

Inclusive Community Solar Adder (ICSA)

Frequently Asked Questions about the Proposed Design

Version 1.0, released May 19, 2021

Version 1.0 of the ICSA FAQs is intended to provide guidance to potential applicants in advance of the release of the final rules and requirements in a forthcoming revision to the NY-Sun Program Manual. In the event of any discrepancies between the FAQs and the Program Manual, the Program Manual will be the controlling document. The FAQs will be updated periodically.

1. General

#	Question	Answer
1	What resources will be made available that identify low-income, environmental justice, and disadvantaged communities?	The Interim Disadvantaged Communities map and its source data are now available on the Data.Gov webpage. Developers can also use the map on NYSERDA's website with an address lookup.
2	Will NYSERDA allow contractors to propose areas that are not designated as a disadvantaged community but should be?	No, contractors cannot propose areas that could be designated as disadvantaged communities just for this program. The criteria of what defines a disadvantaged community is overseen by the New York State Climate Justice Working Group – you can learn more about how the interim areas were designated here . However, developers may propose their own method for verifying eligible residential subscribers.
3	We were hoping to provide a sliding scale for solar power cost savings to LMI subscribers based on attested income level. It appears that there can only be a single solar power benefit for the entire project. Will an income-level based sliding scale be allowed?	Yes, the scenario described in the question is allowed for the Adder. However, per the net crediting rules approved by the Public Service Commission, multiple discount rates are currently not allowed for projects that are using net crediting to bill their subscribers. If a project does not use net crediting, they may offer one discount rate for market rate customers, and another for ICSA-eligible residential subscribers.
4	Can a project that offtakes 40% of its power to a single metered non-profit located in a disadvantaged community receive the ICSA?	The ICSA requires the participating projects to allocate 20% of the project's capacity to eligible residential subscribers. Therefore, a project that offtakes 40% of its power to a single metered non-profit located in a disadvantaged community may be eligible to receive the ICSA provided 20% of its capacity is allocated to residential subscribers and can receive the ICSA for 60% of the project's capacity.

2. Subscriber Requirements

#	Question	Answer
1	The program seems focused on low-income customers. How are moderate-income customers going to meet the income verification tests?	The program is focused on low- and moderate-income customers, as well as the eligible non-residential subscriber types. However, verification options for moderate-income households are initially limited to: 1) individual income verification by NYSERDA, similar to the method currently used by the Affordable Solar (rooftop LMI) program , 2) residence in a designated Interim DAC (with confirmation that customer meets LMI criteria), or 3) residence in a regulated affordable housing property limited to LMI households (see below). Developers may propose alternative methods of verification.
2	If each resident within an affordable housing property pays their own electric bill, are they eligible? (If they are master metered, is the % of energy still eligible as LMI?)	All LMI residential electric customers are eligible, regardless of residence type. Residents of affordable housing properties that are limited to LMI households may be considered eligible without additional verification, subject to pre-approval by NYSERDA.

3. Customer Education

#	Question	Answer
1	How is the ESCO issue going to be addressed?	We recognize that customers are often confused about the difference between a community solar subscription and ESCO retail energy supply. Moreover, LMI customers have often had negative experiences with ESCOs that reduces interest in community solar. NYSERDA educational materials and community outreach will address these differences and educate customers on the safeguards put in place by the UBP-DERs, net crediting, and Inclusive Community Solar Adder program rules.

4. Eligible Subscriber Review and Verification Process

#	Question	Answer
1	Can you clarify how projects should justify their targeted range of eligible subscribers for a project?	<p>NYSERDA will require that developers justify their selected subscriber target in the marketing and implementation plan for each project that is applying for the adder. The justification should include the following:</p> <ul style="list-style-type: none"> - Customer acquisition strategy: how the developer and/or subcontractor(s) on the project team will meet their proposed eligible subscriber target. - LMI customer acquisition and management experience: the experience that the project team has working with customers that are considered eligible subscribers for the ICSA. - Local partnerships: whether and how the project team will include or work with local community groups on customer outreach.
2	Can contractors propose other pathways for income verification before the program is implemented?	Yes. We will provide details of how to submit other verification pathways in the program rules.
3	Can NYSERDA confirm eligible subscribers on a case by case basis?	NYSERDA can pre-approve subscriber lists as meeting the requirements of the ICSA. However, to keep administrative effort manageable we will limit pre-approval to no more than two reviews prior to a project's initial allocation: one at any time, and one immediately prior to submitting the project's initial allocation to the utility. NYSERDA will also review large non-residential subscribers for eligibility upon request.
4	At what point in the process will a project need to submit its full list of customers to NYSERDA?	Utility-accepted subscriber allocation list and Host Summary Report for the list must be provided for invoicing. Only the Initial allocation (at CO) and allocation lists at the end of years 1 and 2 can be used for invoicing. For example, if a project's first month generating credits is in September 2021, the accepted lists/host summaries to be used for invoicing <u>must</u> be for Sept. 2021, Sept. 2022, and Sept. 2023.
5	Can NYSERDA commit to a certain timeframe to complete the subscriber verification review process?	NYSERDA intends to review subscriber lists for pre-approval and invoicing within two weeks of submittal. This timeframe will be contingent on the submission of complete and correct documentation

		by the contractor, and may be subject to the total volume of submissions received at any given time.
6	What is the reporting requirement for projects that receive the ICSA?	The reporting requirements are the same as the invoicing requirements, for 3 subsequent years.

5. Incentive

#	Question	Answer
1	How will the total ICSA incentive for a project be calculated? (Is the incentive value multiplied by the eligible capacity?)	<p>The total ICSA for a project is calculated by multiplying the project capacity dedicated to eligible subscribers by the per Watt adder incentive for the applicable project type.</p> <p>Example: A 2 MW upstate project with no Community Credit or Community Adder that meets 40% eligible subscribers would receive \$160,000.</p> <p>Calculation: $(2,000,000 \text{ W} * \\$0.20/\text{W}) * 40\% = \\$160,000$</p> <p>The adder amounts are \$0.05/W for upstate MTC/CC, \$0.10/W for upstate CA, \$0.10/W for ConEd, \$0.20/W for no CC or CA.</p>
2	What can the ICSA be combined with? (Can the ICSA be combined with Con Edison's Community Credit, other Adders like the Affordable Housing Adder, etc.)	Projects receiving the Community Credit and Community Adder are eligible. Projects receiving the brownfield or canopy adders are eligible. Projects receiving the Multifamily Affordable Housing Adder are not eligible (this is a much higher incentive level already).
3	At what point in the process will a project lock in/secure the ICSA?	Projects may apply for the adder at anytime prior to submitting an invoice for the NY-Sun Commercial Operation payment. An exception will be made for projects that submit Commercial Operation invoices between March 24, 2021 and the launch of the application, and can demonstrate that all ICSA requirements were met at the time of Commercial Operation and Initial Subscriber Allocation.
4	What happens if a project fails to reach its targeted threshold of LMI subscribers? Will projects lose other NYSERDA funding?	No, project will not lose any other NYSERDA funding, such as the "base" NY-Sun incentive. Projects that fall below the minimum LMI subscriber requirement (20% of capacity) at initial allocation will not receive any ICSA payment at commercial operation, but may receive adder

		payments at the first and second year project anniversaries if they subscribe enough additional eligible subscribers to meet the requirements.
5	What happens if a project originally includes an eligible LMI customer but in the future that customer is no longer considered LMI (for example, because they get a new job and have a higher income)?	Once a customer has been approved as eligible by NYSERDA, they will count toward the eligible capacity as long as they are in the project.
7	Are there plans to add additional funds to the ICSA in the future?	Additional program funding will be considered based on program uptake and performance.
8	What will NYSERDA do if there are more applications for incentive funds than there are funds available?	We recognize that due to the large NY-Sun pipeline and significant interest in the ICSA, demand for incentives may outstrip funding. In order to address this possibility and avoid a rush immediately upon program launch, there will be an initial 30-day launch window for the ICSA. If at the end of this period there are more eligible applications than can be funded, NYSERDA will queue all projects based on the date of full (75%) interconnection payment. Applications will be funded in the order of full interconnection payment. Once all projects that have made full interconnection payments have been funded, remaining projects will be queued based on date of initial (25%) interconnection payments. Separate queues will be made for each type of project (NEM-MTC-CC; CA; non-CA).
9	Is there a cap on how much of the incentive you can qualify for on a given project? (For example, the Multifamily Affordable Housing Incentive under the NY-Sun program is only eligible for the first 200kW of the project. Is there a similar cap for the ICSA?)	No, the ICSA can be applied to anywhere between 20% and 100% of a project.

6. Environmental Justice Incentive

#	Question	Answer
1	What projects are eligible for the bonus environmental justice incentive? (What maps will be used to identify the environmental justice communities eligible for the bonus incentive?)	<p>The Bonus EJ Incentive is for projects that are located in and benefit environmental justice communities impacted by pollution from power generation.</p> <p>Projects must be sited within the "preferred load areas" designated by ConEd for the 2019 Bulk Energy Storage RFP Appendix E. Demand reduction in these areas is projected to provide distribution and transmission relief, as well as emissions reductions from peaker power plants.</p> <p>Projects must also be sited within a DEC Potential Environmental Justice Area.</p> <p>The project must dedicate at least 40% of its capacity to eligible subscribers within the same or adjacent zip code. The project Implementation Plan must include close partnership(s) with local community organizations and stakeholders throughout the project development process; including siting, construction, and customer outreach. Finally, the project must provide additional community benefits beyond cost savings to subscribers.</p> <p>NYSERDA will continue to work with EJ stakeholders to refine these requirements.</p>
2	What is the amount of the bonus environmental justice incentive?	The bonus incentive is an extra \$.10/W, so the total ICSA for qualifying projects would be \$.20/W for eligible subscribers.
3	Is the bonus environmental justice community incentive only for Con Edison?	Yes.
4	Will the bonus environmental justice incentive apply to brownfield and landfill sites?	Yes.
5	Do you have information on what is defined as 'surrounding community'?	In the same or adjacent zip code.

7. Applying for the ICSA

#	Question	Answer
1	How do I apply for the ICSA? (When?)	A project can apply for the adder at any time prior to the project submitting their NY-Sun Commercial Operation payment. Once the adder is released, projects can apply using the same application portal that is used for the MW Block Program. The date that the adder will be available will be announced when the program rules are released, which will be in the forthcoming weeks.
3	What entities are allowed to apply for the ICSA (developers, community groups, TA providers, etc.)?	The applicant must be a NY-Sun Participating Contractor. Any Full Assignment and/or Payee Assignment will be inclusive of the requirements and payments for the ICSA.
4	Can projects be in the program as a form of LMI verification and not receive funding?	Yes, if funding is no longer available for a specific type of project, a project developer may choose to have their project approved as meeting the requirements of the ICSA.