



TO: Tarrant County Commissioners Court

FROM: Russell Schaffner, Asst. County Administrator

DATE: August 8, 2023

SUBJECT: Solar for All Grant Program

Overview

The U.S. Environmental Protection Agency (EPA), Office of the Greenhouse Gas Reduction Fund (GGRF) released the Solar for All program Request for Applications (RFA) competitive grant program on June 28, 2023. The Greenhouse Gas Reduction Fund was created by the Inflation Reduction Act (IRA) and \$7 billion was allocated to the Solar for All program. Notice of Intent (NOI) deadline for counties is August 14, 2023. The grant closes on September 26, 2023.

The Solar for All program is “designed to spur the deployment of residential distributed solar energy to lower energy bills for millions of Americans and catalyze transformation in markets serving low-income and disadvantaged communities” (NOFO, 5). The grant competition is covered under the Biden Administration’s Justice40 Initiative which has a goal of providing 40% of federal investment in climate, clean energy, and other areas to disadvantaged communities.

Staff Findings

After a thorough review and discussion with stakeholders, staff makes the following findings:

- The Solar for All grant program is a historic program that could make available tens of millions of dollars for solar investment and workforce development opportunities to Tarrant County.
- Since there are a limited number of grantees anticipated, a coalition approach to applying for funding would be a beneficial strategy for drawing down these grant funds.
- Even though Tarrant County will not be part of the NOI, the County can be part of the a coalition of local government’s application due in September.
- Tarrant County does not have the technical expertise nor the administrative capability to develop and implement the Solar for All program (program administration would necessitate either an entire new department or a substantial expansion of an existing department).

- Having a strong implementation partner is essential to the effective and efficient administration of these funds. With the goal of working on individual residential properties, granular data and detailed implementation plans will be necessary. If Tarrant County chooses to join the effort, coordinating with Dallas County to ensure the seamless implementation and administration in our areas would be necessary. Implementation activities may include:
 - Community engagement plans
 - Procure vendors to provide and install solar projects
 - Recruit participants to the program
 - Create workforce development program, identify providers and training partners
 - Engage local stakeholders for job creation opportunities
 - Solar for All EPA program compliance, administration, and evaluation

Grant Program

The EPA will be awarding up to sixty (60) grants to states, territories, municipalities (including counties), and eligible nonprofits. The NOFO contemplates each state and territory receiving a grant. Grants will be awarded between \$25 million and \$400 million. 75% of the award should be used for financial assistance for solar projects. The remaining 25% of the funds may be used for technical assistance and administration.

The Solar for All program will advance three GGRF goals:

- Reduce emissions of greenhouse gases and other air pollutants
- Deliver benefits of greenhouse gas- and air pollution-reducing projects to American communities, particularly low-income and disadvantaged communities
- Mobilize financing and private capital to stimulate additional deployment of greenhouse gas- and air pollution-reducing projects

The program requirements necessitates the specification of the geographic area(s) that the applicant will assist with the grant funds. Applicants will be expected to demonstrate that the Solar for All program has benefitted the target population.

The grant performance period begins July 2024 and continues for five (5) years.

Grant Activities

Grantees should use 75% of awarded funds for financial assistance. According to the NOFO, eligible financial assistance includes subsidies, grants, rebates, forgivable loans, and recyclable financial products such as loans (including soft loans and subordinate loans). The NOFO states: “All financial assistance must enable low-income and disadvantaged communities to deploy and benefit from residential-rooftop and residential-serving community solar capacity, associated storage, and enabling upgrades.”

The NOFO defines eligible activities financial assistance:

- Associated Storage: Infrastructure to store solar-generated power for the purposes of maximizing residential rooftop and residential-serving community solar deployment, delivering demand response needs, aggregating assets into virtual power plants, and delivering residential power during grid outages.
- Enabling Upgrades: Investments in energy and building infrastructure that are necessary to deploy and/or maximize the benefits of a residential rooftop and residential-serving community solar project. Enabling upgrades can include, but are not limited to, electrical system upgrades, structural building repairs and energy efficiency (no more than 20% of financial assistance).
- Residential Rooftop Solar: Behind-the-meter solar power-producing facilities, including rooftop, pole-mounted, and ground-mounted PV systems, that support individual households in existing and new single-family homes, manufactured homes, and multifamily buildings. Residential rooftop solar includes properties that are both rented and owned.
- Community Solar: A solar power-producing facility or solar energy purchasing program from a power-producing facility, with up to 5 MW nameplate capacity, that delivers at least 50% of the power generated from the system to multiple residential customers within the same utility territory as the facility. Placing solar-producing facilities on county buildings for community resiliency programs is acceptable.

A grantee should develop programs that will provide meaningful benefits to residential and residential-serving programs. Meaningful benefits is defined as at least 20% household savings for all households benefiting from the program.

The grantee will be expected to procure vendors and contractors to perform the program plan during the performance period.

Texas Consortium/Coalition

Initially, a number of entities and agencies tried to form a consortium to apply and administer these funds. That was unable to gain momentum. Instead, a loose coalition of counties, municipalities, and at least one nonprofit has been formed. Harris County is the lead organization that will submit the application. Harris County, Travis County, city of San Antonio, and a border county coalition have committed to the coalition.

Harris County has engaged HARC to assist Harris County and coalition members in developing the application and specific projects for each community. While Harris County holds the contract with HARC, discussions are underway on cost-sharing for that contract.

The EPA requires a Notice of Intent (NOI) by August 14, 2023, that outlines the parties involved and geography where program funds will be targeted. The NOFO states “EPA recommends that coalition applicants include the names of all the entities involved in the coalition, but it is not required as part of the NOI.”

Potential Programs

The Solar for All program presents the County with new opportunities. Some potential programs that the County could work with coalition members to apply for may include:

- Community Solar: the county or a procured vendor (developer) owns the solar facilities that provide power to a nonprofit or (community-owned) electric provider through a power purchase agreement for a specific rate. Oncor accepts these types of power purchase agreements so residents throughout the county could benefit.
- Critical Facility and Community Benefit: install solar and storage facilities on county facilities. Energy cost savings and net metering benefit would be passed to residents. During a critical event, the county can provide solar (and stored) energy to the community.
- Residential solar for single family residents
 - Financed Solar: a procured vendor owns the solar components and installs them on the single family residence. The vendor receives the tax credit and passes the savings off to the homeowner. The homeowner finances the difference between the solar facility and installation costs through a loan, lease, or on-bill financing. Ownership could be transferred to the homeowner after a set number of years.
 - Provide residents with a grant program to purchase solar facilities in tandem with a bulk purchase program. The county could procure a vendor to implement this program.