscribers

To be eligible for the ICSA, a project must allocate between 40% and 100% of its project capacity to eligible Residential and Affordable Housing/Nonresidential subscribers. At least 50% of the project's ICSA capacity must be comprised of Residential Customers.

For example: If a 1MW project plans to fill 60% (600 kW) of its project with ICSA-eligible subscribers, 50% of the ICSA capacity (i.e.,  $600\text{kW} \times .5 = 300\text{kW}$ ) must be filled with Eligible Residential Subscribers.

Any individual subscriber may only be used to determine ICSA funding for a single project. The total ICSA funding that a project may claim is determined by the capacity allocated to eligible subscribers, as defined below.

### Residential Subscribers

Any residential electric utility customer, including homeowners, renters, and residents of multifamily buildings can be eligible if they meet the criteria below. Once a residential electric utility customer has been deemed eligible and allocated to a project, they will be considered eligible for the duration of the project, including if they choose to move within the utility service territory.

Eligibility for individual Residential Subscribers may be established by:

- **Categorical Eligibility:** Subscriber eligibility is demonstrated by documented participation in one of the assistance programs listed in the Table below.

EmPower New York Award Letter	dated within 12 months of the customer agreement signature
HEAP Award Letter	dated within 12 months of the customer agreement signature
HEAP or Energy Utility Assistance listed on the utility bill	Utility bill must be within the past 12 months of the customer agreement signature
SNAP Award Letter	dated within 12 months of the customer agreement signature
TANF Award Letter	dated within 12 months of the customer agreement signature
Supplemental Social Security Income Award Letter	dated within 12 months of the customer agreement signature

**Note:** Projects can use the Affordable Solar document retention process if they would prefer not to collect and store this documentation themselves. Review [nyserda.ny.gov/affordable-solar](https://www.nyserda.ny.gov/affordable-solar) for more details.

- **Geo-eligibility:** Residential subscriber eligibility is demonstrated with geo-eligibility by
  - residence in a Disadvantaged Community as defined by the Final Disadvantaged Communities Criteria (DAC criteria).
  - residence in an *EmPower New York pre-screened area*
    - The map which shows the pre-screened areas can be found at <https://www.nyserda.ny.gov/ny/ahp-empower/geo-eligible-income-tool>

- **Individual Household Eligibility:** Any residential subscriber is considered eligible if they have a documented household income under 80% of Area Median Income (AMI) or 80% of State Median Income (SMI), whichever is higher.
  - Individual household eligibility must be established by the customer by completing the Affordable Solar incentive eligibility application found at [nyserdera.ny.gov/affordable-solar](https://nyserdera.ny.gov/affordable-solar).

### **Nonresidential Subscribers**

The following types of nonresidential utility accounts are considered eligible subscribers for the ICSA:

- **Nonprofit/public facilities serving DACs:** Accounts serving nonprofit organizations or public facilities that 1) meet the criteria of “small” subscribers per the CDG rules (non-demand account or demand account with an average peak monthly demand of less than 25 kW), and 2) are located within and serve a designated DAC. Subscribers must be deemed qualified by NYSERDA prior to the submission of an ICSA invoice by the project.
- **Public Schools:** Accounts serving existing public school buildings across New York State that are designated eligible for [PON 4924: P-12 Schools – Clean Green Schools Initiative](#) can be considered eligible non-residential subscribers for the ICSA.



### **Affordable Housing Property Participation**

All affordable housing properties seeking to be considered as eligible affordable subscribers under the ICSA must provide proof of their affordable housing status using one of the following documents.

<b>Eligibility Proxy</b>	<b>Details</b>	<b>Documentation Required</b>
A. US HUD, USDA-RD, and other Federally Regulated LMI Housing	Properties that receive subsidies from HUD or USDA-RD based on household income may be defined as LMI, based on household income criteria detailed in the contract or award, including regulatory control or structures such as: <ol style="list-style-type: none"> <li>1. Project-based Section 8</li> <li>2. Sections 202, 236, 811</li> <li>3. Public Housing Authorities</li> </ol>	Copy of the HUD contract or contract award notice
B. NYS HCR-Regulated Affordable Housing	Properties with subsidized mortgages or contracts that place them under the regulatory control of HCR may be defined as LMI, based on household income criteria detailed in the HCR contract or award	Copy of HCR contract or contract award notice
C. Low Income Housing Tax Credits	Properties that receive tax credits may be defined as LMI based on household income criteria detailed in the tax credit award notice	Copy of tax credit award notice from HCR or HPD.
D. NYCHPD-Regulated LMI Housing (or similar local housing agencies)	Properties with loans, mortgages, or deeds of purchase (HDFC incorporation) from NYCHPD or similar local housing agencies may be defined as LMI, based on household income criteria detailed in the award documentation	Documentation of current mortgage, loan closing, HDFC incorporation, or deeds
E. SONYMA Mortgage Insurance	Properties subsidized for low- to moderate-income multi-family residents with SONYMA subsidized financing through the HFA	Copy of loan closing/mortgage insurance award documents

Any documentation submitted to provide proof of affordable housing status must also have the following information within the document:

- The specific addresses covered by the document
- The income requirements for the building residents and the number of units covered by that income requirement
- Required for projects looking to master-metered affordable housing as residential subscribers: If there are restrictions to raising or reducing rent

Properties must be deemed qualified by NYSERDA **prior to** the submission of an ICSA invoice by the project. Visit the *Application Guidance* section of [nyserdera.ny.gov/solar-contractor-resources](https://nyserdera.ny.gov/solar-contractor-resources) to view the Multifamily Affordable Housing Incentive Eligibility Criteria and the detailed documentation requirements.



*Affordable Housing properties can be counted as either eligible residential subscribers or non-residential subscribers based on their properties' characteristics and the specific account types. Details on that are below.*

- **Affordable Housing Residential Subscriber Eligibility:** All residents of a regulated affordable housing property can be deemed eligible if:
  - the property meets the building eligibility requirements listed above,
  - the residents have their own electric accounts and pay their own electricity bills,
  - residence is limited to LMI households (80% AMI or below), and
  - participation in CDG will not result in increased costs (e.g., rent or common charge increase) for the residential subscriber due to the utility allowance mechanism or other policies or practices. Properties must be deemed qualified by NYSERDA prior to the submission of an ICSA invoice by the project.
- **Affordable Housing Nonresidential Subscriber Eligibility:** Nonresidential demand and non-demand accounts serving an eligible affordable housing property (i.e., building/common area meter) are considered eligible subscribers.
  - The Affordable Housing eligibility option for the ICSA is intended for community solar projects located remotely from the affordable housing subscriber. Please see the *Multifamily Affordable Housing Incentive* section of this Program Manual for projects that are sited at eligible affordable housing properties (i.e., a solar project on the roof of a building that is regulated affordable housing).
- **Master-Metered Affordable Housing Property Eligibility:** Master metered affordable housing properties can be deemed eligible non-residential subscribers if they meet the *Affordable Housing Nonresidential subscriber eligibility*. For these properties to instead be considered eligible residential subscribers and be counted towards the required residential capacity, the following additional information must be demonstrated.
  - **For properties where residents are not sub-metered:** demonstrate how the project will direct savings pass-through from a community solar subscription on a master-metered account. The savings that the resident will receive must be equivalent to what they would receive had they signed up for community solar themselves.
  - **For properties where residents are sub-metered:** specify how the required bill discount (10% for Upstate projects and 15% for Downstate projects), or its equivalent, will be provided to building residents who are considered eligible residential subscribers. The savings that each resident will receive must be equivalent to what they would receive had they signed up for community solar themselves.
  - **Rent-regulated property exemption:** Master-metered properties that are not sub-metered, rent-regulated, and can demonstrate in their regulatory agreement that there is no feasible way for the properties to pass-through the savings onto their residential customers, can apply for an exemption from demonstrating pass-through and still be considered eligible residential subscribers. Projects will need to share the regulatory agreements or statute that they are regulated under, highlighting the specific passages that hinder pass-through for NYSERDA to review. This exemption is only available to public housing authorities and regulated affordable housing that is owned and managed by non-profit or public entities.

## Applying for the Inclusive Community Solar Adder

### Submitting a Project Application

Projects that are in the Commercial/Industrial or Nonresidential incentive program with a “Submitted” or “Received” status may prepare and submit an ICSA application through the NYSERDA Portal. The ICSA will not be approved prior to the approval of the associated NY-Sun project.

Visit [nyserdera.ny.gov/solar-contractor-resources](https://nyserdera.ny.gov/solar-contractor-resources) for the ICSA Application and Invoice Guide, which includes step-by-step instructions. An ICSA application may only be submitted by the NY-Sun

Participating Contractor for the associated project, and the same Payee must be used for the ICSA as all other NY-Sun incentives for the project. A Full Assignment or Payment Assignment of the associated NY-Sun project application will result in the same assignment of the ICSA application. Contractors that plan to sell their project are encouraged to notify NYSERDA early in the process to ensure an expedient assignment process.

### ***Submitting a Portfolio of Projects***

Contractors must use the *Portfolio Submission* process (outlined below) if they plan to use the same acquisition provider, subscription manager, acquisition strategy and customer engagement protocol for multiple projects. With the *Portfolio Submission* process, a contractor first submits one complete application (known as the Primary Application) to be reviewed by NYSERDA. Once that application is reviewed and approved, the contractor will be allowed to submit other applications (known as Subsequent Applications) that use the same acquisition provider, subscription manager, acquisition strategy, and customer engagement protocol as the Primary Application.

**Step 1:** Contractor submits the Primary Application in the NYSERDA Portal, including all the required Application Elements outlined in the table below.

**Step 2:** NYSERDA will review the Primary Application and the required Application Elements and conduct a review call if needed.

**Step 3:** NYSERDA will make a determination of approve, reject, or modify and notify the applicant.

- If the Primary Application is approved and after it is awarded, the contractor can then submit Subsequent Application(s) and the required Application Elements.

**Step 4:** NYSERDA will review the Subsequent Application(s) and the required Application Elements and conduct a review call if needed.

### ICSA Application Elements

An ICSA application must include the following. Applications missing these elements may be rejected outright:

	Primary Application	Subsequent Application
The application number of the associated NY-Sun project.	√	√
The actual <b>Community Distributed Generation Disclosure Form</b> for the project that a customer will be subject to.	√	√
The <b>actual residential subscriber contract</b> that a customer will be subject to. All residential subscription contracts for allocated capacity receiving the ICSA must meet the following requirements: <ul style="list-style-type: none"> <li>• Compliance with all terms of the UBP-DERs<sup>4</sup>, and</li> <li>• Guaranteed savings (discount) rate of no less than 10% for Upstate projects and 15% for ConEd projects.</li> </ul>	√	√
<b>For projects that achieve commercial operation after June 7, 2022 but before [open date of ICSA Round 2]:</b> the initial allocation report and the initial host summary report for the project(s).	√	√
<b>For projects that achieve commercial operation after June 7, 2022 but before [open date of ICSA Round 2]:</b> Letter confirming commercial operation from the utility.	√	√
Contractual agreement between the primary contractor account and the subscription provider confirming they are working together.	√	
A list of all the projects (including the NY-Sun application number, their site address, kW capacity, and utility) that will be submitted subsequently as part of the portfolio.	√	
A <b>Marketing &amp; Implementation Plan</b> . Requirements are described below.	√	
<b>Example Marketing Materials</b> , including doorhangers, one-pagers, fact sheets, advertising, and screen captures of web advertising.	√	
<b>Customer experience demonstration:</b> A video screen-capture of the journey that a customer experiences as they sign up for the community solar product. NYSERDA may request a dummy log-in to experience the customer sign-up process if the video does not sufficiently capture the experience.	√	
<b>Subsequent Application Attestation</b>		√

<sup>4</sup> <https://www3.dps.ny.gov/W/PSCWeb.nsf/All/EAB5A735E908B9FE8525822F0050A299>

### ***Marketing & Implementation Plan Requirements***

Contractors must submit a Marketing & Implementation Plan and supporting documentation for each project seeking the ICSA. Use of the Marketing & Implementation Plan Form is required and available at [nysderda.ny.gov/solar-contractor-resources](https://nysderda.ny.gov/solar-contractor-resources) (**Note:** the document on the website is only for Round 1 projects, it will be modified and updated prior to program relaunch). Through the Marketing & Implementation Plan and supporting documentation, the Contractor must demonstrate that:

- The Contractor, or customer acquisition and customer management provider(s) to be used, has the appropriate experience and capability to fulfill the requirements of the ICSA.
  - A detailed listing of all the contractors and subcontractors supporting the customer acquisition and customer management is required. Failure to do this thoroughly may result in automatic rejection of the application.
- The Contractor has the ability to achieve the targeted percentage of eligible subscribers identified in the project's ICSA application, demonstrated by a detailed marketing and sales strategy, sample materials, and/or existing executed subscription contracts, letters of intent (LOIs), or other supporting documentation.
- Customer acquisition strategies will be allowed to use door-to-door sales if the following criteria are met. This information must be described and shared at the time of the application.
  - Contractor is in good standing with DPS
  - The project's customer acquisition team has a system in place that will easily identify which of their contractors and/or sales associates are in the field at what time, so that it will be possible to determine responsibility in the event of a customer complaint
  - A signature is collected from the customer when the customer elects to sign up for the community solar project
    - A record of the customer signature from online or paper sign up must be stored for at least five years
  - If a customer signs up via door-to-door or over the phone, the project's customer acquisition team is required to call the customer after the interaction and get verbal confirmation from the customer of their interest in signing up for the community solar product.
    - The recording of the post-signup confirmation call must be stored for at least five years.
  - Contractor must list all the subcontractors that are working in the field for the ICSA. If those contractors change, those updates must be submitted to NYSERDA before the new subcontractor begins working in the field.

Failure to adhere to any of the above requirements after a project receives an ICSA award may result in NYSERDA rescinding the award or rejecting invoice(s).

### ***Community Solar Product Requirements***

- The actual residential subscriber contract and *Community Distributed Generation Disclosure Form* that a customer will be subject to must be shared with NYSERDA at time of application. Projects must also make accessible the actual *Community Distributed Generation Disclosure Form* associated with each project on their website for a customer to review prior to providing any personal information, including name and email address.
- NYSERDA reserves the right to publish the submitted *Community Distributed Generation Disclosure Form* on a central webpage listing all the community solar projects.

The customer acquisition strategy will not require minimum FICO scores for the portion of the project used to demonstrate eligibility for the LMI adder. The Contractor can use an alternative option, such as utility bill payment history, to qualify ICSA eligible subscribers.

### ***Additional Marketing and Implementation Plan requirements for Community Benefit Projects***

Projects seeking to be considered Community Benefits Projects must provide additional community benefits beyond cost savings to subscribers and demonstrate they will be able to achieve the additional criteria required for this higher incentive. Information about what qualifies as additional community

benefits can be found in the *Incentive Levels* sub-section of the *Inclusive Community Solar Adder* section in this Program Manual and in the Marketing and Implementation Plan Form.

### **Project Application Review**

Primary Applications will be reviewed in the order that they are received until all available funding is fully committed. Should NYSERDA have questions or concerns regarding the supporting materials, NYSERDA may request a review meeting to address as such regarding the supporting materials.

Completed Primary Applications without missing materials or incomplete information, will be processed for an award within 60 days of application submission.

Applications without an identified acquisition team and strategy may be rejected with no additional opportunity to cure the Applications. NYSERDA reserves the right to reject any application that is missing details or elements, at any point during the application review period and without conducting a review call. Applications that are rejected can reapply but will be queued with a new application date.

For the Subsequent Application: NYSERDA may reject subsequent applications even if the Primary Application is approved if the project team fails to prove that they can achieve the applied-for targets due to the size of the portfolio.

### **Project Changes**

The contractor must notify NYSERDA of one or more of the following changes that may occur after NYSERDA's approval of a Primary or Subsequent Application .

- Change in the acquisition provider.
- Change in the subscription manager.
- Changes to the terms of the customer subscription contract or the CDG Disclosure Form.
- The outreach strategy changes from what was listed in the application.
- The Eligible Subscriber Target mix differs from what was listed in the application.

Project changes must be made through the *Request for Modification* process in the NYSERDA Portal as soon as they occur. Upon receipt of the Request for Modification, NYSERDA will assess if the project continues to be eligible for the ICSA incentive. Failure to make NYSERDA aware of the changes prior to the first invoice or subsequent invoice submissions may result in rejecting the invoice(s) or cancellation of the award.

NYSERDA reserves the right to require resubmission of Application Elements and may rescind the award if the changes fail to meet the requirements of the ICSA.

### **Round 1 ICSA Awardees Using Round 2 Eligible Subscriber Criteria**

ICSA Round 1 Projects are permitted to use the Round 2 Eligible Subscriber Criteria (i.e., the Round 2 rules around qualifying residential, nonresidential, and affordable housing subscribers) provided they agree to the following additional terms for their Round 1 awards.

1. Compliance with the additional criteria required to perform door to door sales
2. Adherence to the requirements of long-term subscriber make-up
3. Adherence to any adjustments that Round 2 Projects are subject to if they receive Bonus ITC.

Round 1 Projects interested in opting into the Round 2 Eligible Subscriber Criteria will be required to submit an Opt-in Request for NYSERDA's consideration and approval prior to submitting their first invoice.

## Inclusive Community Solar Adder: Payment Process, Funding Amount, and Subscriber Reporting

Projects must submit and have their milestone documentation approved prior to submitting invoices. Milestone deliverables are submitted through the NYSERDA Portal. In some cases, NYSERDA may set up a secure sharing site for sharing additional documentation. Milestone documentation be shared over email.

Go to [nyserdera.ny.gov/solar-contractor-resources](https://nyserdera.ny.gov/solar-contractor-resources) to see the ICSA Application and Invoice Guide for step-by-step instructions.

### Milestone Deliverable Submission:

- Milestone 1: The below documents must be submitted for the first month of credits that are going to a customer.
  - ICSA Subscriber Submission Form (see below)
  - CDG Initial Allocation Form
  - Documentation of utility acceptance of Initial Allocation Form
  - Utility CDG Host Allocation Report for the initial allocation period.
- Milestone 2: The below documents must be for the first month of the second year of operation (i.e., 13<sup>th</sup> month of operation)
  - ICSA Subscriber Submission Form
  - documentation of utility acceptance of the form
  - utility CDG Host Allocation Report for the allocation period.
- Milestone 3: The below documents must be for the first month of the third year of operation (i.e., 25<sup>th</sup> month of operation)
  - ICSA Subscriber Submission Form
  - CDG Monthly Allocation Form for the first month of the third year of operation
  - documentation of utility acceptance of the form
  - utility CDG Host Allocation Report for the allocation period.

Contractors must use the *ICSA Subscriber Form* to submit a spreadsheet of all eligible subscribers, including name, address, utility account number, allocation, discount rate, preferred contact information, and method used by the Contractor to determine subscriber eligibility. The *ICSA Subscriber Form* can be found at [nyserdera.ny.gov/solar-contractor-resources](https://nyserdera.ny.gov/solar-contractor-resources).

Contractors may submit for NYSERDA review and pre-approval a draft *ICSA Subscriber Form* prior to invoicing. The draft form may be submitted at any time, but NYSERDA will only review a draft form one (1) time for each invoice. Additional reviews may be provided at NYSERDA's discretion.

Projects that include affordable housing properties and their residents as eligible subscribers must also submit the documentation listed in the ***Affordable Housing Property Participation*** section at the time of milestone submission.

### Payment Process

Once the corresponding Milestone 1 submission receives NYSERDA approval, project invoice requests for ICSA payments must be submitted through the NYSERDA Portal. Go to [nyserdera.ny.gov/solar-contractor-resources](https://nyserdera.ny.gov/solar-contractor-resources) to see the ICSA Application and Invoice Guide for step-by-step instructions. ICSA invoices must be submitted separately from the invoices for the associated NY-Sun project.

The ICSA is paid in three installments:

- **First Payment:** Upon project completion (defined as payment of the Commercial Operation invoice for the associated NY-Sun project by NYSERDA) and acceptance by NYSERDA of the required Milestone 1 documentation submitted by the Contractor, NYSERDA will calculate the First Payment using the following formula:

$$\text{First Payment} = \text{Actual capacity allocated to eligible subscribers (as documented in invoice)} * \text{incentive rate} * 50\%$$

- **Second Payment:** Upon the first anniversary of project completion and acceptance by NYSERDA of the required Milestone 2 documentation submitted by the Contractor, NYSERDA will calculate the Second Payment using the following formula:

$$\text{Second Payment} = \text{Actual capacity allocated to eligible subscribers (as documented in invoice)} * \text{incentive rate} * 25\%$$

- **Third Payment:** Upon the second anniversary of project completion and acceptance by NYSERDA of the required Milestone 3 documentation submitted by the Contractor, NYSERDA will calculate the Third Payment using the following formula:

$$\text{Third Payment} = \text{Actual capacity allocated to eligible subscribers (as documented in invoice)} * \text{incentive rate} * 25\%$$

The total amount invoiced across all three payments may not exceed the total system size capacity of the corresponding NY-Sun project at the time of ICSA application. No payment in any amount will be made on any invoice where the minimum allocation requirement for eligible residential subscribers is not met (no less than 50% allocated to eligible residential subscribers).

If the minimum requirements are not met at Commercial Operation, the ICSA award will be cancelled, and the Contractor will not be able to invoice for future payments for that project.



### ICSA Funding Amount

Each approved ICSA application will be contracted at the percentage range of 40-60% of the associated NY-Sun project. The funding amount will also be calculated based on the total Watt-dc capacity of the associated NY-Sun project and the ICSA rate for the applicable project type.

As an example, a 5 MW Upstate CDG project that has an approved ICSA application will receive a contracted funding amount as determined below:

*Example Calculation:  $5,000,000 \text{ Wdc} * 60\% * \$ .10/W = \$300,000$*

Payment of the contracted ICSA is based on actual allocation to eligible subscribers, as described in the Invoicing Requirements section. Below are common example scenarios and how NYSERDA would handle them.

*Scenario A: A project allocates 40% to 60% of the project capacity to eligible subscribers. 50% of those eligible subscribers are Eligible Residential Subscribers.*

Contracted projects that are able to allocate between 40-60% of project capacity to eligible subscribers will be paid based on the actual allocation to eligible subscribers.

As an example, a 5 MW Upstate CDG project that has an approved ICSA application allocates 45% of the project capacity to eligible subscribers, 50% of those eligible subscribers are residential. For their first invoice, they would receive:

*Scenario A First Invoice:  $5,000,000 \text{ Wdc} * 45\% * \$ .10/W * 50\% = \$112,500$*

If a developer wants to make up funding lost from the first payment, they can do that by significantly increasing LMI subscribership in years one and two.

*Scenario B: A project allocates more than 60% of the project capacity to eligible subscribers. 50% of those subscribers are eligible residential subscribers.*

Contracted projects that are able to allocate more than 60% of project capacity to eligible subscribers are eligible to receive additional funds at the ICSA rate for the applicable project type for that additional capacity, pending fund availability.

As an example, a 5 MW Upstate CDG project that has an approved ICSA application and signs up 80% of the project with eligible subscribers can be compensated for the additional 20% capacity from the separate fund at the ICSA rate for the applicable project type.

*Scenario B First Invoice:*

*Awarded amount:  $5,000,000 \text{ Wdc} * 60\% * \$ .10/W * 50\% = \$150,000$*

*Additional Capacity from Separate Fund:  $5,000,000 \text{ Wdc} * 20\% * \$ .10/W * 50\% = \$50,000$*

*Total = \$200,000*

The additional capacity fund will be limited and will be allocated on a first-come, first-serve basis at the time of the initial invoice submission. The additional capacity dollars cannot be reserved prior to the invoice submission.

*Scenario C: A project allocates more than 40% of project capacity to eligible subscribers. Less than 50% of those customers are Eligible Residential Subscribers.*

If a project is unable to achieve a minimum residential subscriber portion of 50%, the ICSA payment will be recalculated and paid based on the residential portion achieved.

As an example, a 5 MW Upstate CDG project allocated 60% of the project capacity to eligible subscribers, but only 25% was allocated to eligible residential subscribers. The project would only be paid for 50% of the project capacity, which represents the 25% residential capacity, and 25% of the non-residential capacity.

*Example Calculation: 5,000,000 Wdc \* 50% \* \$0.10/W = \$250,000*

*Scenario D: A project allocates less than 40% of project capacity to eligible subscribers; or less than 20% of project capacity to eligible residential subscribers.*

If a project is unable to achieve the minimum eligible subscriber target of 40% it would be deemed ineligible for the ICSA and would not be paid.

### **Subscriber Eligibility Documentation and Reporting**

Contractors must maintain subscriber eligibility documentation and provide that documentation to NYSERDA upon request. Documentation must be maintained in compliance with the NY-Sun Program Participation Agreement. NYSERDA will conduct periodic audits of eligible subscriber documentation on a sample of projects receiving the ICSA, and NYSERDA will periodically survey participating eligible subscribers for the purpose of program evaluation.

Contractors must track the project's retention of eligible subscribers for two additional years beyond the third invoice payment (i.e., through the first month of the fifth year of operation/49<sup>th</sup> month of operation); and must report retention information, documented by CDG Host Allocation Reports, to NYSERDA upon request.

### **Long-Term Subscriber Make-up**

Contractors are required to ensure that a project receiving the ICSA maintains the same or greater percentage of ICSA-eligible customers as documented in the project's Milestone 3 submittals, and the same bill discount rate for those customers, for at least 25 years.

Contractors must submit documentation that the project still contains ICSA-eligible subscribers upon request within 45 days of a request from NYSERDA. This documentation must take the form of the milestone documentation required for invoicing (see above) for the most recent allocation cycle.

If NYSERDA determines that the same or greater percentage of subscribers and same bill discount was not maintained, the project will have 180 days to remedy and resubmit documentation. (If the discrepancy is less than 5%, the project will not be required to remedy. Projects that are unable to remedy will be required to return a portion of the ICSA funding paid by NYSERDA, calculated based on a pro-rata share of a 25-year term over which the project was not an ICSA-eligible project.

Projects that choose to reconfigure so that they no longer qualify for the ICSA will require a return of the ICSA incentive funding from Contractor or their successor, calculated based on a pro-rata share of a 25-year term over which the project was not an ICSA-eligible project.

If a project is reconfigured so that it no longer qualifies as an ICSA project and fails to notify NYSERDA, the project will be required to return their incentive funding using the calculation described above, and may subject the contractor to disciplinary action, which may include contractor probation, suspension, or termination from the NY-Sun program; suspension from submittal of new ICSA applications.

Misrepresentation of subscriber eligibility or any other submission of the application may result in the project and/or contractor being removed from the ICSA program and the NY-Sun program. If NYSERDA determines that a subscriber is not eligible, the contractor may not enforce any penalties on a subscriber, including but not limited to removal from the project.