



GOVERNOR'S
Energy Office

Maine's Application to the U.S. EPA *Solar for All* Competition

Draft Program Framework for Public
Comment

Release date: September 8, 2023

Deadline for comments: September 22, 2023

Contact: ethan.tremblay@maine.gov



Summary

The Governor's Energy Office (GEO) intends to apply on behalf of the state for an award under the U.S. Environmental Protection Agency's (EPA) \$7 billion "Solar for All" competition, a one-time competitive funding opportunity authorized by the Inflation Reduction Act. The EPA has designed Solar for All to spur the deployment of residential solar energy to lower energy bills for millions of low-income and disadvantaged households across the United States.

Maine has established statutory greenhouse gas reduction requirements and renewable energy requirements to reduce energy cost volatility and address the challenge of climate change. Solar energy plays a key role in these efforts by reducing emissions from fossil fuels, serving new electricity demand associated with heat pumps and other efficient and cost-effective technologies, and creating quality jobs and investment to grow Maine's clean energy economy.

The Solar for All competition is an opportunity for Maine to build on a strong track record of solar deployment and ensure benefits reach low-income and disadvantaged communities across the state. Consistent with legislative direction, the GEO will propose a portion of Solar for All funds to be used for a Distributed Solar and Energy Storage program.

This Draft Program Framework outlines the potential mechanisms to deploy Solar for All funds that GEO will propose to EPA. All Maine ratepayers stand to benefit from the implementation of these programs; furthermore, based on the application materials released by EPA, if Maine's application is fully funded up to 10,000 low-income and disadvantaged households in Maine could benefit from lower electricity bills, quality jobs, and other direct benefits from solar and energy storage supported by these proposed Solar for All programs.

Your input is welcomed! Please submit comments regarding the content of this Draft Program Framework, particularly in response to questions identified throughout this document. Any additional comments related to Maine's application to EPA under the Solar for All program are also welcomed.

Submit comments to ethan.tremblay@maine.gov by September 22, 2023. If possible, given the expedited application timeframe established by EPA, please submit comments by September 15, 2023.

In addition, GEO welcomes letters of support from impacted communities and organizations. If your organization is willing to provide or sign a letter of support, please indicate this in your email.

Introduction

The Inflation Reduction Act authorized the EPA to implement the Greenhouse Gas Reduction Fund, a historic \$27 billion investment to combat the climate crisis by mobilizing financing and private capital for greenhouse gas- and air pollution-reducing projects in communities across the country. As part of this program, EPA is launching a \$7 billion “Solar for All” competition designed to spur the deployment of residential distributed solar energy to lower energy bills for millions of Americans and catalyze transformation in markets serving low-income and disadvantaged communities.

“Solar for All” will tackle financial and non-financial barriers that limit the ability of low-income and disadvantaged communities to benefit from the rapid growth in distributed solar capacity. The EPA will

fund state and other applicants that propose administering “Solar for All” programs; EPA will not fund individual projects under this competition.

Learn more about Solar for All and access detailed program application requirements from the U.S. EPA here:

<https://www.epa.gov/greenhouse-gas-reduction-fund/solar-all>

The GEO intends to apply on behalf of the state for an award under the Solar for All program. This Draft Program Framework outlines the potential content of the application GEO is developing, and is intended to provide an opportunity for interested stakeholders to offer input into the final application submitted by the GEO. It represents an initial step in a robust stakeholder engagement process that will continue through the application submission period and the program development and funding deployment process following any funding award made by EPA. The GEO may modify the final application contents from what is described in this Draft Program Framework, including based on feedback received from interested stakeholders.

EPA’s Program Objectives

EPA has established the following objectives for Solar for All:

- reduce emissions of greenhouse gases and other air pollutants;
- deliver benefits to low-income and disadvantaged communities; and
- mobilize financing and private capital to stimulate additional deployment of greenhouse gas and air pollution reducing projects.

EPA will make up to 60 awards to serve states and territories, tribes, and cross-state coalitions. Maine is eligible to apply for an award between \$25 and \$100 million, which EPA estimates could serve up to 10,000 households. Programs administered by states utilizing Solar for All funds must provide grants, loans, and other forms of financial assistance, as well as technical assistance, to enable low-income and

disadvantaged communities to deploy and benefit from residential rooftop and residential-serving community solar, associated storage, and enabling upgrades.

Eligible Communities

As required by EPA, Solar for All funds must enable low-income and disadvantaged communities to deploy and benefit from residential rooftop and residential-serving community solar, associated storage, and enabling upgrades. In summary, for the purposes of Solar for All EPA defines low-income and disadvantaged communities as:

- Households in communities identified as “disadvantaged” by the Climate and Economic Justice Screening Tool (CEJST) and households identified in a limited set of additional communities identified in the EJScreen tool, including Tribal communities.
- Households with annual income below 80% of the area median income or 200% of the federal poverty line.
- Residents of properties providing affordable housing, including those participating in certain housing assistance programs and any multifamily housing with rents not exceeding 30% of 80% of the area median income.
- Households approved for assistance from or participation in one or more other assistance programs including but not limited to Low Income Home Energy Assistance Program, Supplemental Nutrition Assistance Program, Weatherization Assistance Program, Lifeline Support for Affordable Communications, National School Lunch Program, or Supplemental Security Income.

For complete definitions and supporting information, please refer to the [Notice of Funding Opportunity](#).

Eligible Technologies

EPA requires that Solar for All funds be used to provide financial and technical assistance to enable low-income and disadvantaged communities to deploy or benefit from certain eligible technologies. In summary, EPA defines eligible technologies as:

- Residential rooftop solar;
- Residential-serving community solar not greater than 5 megawatts that delivers at least 50% of the power generated from the system to residential customers;
- Associated energy storage connected to a solar system;
- Enabling upgrades, including but not limited to electrical system upgrades, structural building repairs, and energy efficiency.

For complete definitions and supporting information, please refer to the [Notice of Funding Opportunity](#).

Solar for All: for Homeowners

The GEO is considering two potential program channels to deploy Solar for All funds to benefit income-qualified homeowners. The GEO may propose one or both of these channels to EPA and invites specific comments from stakeholders regarding whether one potential channel should be preferred, or whether both should be proposed.

Third Party Lease-to-Own Channel

This program channel would benefit income-qualified homeowners through installation of rooftop or other on-site solar. Funding would be deployed through competitive grants to lease providers that offer single-family customers an on-site solar lease with a path to ownership. On-site projects could include energy storage to increase resilience benefits.

Many eligible households may not have sufficient tax liability to fully capture the benefit of federal Investment Tax Credits. The program would maximize other federal incentives by enabling monetization of the federal Investment Tax Credit by a third-party lessor. Deploying funds through a competitive grant structure would enable savings to be passed to participants. Leases must be structured to provide cash-flow-positive terms from day one and achieve the required 20% financial benefit under EPA's program requirements.

Technical support across a range of organizations to support outreach would also be provided.

Direct Ownership Channel

This program channel would benefit income-qualified homeowners through installation of rooftop or other on-site solar. Funding would be deployed through interest rate buydowns or loan guarantees through financial institutions to provide low- or zero-interest loans for on-site solar. On-site projects could include energy storage to increase resilience benefits.

EPA identifies asset ownership as a meaningful benefit under the program criteria. This program channel maximizes meaningful benefits to homeowners through direct system ownership. Loan terms combined with other federal and/or state incentives must ensure achievement of required 20% program benefit.

Technical support across a range of organizations to support outreach would also be provided.

Solar for All: for Renters and Residents of Multifamily Housing

The GEO is considering multiple options for deploying funding to existing multifamily housing and new construction multifamily housing and invites specific comments from stakeholders regarding the commonalities and distinctions between these two categories – as well as within each category – that should be considered in program design.

This program channel would benefit income-qualified renters and residents of affordable multifamily housing through installation of rooftop or other on-site solar, or in instances where on-site solar is not practicable, off-site shared solar. Funding would be deployed through dedicated no-interest deferred loans, grants, or similar mechanisms. On-site projects could include energy storage to increase resilience benefits.

This program would maximize other federal incentives by enabling monetization of the federal Investment Tax Credit by the housing owner. In certain cases, projects may also leverage other federal sources including projects funded through other EPA Greenhouse Gas Reduction Fund opportunities. Projects would be required to achieve the required 20% financial benefit to qualified residents. For buildings where residents do not pay an electricity bill or pay a limited bill due to some building end uses being master-metered, an equivalent financial benefit would be required consistent with EPA's program requirements.

Technical support for housing owners and community-based organizations to support outreach would also be provided.

Solar for All: for All Eligible Households

The GEO is considering mechanisms to leverage additional private investment - a key program criterion for EPA - by enabling participating in community solar projects by municipal, commercial, or other institutional customers, subject to applicable Solar for All program requirements, and invites specific comments regarding mechanisms to enable such participation.

These program channels would benefit income-qualified households who may not otherwise be able to access the benefits of on-site solar due to barriers such as lack of homeownership or site control, or unsuitable site characteristics (e.g. unsuitable roof orientation) by providing community solar benefits.

Energy Assistance Channel

Funding would be deployed through loans, grants, or similar mechanisms to incentivize competitively procured community-scale solar and energy storage projects. Program participants would be identified through existing energy assistance program enrollment channels where appropriate. Market revenue from supported projects would be directed to qualified households through utility bill credits.

The program would minimize transaction costs through automatic enrollment and competitive bidding and seek to maximize federal incentives through targeted bid criteria. This program channel would be designed to satisfy the requirements of P.L. 2023 ch. 411, §1.

Cooperative Ownership Channel

Funding would be deployed to support the development and administration of cooperatively owned community-scale solar and energy storage projects.

EPA has established community ownership as a specific meaningful benefit to be supported through Solar for All programs. This program channel would provide targeted financial support to enable governance, administration, and overall viability of community-owned solar projects. Particular communities of focus could include resident-owned manufactured or mobile home communities, island communities, tribal communities, or other communities seeking to build wealth through asset ownership.

Technical support across a range of organizations to support outreach would also be provided.

Solar for All: Technical Assistance

EPA intends Solar for All programs to address financial and non-financial barriers to solar deployment benefitting low-income and disadvantaged communities.

Robust technical assistance will be incorporated to complement the financial assistance program channels and ensure non-financial barriers are also addressed.

Key components of the technical assistance strategy will include:

- Workforce development funding, leveraging and scaling existing programs and partnerships where applicable.
- Community engagement and technical assistance for efficient deployment, including siting, interconnection, permitting, and building codes.
- Education and outreach support.
- Participatory governance, reporting, and program evaluation.