

Strategies for Low-Income Participation in New Mexico's Community Solar Program

Best Practices and Recommendations

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Image Credit: Clean Energy Collective

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EXECUTIVE SUMMARY OF RECOMMENDATIONS

New Mexico has an opportunity to demonstrate the successful participation of low-income communities in the rollout of its state-wide community solar program. New Mexico will have one of the largest low-income carve-outs, at 30%, of any state program. While there remain a number of challenges to overcome to ensure that households in greatest need have easy access to and receive meaningful financial benefits from participation, there exist many best-practices that can be tailored to New Mexico's context:

- **ENABLE TRUSTED PARTNERSHIPS WITH COMMUNITY BASED ORGANIZATIONS (CBOs):**

It is critical to have a network of partner organizations that are trusted by low-income communities, and have a thorough understanding of the community solar program and access to high quality educational materials.

- Include organizations with **trusted relationships with a range of constituencies**, such as environmental and economic justice organizations, disability/ independent living centers, cultural hubs for immigrant and marginalized communities, educational centers, state-based/ civic organizations, faith-based organizations, and family service centers.
- Provide **contract guidance** to CBOs regarding fair compensation for training and capacity building. Recommend typical compensation fee ranges for various services, such as customer outreach and education, enrollment, and ongoing management; recommend non-exclusivity; flat fees for initial standard training and ongoing capacity building.
- CBOs should have the option to be trained and **authorized to conduct onsite income verification**, as community members are more likely to share this information with a trusted partner.
- Establish a **Low-Income Facilitator**, working in coordination with the Program Administrator, to ensure that CBOs are well trained and fairly compensated, low-income subscribers are well informed, and that they can connect low-income households with other complementary services, such as energy efficiency.

- **MAKE LOW-INCOME ENROLLMENT AND VERIFICATION EASY:**

- **Self-attestation** is a nationwide best-practice that increases program access, allowing income verification without requiring burdensome documentation for those who cannot provide, or are fearful of providing, such information.
- CBOs and other partners should be authorized to **verify household income qualification onsite**, without needing to collect and securely store sensitive household information.
- **Pre-qualification** through government programs can be used to automatically qualify many high-needs households, but should not be used exclusively because federal and state programs can have onerous qualification standards that will disincentivize some low-income households from participating, or exclude others, such as undocumented households. The list of pre-qualifying programs should grow to include all relevant

programs that support low-income households (e.g., TANF, SSI, SSDI, Section 8 Housing Vouchers)

- **Consolidated billing** is a best practice, as it reduces the hassle and confusion of paying two bills, which is especially important for households that don't have bank accounts or credit cards. Consolidated billing can also facilitate automatic enrollment ("opt-out") of households participating in pre-qualifying programs, like LIHEAP or SNAP. It should be considered for the program evaluation in November 2024.
- **OFFER MEANINGFUL SAVINGS:** Ease of enrollment and meaningful savings are the greatest drivers for low-income participation. Low-income subscriptions should **not have upfront costs, early termination fees, or credit requirements**. The project selection process incentivizes developers to commit to providing an equivalent 20-30% of the solar bill credit in savings to low-income customers. To **ensure this entire discount translates to net savings for low-income households**, the rule should be clarified to state: *developers commit to set the subscription fees for low-income households equivalent to a fixed, 20-30% discount from the applicable solar bill credit rate, with no escalators or additional fees*. The program could support even greater financial savings to low-income households by **removing project selection points for going beyond the 30% carve-out, and allocating more points to discounts greater than 30%** as compared to the solar bill credit rate.
- **VOLUNTARY COORDINATION:** An **official community solar website** should be created and run by the Program Administrator, and would have a registration page for both interested community solar project developers and partner organizations.
 - The developers and partner organizations interested in utilizing the website will need to sign an **ethical code of conduct** regarding standards of engagement with community members.
 - Developers should be able to document the subscription terms and prospective savings for customers, allowing users to easily **filter and compare different projects' terms**. This will empower interested partner organizations to determine which developers offer the best deals for their communities.
 - CBOs listed the website should be able to **designate their capacities** (e.g., staff size, constituency size, ability to collect and securely maintain household financial information, length of time working in local communities, etc.) and interest (e.g., providing education, recruitment, enrollment), allowing developers to filter/search organizations.
 - Developers and partner organizations should be able to **leave reviews** about experiences working with one another, to provide a simple mechanism for transparency and accountability.
- **DEVELOP A LOW-INCOME WORKING GROUP:** The PRC should develop a Low-Income Working Group to meet periodically to review program issues and recommend solutions. It is important that this working group is composed of representatives from CBOs working with low-income households.

SUMMARY OF NEW MEXICO'S COMMUNITY SOLAR RULES

New Mexico's Community Solar Act was signed into law by the governor on April 5, 2021. The New Mexico Public Regulation Commission (PRC) adopted rules pertaining to community solar on April 1, 2022, with the final rules publication date in the New Mexico State Register of July 12, 2022. Key aspects of New Mexico's community solar program are summarized below.

Overall Program Capacity

The program has an initial statewide program cap of 200 MW alternating current, through November 2024. The cap will be allocated across the three investor-owned utilities (IOUs), proportionally allocated based on the size of their residential and small commercial consumption: Public Service Company of New Mexico (PNM), 125 MW; Southwestern Public Service Company (SPS), 45 MW; and El Paso Electric Company (EPE), 30 MW. The PRC will create a new cap by November 2024, following a programmatic review. A map of the service territories for the three IOUs is shown in the figure below, with their respective capacity allocations for the first phase of the program. While the IOUs cover only about 20% of the geographic area of New Mexico, they serve about 70% of residential and commercial customers accounts¹.

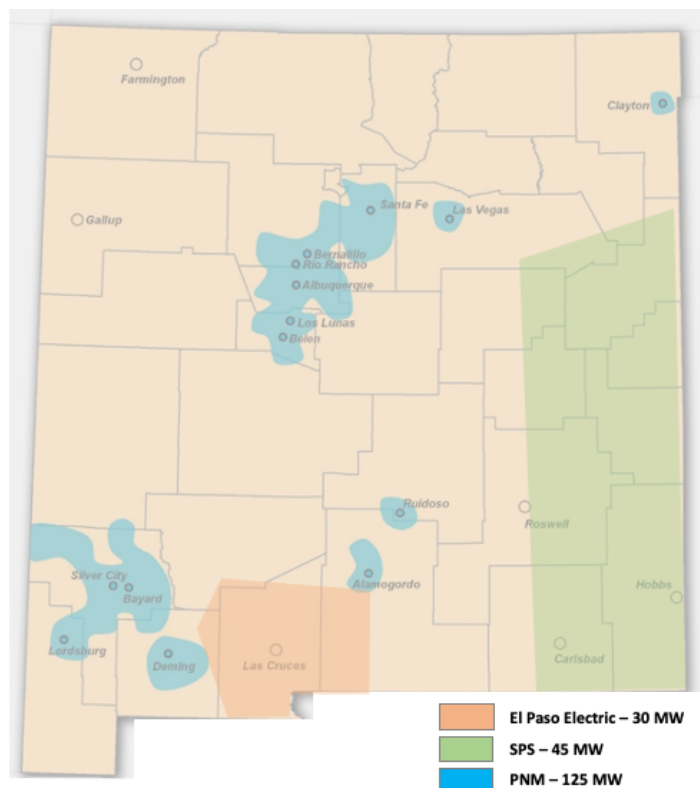


Fig 1: Service territory and Community Solar capacity allocation of New Mexico's 3 IOUs

¹ Estimate based on 2018 data from forms EIA-861- schedules 4A & 4D and EIA-861S, <https://www.eia.gov/electricity/data.php>

5-Megawatt Project Size

Each community solar facility will be no larger than 5 MW alternating current. Each facility must have at least 10 subscribers, and a single subscriber cannot subscribe to more than 40% of the facility's capacity. A subscriber must be anywhere within the same utility service territory as the facility. 40% of the generating capacity of each community solar facility is reserved for subscriptions sized to 25 kW or less, which ensures access to resident subscribers and small business-owners. 40% of the generating capacity is capped for use by a single subscriber, such as local government, non-profits, schools, community colleges, churches, and housing authorities, acting as anchor tenants and facilitating community solar developers' ability to get financing by reducing risk. A community solar facility cannot be co-located on the same parcel of land as another project, unless the parcel had been subdivided in the 2 years prior to the community solar project bid, or at the commission's discretion.

Low-Income Participation

30% of each project capacity will be reserved for low-income customers and low-income service organizations. A low-income customer is defined as a customer with an annual household income at or below 80% of the area median income (AMI), as published by the U.S. Housing and Urban Development (HUD). A low-income subscriber may be pre-qualified based on participation in any of the following programs: Medicaid; Supplemental Nutrition Assistance Program (SNAP); Low-Income Home Energy Assistance Program (LIHEAP); first-time homeowner programs and housing rehabilitation programs; living in a low-income/affordable housing facility; or state and federal income tax credit programs. Further, a low-income customer can also provide self attestation regarding their income and family size with appropriate confirming documentation provided within *a period of 90 days*. Forms of acceptable confirming documentation and process for confirming qualifications will be clarified during the implementation process.

A low-income service organization is defined as an organization that provides services, assistance or housing to low-income customers and may include a local or central tribal government, a chapter house or a tribally designated housing entity. An entire multi-family affordable housing project may prequalify its entire load as a low-income subscriber, qualifying as a low-income service provider, without the consent of all tenants of record.

Program Administration and Project selection

The commission will contract with a third-party Program Administrator to manage a competitive solicitation process for selection of proposed projects for building and operating community solar facilities. Additionally, the Program Administrator will manage the community solar program, including facilitation of the low-income portion of the program.

For project selection, each bid will be required to meet the following minimum standards for eligibility: legally binding site control; commitment to meeting statutory subscriber requirements; completion of a

utility pre-application report or system impact study; proof of access to collateral for application project deposit; and payment of a \$1,000 non-refundable bid application fee.

Projects will then be scored by the third-party administrator regarding a suite of non-price factors relating to all necessary permits; bidder's experience developing and managing community solar projects; project financing status; interconnection viability; and a range of criteria relating to low-income benefits, community and local benefits, site characteristics, and bonus points related to procurement preferences and commitment to innovation.

In order to increase low-income participation, projects will be awarded points for:

- Enrolling additional low-income subscribers beyond the 30% requirement, up to 50% of project capacity;
- Up to 40% of the low-income carve-out going to direct-billed low-income households (as opposed to low-income serving organizations);
- A commitment to refrain from imposing up-front costs, termination fees, or credit checks for low-income subscribers;
- Additional 20-30% of the utility solar bill-credit that serves as a discount for a minimum of 5 years for low-income customers.

Bids will also receive additional points for projects that:

- Commit to offer workforce training or educational opportunities to disproportionately impacted communities;
- Commit to contract for materials, supplies, or services only with businesses owned or operated locally or owned or operated by members of racial minorities, women, veterans, or Native Americans;
- Commit to ownership of the proposed facility by members of the local community;
- Provide evidence of and a description of an existing and continuing partnership with a tribe, pueblo, local community, or non-profit community-based organization.
- Provide evidence of innovative solutions to aspects of the subscriber organization's community solar facility project.

Subscriber Protections

The commission will adopt a uniform disclosure form, identifying the information to be provided by subscriber organizations to potential subscribers, in both English and Spanish, and when appropriate, Native or Indigenous languages. The disclosure form will describe key contract terms, such as Subscription Size (kW DC), Estimated Contract Effective Date, Contract Term (months or years), Enrollment Costs/Subscription Fees, Payment Terms, Rate Discount, Estimated Total One Year Payments, Early Termination Fees or Cancellation Terms, and Subscription Portability or Transferability, and methods for dispute resolution. The subscriber organization will have a potential subscriber sign the form before entering into a subscription agreement.

Subscriber Agreements

The subscriber agreement is not regulated by the commission, except requiring that each subscriber organization will provide a written subscriber agreement containing the organization's terms and conditions for subscribing to its project. The agreement must include the following terms, at a minimum: (1) general project information; (2) the effective date and term of the agreement; (3) identification of all charges and fees; (4) payment details; (5) information about the bill credit mechanism; (6) a comparison of the subscriber's net bill with and without the subscription; (7) the terms and conditions of service; (8) the process for customer notification if the community solar facility is out of service; (9) the customer protections provided; (10) contact information for questions and complaints; and (11) the subscriber organization's commitment to notify the subscriber of changes that could impact them. Ideally the Program Administrator will provide online access to tools for subscribers for comparing project terms and savings.

Involvement of Rural Electric Distribution Cooperatives and Tribal Communities

Rural electric distribution cooperatives are exempt from participation in the program unless they decide to opt-in, on a per-project or service territory-wide basis and at the sole discretion of their governing boards.

Tribes and Pueblos have sovereign jurisdiction over their lands, including the use of their lands for energy projects and infrastructure. Tribal sovereign authority means that Tribes and Pueblos are not subject to state law on tribal lands, and state legislative, regulatory, taxation and judicial authorities, and others, do not extend to Tribes and Pueblos, or Tribal members, or the activities of others on Tribal land.

Comprehensive Community Solar Program Review

The PRC will provide a comprehensive evaluation of the program by November 1, 2024. The report on the status of the community solar program will evaluate: community solar program capacity cap; participation of investor-owned utilities and rural electric distribution cooperatives; low-income participation; adequacy of facility size and co-location considerations; proposals for alternative rate structures and bill-credit mechanisms; cross-subsidization issues; local developer project selection and expansion of the local solar industry; and community solar facilities' effect on utility compliance with the renewable portfolio standard, among other issues.

REVIEW OF EXPERIENCE FROM OTHER COMMUNITY SOLAR PROGRAMS

In order to understand best practices and lessons learned from community-solar programs in other states, especially those with low-income targets, a review was conducted of published reports, a survey of community solar project developers was conducted, and program stakeholders from other state community solar programs were surveyed.

Review of Published Reports

Key Takeaways: Low-income customers face unfavorable lending odds, significant administrative barriers when proving their eligibility for energy assistance programs, and, perhaps most prevalently, low-income communities have often been targets for predatory electricity schemes, which have built considerable mistrust. Using mechanisms like self-attestation and auto-enrollment based can mitigate low enrollment rates caused by high administrative barriers. Mistrust of energy products can be mitigated through meaningful outreach partnerships with organizations that have long-standing, beneficial relationships in low-income communities.

In our efforts to gain an understanding of best practices, we have consulted reports from states across the nation that offer insights on the establishment of community solar programs for low-income households as well as insights in engaging low-income households in solar opportunities. These reports highlight the unique barriers to participation in solar programs that low-income customers face and solutions that various states have used to overcome these barriers either through program design or through engagement strategies. In this section of our report, we acknowledge the unique barriers to participation that low-income households face and pull out the lessons learned for how to engage low-income communities in community solar.

Low-income communities face a unique set of barriers when it comes to participating in assistance programs that low-income solar programs need to consider when designing their offerings and engaging with low-income customers.

First, low-income customers face capital and credit constraints. In a proposal to expand community solar and the associated bill savings to low-income customers, New York State Energy Research and Development Authority (NYSERDA) and National Grid identified through substantial stakeholder engagement that low-income customers often lack access to capital or have insufficient credit scores, both of which can prevent them from benefiting from community solar programs with subscription fees and upfront costs or that rely on credit to identify subscribers. NYSERDA and National Grid, in their proposal, recommended that community solar programs for low-income customers be simple, safe, and accessible regardless of credit score or available capital.²

Second, administrative hurdles become barriers for low-income households, who often have to jump numerous hurdles to validate their low-income status. NYSERDA and National Grid found in interviewing customers and stakeholders that establishing eligibility was often complex and burdensome to low-income customers, often preventing more participation than it was allowing.³ Finding ways to reduce the overly burdensome paperwork that low-income households need to fill out in order to benefit from solar is crucial for low-income community solar programs.

² [“Joint Petition for Approval of an Expanded Solar for All Program for Providing Community Solar to Low-Income Customers,”](#) New York State Energy Research and Development Authority, National Grid (April 2021)

³ Ibid

Third, low-income households often mistrust new energy initiatives. In a compilation of lessons learned across U.S. programs, the Clean Energy States Alliance recognized that there was considerable mistrust from low-and-moderate income (LMI) communities that stemmed from past interactions with predatory electricity suppliers, creating a barrier to new energy programs like community solar.⁴ Likewise, NYSERDA and National Grid found that lack of trust in energy products on the market dissuaded low-income customers in NY from enrolling in community solar in the first place.⁵ Addressing the lack of trust in energy products will be key for community solar programs to reach low-income households.

It behooves low-income community solar programs to consider this unique set of barriers facing low-income customers when they design their programs and think about low-income customer engagement, particularly that low-income customers face unfavorable lending odds, significant administrative barriers when proving their eligibility for energy assistance programs, and, perhaps most prevalently, low-income communities have often been targets for predatory electricity schemes, which have built considerable mistrust.

State programs have dealt with these barriers to low-income customers in various ways, but mostly by improving their eligibility process and by partnering with organizations that are trusted in low-income communities to deliver and communicate solar benefits.

Verifying income often requires a large amount of paperwork and sensitive information among the other administrative barriers facing low-income customers. To address the administrative barriers facing low-income customers, the consulting firm, Strategen, advised in a report to the New Mexico Public Regulation Commission that New Mexico adopt self-attestation and pre-qualifying low-income programs as two income verification pathways to ensure factual information and avoid unnecessary barriers.⁶ Similarly, in an issue brief put together by the Vote Solar Access & Equity Advisory Committee (AEAC), the committee recommended automatic qualification for low-income community solar programs.⁷ Customers who are already enrolled and eligible for other energy assistance programs would be automatically counted as eligible for low-income community solar programs. The NYSERDA and National Grid proposal suggested mitigating the administrative barrier by proposing an “opt-out” automatic enrollment whereby a customer is recognized as eligible and simultaneously enrolled by virtue of being enrolled in another energy assistance program for low-income households; a solution that was supported by stakeholders they had interviewed. This automatic enrollment, they caution, needs to be paired with clear communication to customers so that the customers are aware of the program’s

⁴ [“Expanding Access to Solar for Low-to-Moderate Income Households and Communities: Lessons Learned for State Agencies,”](#) Abbe Ramanan, CESA (April 2021)

⁵ [“Joint Petition for Approval of an Expanded Solar for All Program for Providing Community Solar to Low-Income Customers,”](#) New York State Energy Research and Development Authority, National Grid (April 2021)

⁶ [“New Mexico Community Solar – Stakeholder Participation Pre-Rulemaking Status Report,”](#) Strategen (October 2021)

⁷ [“Recommendations on Automatic Qualification and Community Engagement for State Policy-Enabled Low- and Moderate-Income Community Solar Programs,”](#) Brandy A. Hyatt, Vote Solar

purpose, benefits, and impact.⁸ It is also worth noting that the NYSERDA program has consolidated billing. Automatic enrollment would likely be less favorable if it necessitates the participants having to pay an additional bill, without their consent. Using self-attestation and automatic enrollment are two mechanisms that can address the administrative barrier facing low-income customers when it comes to enrolling in low-income community solar.

Overcoming mistrust with low-income households on energy assistance can be done through meaningful partnerships with local organizations. The Clean Energy States Alliance report on expanding access to solar for low-to-moderate income communities across the country underscores the importance of working with community-based organizations that understand the needs of LMI households when attempting to bridge the deep-seated mistrust of energy programs in low-income communities.⁹ The District of Columbia's Department of Energy and Environment (DOEE) collaborated with other government agencies that had been working in low-income communities and had already established trust in those communities in order to develop accessible educational materials and address the mistrust that existed in low-income communities.¹⁰ Partnering with either community-based organizations, or organizations/agencies that already have a relationship with LMI communities, can help low-income community solar programs to establish trust with low-income customers who may have been subject to previous, predatory energy schemes or who simply don't trust new energy initiatives.

Overcoming the unique challenges that low-income communities face is important for community solar programs looking to engage these communities and provide energy benefits. It is equally important to keep in mind, as NYSERDA and National Grid point out through their stakeholder engagement, that expected savings, potential contractual obligations, and impact on eligibility for other energy assistance, are, perhaps unsurprisingly, the most important factors for low-income customers.¹¹ Programs can lean on some of the best practices shared in the above reports for low-income engagement, keeping in mind the unique challenges that face low-income communities when participating in energy programs.

Outreach to Developers and Stakeholders in Other State Programs

A survey was sent out to a list of community solar developers and others in the solar industry, most of whom were on the mailing list from the NM PRC's community solar rulemaking proceeding. Thirteen businesses completed the survey, composed of one solar industry trade organization, two community solar subscriber acquisition/management firms, and ten community solar developers. The primary challenge that respondents identified for successful enrollment of low-income households in the 30% carve-out is developing understanding and trust in the benefits of the new program, which can be addressed by using trusted community partners for education and outreach, as well as removing

⁸ ["Joint Petition for Approval of an Expanded Solar for All Program for Providing Community Solar to Low-Income Customers,"](#) New York State Energy Research and Development Authority, National Grid (April 2021)

⁹ ["Expanding Access to Solar for Low-to-Moderate Income Households and Communities: Lessons Learned for State Agencies,"](#) Abbe Ramanan, CESA (April 2021)

¹⁰ ["District of Columbia Strategy for bringing the benefits of Solar to Low and Moderate Income Communities,"](#) Solar Energy Evolution and Diffusion Study (SEEDS) (2016)

¹¹ ["Joint Petition for Approval of an Expanded Solar for All Program for Providing Community Solar to Low-Income Customers,"](#) New York State Energy Research and Development Authority, National Grid (April 2021)

onerous requirements for income verification and enrollment. One respondent recommended formation of a Low-Income Working Group to meet periodically to review program issues and seek to develop solutions.

In addition, in-person interviews were conducted over zoom with stakeholders from programs in California, Colorado, Illinois, Maryland, New York, Oregon, and Rhode Island. The stakeholders were often individuals at organizations involved in the design or management of the community solar programs, or were responsible for coordination of low-income aspects of the program.

Coordination of Developers and Partner Organizations

Recommendation: There should be an official community solar website (not just a landing page on the PRC website). The website could contain a registration page for organizations that would like to partner with developers for community solar outreach and enrollment. As part of the registration process, the applicants could mark whether or not they have received training, as well as provide other experience and capacity, allowing developers to filter interested CBOs by a number of criteria. In addition, there should also be a registration page for interested developers, where they would document the subscription terms for low-income households. This would empower interested CBOs/organizations to take initiative and reach out to developers that seem to offer the best deals for their communities.

Developer Perspective: Respondents provided a number of different suggestions for coordinating relationships between developers and low-income households. Several respondents cited OR's model as a best practice, in which a third party is contracted to develop education and outreach, enrollment, and management of low-income households. About half of the respondents said they'd prefer to use a third party for low-income acquisition, while the rest preferred to manage low-income acquisition themselves. Many of the respondents thought that a reasonable approach is to have a central website that lists all relevant information about the program, all approved projects and their developers, as well as any CBOs or other organizations that want to participate with low-income outreach. While many respondents emphasized having minimal regulations/requirements (e.g., not requiring participants/partners to register on the web portal), another respondent thought that there should be a list on the website of CBOs who have received training regarding community solar programs. It was also suggested that the website should contain a waiting list where participants can sign-up for future projects. It was mentioned that utilities should list similar information about projects on their own websites.

State Stakeholder Perspective: Oregon, Illinois, and Rhode Island take advantage of web-based platforms to coordinate developers and partner organizations, an approach that allows programs to centralize key information and can serve as a hub for coordination. The Community Energy Project (CEP) of Oregon centralizes its educational and informational materials for the community solar program – including workshops for developers on how to communicate with low-income subscribers and even

sample contracts with pre-approved language – on the Oregon community solar website.¹² The Illinois Solar for All program is another example of a state program that has a website on which interested subscribers can search for participating developers/vendors serving their area, smoothing out the coordination of developers.¹³ Alternatively, the non-profit Citizens Utility Board also hosts a list of current community solar projects in Illinois.¹⁴ The Rhode Island Office of Energy Resources developed the Rhode Island Solar Marketplace site, which has answers that subscribers and partner organizations may have about community solar, and lists all the community solar projects from developers with an easy way to sign up.¹⁵

The California Solar on Multifamily Affordable Housing program, though not community solar, recommends a third-party administrative group that can provide oversight and support between community-based partner organizations and developers. In their experience, a third-party that can allocate funds, create support resources, and ensure partnerships between CBOs and Developers is important to a smoothly running solar program.

Partner Organization Qualifications

Recommendation: While it may not be necessary to have specific requirements, all CBOs listed on an official website should be able to designate their capacities (e.g., staff size, constituency size, ability to collect and securely maintain household financial information, length of time working in local communities, etc.) and interest (e.g., providing education, recruitment, enrollment), allowing developers to filter/search organizations). There should also be a system for placing reviews, similar to Yelp or Amazon, where CBOs and subscribers can provide feedback about experiences working with various developers, review specific areas, like customer service, clarity of information, and size of discounts. As well, there should be an opportunity for developers to leave reviews about CBOs with whom they've worked.

Developer Perspective: Regarding qualifications for partner organizations, many respondents emphasized the importance of partners having strong relationships and history working directly with target low-income communities, having skills to explain potentially confusing financial/technical concepts to households, and having a commitment to consumer protections. Several respondents felt that it is important for partner CBOs to understand the community solar market and project development cycle, as well as have capabilities to manage subscriber billing and utility interactions.

State Stakeholder Perspective: Having a network of CBOs that have established trust from low-income communities and that have experience working in those communities was key for Colorado's program. Energy Outreach Colorado (EOC), as a well-established organization in the state of Colorado, has a

¹² <https://www.oregoncsp.org/pm-resources/>

¹³ https://www.illinoisfa.com/vendor-directory/?sub_program=low-income-community-solar-developer#vendors

¹⁴ <https://www.citizensutilityboard.org/solar-in-the-community/#1587673700125-b12d2382-6775>

¹⁵ <https://risolarmarketplace.com/>

network of pre-approved community-based organizations (CBOs) that they work with. Hundreds of the CBOs in EOC's network have often participated in the state's utility bill assistance program, and have case workers that are familiar with signing participants up for energy assistance. Having a network that EOC can trust and that trusts EOC has been crucial to their success. The network includes county-level high schools, public schools, housing authorities, and senior centers, among others. Having such a network provides access to a base of low-income residents that might need energy assistance, and whom the state program can approach about community solar. The California SOMAH program looks for CBO partners that have influence in their communities, experience working in those communities, and a clear care for the people that they serve. CBOs should bring education, resource sharing, community capacity building, and continued education to the low-income communities they are working in.

Partner Organization Contract Terms

Recommendation: The PRC or Program Administrator should provide best practices for partner organizations to follow when developing contracts with developers, with typical compensation fee ranges for various services, such as customer outreach and education, enrollment, and ongoing management, including fees for capacity development and ongoing training. The fee range would serve more as a floor to ensure a minimal fairness of compensation. The contract should recommend non-exclusivity as well as provide a flat fee that would pay the organization for some form of standard training. In addition, the PRC or Program Administrator should develop a simple ethical code of conduct that would be signed by all developers who want to register on a centralized website and contract partner organizations.

Developer Perspective: Most respondents felt that some sort of a standard contract would be important to reduce confusion. Respondents emphasized that the contracts should be non-exclusive, allowing a CBO to work with multiple project developers. While there seemed to be consensus regarding compensating partner organizations with a performance contract that paid by the number of participants enrolled, it was suggested that a standard fee might not be in the best interest of the partner organization, as certain markets/projects might command higher fees. Many respondents shared fees that are offered to partner organizations in other markets, which tend to range from \$50 - \$150 per lead that enrolls.

One respondent mentioned that New York has a developer registration and ethics compliance mechanism, which seems like a good approach.

State Stakeholder Perspective: Compensating partner organizations for their work and participation was a particularly salient aspect of the state programs for those we interviewed. EOC, for example, pays its partner organizations have received administrative grants to compensate them for their time and participation. CEP also compensates its partner organizations, in part to help them overcome any barriers to the subscription outreach they might be facing, making that crucial work easier.

In terms of other conditions, CEP has a code of conduct that they expect from the developers who participate in Oregon’s community solar program, which is used to ensure quality and customer service for subscribers. This code of conduct is meant to govern the interactions and transactions between developers and their partners with subscribers or potential subscribers. Failure to abide by the code of conduct leads to disciplinary action. CEP follows up with subscribers after developers have called them to make sure that the subscribers understand the program, but also to figure out whether the developer upheld the codes of conduct.

Code of Conduct: Oregon Community Solar Program Developer Code of Conduct¹⁶ includes, at a high level, an obligation to comply with federal, state, and municipal laws; an obligation to ensure compliance with the Code of Conduct by their staff, any representatives, and any affiliates; legal, clear, fair, and consensual advertising, marketing and sales activities; fair, honest, and courteous treatment of customers; protection and security of customer information; inclusion of consumer protections, program-approved language, a proper disclosure, and any pertinent information in customer contracts.

The California SOMAH program, which works often with CBOs to ensure low-income program participation, recommends capacity building in addition to establishing trust with CBOs. They recommend creating partnerships that include time to learn what is already being done by CBOs, how the solar program and the CBOs’ work can align, and how best to support CBOs as their organizations grow, as it would be under the solar program. To this end, CA SOMAH recommends financial compensation that is not simply tied to the number of applicants the CBO can bring to the program, but a baseline of financial compensation to foster a relationship.

Low-Income Verification

Recommendation: While using census information is well supported by developers, here in New Mexico many census blocks have a diverse mix of incomes, creating a high probability of allowing many non-low-income homes to qualify as low-income. Self-attestation, on the other hand, reduces the barrier of requiring households to be pre-qualified through other government low-income programs, and allows verification of need without requiring documentation. Pre-qualification through government programs can be used to automatically qualify many high-needs households in the community solar programs, but should not be used exclusively because pre-qualifying programs can have onerous qualification standards that will disincentivize some low-income households from participating, or exclude others, such as undocumented households.

Developer Perspective: The respondents were fairly consistent in recommending the use of self-attestation, geographic qualification using census information, and pre-qualification through prior-enrollment in other low-income programs, with the goal of reducing as many barriers as possible

¹⁶ <https://www.oregoncsp.org/wp-content/uploads/2020/11/PM-Code-of-Conduct.pdf>

for low-income participation. Respondents singled out Hawaii and Maryland as providing good examples of low-income enrollment programs.

State Stakeholder Perspective: Most of the state stakeholders we spoke to found that the paperwork associated with income verification was often a deterrent to subscribers, and the programs have tried to mitigate that problem with various solutions. In Colorado, EOC mitigates the burden of paperwork required to verify a subscriber’s income through a combination of auto-enrollment, which enrolls already verified households (usually through government programs such as LIHEAP or SNAP) in the pool of potential low-income subscribers, and self-attestation, which allows potential subscribers to attest their low-income status without verifying that status via other paperwork. CEP also recognizes that self-attestation of income to verify eligibility complements automatic enrollment well.

Self-attestation of income: The income verification process is not only burdensome for low-income households, but also an expensive process. The Community Energy Project (CEP) in Oregon put together a memo that lays out a case for using self attestation for verifying income.¹⁷ In this memo, CEP points out that income verification through intensive paperwork is costly. In Oregon at least, it can cost from \$75 - \$150 per person to conduct income verification, which accounts for staff time, participant time, and secure storage of personally identifiable information. CEP rightly points out: “spending \$150 verifying a person for \$500 worth of services is a built-in problem.” They also cite a healthcare industry study of 12 states using self attestation for low-income programs, to argue that concerns around fraud, or false-positives, are not borne out in the evidence; when states switched to using self attestation to verify low-income individuals, error rates did not change. Lastly, CEP points out that reducing the excess documentation to prove income and instead taking individuals’ word that they qualify is a matter of respect and equity. Income verification that relies on documentation is often invasive, and can include questions that make applicants feel ashamed, anxious, and uncomfortable. This paperwork can also be overwhelming and inaccessible. In the end, self attestation reduces the cost of the income verification process, is reliable, and is more dignifying than burdensome and invasive paperwork.

In Illinois, census block income verification is allowed, and, as Elevate points out, is a convenient way to circumvent the cumbersome and sometimes unpleasant income verification route that requires lots of paperwork. However, staff from NYSERDA mentioned that they complement geographic verification with self-attestation to ensure wealthier households aren’t qualified as low-income. In Maryland, income verification is up to the subscriber organizations, some of which work with local churches or other organizations to identify low-income subscribers.

¹⁷ <https://drive.google.com/file/d/1Oi9JDBlipMMsW7kEgn0ZtWHuYfsAclfy/view?usp=sharing>

Low-Income Subscription Terms

Recommendation: While it is up to developers to set their own subscription terms, the project selection process, as defined in the PRC final rules, incentivizes bid submissions that commit to refrain from imposing upon any low-income subscriber any upfront costs, early termination fees, or credit check or credit report. In addition there are point incentives for developers to commit to providing an additional 20- 30% of the solar bill credit to low-income customers. However, the rules do not define how this additional discount will impact the subscription fees. To ensure this discount translates to net savings for low-income households, the rule should be clarified to state: *developers commit to reduce the subscription fees for low-income households, relative to the fees for non-low-income subscribers, by an additional 20-30% of the solar bill credit rate.*

Developer Perspective: Most respondents said that they offer subscriptions to low-income households without requiring any sign-up or cancellation fees, no cost escalators, and typically offer a fixed discount ranging from 15-30%. Many respondents said they don't have any credit requirements. Several recommended month-to-month subscriptions and one said they have 3-year subscriptions with auto-renew.

State Stakeholder Perspective: State stakeholders found favorable subscription terms were needed to reduce or mitigate upfront costs to subscribers, while also making low-income subscribers less risky for developers. Because Colorado allows subscriptions to be donated, EOC can tell subscribers that they won't be paying subscription costs and will see about a 60% reduction in their energy utility bill. Colorado incentivizes developers to donate subscriptions, and if developers can design the project to where REC incentives are enough to make the project economically sound, then projects for low-income subscribers become a low risk option. EOC also takes on the liability of subscriptions for developers by managing the subscriptions and ensuring that there is a subscriber even if the previous subscriber moves or opts out. EOC recommends making it very clear who to contact if subscribers need to change something about their subscription or need to move so that subscriptions don't become unpredictable. In Oregon, low-income subscribers receive a much lower discount (20%) than other subscribers, which is how the program ensures that solar bill credits are higher than subscriptions. In this model, due to the fact that they use consolidated billing, the developer is first allocated the monetary value from the solar bill credits. The low-income payment then goes to the remainder of the subscription fee and afterwards to the utility bill, making low-income subscribers lower risk and thus more appealing to subscriber organizations.

Elevate recommends that state programs build out consumer protections, particularly when it comes to income verification and disclosures. When they were designing how to do disclosures when Illinois went to a deregulated market, they ended up creating a disclosure process that was too cumbersome. The result was that they ended up driving customers away. Elevate recommends making disclosures that are effective but simple and accessible. In Illinois, Elevate makes consumer protection rules available so that participating developers would have to follow a common set of rules. These rules can help to dictate

what disclosures should look like, what savings should look like, and even what kind of language developers need to use.

Maryland does not regulate discounts when it comes to master-metered apartment complexes, and this makes it difficult to ensure that discounts pass down to the actual tenants in the building. Ensuring that the benefits reach the tenants in a master-metered building is an important lesson learned in Oregon.

Low-income Outreach and Enrollment

Recommendation: It is critical to have a network of local partner organizations that are trusted by low-income communities, and have a thorough understanding of the community solar program and access to high quality education materials. This will require the Program Administrator to provide ongoing resources for outreach and training of interested partner organizations. Consolidated billing should be carefully considered for the next phase of the program, after November 2024.

State Stakeholder Perspective: EOC notes that one of the biggest barriers to getting low-income households to sign up to community solar is the subscription fee. EOC has been able to circumvent this issue by getting developers to donate subscriptions, thereby eliminating the upfront cost for low-income subscribers.

Another barrier that EOC mentioned was skepticism around solar. There are a lot of unclear marketing schemes that often confuse potential subscribers about what is valid and what is not. Cutting through this skepticism requires being very clear about what the cost is and what the terms are. EOC is also careful to include their organization name on the offer (as opposed to the utility's name for example) so that potential subscribers know who the information is coming from and can associate EOC with the trust they have built up in Colorado. EOC also provides materials for subscribers in multiple languages so that there is equitable language access to the information.

Consolidated billing can help make community solar more attractive to low-income households by eliminating the hassle of having to pay two bills, especially for households that don't have bank accounts, and are therefore unable to pay with credit cards or automatic account deductions. In addition, consolidated billing clarifies the monthly savings, allowing customers to easily see savings on their single bill payment. In New Mexico, IOUs expressed concern that consolidated billing would cause customers to be confused as to who they should contact with questions about their community solar subscriptions. This is a straightforward issue to address (e.g., providing scripts to customer service representatives and adding bill inserts with clarifying information), and not something that was mentioned as an issue in markets that use consolidated billing, such as OR or NYSERDA.

When it comes to outreach, CEP recommends starting with ensuring that you have a good product for potential customers. Oregon offers a community solar program for which there is no subscription fee, no

cancellation fee, and for which bills never increase. Offering a program like this, with no fine print, no hassle, and which is in the service of the people, builds trust and can lead to higher uptake.

While strong program design is the first step to establishing trust with low-income subscribers, CEP notes that customer service is very important to successful outreach. Being able to explain the program clearly and being available to answer questions is key to good, successful customer service for program outreach.

When it comes to subscriptions, there are a lot of community organizations in Illinois that are doing education around the state and attracting interest, but Elevate does not close on those subscriptions. Elevate recommends – instead of having potential subscribers go to a website to pick out a vendor, or offering one subscriber to a number of vendors – having a website with a succinct list of community solar projects and a one-pager for subscribers who may not have internet access. The key is to make sure that both the website and the one-pager have all the relevant information a subscriber would need to make an informed decision: offers listed by company and what the subscriber’s costs and savings would be.¹⁸

In a forthcoming report, the Department of Energy (DOE) will be releasing its findings from interviews conducted with low-income subscribers to community solar and how satisfied these subscribers were with the messaging around their community solar offer. During their research, the DOE found that savings was the number one most important topic for messaging. The findings suggest that making savings clear to subscribers is paramount, but also that the messaging around savings needs to be in language that subscribers can relate to: e.g. showing how much subscribers will be saving relative to their electric bill.

In NYSERDA’s experience, community solar is difficult to sell, because it can be difficult to understand. It’s important to make community solar as easy to understand as possible, so that low-income subscribers can benefit from the savings that come with it.

COMMUNITY BASED ORGANIZATION ENGAGEMENT AND FEEDBACK

Recommendations: Program administrators should provide oversight and guide developer and community-based organization (CBO) partnerships. They should ensure that contracts and relationships between CBOs and developers are consistent and built for success with a budget allocated to create collaborative partnerships. These alliances are iterative and collaborative, rooted in trust-building and listening. Early and frequent facilitation of CBO listening sessions can help program design and impact the structure of CBO partnerships. In addition, inquiring about CBO capacity needs, level of interest, knowledge about the program, and community culture is a way of creating a people-centered approach.

¹⁸ Here is an example of a one-pager project comparison from CUB:
<https://www.citizensutilityboard.org/wp-content/uploads/2021/06/SITC-Chart.pdf>

Best Practice From Other State Programs

GRID Alternatives has developed state-wide coalitions with community-based organizations (CBOs) to guide and support the implementation of energy equity programs throughout the country. The Solar on Multifamily Affordable Housing Program (SOMAH) and Access Clean California (ACCess) are two programs. We will highlight four major areas, including lessons learned and recommendations. In addition, we aim to answer the following questions:

1. What to consider when developing a CBO partnership?
2. How best to support capacity building within CBOs to ensure programmatic success?
3. How can technologies be utilized to increase enrollment and enhance the user experience?

Considerations When Developing a CBO Partnership

Community-based organizations are vital partnerships to ensure energy program development and implementation meet the needs of the communities. These alliances are iterative and collaborative, rooted in trust-building and listening. Early and frequent facilitation of CBO listening sessions can help program design and impact the structure of CBO partnerships. In addition, inquiring about CBO capacity needs, level of interest, knowledge about the program, and community culture is a way of creating a people-centered approach.

When considering which organization to conduct outreach to, it is helpful to widen the scope to include organizations with trusted relationships with a range of community members. For example, identifying partners with an expansive focus increases community reach. Organizations include environmental and economic justice organizations, disability/ independent living centers, cultural hubs for immigrant and marginalized communities, educational centers, state-based/ civic organizations, faith-based organizations, and family service centers, which will help understand harder-to-reach communities. In addition, widening the array of CBOs in the early development of a program helps increase the opportunity to make a community focused solution. Often energy programs do not take the time to have an early and frequent engagement with community partners, which can lead to a program that is not responsive to the community's needs.

Additionally, partnerships or coalitions with national non-profits with experience with energy programs and administration can provide technical and strategic support for smaller, more localized community-based organizations. Facilitating opportunities to share lessons learned, outreach methods, and technical expertise can accelerate capacity building and eliminate unnecessary growing pains. Additionally, looking into understanding the program alignment can help guide outreach efforts. This could include outreach efforts with other programs such as SNAP or LIHEAP, or auto-enrollment.

After creating a potential partner list and before outreach, consider time and compensation for CBO partners. CBOs are often eager to increase benefits to their communities but often provide feedback voluntarily with little to no compensation. It is an inequitable practice that devalues their time and effort and may drive the narrowing of valuable feedback. In addition, not all community organizations can afford to provide feedback, based on their capacity. Therefore, agencies interested in cultivating such

partnerships and conducting outreach must allocate appropriate resources for compensation to encourage and sustain CBO feedback. Examples of compensation include meal vouchers for listening session attendees or stipends for extended feedback.

Having a centralized team help oversee and manage CBO partnerships can be of great value. It allows consistent contracting models and capacity-building efforts and develops an interconnected CBO network. In addition, lessons learned, and shared experience, can benefit both program administrators and CBOs, and the overall program design.

Suggestions for listening session formats: GRID is part of a joint administration team with three other nonprofit partners for the SOMAH Program, leading the local hiring, job training program elements, marketing/outreach, and reporting in coordination with seven community-based organization partners. This program is funded at \$100 million annually through 2030 (or up to \$1 billion total) through the California Public Utilities Commission (CPUC) for solar on multi-family affordable housing in California. Virtual listening sessions are facilitated in the second year of the program to increase program partnerships in regions with low participation rates. Outreach efforts included working with current CBOs to identify new partners and conducting a month of outreach. In addition, personal emails, phone calls, and paid media outreach were conducted.

The format of the one-hour listening session included a program overview, current CBO partner sharing, poll questions followed by 40 minute facilitated breakout sessions with the following key questions:

1. Introduction
 - Name, pronouns, role
 - Organization Introduction
 - Name, a brief overview of the organization (mission, programming, etc.)
2. Are there any program questions?
3. How does your organization's work relate to SOMAH? Would you want to be involved with SOMAH, and how?
 - Please consider organization capacity (i.e., staff capacity, duration of partnership), existing campaigns that align with SOMAH, and the kind of deliverables you would like to see for your community?
 - What would you like your community to walk away understanding?
4. What barriers might exist for your organization to participate in a SOMAH partnership?
5. Extra question, if time: Have you ever supported programs like SOMAH - if so, what did you learn?

Listening sessions were followed by surveys to all participants, followed by one-on-one meetings with organizations that had responded. New partnerships were created over a three to six-month period to ensure contracts felt achievable and reasonable.

Capacity Building to Ensure Programmatic Success

Partnership goals, budgets, and duration should be determined based on CBO capacity. Regardless of the knowledge-base of a CBO partner, there must be funds allocated to capacity building. This budget must be separate from enrollment rates and client acquisition funds. Capacity funding ensures that CBOs grow in knowledge at a sustainable pace and can learn how best to share benefits and enroll community members in energy programs. Additionally, capacity building includes the development of marketing, education, and outreach plan and conducting similar listening sessions with community members.

Best practices for partnerships: The SOMAH program had initially intended to have a rotating CBO partnership annually. However, in the first year of partnerships, it became apparent that a fast turnaround of CBO partners would not be conducive to reaching our program goals. Lessons learned based on the first year of CBO partnerships include:

- Onboarding a new program can take approximately three to six months, based on the program's complexity and scope.
- Partnership duration should range from one to three years based on scope and budget due to the program discovery period. Once CBOs are fully onboarded and ready to go into the community, there are often unexpected discoveries about how the program is functioning on the ground. Therefore, it is essential to allocate time and resources for this learning period and not deem the program or partnership a failure.
- Quarterly or bi-weekly CBO check-ins during the early months of the partnership help understand what barriers are faced and how to pivot both scopes and contracts to respond to real-time outreach conditions.

Utilizing Technology to Support Enrollment

Providing CBOs with quick and easy ways to enroll community members can help increase participation rates. For example, tablets, iPads, and in-person enrollment can help streamline efforts. In addition, a clearly defined customer hand-off that provides a simple customer journey between the Program Administrator and the CBO partners is essential. Often CBOs will not have the technical capacity to conduct in-depth customer qualifications and verification but rather bring value in their keen understanding of community needs and their trusted presence in the community.

Innovative intake processes: ACCess: Access Clean California is a foundational program within this portfolio and was born of a central recommendation in the SB 350 Barriers Study created by CARB, the CPUC, and the CEC, and based on extensive consultation with environmental justice communities throughout California. One of the most significant barriers that eligible households face in accessing the ever-increasing number of state equity programs is navigating numerous programs, websites, program administrators, outreach campaigns, and income verification processes. This challenge is even more prevalent for lower-income households who often juggle multiple jobs, may not speak English as their first language, and have other barriers to participation. The ACCess program outreach

features include a benefits finder, bringing many programs into one site, and an eligibility engine that securely leverages an IRS service to provide the applicant a document-free income verification option. In addition, the program's intake processes are supported by a network of over a dozen trusted community-based organizations throughout California, which conduct local, culturally-relevant marketing, education, and outreach in language.

Community-based organization partnerships can help guide and strengthen the implementation of energy programs such as New Mexico's Community Solar Act. It is essential to take the time to cultivate and nurture these partnerships. It will ensure that the program is appropriately shared with Low-income communities and meets them where they are at and avert creating a program that is not community-centered.

Summary of New Mexico Listening Sessions

A list was developed of 100 potential organizations in New Mexico who would be well suited to support either community solar education and outreach or support low-income subscription efforts. The list included organizations across all three investor-owned utilities. The list included information categorizing these organizations on criteria including: trusted community partner, experience with energy/utilities, multi-lingual and organizational type.

A list of potential qualifications for screening community based organizations that would support a successful launch of community solar in New Mexico is shown below. Using trusted community partners for education, outreach and recruitment into community solar projects is a key success factor in addressing challenges for implementation in New Mexico. Experience working with low-income households and ability to communicate in the preferred language of the community are also key.

Recommended Qualifications for Community Based Organizations

- Serve community members in IOU service territory
- Have direct connection to individual low-income households
- Trusted community partner (have experience working with community members)
- Bilingual
- Experience working with other languages (e.g., Native languages, Spanish)
- Have experience working with households on energy related services
- Experience/Interest working with asset development
- Can connect/enroll low-income households in other support services
- Have a business license in NM
- Organizational capacity to take on the work
- Interest/Ability to use technology (e.g., Ipads, web platforms for intake, mobile apps)

An introductory presentation was developed to describe the opportunities from community solar to community-based organizations and the low-income communities that they serve. The presentation and facilitated discussion questions were provided during group listening sessions as well as one-on-one

meetings with community-based organizations and government organizations. Twenty-six organizations and 38 people participated in the sessions. Most of these organizations were CBOs with two state governmental departments and one local governmental entity attending. These organizations were geographically diverse covering each of the IOU territories.

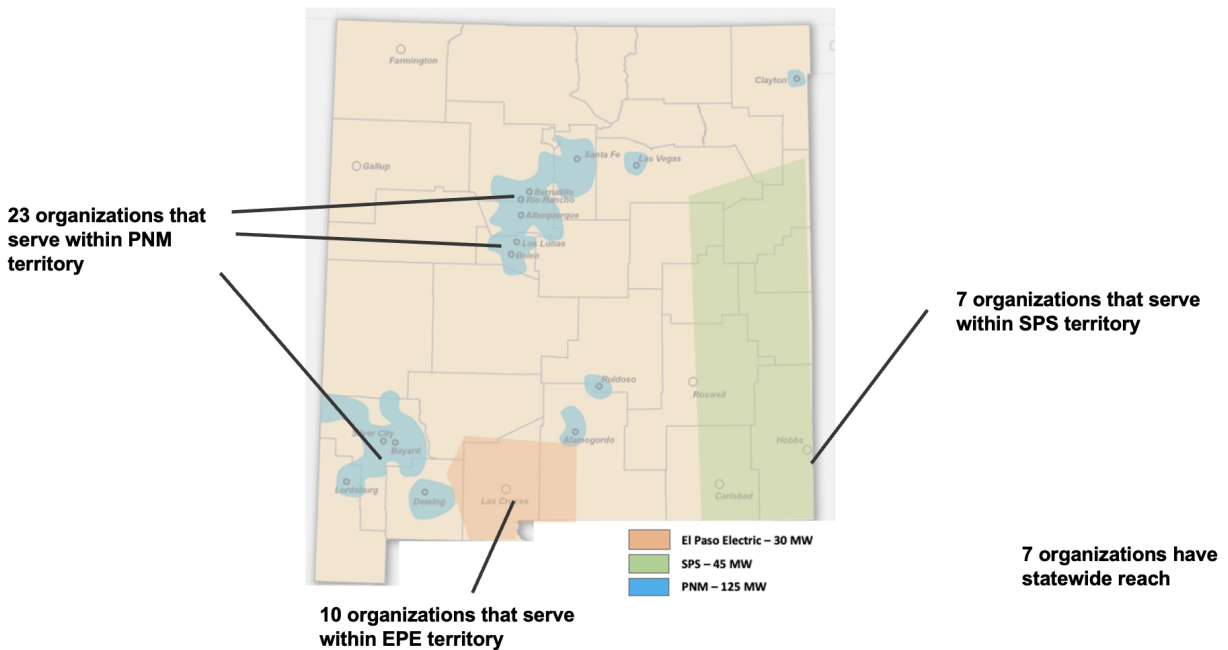


Fig 2: Electric service territory of communities served by organizations that participated in listening sessions

Feedback from Listening Sessions

There were several recurring themes heard from Listening Session participants during the listening sessions that are described below.

Complexity of Community Solar

One theme was about the complexity of community solar, especially in a state where community solar has not existed before. There were many questions from participants about what community solar is and how it will work in New Mexico. Clear and ongoing communications will be critical to help demystify community solar as part of the implementation process and to help secure low-income subscribers for projects. Participants had questions about how community solar was different from rooftop solar, how consumers are protected, what bill credits are and how they function, qualification criteria for low-income subscribers and role of developers with projects. These questions will need to be addressed before potential subscribers will agree to participate in community solar.

Lack of Trust

Concerns were expressed about whether CBOs and community members felt stakeholders in community solar were trustworthy. Some of the organizations who attended listening sessions had spoken with developers and were trying to understand what kind of relationship could be leveraged on behalf of their organization with developers. A lack of trust was expressed about outside entities coming into New Mexico to build community solar projects, as it takes time to build relationships with new entities.

Some participants expressed an overall lack of trust in investor-owned utilities (IOUs). Some people believed that community solar would be associated with the IOUs and that the current lack of trust for IOUs would carry forward to the community solar developers. In contrast, other participants thought that the lack of trust in IOUs could benefit non-IOU-owned community solar projects, providing more choice for people to get their electricity from a source other than the IOU. One example cited was the adversarial relationship that some community members have with utility companies in which the utility has the authority to shut off their power and to charge high reconnection fees when re-establishing service. Each of these describe a complex relationship between community members and utility companies.

Bill Impact and Sign-up Process

There was significant discussion in the listening sessions about the sign up process and bill impact for people who are low-income. Organizations advocated for an easy sign-up process for community solar with clear communication about the benefits of community solar, the amount of the savings, and that there would be two bills for customers, one from the utility and the other from the subscriber organization. Participants advocated for a consolidated bill to ease the confusion of two bills.

Additionally, there were concerns expressed about the gap of time between when someone signs up for a community solar subscription and when they will see the reduction in their bill. An example was shared about households who signed up to receive rental assistance during the pandemic and never heard back about the support. Fear was expressed that, if people had the same experience with community solar where they signed up but didn't see the bill impact, trust in community solar would lower – even if the delay was expected because of the timeline of bringing the solar online.

Finally, participants felt that knowing the total monthly savings will be critical for the recruitment of low-income subscribers. Total savings won't be known until subscription fees are set by project developers. During the listening sessions we used a potential cost savings example. Participants wanted to know the details of the bill credit, subscription cost, and the resulting savings for families that they serve.

Conflict of Interest

There was a CBO that shared a potential appearance of conflict of interest for CBO's if they received compensation from developers for leads or for recruiting low-income subscribers. They were concerned

that the community would think they were selling something that was not connected to their mission. Another participant suggested that organizations receive funds to help people sign up for other kinds of benefits and that this was a similar benefit. The dialogue between participants highlights the need to have clear agreements between community solar developers and CBOs about any partnership, including purpose of the partnership, compensation arrangements and ethical considerations.

Additional Barriers

Concerns were also expressed about the best way to serve people with additional barriers in our communities. A desire was expressed to serve people with the highest needs who would benefit most from a reduction in utility expenses created by the use of community solar. For example, people who are undocumented and low-income will qualify for community solar. However, people who are undocumented may not be willing to provide qualifying documentation and sign up for fear of impacting immigration status. Also, participants who are unbanked may choose not to participate because of the burden of needing an additional cashier's check with the additional community solar bill. These barriers would likely limit these populations from participation in community solar.

Comparison of Projects

Communication about different community solar projects was also raised during the listening sessions. Participants wanted to be able to have information about projects for which they are eligible in order to choose the project that was best for them. A website with all the different community solar projects was discussed as a potential tool. The website should include each project's pertinent information, including bill credit, subscription fee, IOU service territory and availability of subscriptions.

Concerns from Listening Sessions

- Community solar is new and will seem complicated
- Developers aren't known; it takes time to develop trust
- Many households don't trust utility companies
- Gap between when people sign up and when they see impact on their bills will increase distrust
- CBO concern over perceived conflict of interest to receive money to sign up households

Recommendations from Listening Sessions

- Meaningful savings for low-income subscribers is important for program success
- Monthly savings need to be communicated clearly
- Having two bills may be confusing/a barrier for some households - consolidated billing would be better
- CBOs/Subscribers need to have an easy/accessible way to compare offers in different projects
- Signing up needs to be easy - especially for people with additional barriers (e.g. without bank account or credit cards, undocumented)

SUMMARY OF LOW-INCOME ENGAGEMENT STRATEGIES FOR NEW MEXICO

New Mexico has an opportunity to demonstrate that statewide community solar programs with significant low-income carve-outs can be successful. The outcomes of the program will not be determined by a single factor, but rather the effective implementation of several overlapping areas, each discussed below.

Utilization of trusted partners

Published reports, feedback from organizations managing other state programs, developer survey responses, and CBO listening sessions all emphasized the importance of partnering with local organizations who are trusted by low-income communities. Many of these communities are composed of vulnerable households struggling to make ends meet, and can fall prey to products and programs that seek to take advantage of them. Signing up for a no-cost program that will save them money may be met with skepticism, unless the education and outreach comes from organizations that they already know and trust.

Throughout New Mexico there are many nonprofit and government organizations that have deep relationships working with various constituents that fall within the 80% AMI carve-out. These will include environmental and economic justice organizations, disability/ independent living centers, cultural hubs for immigrant communities, educational centers, housing authorities, state-based/ civic organizations, faith-based organizations, and family service centers.

Forming meaningful, ongoing relationships with partner community based organizations will involve ongoing education and training, clear and meaningful contractual relationships with partners, and savings that are meaningful to low-income subscribers.

Ongoing CBO training

The listening sessions throughout the past several months have reached numerous low-income serving organizations, yet they still represent a fraction of potential partners. Thus, it is critical that the Program Administrator continues to allocate resources to ongoing outreach and training of organizations, especially after the program is up and running and project subscription terms are defined. Training resources should be made available on multiple websites (e.g., stand-alone community solar website for the program, websites of government organizations, and partner non-profits), and should include frequently asked questions, a simple overview of the basics of community solar, and guides for subscribers, CBOs, and other partner organizations to help understand community solar bills and savings.

However, passive initiatives for training are rarely sufficient, especially in a time when it is easy to be overwhelmed with available information on the internet. Therefore, it is important that the Program Administrator provides active outreach to potential partners, offering opportunities for live and virtual training sessions, especially as the program evolves.

Clear contractual relationships

Transparency and some level of certainty can build trust with CBOs. Over the last months many non-profits and governmental organizations have been approached by prospective community solar developers, with requests to provide letters of support and non-binding subscription commitments. In a new program where most organizations have no experience and a rudimentary understanding of community solar, there is a risk that local organizations may undervalue their services or commit to projects that might not end up being in the best subscription terms for their constituents. Therefore, it will be helpful for the Program Administrator to offer guidance to prospective CBOs and government partners regarding best practices for contractual obligations. This may be in the form of example contracts or lists of suggested language to include and to avoid. The guidance should provide price ranges for various services seen in other markets (e.g., education and outreach, referral lists, enrollment, subscription management) and guidance on fair and ethical contract terms.

Low-Income facilitator

While the responsibility to successfully manage the program falls on the shoulders of the Program Administrator, it is unlikely that they will have knowledge of New Mexico's diverse racial and ethnic landscape and culture, the needs of poor households, or familiarity with the organizations that serve them. The ongoing development of training materials, support of CBOs, and trouble-shooting of issues that will arise related to low-income enrollment will be best handled by a low-income facilitator who has experience working with low-income households and service organizations in New Mexico. The low-income facilitator could also play a role helping low-income subscribers connect to other complementary services, such as LIHEAP, utility energy efficiency programs, and the federal weatherization assistance program, among others.

Centralized Website with Clear and Transparent Information

There are currently a variety of sources of information and communications regarding the forthcoming community solar program in New Mexico. Numerous developers are reaching out directly to nonprofits and governments, looking for local partners and anchor tenants. Updates on rulemaking, interconnection, and implementation are coming through PRC communications. The PRC and Energy Minerals and Natural Resources Department (EMNRD) have pages on their websites providing various information about community solar. As the program kicks-off, it is important that a centralized website is created and maintained by the Program Administrator with the most up-to-date information about the program. This would include:

- General resources: the Community Solar Act statute, final rules issued by the PRC, relevant PRC workshops and working groups.
- Information for developers: project selection criteria, list of selected projects, portal to search for interested CBO partners, and a place to review/rate partnerships with CBOs.
- Information for CBOs: Basic training information, contractual guidance for partnerships with developers, a place to register as an interested partner, a portal to search/compare projects, and a place to review/rate projects and developers.

- Information for subscribers: basic community solar information, glossary of terms, and FAQs, portal to search/compare projects, and a place to review/rate projects and CBOs.

Meaningful Savings and Removal of barriers to enrollment

Meaningful monetary savings and minimal barriers to enrollment are perhaps the most crucial elements to successful low-income enrollment. Feedback from developers, program managers, and CBOs have all emphasized the importance of reducing the number of requirements needed for enrollment, with self-attestation being the easiest way to enroll low-income households, with very few drawbacks.

Prequalifying programs: The Community Solar Act states that “the commission shall issue guidelines to ensure the carve-out is achieved each year and develop a list of low-income service organizations and programs that may pre-qualify low-income customers.” There are a number of additional state and federal programs that have income requirements that would place participants below the 80% AMI requirements of the community solar program. The list of pre-qualifying programs should be updated to include the following:

- TANF (Temporary Assistance for Needy Families)
- Supplemental Security Income (SSI)
- Social Security Disability Insurance (SSDI)
- Section 8 Housing Vouchers
- Low-Income units in Low Income Housing Tax Credit (LIHTC) program

Verification of Income Documentation: The New Mexico rule currently requires low-income households who are not in any pre-qualifying programs to provide documentation that their household falls below 80% AMI. The burden of this requirement can be mitigated by allowing CBOs to be approved by the Program Administrator to confirm documentation and attest that the household meets the income requirements. This will eliminate the requirement for CBOs to have the capacity to securely store sensitive financial information for households, as well as removing the need for households to relinquish sensitive personal and income information to enrolling organizations. It will also place a greater incentive on out-of-state developers to partner with local organizations.

Meaningful monetary savings are those that make any hassle of enrollment worthwhile and significantly reduce a household’s energy burden. The hassle of enrollment involves the complication of having to pay both the utility bill and the community solar subscription bill, the bother and risk of providing evidence of enrollment in qualifying programs or proving annual income, and the risk of ongoing savings being less than anticipated. The community solar marketplace will reveal what monetary savings are necessary to incentivize those households most in need to sign up. Hopefully developers will offer subscriptions that will lead to at least 30% or greater net savings for low-income subscribers, amounts that might actually allow reallocation of money in a tight household budget.

Meaningful Savings: The rules defining the selection process for community solar bids allocate extra points for developers who commit to supplement the community solar bill credit for any low-income subscriber, for a minimum period of five years, by including, in addition to the credit as calculated and provided by the utility, a credit in the amount of an additional 20 to 30 percent of the utility solar bill credit. However, the developer cannot commit to supplementing the community solar bill credit, only

the subscription fee. A customer's savings from a community solar subscription is typically the difference between that subscription fee and the bill credit, not an "additional 20 to 30 percent" of the bill credit, because no developer can offer more value to a customer than the bill credit represents. To ensure this discount translates into net savings for low-income households, the Program Administrator should clarify the language in the RFP to state: *developers commit to subscription fees for low-income households equivalent to a fixed, 20-30% discount from the applicable solar bill credit rate, with no escalators or additional fees.* This clarification will ensure that the developer bid commitment translates into subscription fees in which the promised discount results in an equivalent net savings.

The program could have greater financial benefits for participating low-income households if they receive even larger discounts. The commission and Program Administrator should consider revising the selection process where it currently provides points for increasing the total low-income carve-out beyond the statutory 30% carve-out of project capacity. This will likely result in projects spreading smaller discounts among more households, which will have less of a poverty impact than offering larger discounts to fewer households. The process could be improved by removing points for going beyond the 30% carve-out, and allocating more points to discounts greater than 30% as compared to the solar bill credit rate.

Savings could be even greater if developers can utilize grants, LIHEAP money, or other sources to subsidize subscriptions, as has been seen in programs in CO, OR, and NY. Developers can also partner with anchor tenants, such as local governments, who may be willing to forgo some of their enrollment savings to subsidize even greater savings for low-income subscribers.

Conclusion

Through the community solar program, New Mexico finally has a meaningful way for its citizens to choose renewable energy sources, reduce their cost of electricity, and contribute to a clean and healthy environment. Low-income households have the most to gain from community solar in terms of reducing their energy burdens, which are disproportionately high. Given the 30% low-income carve-out requirement for each community solar facility, the success of New Mexico's community solar program in large part depends on the acceptance by low-income households of community solar and their participation as subscribers. The recommended strategies are intended to help guide program success through increased benefits to and participation by low-income households.

APPENDIX 1: ESTIMATION OF RELEVANT LOW-INCOME NUMBERS

Estimation of low-income subscription opportunities in initial roll-out

A simple estimation of expected low-income subscriptions can be made by assuming that developers will submit project bids that maximize RFP scoring points regarding low-income participation, which will result in 50% of the 200 MW program capacity dedicated to low-income, or 100 MW. If developers also commit to providing 40% of the low-income carve-out to direct-billed customers (i.e., households), that will result in 40 MW for low-income residences and 60 MW for low-income service organizations. The table below shows an estimate of how many subscriptions might result for low-income households and service organizations:

	Estimated Capacity	Ave Subscription Size	Total Subscriptions
Low-Income Household	40 MW	3.5 kW	11,400
Low-Income Service Org	60 MW	30 kW	2,000

Total Residential Customers in New Mexico

The initial program requires participation by New Mexico's three Investor Owned Utilities (IOUs), with municipally-owned utilities (Gallup, Los Alamos, and Farmington) and rural electric coops having the option to opt-in to the program. The table below (using 2018 data) shows how many residential customers are served by these three categories of utilities. The IOUs served 73% of residential electric utility customers in 2018.

	Residential Customers	% of Total
Rural Electric Coops	207,461	20%
Munis + Navajo Nation	73,664	7%
IOUs	746,934	73%

Source: 2018 data, accessed at <https://www.eia.gov/electricity/data.php>

Total Households In New Mexico below 80% AMI

The community solar program defines low-income households as those that earn less than 80% of the Area Median Income (AMI). The table below shows the total number of households in New Mexico that earn below 80% AMI, comprising 43% of all households, and are thus eligible for the low-income program in New Mexico. There is also a third column which estimates total residential houses in the IOU service territory below the income threshold, by simply multiplying the housing counts by 73% (the total percent of residential customers in NM served by IOUs).

	NM Housing Count	% of Total NM Houses	Est. of Houses served by IOUs
Less than 80% AMI	327,982	43%	239,427
Greater than 80% AMI	435,271	57%	317,748

Source: U.S. Census Bureau's American Community Survey 2018 Public Use Microdata Samples accessed at <https://www.energy.gov/eere/slsc/maps/lead-tool>

Estimation of participation in Pre-Qualifying Programs

It is illustrative to also look at how many households participate in some of the programs that would pre-qualify them to participate in the low-income carve out for community solar. In 2018 there were 284,689 households that made 150% of the Federal Poverty Level (FPL), the cut-off for LIHEAP eligibility. However, there were only 65,413 households that participated in the program (23% of those eligible). SNAP, on the other hand, had participation rates closer to 98% for those eligible, which is 130% FPL. Actual households participating were 285,951, as shown in the table below. The estimation of participating households in SNAP and LIHEAP that are in the IOU service territory is calculated using the assumption that 73% of residential customers are in IOU service territories. This is likely an overestimation due to the fact that there are higher poverty rates in rural areas served by rural electric cooperatives, and thus likely a larger portion of households participating in federal assistance programs.

	Eligibility	Est of Eligible Households	Actual Participating households	Est of Participating Houses served by IOUs
SNAP*	130% FPL	292,000	285,951	208,744
LIHEAP**	150% FPL	284,689	65,413	47,751

Source:

*2021/2022, participating households: https://www.cbpp.org/sites/default/files/atoms/files/snap_factsheet_new_mexico.pdf, participation rates: <https://www.fns.usda.gov/usamap>. Est of eligible households calculated from participation rate.

**2018, 150% Poverty Level est: <https://www.energy.gov/eere/slsc/maps/lead-tool>, LIHEAP participation: <https://liheappm.acf.hhs.gov/sites/default/files/private/pm/exec-summaries/2018/FY-2018-Executive-Summary-NM.pdf>

APPENDIX 2: LIST OF STATE STAKEHOLDER INTERVIEWS

States	Organization	Name of person interviewed	Date
Colorado	Energy Outreach Colorado	Kim Shields, B Hubler	3/30/2022
Oregon	Community Energy Project	Sherrie Villmark	3/29/2022
Maryland	Maryland Public Service Commission	Phil Vanderheyden, Annette Garofalo	4/7/2022
Illinois	Elevate Energy	Vite Greco	3/24/2022
New York	NYSERDA	Max Joel, Sara Jayanthi	4/13/2022
Rhode Island	Rhode Island Office of Energy Resources	Shauna Beland	4/26/2022

APPENDIX 3: COMMUNITY SOLAR DEVELOPER SURVEY RESPONSES

The figure below shows the states where the survey respondent's main office is located, as well as the state programs where the respondents have participated in community solar programs that serve low-income households:

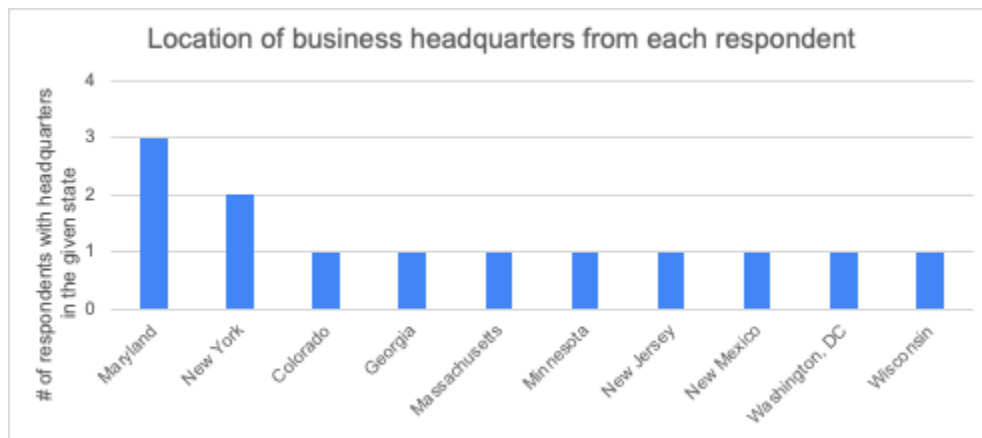


Fig 3: Location of the business headquarters from 13 respondents to the survey.

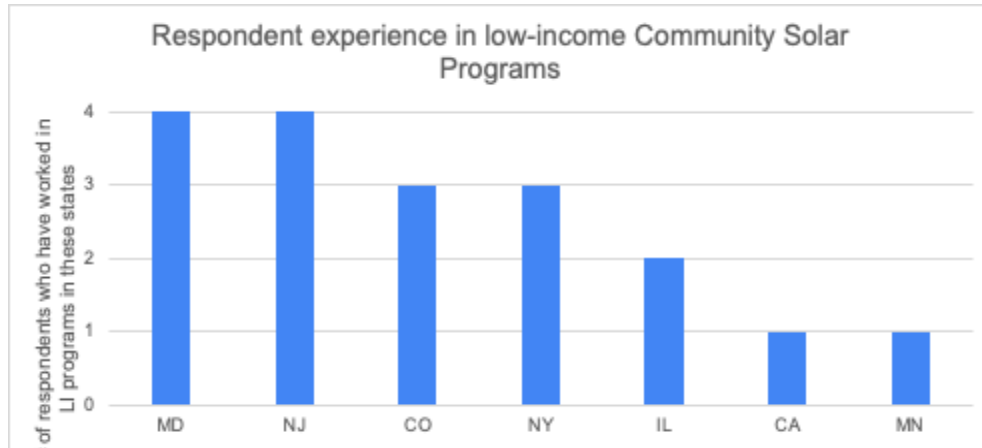


Fig 4: Location of community solar programs with low-income carve-outs where survey respondents have participated.

Recommendations / best practices for how developer access to Community-Based Organizations (CBOs) and low-income (LI) subscribers should be coordinated:

- One way is to provide an overarching program administrator, verifying LI subscribers for every project (like in OR). Another way is to have an official website with all relevant info and lists of projects, developers, providers, CBOs that want to participate. There could be a formal (but not cumbersome) registration process so players can connect easily (instead of cold calling). It'll also provide legitimacy to the overall program.
- Interaction with CBOs can take many forms. Some projects do not require CBO interaction, but others do. Some companies just use private sector firms for customer acquisition. Both models work.
- The State should place as few requirements on developers and CBOs as possible, so that the rules do not hinder development or increase costs for the developer or customers."
- There are numerous ways, but any solution should include a market-based, per-to-peer/b-2-b transaction as an option (e.g. participants should not be "required" to go through a clearinghouse, or register on a web portal, etc.)
- I believe Oregon's community solar program implements a best practice. They have a contracted LI facilitator to aid developers in meeting the intent of the program. Coordinating access to CBO's through a website also seems like a best practice.
- Website
- The community solar programs we participate in have open market engagement across CBOs, Subscription Partners, and Developers. We caution against overregulation and increasing the administrative burden by requiring a centralized coordination mechanism.
- The Utility should reach out to both CBO's and LI subscribers to let them know there is a community solar project available. There should be a waiting list created by the state to help folks get on to projects as they come online.
- 3rd party organization
- A list of approved developers on a government website, such as one set up by the PRC, would be helpful. The website should include the utility service area and contact information for CBOs to reach the developers. Utilities, which are a more familiar entity to CBOs, can also host this information on their website. A low-income facilitator or other entity could conduct an informational outreach and education campaign targeted at CBOs to inform them of the existence of community solar and the website with

approved developers. This list should also be shared with all CBOs that are actively working in the housing and energy savings markets. Many times, these programs get listed on environmental or sustainability department websites and don't get shared with the CBOs that are working with the LI communities. In turn, CBOs who have received training on the community solar program could be added to a list on the same website, so that projects could directly engage with those CBOs.

- Diligent developers can find community organizations--it's just a matter of effort and taking the time to research and understand the community you're trying to serve.

Suggested qualifications for participant CBOs:

- Local organization, knowing the market and the neighborhoods. Previous work in LI communities, managing LI programs, etc. Capabilities to manage subscribers, utility interactions, invoicing and billing.
- Understanding of the Community Solar business and project development cycle.
- Experience and/or demonstrated capabilities in a related area
- Strong marketing platform, strong track record in other community solar markets
- Demonstrated LI experience with local context; really good to keep in mind and decide how the management of bill processing, marketing, and crediting actually works. Do CBO's have this capability and experience or is there a hybrid model where entities with this infrastructure also partner with CBOs.
- Does the CBO control the meters and can provide net savings from those meters to residents? Does the CBO bill residents directly? Can developers set up a payment structure?
- Strong commitment to consumer protection, history of explaining nuanced financial or energy related topics to the general public, ability to follow through on commitments made to partners and their community.
- Registered with state and utilities.
- The CBO should be an entity that has direct relationships with a specific low-income community, with a demonstrated track record of serving that community. Organizations should not be limited to non-profits—any entity or individual that directly interacts with a low-income community to provide them with basic needs or additional benefits should be considered. However, it should be up to Subscriber Organizations at the end of the day to vett potential CBOs—the program should not restrict which organizations are “eligible” to serve as CBOs for the program.

Recommendations / best practices for income verification for low-income subscribers? What state examples would you highlight for best practices?

- Self Attestation.
- If there was a process like in OR, this question becomes irrelevant. If another verification process is approved, with each provider / CBOs doing it, then have the widest adoption of census tracts to automatically qualify LIs. See MA or NY, for example, and expand on those to include NM-specific situations. Like Native / Indigenous groups and communities.

- Self-attestation, census tract, 3rd party verification. All options should be accepted. The fewer hurdles to jump through, the lower development costs will be, and the greater savings can be passed on to LI ratepayers.
- No income verification or FICO scores should be required
- Recommend using a census data-driven approach (i.e. where subscribers living in low-income census tracts automatically qualify as a LI subscriber). This greatly simplifies the complexities with verifying low-income eligibility. Also, any subscriber already enrolled in some other low-income program would only need to provide verification of enrollment in such a program.
- In priority: 1. NMTC maps (or the like), 2. subscriber self-certification, 3. auto based on other state programs like LIHEAP, school meal program, bill assistance, etc.
- Should be done by geographic demographics like opportunity zones or other similar metrics. It should NOT require tax returns or other verification methods that would be cumbersome for residents.
- Participation in programs that already include low-income verification is a low-burden way to verify eligibility (SNAP, LEAP, etc.). Geo-eligibility based on census tract or zip code is another way to reach low-income folks not participating in these programs. Please note though that critiques have arisen as high-wealth individuals may reside in geo-eligible areas as well. If looking for example lists of programs used for verification, Hawaii has a list of programs and 1-pager for self-attestation that could be referenced.
- Become IVES certified with the IRS. Look at Maryland, they have the best qualification system.
- Census tracts, affordable housing, LI rate code on utility bills, 3rd party verification
- Best practices should always be what is easiest for the LI subscriber. Ideally, the household will provide their account number, general information, and self-attest to their income and eligibility criteria. Alternatively, in the case of participation in a social benefit program, their participation could be confirmed by a government agency, utility, or CBO (Community Action Agency) without the need for the subscriber to produce any additional documentation.
- Low-income verification must not stand in the way of low-income participation in the program. The objective of geographic low-income qualification is to eradicate obstacles or barriers to low-income participation in community solar programs. Every additional low-income qualification step systematically disqualifies or removes otherwise eligible participants, effectively countering program goals of achieving equitable access to clean energy and associated cost savings among low-income and disadvantaged communities.
- In alignment with best practices as well as the Community Solar Act's classification of low-income customers as residential utility customers with an annual household income at or below 80% of AMI, the following concise language establishing a geographic qualification option is recommended for New Mexico's Community Solar program rules: "Subscribers who live in a census block group in which the median household qualifies as a low-income customer as established by the Community Solar Act (80% of AMI) shall be assumed to be low-income, for purposes of the 30% low-income program requirement." Because "census tracts" are relatively large and contain anywhere between 1,200 and 8,000 people, incomes can vary widely across a tract. "Census block groups" are a smaller area and often contain several hundred people, ranging from 600 – 3,000 people. "Census blocks" are even smaller, confined to a geographical

block, and contain dozens of people. While income variability is naturally lowest in a census block, relevant data is often not available at the block level (partly because publishing data could enable someone to learn personal information about specific households). As such, census block groups are the best geographic area for low-income subscriber verification because they strike the right balance of low variability of income and high availability of data for community solar stakeholders. This is similar to the proposed process for the newly developed Virginia program, which was developed with feedback and input from local organizations and other stakeholders. Geographic qualification is the most effective and efficient form of verification that will ensure that there are no additional barriers to low-income compared to non-LI participants."

- self attestation is best.

Best practices for contract terms between developers and CBOs for LI outreach and/or enrollment

- Typically, the link has often been brokered by a community solar provider like Neighborhood Sun. Developers don't usually want to find subscribers, while CBOs don't usually have the expertise, capabilities, or a software to manage enrollments, billing, utility interface, etc. Allow partnerships with multiple developers, standard price and terms do sound good as they level the playing field and enable more efficiency, more widespread adoption.
- See answer above.
- New York has a developer registration and ethics compliance mechanism. This is a good approach.
- Allow partnerships with multiple developers, essentially outsourcing the LI customer acquisition function for a fixed fee with standard milestone payment terms.
- CBO's partnership with multiple developers is a best practice. Generally speaking, having some scale to efforts provides some economies. Providing standardization for both compensation and contracts is a must to avoid confusion.
- allow partnerships with multi developers
- (1) Non-exclusivity enables CBOs to best optimize their time and make price comparisons across developer partners (2) recommend pricing acquisition in \$/kW as a one-time fee aligned with getting folks signed up, with annual \$/kW for subscriber management.
- Subscriber discount, flat fee for all third party enrollments, no cancellation, termination or sign up fees, month to month agreement.
- Minimal contract, standard form of compensation
- Pay-per-performance (per HH or kW enrolled); contracts that are simple, non-binding, and non-exclusive. Fees for printing, postage, etc paid upfront or reimbursed. Standard compensations are limited because compensation reflects the level of effort required from the CBO and demand for a project, which usually results in higher compensation for the CBO. There should never be a limit to how much developers can compensate CBOs.
- That's an individual question for the organizations involved. I've seen it go both ways, with signed master service agreements as well as no formal agreement at all.

What is a typical level of compensation offered to CBOs for subscriber acquisition in terms of \$/watt, \$/subscriber, etc?

- A community solar provider would usually charge between \$60 and \$120 / kwdc, depending on many factors. *[Note: this translates to \$180-\$360 for a 3 kW subscription]*
- It varies and will depend on the overall compensation added for these types of projects
- \$.07-.09 per watt/dc *[Note: this translates to \$210-\$270 for a 3 kW subscription]*
- ~\$.03/Wdc *[Note: this translates to \$90 for a 3 kW subscription]*
- This varies by market. For lead referrals (i.e. list of names) we've seen as low as \$100/household. For enrolled customers (i.e. subscribed household's) we've seen as high as \$700/household
- \$0.12/W *[Note: this translates to \$360 for a 3 kW subscription]*
- ~\$50/customer, not more than \$100
- We are currently offering between \$50 and \$150 a subscriber depending on the amount of information the CBO is sharing/collecting for us.
- That is highly sensitive competitive information that I don't feel comfortable sharing.

What is a typical level of compensation offered for subscriber management, in terms of \$/watt/yr, \$/subscriber/yr, etc?

- For management of subscribers, it would be between \$7.5 to \$13, also depending on many things
- Again, it varies, but this cost has fallen significantly over the first several years of the NY CDG program and is now below \$5/kWdc/yr
- \$.07-.09 per kW per year
- ~\$.01/kWh (this is not preferred typically, subscriber management has efficiencies when there's a sole, national company that does the work)
- To date, this varies by market. On the low end we've seen \$1/kW annually, as high as \$15/kW annually.
- \$10/kW
- Subscriber management is handled by the developer and its partners. The CBO is not involved in this.
- It has to be an amount that works for the CBO and fits within the project budget.

What other benefits, besides outreach and enrollment, can a CBO bring to LI households?

- CS subscriptions could be in the mix of many energy offerings to LI households. Efficiency and weatherization, LIHEAP, and more that help them economically. It can also be part of a wider environmental education program + workforce training in renewable energy / energy efficiency.
- Education
- Robust online platform to track savings and ease of payments
- Subscriber education
- Lots of shared core competencies exist within CBOs, such as education, utility assistance, electrification, workforce development, and human services. All of the above must have a track record of lasting community relationships.
- Education and energy assistance

- Credibility and endorsement of the program
- CBOs can help collect customer information and eligibility documentation. Some CBOs, particularly government agencies, Community Action Agencies, and municipalities, can verify the household's eligibility, thereby streamlining their enrollment and increasing participation rates. CBOs can also pair a community solar offering with an education campaign (i.e. sustainability, environmental justice, energy efficiency etc) providing participating households additional and related information. The funds raised through enrolling customers support local fundraising and community-determined initiatives. Lastly, active CBOs can contribute to policy discussions around future community solar program rules.
- credibility, trust, understanding of the community's needs, preferred methods of communication, feedback on marketing materials--it's a long list and the more competent the CBO the more influence they have over the process.

What are typical terms of subscriptions for LI households that your organization offers in other states, or expects to offer in NM? (e.g., fixed discounts, escalators, cancellation fees, etc.)?

- Escalators, like in PPAs, are never going to work with people. Make a fixed, guaranteed discount the norm, like in most other states. Anywhere between 20-30% is being done in MD, NJ, although other markets have lower discounts. Cancellation fees should also be out of the question, plus it's really hard to collect on them. The key is to enable replaceability, i.e. 60 days cancellation notice for subscribers, utilities communicating ASAP that an account is inactive, also utilities reporting reports of credits and how they've matched a household consumption.
- Fixed discounts (%-based)
- Fixed discount, no escalator, no fees
- fixed discount, no cancellation fees
- Fixed discounts, no cost escalation, no cancellation fees or any other gotchas
- 3-year term, auto renew
- We don't require credit checks for this community, have no cancellation fees, and drive towards providing significant savings (we acknowledge that a savings threshold must be met to be worth the time of the individual to participate)
- 15%-25% discount, no cancellation or sign up fees, month to month
- Fixed discounts, no escalators, long term with option to cancel if moving out of territory
- We offer a monthly subscription for discounted credits. We typically have fixed discounts with no escalators. We do not have any fees [for joining or canceling] or credit requirements for any of our projects. Ideally, we seek to offer deeper discounts for LMI, with a goal of at least 20%.
- Fixed % discount off bill credits (i.e. 30% savings on bill, tbd on exact discount percentage). We never charge cancellation/exit fees (even for non LI households), and no credit checks (also for all customers, not just LI)
- No FICO scores, no fees at all, month-to-month subscription, discounts pegged to the credit (i.e., never get upside-down).

Primary challenges for successful LI subscriber acquisition in NM

- 30% is a high number and NM is not densely populated.

- Multilingual education for a product that doesn't have disadvantages. The "too good to be true" attitude that keeps people away and needs to be overcome. To do that, we need to communicate through trusted partners, community-based groups, congregations, etc. This is really vital.
- education/outreach to overcome skepticism and trust deficit
- complexity of verification requirements
- Overcoming the trust barriers; involvement of known and trusted sources is critical. It would be great to have the utilities engaged in this effort at an appropriate level.
- Confusion about the program and savings. Bad actors could also cause problems.
- Trust, education, program awareness, and relationships are key for success and with a new market may be difficult to establish.
- Mistrust and unavailability. Retention
- Lack of awareness, knowledge of the program, and how it works
- Onerous income verification methods that limit the ability of LI customers to actually sign up. As stated above, this should not create a significant burden on the customer.
- Onerous verification qualifications. Striking a balance between low-income inclusion and program efficiency, achieving program objectives of widespread low-income participation.
- Identifying and reaching out in an appropriate manner. Most LI families don't trust power companies

Other recommendations for NM's community solar program for LI subscriber acquisition

- Be flexible.
- General remarks - make the program as standardized and scalable as possible; allow for local groups that are serving LIs, with or without energy experience, to be part of the program and be compensated based on their work; allow for developers and CS providers to manage the more technical/techy aspects, in collaborations with CBOs.
- On bill collection and payment by utilities for LI subscribers
- Recommend avoiding creation of centralized mandatory process due to risk of slowing the rollout of program and increasing bureaucracy which could erode subscriber savings.
- Copy MD.
- Should be endorsed by utility and state and made clear to potential subscribers of this endorsement
- "In general, the program should avoid requiring a "gatekeeper" for LI outreach and enrollment. Subscriber Organizations should have the ability to do this outreach on their own, or in conjunction with CBOs. The program focus on the relationships between Subscriber Orgs and CBOs should be about maximizing collaboration and opportunity, not limiting it to certain CBOs or certain functions. In our view, the focus should not be on identifying CBOs that can then build up a pool of LI subscribers to then provide to Subscriber Orgs. Instead, Subscriber Orgs should work directly with CBOs to perform the LI outreach and enrollment.
- In addition, NM should expedite a consolidated billing option to prevent the need for two bills. Developer incentives for low-income participation to provide deeper discounts (at least 20%)."

- Establish a Low-Income Stakeholder Working Group to meet periodically and address challenges that arise in real-time.
- Make the developers work--we're good at it.

APPENDIX 4: LIST OF LARGEST COMMUNITIES IN IOU TERRITORIES

City/Town	IOU	Population
Roswell	SPS	48,422
Hobbs	SPS	40,508
Clovis	SPS	38,567
Carlsbad	SPS	32,238
Artesia	SPS	12,875
Portales	SPS	12,137
Tucumcari	SPS	5,278
Eunice	SPS	3,056
Jal	SPS	2,202
Loving	SPS	1,390
Dexter	SPS	1,074
Hagerman	SPS	975
Texico	SPS	956
Lake Arthur	SPS	398
Albuquerque	PNM	564,559
Rio Rancho	PNM	104,046
Santa Fe	PNM	87,505
Alamogordo	PNM	30,898
Los Lunas	PNM	17,242
Deming	PNM	14,758
Las Vegas	PNM	13,166
Silver City	PNM	9,704
Bernalillo	PNM	8,977
Corrales	PNM	8,493
Ruidoso	PNM	7,901
Belen	PNM	7,360
Los Ranchos de ABQ	PNM	5,874
Rio Communities	PNM	4,926
Bosque Farms	PNM	4,020
Peralta	PNM	3,342
Clayton	PNM	2,643
Ruidoso Downs	PNM	2,620
Tularosa	PNM	2,553
Lordsburg	PNM	2,335
Las Cruces	EPE	111,385
Sunland Park	EPE	16,702

Anthony	EPE	8,693
Mesilla	EPE	1,797
Hatch	EPE	1,539

APPENDIX 5: LIST OF TRAINING MATERIALS

The following training materials were delivered, in electronic format, to the New Mexico Public Regulation Commission, to be utilized by the Program Administrator, and others, as appropriate:

1. Frequently Asked Questions (FAQ)
2. Glossary of terms
3. CBO guidance for developer partnerships
4. Comprehensive slide deck for future training
5. Orientation slide deck for CBOs (English/Spanish)
6. Slide deck of recommendations for policy makers