

Low- and Moderate-Income (LMI) Customer Inclusion in CRNM Program

September 28, 2020

Purpose

The Rhode Island Office of Energy Resources (OER) is committed to ensuring a clean, affordable, reliable, and equitable energy future accessible to *all* Rhode Islanders. Consistent with this mission, OER has collaborated with several stakeholders including community solar developers, non-profits, and subscriber management companies to enhance Low- and Moderate-Income Customer Inclusion in the Community Remote Net Metering (CRNM) program.¹ Historically, LMI access to renewable energy resources has been limited by cost barriers, lack of communication about programs and opportunities and a scarcity of renewable energy projects in LMI neighborhoods. . This proposal addresses some of these concerns, in part, by increasing participation opportunities and communication between renewable energy developers and LMI populations. Expanded access to the benefits of the CRNM program, as well as expanding education and awareness among energy justice communities, will create new opportunities for Rhode Islanders to participate in and benefit from the state’s commitment to a clean energy future.

Background

Throughout 2020 OER convened community solar stakeholders to discuss the potential expansion of the CRNM program. The program’s original 30 MW capacity, set by statute, is now almost fully subscribed. The General Assembly has authorized the Public Utilities Commission (PUC) “to expand or modify the aggregate amount after a public hearing upon petition by the office of energy resources.” Further, “(t)he commission shall determine within six (6) months of such petition being docketed by the commission whether the benefits of the proposed expansion exceed the cost.”² OER is committed to ensuring that low-and-moderate-income customers have access to and benefit from any proposed expansion of CRNM.

Informed by stakeholder discussion and review of relevant reports and neighboring state community solar program, OER believes LMI access to the CRNM program can best be achieved by creating a per-project LMI carveout, whereby a minimum of 20% of the allocated capacity of any CRNM system is assigned to LMI subscribers. This differs from the current CRNM program, which does not have a carveout for LMI customers. This distinction is an important one – approximately 8% of National Grid electric customers are on the income eligible electricity rate (A-60). However, 10.8% of Rhode Islanders live below the poverty line, indicating that some LMI electric customers may not have access to the discounted rate.³ This could be because of a lack of knowledge about the income eligible discount rate, language barriers, reluctance to disclose immigration status/lack of a social security number, or other reasons. A 2017 report from the American Council for an Energy Efficiency Economy found that 25% of U.S. households

¹ Along with stakeholder insight, this effort has been informed by work conducted pursuant to a State Energy Strategies grant from the United States Department of Energy, in partnership with the Clean Energy States Alliance. One goal of the grant is to increase LMI customer access to Rhode Island Community Solar Programs. Another goal is to provide educational resources to all Rhode Islanders about community solar, including how customers can participate. See: <https://www.cesa.org/projects/state-energy-strategies-project/>

² <http://webserver.rilin.state.ri.us/Statutes/TITLE39/39-26.4/39-26.4-3.HTM>

³ <https://www.census.gov/quickfacts/RI>

have a high energy burden.⁴ Moreover, LMI customers have generally been underserved by clean energy programs and initiatives, particularly those, such as renewables, which may have high capital/financing barriers. These customers often live in frontline, energy justice communities which bear the brunt of a carbon-based energy system – economically, environmentally, and from a health perspective.

Proposal

Under OER's proposal, any new community solar project that applies to an expanded CRNM program would need to ensure that no less than 20% of the electricity output of the system is designated to LMI customer electricity accounts. Each project must also maintain a minimum 20% LMI throughout its life. CRNM projects must ensure that 20% of the capacity of the project is allocated to LMI customers always maintained.⁵

LMI Customer Qualification

All customers, including LMI customers, must be in good standing with National Grid per the net metering tariff in order to participate in a net metering solar project, including CRNM projects.⁶ If a customer is currently participating in a repayment plan with National Grid, they are considered to be in good standing.

How LMI Customers are qualified to participate in CRNM

LMI customers will count towards the CRNM carveout if they can demonstrate or provide proof of ONE of the following:

- Enrollment in National Grid's income eligible electric rate – A60;
- Enrollment in the Low-Income Home Energy Assistance Program (LIHEAP), Supplemental Nutrition Assistance Program (SNAP), Medicaid, or another federal benefits program (complete list TBD);
- Verification of living in an affordable housing unit;
- Live in a ZIP Code where the median household income is at or below 150% of the federal poverty level;
- Live in a ZIP Code that is at the top 15% of the region for [low-income residents and/or non-white populations](#) (environmental justice community); or
- Complete a self-attestation form.⁷

⁴ Due to impacts from COVID, this number is likely higher in 2020. See: <https://www.aceee.org/sites/default/files/pdfs/u2006.pdf>

⁵ All customers, including LMI customers, must be in good standing with National Grid per the net metering tariff in order to participate in a net metering solar project, including CRNM projects. If a customer is currently participating in a repayment plan with National Grid, they are considered to be in good standing. See:

⁶ <https://ngus.force.com/servlet/servlet.FileDownload?file=0150W00000E6Vpb>

⁷ To be developed

Program Oversight

Commerce RI's Renewable Energy Fund (REF), with assistance from OER, will conduct an evaluation as to whether a CRNM project complies with the 20% minimum LMI enrollment requirement. The evaluation will occur twice per year. The evaluation will be completed based on information provided by the community solar developer or subscriber management company with the following information included in a spreadsheet⁸:

- Account number
- Whether or not the subscriber is an LMI customer
- For LMI subscribers, the method used to make such determination
- Electricity savings associated with the account in kWh
- Electricity savings associated with account in dollars (\$)

In addition, a copy of the most recent Schedule B submitted to National Grid must be included in the bi-annual report to the REF. The Schedule B is the document that community solar developers file at the time of interconnection with the electricity account information of each participating customer and the percentage of net metering credits generated by the system they will receive.⁹ Currently, the Schedule B can be updated quarterly. Results of the bi-annual report will be submitted to OER and National Grid.

LMI Customers need only to provide their qualification for enrollment in a CRNM project one time – at initial enrollment. Customers will not be removed from a CRNM project, nor will developers be penalized, if the customer's financial situation changes from the time they enrolled through subsequent bi-annual reviews.

Penalties on Developers for Non-Compliance

Should a project not fulfill the 20% carveout at the time of any bi-annual review such project shall pay a financial penalty for noncompliance to the REF by the developer. These funds will be placed in a restricted account and be used to support LMI populations.¹⁰

Projects shall be subject to review at the time of interconnection on a bi-annual basis to demonstrate fulfillment of the LMI carveout. Should a project not fulfill the 20% carveout as required such project shall pay a penalty for noncompliance to REF. that The penalty shall be 1.5 times the unfulfilled portion of savings in dollars under the carveout, calculated as: (estimated annual savings provided to subscribers if 100% subscribed) multiplied by (20% less the percent of project savings to be directed to LMI subscribers based on the project's LMI subscribers at the time of the review). For example, if a project is expected to generate \$100,000 in annual savings but as of the interconnection date, only 10% (\$10,000) of the utility bill savings will be directed to LMI customers, then the project owner would be required to pay \$15,000 ($20\% - 10\% = 10\%$ | $10\% \times 1.5 = 15\%$ | $15\% \text{ of } \$100,000 = \$15,000$). This penalty is incurred by any project that does not meet the 20% carveout at each evaluation. In the prior example, if the project is similarly noncompliant for three evaluations, then the project incurs a total penalty of \$45,000 ($= \$15,000 \times 3$)

⁸ This is a calculation reflecting actual generation over the prior six months; it is not simply an aggregation of the previous two Schedule Bs filed with National Grid.

⁹ <https://ngus.force.com/s/article/RI-Interconnection-Documents> See Simplified Documents and Forms

¹⁰ To be discussed w/ LMI stakeholders