

Clean Energy Communities Process Evaluation

Executive Summary

Prepared for:

New York State Research and Development Authority (NYSERDA)

Tracey DeSimone

Project Manager, NYSERDA

Prepared by:

Industrial Economics, Inc

Cambridge, MA

Cynthia Manson

Principal

Emma Fox, Ph.D.

Senior Associate

Veronika Koziel

Associate

Executive Summary

1. Background

This report summarizes the results from a process evaluation of NYSERDA’s Clean Energy Communities (CEC) program. The CEC program provides important services to participating municipalities, including: 1) grant funding, 2) support from community coordinators, 3) guidance regarding high-impact clean energy actions, and 4) recognition for expanding clean energy to improve communities across New York State. The process evaluation characterized the extent to which the current CEC program structure inspired municipal action toward high-impact clean energy projects or participation in other clean energy programs. Additionally, the evaluation characterized the extent to which participant needs are met through the program and identified barriers that prevent municipalities from adopting clean energy solutions. The outputs of this report are findings and recommendations that can inform CEC process optimization in future years. The report also includes detailed appendices containing the extended evaluation methodology, evaluation question crosswalk, and extended results, including a summary coding frequency from the interview analysis and municipal public comment review.

NYSERDA’s CEC program invites municipal governments to make clean energy changes in their jurisdictions. Participating communities select and implement projects from a pre-approved set of high-impact actions (HIAs), in exchange for points to qualify them for no-cost-share grants to pursue additional actions. Municipalities are required to formally submit documentation of their completed HIAs to NYSERDA for review and approval, and to receive grant funding. Grant templates are available to streamline the submission process, and NYSERDA has accelerated the grant approval process by establishing pre-approved grant types, thereby expediting the award process for many pre-approved project types. To administer this program, NYSERDA CEC Program Staff work with contracting organizations that are responsible for program implementation (i.e., as Directors and Coordinators) in different territories across NYS.

NYSERDA contracted with IEc to conduct a process evaluation to investigate the benefits of the CEC program beyond those highlighted in the 2022 Clean Energy Communities Market Evaluation.¹ IEc reviewed CEC program data and public comments submitted in a petition to the Department of Public

¹ For more information, see: Loomis, J. and Steiner, E. 2022. Clean Energy Communities Market Evaluation: Program Years 2018 – 2020. *Final Report*. Prepared by Opinion Dynamics for NYSERDA under Contract 104544. <https://www.nyserdanyny.gov/-/media/Project/Nyserda/Files/Publications/PPSER/Program-Evaluation/2023-03-Matter-No-16-02180-NYSERDA-CleanEnergyCommunities-Report.pdf>

Services (DPS) on the proposal to consolidate New York State’s portfolio of energy efficiency programs. Additionally, IEc collected primary data using interview and focus group methods.

2. Results

The CEC process evaluation results are framed around three main topics:

1. **Program implementation**, including barriers municipalities face when participating; program accessibility for municipalities; sources of information about the CEC Program that municipal representatives trust; and interests or goals that motivate participants to join.
2. **Participant needs met**, including participant satisfaction and whether their needs are met through the CEC program; municipal staff capacity building; and the extent to which the CEC program “smooths the path” for clean energy adoption.
3. **Lessons learned**, including process innovations and how NYSERDA can improve the effectiveness of the program in the future.

Key challenges to participation identified by municipal commentors and focus group participants included: a substantial administrative burden associated with submitting their HIAs, limited municipal staff availability as a limitation on municipal capacity to participate, and competing municipal priorities that draw on resources and time of staff to prevent or limit participation. Municipal focus group participants and public commentors expressed a perception that the varying sizes (and related capacity) of participating municipalities sometimes puts others at a disadvantage to accessing CEC program funds and resources. Interviews with CEC Coordinators, Directors, and NYSERDA Program Staff revealed that there is no “optimal” entry point or solution to meet the needs of all communities, so Coordinators are positioned well to respond to specific municipal needs in their respective territories. Municipalities expressed that they trust CEC Coordinators for information about the program and for the technical assistance they provide when implementing clean energy projects.

Despite these challenges, CEC program participants report that they receive substantial benefit through the program. Evaluation findings suggest that the staffing and technical support provided by the Coordinators is an *essential* benefit of the program. Beyond “capacity building” in the formal sense, the broad technical support that Coordinators provide explicitly enhances municipalities’ ability to pursue clean energy activities in the future – a critical resource for local governments, particularly in communities with limited resources. In addition to tailored support and technical assistance from CEC Coordinators, in the most recent round of the CEC program, participants were able to access an increased DAC bonus compared to previous rounds. All respondent groups noted that the changes made to the

program structure in Round 3.0 make it easier for municipalities to tailor their participation to meet their own needs using the CEC program’s extensive menu of HIA options and projects.

Key lessons learned from CEC program implementation include (but are not limited to): 1) the essential mix of technical assistance and financial support has allowed municipal participants to complete more clean energy projects and at a faster pace than they would have otherwise; 2) meeting differing municipal needs is a core challenge of the CEC program; and 3) municipal “champions” for the program can improve municipalities’ success with the program.

3. Findings and Recommendations

Finding 1. Smaller municipalities may be at a disadvantage compared to larger municipalities because of their staff size and financial resources. Municipal participants expressed that the support and motivation from Coordinators, who provide expertise and additional capacity, is essential to their ability to successfully participate in the program. Despite the staffing support that Coordinators provide, participating municipalities may still face a combination of resource and technical barriers that make it harder for them to implement clean energy solutions at the same pace as others. The financial and digital divide between under-resourced municipalities and other municipalities may exacerbate their disadvantage. Municipalities with smaller budgets and part-time or volunteer-supported staff are tackling very different issues than municipalities with larger budgets and full-time staff, and have a different range of HIAs realistically open to them at any one time. Municipalities requiring more technological support (e.g., accessing web portals or other digital resources) require a higher-touch approach from Coordinators than municipalities with more comfort in digital spaces, and may be slower to apply for HIAs as a result.

IEc has conducted over thirty evaluations for NYSERDA since 2013, and a common complaint across nearly all of these programs (both participants and program staff) is that the 3-year program cycle prevents programs from building momentum. The time needed to establish a program limits the true implementation period to 1-2 years before the next iteration of the program is launched, or the program is cancelled altogether. This undermines both participation and trust. Despite some complaints from municipalities about “changing program structure,” this evaluation provides a positive demonstration that the relative continuity of the CEC Coordinators and the relationships they have built are a core factor in the program success, *particularly for resource-limited communities*.

- **Recommendation 1. Prioritize additional CEC Program funding and extended program timelines to sustain the availability of match-free grants for a longer period. As part of this program extension, implement funding caps for municipalities of different sizes to provide increased access to resources across participating municipalities.** While the CEC

Program has successfully maintained general continuity over a 10-year period, NYSERDA has still updated the program design three times within that period. Rather than launch a renewal/redesign effort every few years, continue to capitalize on the gains earned in designing Round 3.0 to achieve longer-term sustainability of the program, including maintaining or increasing the level of funding available to municipalities in Round 3.0. NYSERDA could adjust incentives to account for community size, as different-sized municipalities require different entry points (i.e., some municipalities need to achieve points by completing feasible low- or no-cost HIAs). NYSERDA could align this with the “Community Size” metric already used for the Clean Energy Communities Map on the CEC program website, with designated “Large Communities” (population greater than 40,000) and “Small Communities” (population of 39,999 or fewer). Adjusted incentives or a funding cap for large communities can ensure equitable access to match-free grants for smaller municipalities, who may take longer to achieve the same kind of momentum as larger municipalities within the program. Designing for longer-term funding availability will strengthen the program and capitalize on the trust that Coordinators have built over the years, while building capacity and equipping municipalities with the tools and knowledge to meet their own needs.

- **Response to Recommendation 1: Pending.** NYSERDA acknowledges the challenges municipalities face, particularly in managing budget constraints and limited staff capacity. These realities have been central to the design of the Clean Energy Communities (CEC) Program, which was created to help overcome such barriers and support meaningful participation. One of the primary strategies of the program is the deployment of Clean Energy Community Coordinators. These highly trained professionals are strategically placed in regions where they either have established relationships or possess a deep understanding of local challenges. Their services are offered at no cost to municipalities across New York State, providing critical support for planning and implementation.

The CEC Program also tailors its incentive structure based on municipal size, recognizing that the needs and capacities of smaller and larger communities differ significantly. Larger communities often require more substantial incentives to initiate action, while smaller communities may benefit more from targeted support and require smaller funding levels. This differentiated approach has proven effective in fostering engagement in the program. Additionally, the program’s High Impact Action Items (HIAs) are intentionally weighted to reflect their relative complexity

and potential benefits as well as greenhouse gas emission reduction potential. This points-based system ensures that funding levels align with the scope of work and impact achieved by each municipality.

While NYSERDA strives to maintain continuity in program offerings over time, program evolution is sometimes necessary. As new High Impact Items are identified or market needs change, new solicitations may be issued to reflect these updates. NYSERDA has introduced enhancements such as the streamlined, pre-approved grant process aimed to significantly reduce the administrative burden on municipalities and expedite the delivery of funding.

Going forward, NYSERDA plans to continue the program and incorporate improvements that minimize uncertainty and avoid imposing additional burdens on our municipal partners.

Finding 2. CEC Coordinators are confronted with challenges in serving municipal participants due to a lack of transparent communication from NYSERDA. In particular, Coordinators emphasized that NYSERDA’s inconsistent messaging about program/application requirements and possible “hidden” flexibilities in bundling grants for initiating more expensive clean energy projects has frustrated municipal participants. Conflicting information from Coordinators or from the website on things like application steps and deadlines sometimes hindered municipalities from achieving the “snowball effect” that allows them to gain points on the projects implemented with NYSERDA grant money. IEc conducted interviews as CEC Program funding for match-free grants dwindled and then ran out, so some of the feedback IEc received was directly focused on the lack of information about when grant funding would no longer be available.

- **Recommendation 2. Improve the CEC Program documentation across the program and communicate updates routinely to ensure clarity, accessibility, and transparency for all applicants, especially regarding funding availability.** Program documents (e.g., factsheets, toolkits, etc.) should be clear, concise, and easy to follow, offering step-by-step instructions that provide clarity on topics like combining grants, meeting important deadlines, or what internet browser(s) to use when attempting to submit HIAs. Additionally, NYSERDA should consider making the Salesforce interface more user-friendly and accessible for low-tech municipal staff or volunteers. Many participants have varying levels of digital literacy, and certain submission requirements may be harder to complete than others for municipal staff. Related, NYSERDA could consider allowing participants to post their grant submissions/HIA

documentation to a SharePoint folder (or other shared folder) to serve as examples. These submissions could even serve as templates for other municipalities, further increasing program transparency and improving support for under-resourced municipalities.

- **Response to Recommendation 2: Implemented.** NYSERDA is committed to improving the Clean Energy Communities (CEC) Program experience for municipal partners and will be taking several steps in response to the suggestions received. Website enhancements will be considered to improve overall navigation and ensure that key guidance documents including those related to grant bundling and deliverable submittals to ensure they are more accessible and easier to find. NYSERDA will explore the creation of a Frequently Asked Questions (FAQ) document to address common inquiries related to High Impact Action Item requirements and submittal documents.

The Clean Energy Community Coordinators will continue to be an essential resource, and NYSERDA strive to equip them with the most current and relevant information to effectively support municipalities. To further assist with program navigation, NYSERDA will explore improvements to Salesforce which aim to enhance the customer experience.

Finding 3. Gamification, recognition, and sustainability inspire ongoing municipal participation in the program, but money is still an essential driver, even for long-term participants. Municipal participants indicated that they would have difficulty implementing clean energy projects without the match-free funding for HIAs available through the program. Smaller municipalities often do not have the budget to implement clean energy initiatives, so Coordinators help identify the HIAs that can help them maximize low- or no-cost activities to achieve momentum with the program. For champions or volunteers that have municipal authorization (but no budget) to participate in the program, securing the first grant is an essential step to additional CEC participation.

This finding strongly aligned with the program’s own findings from the review of municipal comments in response to the November 1, 2023 proposed change to the CEC Program that would reduce the availability of match-free funding for HIAs and consolidate technical support across the

CEC and CSC programs.^{2,3} Throughout this report, IEC describes the feedback from municipal participants that match-free grant funding for completed HIAs is essential to their participation in the program. Despite many participants citing the compatibility of actions in both the CEC and CSC programs, the CSC requirement for a public statement acknowledging climate change prevents municipalities from participating in the program. CEC, which engages municipalities regardless of their position on climate change and clean energy, ensures participation even from more conservative municipalities because the focus of the program is on energy savings. This difference is meaningful to municipal participants, and the proposed consolidation with CSC may challenge the ability of the CEC program to continue to engage with their more conservative participating municipalities. Additionally, the CEC Coordinators have built trust with municipalities and are familiar with their individual advantages, and challenges, ongoing technical support from CEC Coordinators is essential to the increasing level of participation that the CEC Program has seen since the start of the program in 2016.

- **Status:** *NYSERDA's first quarter 2025 decision to maintain the current structure of the program and match-free HIA funding is consistent with this finding.*

² At the time of this evaluation, NYSERDA had published a Non-Low- to Moderate-Income Energy Efficiency/Building Electrification Portfolio Proposal, published November 1, 2023: <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={306C8C8B-0000-C218-9F5D-F254A9D1158D}>. This 2024 evaluation centered the municipal participants' responses to the Nov. 1 proposal, including public comments and focus group discussion.

³ At the time of the 2024 evaluation effort, NYSERDA had requested public comment in response to a Non-Low- to Moderate-Income Energy Efficiency/Building Electrification Portfolio Proposal, which outlined a future for the CEC program in which CEC Coordinator technical support would be consolidated with technical support for Climate Smart Communities. Additionally, NYSERDA proposed that CEC funding would shift to support broader decarbonization strategies for local municipalities, leaving the HIA format behind. In early 2025, NYSERDA determined that the next version of the CEC program will continue in a format similar to the existing model under a different funding source (RGGI funding).