

Explanation of Proposed ICSA Round 2 Program Changes. The program rule changes listed in this document are in draft form and are being shared for the purpose of stakeholder feedback.

**NY-Sun Inclusive Community Solar Adder: Proposed Program Rule Changes
Explanation for the Round 2 Program Rule Changes**

Version 1.1: Revised September 6, 2022

Feedback Requested: August 3, 2022 through October 13, 2022 by 3:00 pm Eastern Time

Please read the outline of the Inclusive Community Solar Adder Round 2 draft program rules below in this document, and our *NY-Sun Inclusive Community Solar Adder: Proposed Program Rule Changes*, a separate document that was also sent in the email announcement. Both documents are available on NY-Sun's [Inclusive Community Solar Adder](#) page as well.

Provide your feedback on each of the main components of the Inclusive Community Solar Adder. 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 with the subject line "ICSA Round 2 Feedback: Organization Name". Failure to use this subject line may result in NYSERDA not receiving and reading your response. Upon receipt, we may request further details or a call/meeting to discuss the respondent's submission.

For stakeholders who would prefer to provide their feedback verbally, NYSERDA will be available between August 9th and 18th and then again between September 8th and 30th to take feedback over the phone. Email Dylan Cunningham (dylan.cunningham@nyserda.ny.gov) at least 72 hours in advance to schedule a 30-minute call.

Feedback and responses are requested by October 13, 2022 at 3PM.

If you have questions, please contact communitysolar@nyserda.ny.gov.

This document was updated on September 6, 2022, to add questions related to the Inflation Reduction Act. Please be sure to address the questions on pages 9 and 10 when submitting feedback.

Program Rule Category	Change	Explanation and Questions
Project Eligibility	Dedicate no less than 40% of the project capacity (Wdc) to eligible subscribers.	<u>Explanation</u> The Commission's April 2022 <i>Order Expanding NY-Sun Program</i> ¹ directed that 40% of the Incremental 4 GW Target be "targeted towards LMI residents, and those living in regulated affordable housing, and disadvantaged and EJ communities under SEEF." Setting the ICSA project minimum at 40% of the project capacity to eligible subscribers helps ensure that the Commission directive is met.

¹ <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={498EE5D6-6211-4721-BA98-AF40EF3F620C}>

Explanation of Proposed ICSA Round 2 Program Changes. The program rule changes listed in this document are in draft form and are being shared for the purpose of stakeholder feedback.

	Dedicate no less than 50% of ICSA portion of the project capacity (Wdc) to eligible residential subscribers.	<p><u>Explanation</u> In the April 2022 <i>Order Expanding NY-Sun Program</i>, the Commission directed that half of the Solar Energy Equity Framework Target must be focused on “projects that provide LMI residential customers with direct, guaranteed bill savings...”</p> <p>Setting a minimum of 50% residential subscribers within the ICSA capacity of eligible subscribers will help achieve this requirement.</p>
Incentive Levels	<p>Two Upstate Blocks:</p> <ul style="list-style-type: none"> Upstate CDG project that received MW Block and/or Community Adder: \$0.10/w Upstate CDG project that received Phase One NEM, the Market Transition Credit, or the Community Credit: \$0.05/w <p>Required Discount: 10%</p>	<p><u>Explanation</u> NY-Sun modeled project costs and revenues for a variety of example CDG projects across the Upstate region. This analysis informed the incentive levels that are shown here.</p> <p><u>Questions</u> Please provide feedback on the suggested incentive rates and required discount. If you suggest a change, please provide justification for that adjustment. Quantitative analysis backing up that justification always makes for a stronger argument.</p>
	<p>One ConEd Block: \$0.30/W</p> <p>Required Discount: 15%</p>	<p><u>Explanation</u> In our modeling of current project costs and revenues for the ConEd region, NY-Sun determined that the \$0.30/W incentive mandated by the April 2020 <i>Order Expanding NY-Sun Program</i> is sufficient for a 15% customer discount, and that allowing smaller discounts would direct a disproportionate amount of the adder value to project owners rather than customers.</p> <p><u>Questions</u> Please provide feedback on the suggested incentive rates and required discount. If you suggest a change, please provide justification for that adjustment. Quantitative analysis backing up that justification always makes for a stronger argument.</p>

Explanation of Proposed ICSA Round 2 Program Changes. The program rule changes listed in this document are in draft form and are being shared for the purpose of stakeholder feedback.

Incentive Levels: Community Benefit Projects	The Environmental Justice Added Incentive from Round 1 has been reconceived. It is now a new incentive level for Community Benefit Projects that is available for both Upstate and Downstate projects.	<p><u>Explanation</u> The reconfiguration and expansion of the Environmental Justice Adder will enable projects statewide to offer more robust benefits and deeper savings to disadvantaged communities. This update is in line with the recommendation of the New York State Climate Action Council Draft Scoping Plan² which states, “When properly developed, clean DG/DER projects can also allow communities to participate in the process, providing economic development and workforce development opportunities, and bolstering resiliency.”</p> <p><u>Question</u> Provide feedback on this change.</p>
	To be designated as a Community Benefits project, each Project must have 4 out of the 6 identified features.	<p><u>Explanation</u> Based on the lessons learned during the initial round of the ICSA where the market participants responded with project ideas that creatively removed barriers for underserved communities. For this round, it is NY-Sun’s intent to be less prescriptive and encourage more projects to exercise that creativity and flexibility.</p> <p>However, to ensure that projects receiving the higher incentive level are robustly serving the DACs beyond what ICSA projects are required to do, the program rules propose minimum safeguards.</p> <p><u>Question</u> Provide feedback on this change.</p>
	<p>The customer bill discount required for Community Benefit Projects is 20%.</p> <p>Incentive levels differ by project type:</p> <ul style="list-style-type: none"> • Upstate CDG project that received MW Block and/or Community Adder: \$0.20/W • Upstate CDG project that received Phase One NEM, the Market Transition Credit, or the Community Credit: \$0.15/W • ConEd CDG project: \$0.40/W 	<p><u>Explanation</u> The higher incentive level will allow increased benefits and deeper savings for participating customers.</p> <p><u>Question</u> Please provide feedback on the suggested incentive rates and required discount. If you suggest a change, please provide justification for that adjustment. Quantitative analysis backing up that justification always makes for a stronger argument.</p>

² <https://climate.ny.gov/-/media/Project/Climate/Files/Draft-Scoping-Plan.pdf>

Explanation of Proposed ICSA Round 2 Program Changes. The program rule changes listed in this document are in draft form and are being shared for the purpose of stakeholder feedback.

	<ul style="list-style-type: none"> • There is an expanded definition of a close partnership with details on how to demonstrate that relationship. • Workforce training and hiring commitments can be counted towards <i>Community Benefit Project</i> designation, and there is a clear process on how to demonstrate those commitments. • Community-based or participant ownership models can be counted towards <i>Community Benefit Project</i> designation. • A dedicated strategy to target individuals in DACs with Limited English Proficiency can be counted towards <i>Community Benefit Project</i> designation. • A project sited within a DAC that will only serve the surrounding community can be counted towards <i>Community Benefit Project</i> designation. 	<p><u>Explanation</u> These were updated to further clarify what NY-Sun is looking for to meet this criteria, and to explain the documentation that must be submitted to NY-Sun to demonstrate adherence to the program rules.</p> <p><u>Question</u> Provide feedback in response to the direction and documentation required by this rule change or recommend an approach for improvement.</p>
Eligible Subscribers	<p>For <i>Categorical Eligibility</i>, projects can use the Affordable Solar document retention process if they would prefer not to collect and store this documentation themselves.</p>	<p><u>Explanation</u> NY-Sun received feedback that providers did not want to collect and store sensitive customer information and documentation related to personal income. Introducing this option allows customers to be qualified through a NYSERDA process, returning an eligibility letter to the customer that can be used to validate eligibility without additional documentation.</p> <p><u>Question</u> Provide feedback on this change.</p>
	<ul style="list-style-type: none"> • Geo-eligibility: residence in a Disadvantaged Community as defined by the Disadvantaged Communities Criteria (DAC criteria), the DAC criteria is currently in development by the Climate Justice Working Group. <ul style="list-style-type: none"> ○ Projects can only use the DAC criteria for geo-eligibility after it is finalized and released by the Climate Justice Working Group. It is 	<p><u>Explanation</u> The Climate Justice Working Group used 45 indicators³, including income, to identify the draft DACs. Since income is not the only indicator that qualifies a resident in a DAC area as disadvantaged, NY-Sun would not need to require a customer who resides in a DAC to confirm their income level through self-attestation.</p>

³ <https://climate.ny.gov/-/media/Project/Climate/Files/LMI-dac-criteria-fact-sheet.pdf>

Explanation of Proposed ICSA Round 2 Program Changes. The program rule changes listed in this document are in draft form and are being shared for the purpose of stakeholder feedback.

	<p>anticipated that the DAC criteria will be finalized later this year following the public comment period. Upon adoption of the final DAC criteria, NYSERDA may make additional adjustments to the program rules as needed.</p>	<p>The DAC criteria is currently in draft form and may be updated or adjusted following the close of the public comment period. To ensure alignment with the Climate Justice Working Group and their final determination of what should be considered a DAC in New York State, NY-Sun will only allow projects to use the DAC criteria for geo-eligibility after it is finalized.</p> <p><u>Question</u> Please share if you have concerns with us removing the self-attestation form as a requirement.</p>
	<p>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.</p>	<p><u>Explanation</u> NYSERDA's new Green Schools program (PON 4924) identifies schools that are High Need or are located in DACs. The team that manages PON 4924 collaborated with New York State's Department of Education on developing the list.</p> <p><u>Question</u> Provide feedback on this change.</p>
	<p>Master-Metered Affordable Housing Property Eligibility: Updated process for qualifying properties that are rent regulated.</p>	<p><u>Explanation</u> The complexity of affordable housing regulation can result in some properties being restricted from or penalized for providing additional savings to their residents. This update creates a clearly defined process on how to handle those specific property types.</p> <p><u>Questions</u> Provide feedback if you have concerns about this new process and share any ideas you have for improvement or modification.</p>

Explanation of Proposed ICSA Round 2 Program Changes. The program rule changes listed in this document are in draft form and are being shared for the purpose of stakeholder feedback.

Applying for the Inclusive Community Solar Adder	The Portfolio Submission process.	<p><u>Explanation</u> NY-Sun created this process after direct feedback from contractors and acquisition companies. We observed in the first round of the ICSA that many contractors would use the same acquisition provider, subscription manager, acquisition strategy, and customer engagement protocol for their entire portfolio of projects. We believe this submission process would make submitting portfolios more efficient.</p> <p><u>Questions</u> Provide feedback if you have concerns about this new process and share any ideas you have for improvement or modification.</p>
	The actual <i>Community Distributed Generation Disclosure Form</i> and actual residential subscriber contract a customer will be subject to must be submitted with every ICSA application.	<p><u>Explanation</u> It is important for NY-Sun to maintain the actual contract and CDG disclosure form for each ICSA project in the event of any project changes or a customer complaint.</p> <p><u>Question</u> Provide feedback on this change.</p>
	Contractual agreement between the primary contractor account and the subscription provider confirming they are working together.	<p><u>Explanation</u> NY-Sun is looking for more maturity in the customer acquisition planning process for this Round of the ICSA, including confirmation of who will be performing acquisition and subscription management for the project(s).</p> <p><u>Question</u> Provide feedback if this is the right approach to confirm the maturity of the acquisition planning.</p>
	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 this portfolio.	<p><u>Explanation</u> It is important for NY-Sun to gauge the scale of the planned acquisition strategy proposed in the Primary Application.</p> <p><u>Question</u> Provide feedback on this change.</p>

Explanation of Proposed ICSA Round 2 Program Changes. The program rule changes listed in this document are in draft form and are being shared for the purpose of stakeholder feedback.

	<p>Customer experience demonstration: 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.</p>	<p><u>Explanation</u> NY-Sun needs to understand how the community solar subscription details are being presented to the customer when they are signing up for community solar.</p> <p><u>Question</u> Provide feedback on this change.</p>
	<p>Subsequent Application Attestation</p>	<p><u>Explanation</u> NY-Sun needs written attestation that the applications submitted subsequent to the Primary Application are identical in their acquisition provider, subscription manager, acquisition strategy, and customer engagement protocol.</p> <p><u>Question</u> Provide feedback on this change</p>
	<p>Customer acquisition strategies that use door-to-door sales are not allowed for ICSA-funded projects. Failure to adhere to this requirement may result in NYSERDA rescinding the award or rejecting invoice(s).</p>	<p><u>Explanation</u> NY-Sun has seen an uptick in complaints from customers relating to their interactions with door-to-door sale contractors, including from providers who are registered with the UBP-DERS and are participating on ICSA projects. It is imperative that eligible subscribers for this program are appropriately educated about community solar and its benefits, so they feel comfortable and confident signing up for the product.</p> <p>NY-Sun feels the nature of door-to-door sales does not allow for that slower transactional process, and unless there is better oversight around it, we do not feel comfortable funding projects that use it as a tactic to sign up customers.</p> <p><u>Question</u> At present, this proposed modification continues to be under consideration. Provide feedback if you have concerns about this requirement and share any ideas you have for improvement or modification.</p>
	<p>Project Changes: A contractor is required to notify NYSERDA if specific changes occur after the Primary or Subsequent Application is approved.</p>	<p><u>Explanation</u> It is imperative that NY-Sun be made aware of any changes to a project that might impact the customer and confirm whether those changes are consistent with the program rules.</p>

Explanation of Proposed ICSA Round 2 Program Changes. The program rule changes listed in this document are in draft form and are being shared for the purpose of stakeholder feedback.

		<p><u>Question</u> Provide feedback on this change.</p>
<p>Payment Process</p>	<p>Minimum Requirements: 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.</p>	<p><u>Explanation</u> This is a modification from the program rule from Round 1, which states, <i>If the minimum requirements are not met at Commercial Operation, the Adder could still be received for the following two payments if the requirements are met at that time. However, if the required minimum has not been allocated to eligible subscribers, the balance of the minimum allocation must be left unallocated.</i></p> <p>NY-Sun wrote this rule in the event that a project that contracted for a higher Eligible Subscriber Target (ex: 60-80%) could not secure the minimum of that range. This enabled that project to receive a payment at commercial operation for the actual number of eligible subscribers on their project, provided the balance of the minimum allocation must be left unallocated.</p> <p>For Round 2 of the ICSA, all the projects will now be contracted with a 40-60% Eligible Subscriber Target. If a project cannot achieve the minimum of that range (40%), they will be in violation of the minimum requirement to “[d]edicate no less than 40% of the project capacity (Wdc) to eligible subscribers.”</p> <p><u>Question</u> Provide feedback on this change</p>

Explanation of Proposed ICSA Round 2 Program Changes. The program rule changes listed in this document are in draft form and are being shared for the purpose of stakeholder feedback.

ICSA Funding Amount	<ul style="list-style-type: none"> Each approved ICSA application will be contracted with a 40-60% Eligible Subscriber Target. The funding amount included in the ICSA award letter will be calculated as the ICSA incentive rate * 60% of the CDG project's total capacity. Contracted Projects that allocate more than 60% of their 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. 	<p><u>Explanation</u> The design of the ICSA Round 1 compelled project teams to apply for the highest subscriber target of the ICSA, as teams could not be compensated if they applied for a lower subscriber target and subsequently exceeded it.</p> <p>This change has everyone starting at the same subscriber target (40-60%) and, if they exceed 60%, can be compensated for that effort.</p> <p><u>Question</u> Provide feedback if you have concerns about this new process and share any ideas you have for improvement or modification.</p>
Recordkeeping Requirement	<p>Contractors are required to ensure that a project receiving the Inclusive Community Solar Adder maintain the same percentage of income eligible households and the same bill discount rate for at least 25 years. Contractors must submit proof that the project still contains ICSA-eligible subscribers upon request.</p> <p>If a project is reconfigured so that it no longer qualifies as an ICSA project, NYSERDA will require a return of the ICSA incentive funding from the Contractor, calculated based on the pro-rata share of a 25-year term over which the project was not an ICSA-eligible project.</p>	<p><u>Explanation</u> The Commission directs that the Solar Equity Energy Framework funds (of which the ICSA is drawn from) must be used in a thoughtful and comprehensive manner to benefit disadvantaged communities. As such, it is imperative that NY-Sun ensures that projects maintain the subscriber mixes long-term, so that, as the Commission directs, "there are quantifiable benefits to these communities, consistent with the CLCPA's goals".</p> <p><u>Question</u> Provide feedback if you have concerns about this new process and share any ideas you have for improvement or modification.</p>
Inflation Reduction Act	<p>Given the recent passage of the Inflation Reduction Act (IRA), NYSERDA would like organizations to address how this legislation will impact their outlook on the Inclusive Community Solar Adder.</p>	<p><u>Questions</u></p> <ul style="list-style-type: none"> How do you anticipate that passage of the IRA, including the "low-income bonus" tax credits, will impact your participation in the Inclusive Community Solar Adder and community solar market in general? Are there any parts of the Proposed Round 2 Program Design, including incentive rates, customer discount level requirements, or other proposed program rules, that you feel should be adjusted to account for the IRA? <p><i>(questions continued on next page)</i></p>

Explanation of Proposed ICSA Round 2 Program Changes. The program rule changes listed in this document are in draft form and are being shared for the purpose of stakeholder feedback.

		<ul style="list-style-type: none">• Do you plan to wait until Department of Energy guidance on the allocation of the “low-income bonus” tax credits is issued, and/or for the allocation process to be implemented, before applying for the Inclusive Community Solar Adder or otherwise participating?
--	--	---