Memorandum

To: Tracey DeSimone, Project Manager, NYSERDA

From: Meghan Bean and Marjorie McRae, Research Into Action, Inc.

Date: January 04, 2016

Re: RGGI Cleaner, Greener Communities Phase I: Wave 2 Research Findings

1. Executive Summary

1.1. Background

Through monies allocated from the sale of Regional Greenhouse Gas Initiative (RGGI) CO_2 allowances, New York State Energy Research and Development Authority (NYSERDA) funded the Cleaner, Greener Communities Program (CGC). CGC comprised two phases: Phase I, the development of ten regional sustainable growth plans encompassing all of New York State, and Phase II, funding for projects that promote sustainability planning and sustainable development across the state's ten regions. This memo provides recommendations for supporting municipal sustainability work based on feedback from Phase II program staff, NYSERDA staff that work directly with the state's Regional Economic Development Councils (REDCs), and outreach providers (contractors) that support NYSERDA's municipal sustainability work.

1.2. Methods and Sample Disposition

We conducted in-depth interviews with 11 NYSERDA staff and contractors between November 23 and December 8, 2015. The sample included four program staff knowledgeable about the design and implementation of Phase II, two staff who work directly with the REDCs, and five outreach providers that support municipal sustainability work. Readers should note that the outreach providers in our sample worked with only four of the state's 10 REDC regions (Mid-Hudson, Capital District, Central New York, and North Country), and their responses may not represent the experiences of all outreach providers and municipalities across the state.

1.3. Narrative Overview

Many municipalities face ongoing barriers to sustainability planning and activity:

⟩ The value propositions for energy efficiency are not clear to some municipal stakeholders, particularly those that may not prioritize sustainability when they are facing what they feel are more pressing, immediate concerns, such as economic vitality.

〉 Municipal staff often lack necessary availability and technical skills to apply for funding and complete efficiency projects, and they may be reluctant to participate in state programs due to associated resource-intensive elements, such as complex reporting requirements. Municipalities often need "hand holding" throughout the project application and implementation process, as well as support from specialized experts, such as grant writers and lawyers.

〉 Many municipalities lack the funding needed to take part in complex application processes, and the design of some funding opportunities may act as a disincentive for smaller communities. Small towns cannot apply for programs that require large projects, either because they do not have the capacity to host a project of the required size or because they lack the resources needed to submit a joint project with other communities.

〉 Respondents reported that it was difficult to promote NYSERDA programs within communities with a preponderance of "climate change skeptics" among constituents or political leadership. Even communities that were at one point interested in sustainability can become resistant to sustainability efforts under new leadership, and newly elected administrations can undermine or lose momentum on the progress gained by a previous administration.

〉 Available information on funding opportunities is often complex and hard to navigate, which can overwhelm municipal staff. This barrier may be particularly challenging for municipalities that are in the early stages of engaging with sustainability work and are not yet familiar with NYSERDA's outreach providers and other existing support resources.

Despite these barriers, respondents noted many opportunities to encourage and support municipalities:

〉 Local "champions" are critical to municipal efficiency and sustainability work and, according to respondents, may be more important in driving municipal sustainability work than legislation designed to encourage such activities or the size or resource base of a community. Champions can be elected officials, city staff, or community members.

〉 The REDCs play an important liaison role between NYSERDA and the municipalities; REDCs understand community needs and interests and can help NYSERDA identify potential sustainability projects. Further, the REDCs have existing relationships with municipalities that NYSERDA can leverage to promote sustainability. Importantly, however, REDCs vary in terms of their interest in and knowledge about sustainability and the degree to which they prioritize sustainability in their work.

〉 Municipalities have a "huge" interest in solar, both customer-sited (including household, business, and municipal sites) and community solar (owned by a utility or special purpose entity). Municipalities are experiencing increasingly numerous solar installations resulting from: decreases in panel and system installation costs, increased availability of solar contractors, and the potential for municipally sited systems to reduce municipalities' utility costs. At least one local government has used the success of a municipal solar project to promote additional sustainability work.

1.4. Recommendations

The findings of the Wave 2 research reveal a number of opportunities for NYSERDA to help communities overcome common barriers to engaging in efficiency and sustainability activity and to encourage further investment in sustainability across the state's diverse regions.

> **Educate municipalities about the non-environmental benefits of sustainability.** Municipalities, particularly those skeptical about sustainability initiatives, need to be made aware of the value propositions for program participation beyond environmental benefits. Program descriptions and other collateral created to encourage participation in NYSERDA programs should emphasize short- and long-term benefits of sustainable actions. NYSERDA could also build upon existing momentum within communities to promote the benefits of sustainability by engaging in the following efforts:

> - **Identify and partner with local champions.** NYSERDA can work with and provide support and education for local champions to determine the municipality-specific benefits of a program and promote those benefits within the community.

> - **Foster communication between municipalities.** Regional summits and meetings can be used to encourage information sharing between municipalities and promote sustainability. In particular, NYSERDA can ask municipalities to showcase benefits resulting from sustainability projects.

> **Identify additional opportunities to provide technical support to municipalities.** NYSERDA should provide municipalities with access to regional or statewide consultants that provide specialized support with activities such as identifying project opportunities, supporting contractor selection, or reviewing work scopes. These "floating" contractors could provide technical support on an as-needed basis.

> **Provide more user-friendly resources on funding opportunities.** Steps should be taken to make program-specific guidance on NYSERDA's website more user-friendly and to provide municipal staff and stakeholders with easy-to-use resources for identifying funding for their priority projects. For example, NYSERDA could maintain and distribute an *Excel*-based tool that clearly connects project types to available funding.

> **Identify opportunities to introduce sustainability into REDCs' existing projects and priorities.** REDCs are a key ally for NYSERDA, but they vary in their interest and knowledge about sustainability. Rather than calling on the REDCs to seek out opportunities to fund and prioritize sustainability, NYSERDA should identify opportunities to infuse sustainability into REDCs' existing projects and priorities.

> **Identify and invest in the projects municipalities have used to drive market transformation.** Outreach providers indicate that communities are using solar projects to promote the benefits of sustainability. We recommend that NYSERDA conduct research, potentially through Wave 3 of this evaluation, to learn the types of projects municipalities are most effectively using to demonstrate the benefits of sustainability; NYSERDA should then consider investing in and supporting those activities.

2.   Introduction

2.1.   Evaluation Context

Through monies allocated from the sale of RGG CO_2 allowances, NYSERDA funded CGC, which comprised two phases: Phase I, the development of ten regional sustainable growth plans encompassing all of New York State, and Phase II, funding for projects that promote sustainability planning and sustainable development across the state's ten regions.

Research Into Action is conducting a process evaluation of CGC across three waves of research. This memo provides findings from our second wave of research, which documents the design and implementation of Phase II and provides recommendations for supporting municipal sustainability work based on feedback from Phase II program staff, NYSERDA staff that work directly with the REDCs, and outreach providers that support municipal sustainability work.

2.2.   Phase II Program Description

Phase II was designed to fund and support sustainability policies, projects, and initiatives that "have the ability to be inspirational and replicated to expand market adoption and overall impact."[1] Phase II rolled out in 2013 with $90 million allocated for three categories of funding, each made available across three rounds (or Program Opportunity Notices [PONs]) from 2013 to 2015.[2] Each funding category had its own budget and funding requirements and was targeted to specific types of sustainability projects, although funding requirements, eligibility, and the type of support available evolved across the three rounds. Table 1 (at the end of this section) provides a summary of the types of projects funded within each category across the three rounds of funding as well as the eligibility requirements for each category.

Category 1, the smallest source of funding with $3 million dollars available over the course of the program, provided incentives to municipalities for updating codes and streamlining permitting processes for solar photovoltaic (PV) and electric vehicle (EV) installations. NYSERDA made no changes to Category 1 across the three rounds of funding in terms of its target audience, eligibility, or award amounts.

Category 2, the second largest source of funding with $15 million available over the course of the program, evolved with each round. Specific changes to Category 2 included the following:

〉 Based on market feedback, NYSERDA fund capital project planning in Round 2 in addition to funding the capital projects themselves.

〉 The audience for Category 2 projects changed across each funding round. NYSERDA provided funding only to municipalities in Round 1 but opened it to non-municipal

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[1]   PON 3106 Cleaner, Greener Communities (CGC), Phase II Implementation Grants, Round 3 Guidance Document.

[2]   PON 2721 was for Round 1, PON 2951 was for Round 2, and PON 3106 was for Round 3.

organizations in Round 2 in an effort to support a broader range of applicants that could implement projects within municipalities. In Round 3, NYSERDA again limited funds to municipalities and required applicants to demonstrate their commitment to sustainability by completing four of the following six sustainable actions: 1) implement a green building strategy, 2) adopt the New York unified solar permit, 3) support alternative fuel transportation supply infrastructure, 4) adopt a vehicle fleet efficiency policy, 5) develop a greenhouse gas inventory and establish a government operations emissions reduction target, and 6) enable property assessed clean energy (PACE) financing.

〉 NYSERDA switched from a Consolidated Funding Application (CFA) solicitation process in Rounds 1 and 2 to an open enrollment process in Round 3. According to program staff, the level of commitment needed to complete the sustainable actions listed above required more give-and-take between NYSERDA and applicants, and having an open enrollment process makes the application process simpler and more flexible for both applicants and NYSERDA staff.

Category 3, the largest source of funding with up to $75 million committed over the course of the program, also evolved throughout the program implementation phase. Specific changes to Category 3 included the following:

〉 In response to an internal policy shift, NYSERDA changed from a focus on "shovel ready" projects in Round 1 to a Round 2 focus on sustainable development projects, such as mixed-use developments that would encourage residents to live closer to work and shopping, thus limiting use of personal vehicles.[3] In particular, NYSERDA wanted to fund development projects that could support market transformation by serving as an example for future projects.

〉 In a further effort to support sustainable development, NYSERDA included funding for low-income and K-12 school projects in Round 3.

While NYSERDA does not plan to continue CGC, the organization and its partners continue to support municipal sustainability efforts through programs such as NYSERDA's Economic Development Growth Extension (EDGE) program,[4] the Department of Environmental Conservation's Climate Smart Communities (CSC) program,[5] and the New York State Communities Partnership program. In addition, NYSERDA is also working on a new generation of programs, including the Model Communities program.

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[3] *https://greenbank.ny.gov/-/media/greenbanknew/files/2015-NYGB-Clean-Energy-Fund-Information-Supplement.pdf*

[4] *http://www.nyserda.ny.gov/Contractors/Find-a-Contractor/EDGE*

[5] *http://www.dec.ny.gov/energy/50845.html*

Table 1: Summary of Phase II CGC Funding Categories by Round

CATEGORY	TOTAL FUNDS AVAILABLE		AWARDEES RECEIVE FUNDS FOR…	ELIGIBLE APPLICANTS	FUNDING GUIDELINES
1	Up to $1 M each round	Round 1	Updating codes and streamlining local permits to support EVs and Solar PV installation	Municipalities	Up to $5,000 for municipalities with up to 30,000 residents
		Round 2			
		Round 3			Up to $10,000 for municipalities with over 30,000 residents
2	Up to $5 M each round	Round 1	Incorporating sustainability into comprehensive planning and zoning	Municipalities	$50,000-$400,000 per project with 25% minimum cost share
		Round 2	Sustainability related projects and plans	Municipalities and non-municipal organizations	$25,000-$250,000 per project with 25% minimum cost share
		Round 3	Any project that reduces GHG emissions	Municipalities that complete 4 of 6 sustainability actions	$25,000-$250,000 per project with 25% minimum cost share
3	Up to $25 M each round	Round 1	Sustainable activities with emphasis on "shovel ready" projects	Municipalities and non-municipal organizations	$1 M-$5 M per project with 25% minimum cost share
		Round 2	Sustainable development projects with emphasis on mixed-use neighborhood developments and market transformation projects	Municipalities and non-municipal organizations	$500,000-$5 M per project with 25% minimum cost share
		Round 3	Round 2 project types and any project that would expand market for EVs or focused on LI sector or K-12 schools	Municipalities and non-municipal organizations	$500,000-$3 M with 25% minimum cost share

2.3. Methods and Sample Disposition

We conducted in-depth interviews with 11 NYSERDA staff and contractors between November 23 and December 8, 2015. The sample, which was provided by NYSERDA program staff, included Phase II program staff, staff who work directly with the REDCs, and outreach providers (contractors) that support NYSERDA's municipal sustainability work. Table 2 provides the number of respondents in each group and the topics discussed with each group.

Table 2: Number of Respondents by Respondent Type and Topics Discussed with Each Type

RESPONDENT GROUP	NUMBER OF RESPONDENTS	PHASE II DESIGN AND IMPLEMENTATION	REDC ROLE IN MUNICIPAL SUSTAINABILITY	MUNICIPAL SUSTAINABILITY EFFORTS
Phase II Program Staff	4	✓		✓
Staff working directly with REDCs	2		✓	✓
Outreach Providers	5*			✓
Total Respondents	**11**	**4**	**2**	**11**

* One of the five outreach providers invited two additional staff to join the interview.

Readers should note that the sampled outreach providers worked with only four of the state's 10 REDC regions (Figure 1). Thus, their responses may not represent the experiences of all outreach providers and municipalities across the state.

Figure 1: Regions Supported by Sampled Outreach Providers and Number of Providers Working with Each Region*
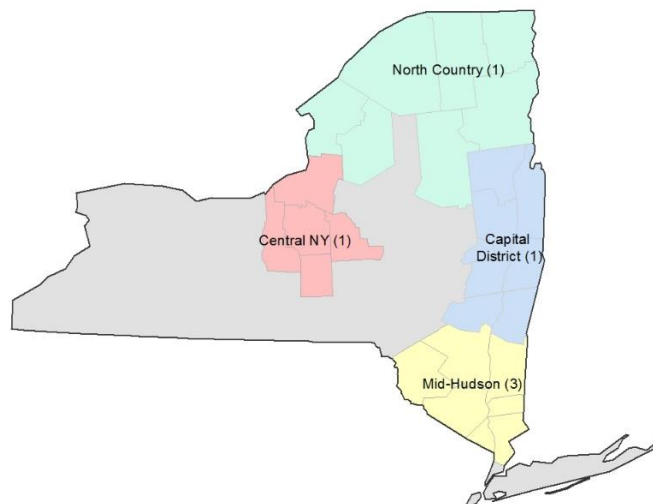
* Some outreach providers in the sample work with more than one region.

3.   Conclusions

This section provides our preliminary conclusions based on our analysis of the NYSERDA staff and contractor interviews.

3.1.   Municipalities Face Common, Ongoing Barriers, which Are Especially Prevalent Among Less Involved Communities

The evaluation team identified four primary barriers to community engagement in sustainability and efficiency efforts:

〉 The value propositions for efficiency and sustainability are not clear to some municipal stakeholders,

〉 Municipal staff often lack necessary availability and technical skills,

〉 Many municipalities lack the financial resources needed to apply for funding, and

〉 Some local political climates do not support energy efficiency.

We explore each of these barriers in its own subsection below, but they are often interrelated. Communities that lack the staff availability or technical knowledge also are likely to lack funding to dedicate to efficiency or sustainability work, for example.

3.1.1.   The Value Propositions for Efficiency and Sustainability Are Not Clear to Some Municipal Stakeholders

Three NYSERDA staff noted the importance of making the value propositions for efficiency and sustainability more apparent to municipalities, including the long-term benefits associated with sustainable actions. This is particularly important for municipalities that may not prioritize sustainability when they are facing what they feel are more pressing, immediate concerns, such as economic vitality. A NYSERDA staff person that works with the REDCs suggested that NYSERDA staff and contractors work with municipalities and the REDCs to embed sustainability into projects planned and under development.

Three outreach providers provided the following examples of their efforts to connect sustainability and efficiency to other goals within communities:

〉 Two outreach providers have discussed with municipalities how workforce training programs for solar installation and energy auditing also serve an economic development agenda by increasing participants' employability.

〉 Another provider has demonstrated to municipalities that completing an efficiency project results in monthly utility bill savings, which the municipality then can re-invest in priorities such as economic development and public safety.

3.1.2. Municipal Staff Lack Necessary Availability and Technical Skills

Contacts reported that many municipalities do not have staff with the time or technical knowledge necessary to participate in energy efficiency efforts. This lack of capacity can impede municipalities' ability to apply for funding and implement projects. One outreach provider reported that many municipalities are reluctant to participate in state programs due to their associated resource-intensive requirements, such as complex reporting requirements. "Most projects are off the table for [municipalities] because they can't do them on their own," said one outreach provider. The same respondent noted that even communities that have taken steps towards implementing energy efficiency projects, such as receiving energy audits for their properties, do not always have the capacity to follow through with recommendations.

One program staff person mentioned that municipal staff often need "hand holding" to complete state-funded projects. This contact noted that CGC addressed this need by offering more technical assistance for municipalities interested in sustainability than previously available. Another respondent noted that municipalities, even those with some staff interested in sustainability, need access to grant writers or other technical experts who can devote time to seek support for sustainability projects, as well as access to specialized professionals, like lawyers, who can provide support during the contracting process.

3.1.3. Municipalities Lack the Financial Resources Needed to Apply for Funding

In addition to limitations to staff availability and technical capacity, many municipalities do not have funding available to take part in complex application processes. For instance, one outreach provider noted that even municipalities with staff availability do not always have the financial resources to undertake any actions without a line item in their budget supporting the activity. A NYSERDA staff person echoed this sentiment, stating communities need "funding for people who can seek funding opportunities."

Three outreach providers reported that the design of some funding opportunities act as a disincentive for smaller communities to apply. For example, many small towns find it infeasible to apply to programs requiring large projects either because they do not have the capacity to host a project of the required size, or because they lack the funds necessary to engage in the complex application process. Small communities could partner with one another to prepare joint projects, but they often do not have the time or money available to support large-scale coordination efforts. These outreach providers suggested that NYSERDA provide funding to support project-sharing and aggregation efforts to encourage small communities to participate in large-scale sustainability and market transformation projects.

3.1.4. Some Local Political Climates Do Not Support Energy Efficiency

Respondents noted considerable variability among municipalities in terms of how receptive they are to energy efficiency and sustainability work. Respondents' comments indicate that both

community leaders' and constituents' attitudes toward climate change can affect a local governments' willingness to undertake efficiency projects.

Three respondents noted that it is sometimes difficult to promote sustainability or efficiency efforts in communities with a preponderance of "climate change skeptics." For example, one outreach provider discussed two communities in her service area dominated by "skeptics" and reported that she invested significant effort to encourage these communities to participate in NYSERDA programs. One outreach provider attempted to garner interest within one community by highlighting the involvement of a community leader who used to be a skeptic. The outreach provider hoped others would reconsider their position on climate change "when people see *he* is on board" and "*he* talks about how much money [his] municipality is saving."

Even communities that were at one point interested in sustainability can become resistant to sustainability efforts under new leadership. Two outreach providers expressed difficulties working with municipalities after a change in administrations. According to these outreach providers, newly elected administrations can undermine or lose momentum on the progress gained by a previous administration. On the other hand, newly elected administrations may embrace sustainability in previously uninterested communities, which may provide new opportunities for NYSERDA and its outreach providers to gain traction.

3.2.   Existing Information on Funding Opportunities Is Overwhelming and Not Easily Navigated or Prioritized

Respondents noted that information on funding opportunities is often complex and hard to navigate and can overwhelm municipal staff, even staff familiar with other state programs. One outreach provider reported that the leader of an economic development organization who had been intimately involved with sustainability planning and projects in his region for many years concluded that NYSERDA programs were confusing and difficult to use. According to this respondent, "not everyone tried to understand NYSERDA as much as he did," yet he still lacked clarity regarding the various programs and funding opportunities available to him and his constituents.

Another outreach provider recalled her Climate Smart Community (CSC) constituents having difficulty using NYSERDA resources, including the NYSERDA website. This difficulty required her to assemble and distribute an *Excel* workbook that listed program elements and the associated funding opportunities so it would be clearer to communities what funds were available through NYSERDA's programs. This contact further explained that having someone who can decipher the complexity of funding efforts is critical to enabling communities to take action. A third outreach provider also recalled the difficulties municipalities had deciphering NYSERDA requirements, particularly for CGC. A considerable amount of this outreach provider's CGC work revolved around navigating the program, from identifying appropriate funding opportunities through project completion.

3.3.   Local "Champions" Can Help Drive Sustainability Projects

All outreach providers and five of six program staff reported that local "champions" are an important part of municipal efficiency and sustainability work; champions develop project ideas, consult with municipal leaders to drive projects, and identify community resources to support projects. According to respondents, the presence of a champion is "critical" and may be more important in driving municipal sustainability work than legislation designed to encourage such activities. Some respondents also reported that the presence of a champion is a greater predictor of project completion than the size or resource base of a community. Champions can be elected officials, city staff, or community members, although respondents suggested that larger communities with more resources to dedicate to sustainability efforts are more likely to have champions than smaller communities with fewer resources.

3.4.   REDC Involvement in Sustainability Varies

REDCs vary in terms of their interest in and knowledge about sustainability. According to the two NYSERDA staff in our sample that work with the REDCs, all REDCs have a sustainability group or subcommittee, and some of these groups pursue projects with sustainability components more actively than others. According to one staff person, REDCs with less interest in sustainability may not take the initiative to incorporate sustainability into their projects or may not be knowledgeable enough to identify opportunities. For instance, one REDC involved with a low-income housing project had not considered how to make the project sustainable until meeting with NYSERDA staff.

Despite the varied interest in sustainability, all REDCs play an important liaison role between NYSERDA and municipalities, and the REDCs played a key role in identifying and prioritizing sustainability projects for CGC. According to NYSERDA staff, REDCs have knowledge of community needs and interests that is invaluable in identifying sustainability projects, and they have relationships with municipalities that NYSERDA can leverage to promote sustainability. That said, variability in REDCs interest in or knowledge about sustainability might mean that some REDCs are more active in or effective at promoting sustainability in their regions.

3.5.   Municipalities Are Most Interested in Solar Projects, Followed by Existing Infrastructure Upgrades

When asked what types of projects municipalities are interested in pursuing, respondents most frequently discussed solar projects, followed by upgrades of existing infrastructure.

Five of the six NYSERDA staff and four of the five outreach providers reported that municipalities have a "huge" interest in solar, both customer-sited (including household, business, and municipal sites) and community solar (owned by a utility or special purpose entity). One outreach provider noted an 80% annual increase in the number of solar installations in his region since 2011. Respondents' comments suggest that interest in solar installation is widespread across the state. Outreach providers attributed the growth of solar installations and

municipality interest in solar to reductions in panel and system installation costs (3 mentions), increased availability of solar contractors (1 mention), and the potential to reduce municipalities' utility costs (2 mentions; a benefit likely to accrue only to municipal-sited systems).

One outreach provider implied that successful solar projects can drive communities to do other sustainability projects. This contact provided an example of one town that installed a solar array that provides all the energy needed for the town's municipal operations. The town is now using that project's success and visibility to promote additional sustainability work.

In regards to building upgrades, one outreach provider reported that all municipalities in the region he serves are interested in upgrading existing infrastructure, much of which is at the end of its useful life. This interest extends to upgrading municipal buildings, streetlights, and water/wastewater treatment facilities. One NYSERDA staff person suggested that as community members see the benefits of these upgrades, they will support efficiency upgrades for other infrastructure.

4. Recommendations

The findings of our Wave 2 research revealed a number of opportunities for NYSERDA to help communities overcome common barriers to engaging in efficiency and sustainability activity, and to encourage further investment in sustainability across the state's diverse regions.

> **Educate municipalities about the non-environmental benefits of sustainability.** Municipalities, particularly those skeptical about sustainability initiatives, need to be made aware of the value propositions for program participation beyond environmental benefits. Program descriptions and other collateral created to encourage participation in NYSERDA and partner programs should emphasize short- and long-term benefits of sustainable actions, such as lower municipal utility bills and a more capable workforce. NYSERDA could also build upon existing momentum within communities to promote the benefits of sustainability by engaging in the following efforts:

  - **Identify and partner with local champions.** NYSERDA and its outreach providers can work with local champions to determine the municipality-specific benefits of a program and encourage the champion to promote those benefits within the community. NYSERDA could also provide resources and education to support existing champions' efforts to engage their communities in sustainability activities and to foster the engagement of new champions.

  - **Foster communication between municipalities.** Respondents noted that regional summits and meetings are effective tools for encouraging municipalities to share resources, ideas, and lessons learned. Such meetings could also be used to promote sustainability by asking municipalities to showcase the benefits of sustainability projects or share the experiences of former skeptics, such as the community leader that recently embraced sustainability efforts after realizing the economic benefits.

〉 **Identify additional opportunities to provide technical support to municipalities throughout the scoping, application, and project implementation process.** Efficiency work can overwhelm staff already busy with other priorities or require technical skills or knowledge not available within existing staff. Municipalities that do not have the resources to support permanent technical staff or hire contractors could benefit from technical support on an as-needed basis. NYSERDA could provide municipalities with access to regional or statewide consultants that provide specialized support such as identifying project opportunities, supporting contractor selection, or reviewing work scopes.

〉 **Provide more user-friendly resources on funding opportunities.** Many municipalities find it difficult to use NYSERDA's website and have difficulty connecting the many available funding opportunities to their regional priorities. This may be particularly challenging for municipalities that are not yet familiar with NYSERDA's outreach providers and other existing support resources. Steps should be taken to make the program-specific guidance on NYSERDA's website more user-friendly and to provide municipal staff and stakeholders with easy-to-use resources. For example, NYSERDA could maintain and update the *Excel*-based tool prepared by one outreach provider that clearly connects project types with available funding. This tool could include NYSERDA funding opportunities as well as related funding from other agencies and organizations.

〉 **Identify opportunities to introduce sustainability into REDCs' existing projects and priorities.** REDCs are a key ally for NYSERDA because they have relationships with municipalities and are familiar with regional economic priorities. REDCs vary in their interest and knowledge about sustainability, however. Rather than calling on the REDCs to seek out opportunities to fund and prioritize sustainability in their regions, we recommend that NYSERDA identify opportunities to infuse sustainability into REDCs' existing projects and priorities.

〉 **Identify and invest in the types of projects that municipalities have successfully used to drive market transformation.** A primary objective of CGC was to encourage market transformation by funding projects that demonstrate the benefits of sustainability and encourage additional investment among communities. Our interviews indicate that communities are effectively using solar projects for this purpose. We recommend that NYSERDA conduct research, potentially through Wave 3 of this evaluation, to learn the types of projects municipalities are most effectively using to demonstrate the benefits of sustainability; NYSERDA should then consider investing in and supporting those activities.

5.   Next Steps

We will convene a meeting with NYSERDA staff in early 2016 to discuss the findings of the Wave 2 research and identify priorities for the Wave 3 research.