

PROGRAM TITLE: Tennessee Solar for All: Expanding Low-Income Household Access to Affordable, Resilient, and Clean Energy

APPLICANT NAME: The Tennessee Department of Environment and Conversation's Office of Energy Programs (TDEC OEP)

AWARD OPTION TYPE: Award Option #1 – State and Territory Programs

EPA FUNDING REQUESTED: \$250,000,000

According to the revised Notice of Funding Opportunity (NOFO) released by the Environmental Protection Agency (EPA) in August 2023, which outlined eligible Solar for All (SFA) funding maximum amounts based on the total disadvantaged community (DAC) population within a jurisdiction, Tennessee was eligible to apply under the Medium Program with 2,720,295 people living in DACs in the state of Tennessee according to the Climate and Economic Justice Screening Tool (CEJST). As such, TDEC OEP requested \$250,000,000, which was the maximum amount available under the Medium Program. (Note: This differs from the \$400,000,000 requested in the Notice of Intent (NOI) submitted by the Tennessee Housing Development Agency (THDA). Following NOI submission, the State transferred lead agency responsibility to TDEC OEP.)

PROGRAM SUMMARY: The mission of Tennessee's SFA Program is to accelerate the deployment of solar infrastructure to benefit low-income households and DACs, including those in Tennessee's varied urban, suburban, and rural communities. TDEC requested \$250 million to build and implement an SFA program. If funded at the amount requested, Tennessee's SFA Program will provide approximately \$200 million in new financial assistance for residential rooftop¹ and residential-serving community solar² infrastructure, associated storage,³ and

¹ Residential rooftop solar is defined in EPA's SFA Notice of Funding Opportunity (NOFO) as behind-the-meter solar photovoltaic (PV) 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. The definition of residential rooftop solar includes behind-the-meter solar facilities serving multifamily buildings classified as commercial buildings so long as the solar facility benefits individual households either directly or indirectly such as through tenant benefit agreements. Residential rooftop solar includes properties that are both rented and owned.

² Residential-serving community solar is defined in EPA's SFA NOFO as a solar PV 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. There are a variety of community solar ownership models that can be considered, including community-owned solar, third-party-owned community solar, and utility-owned community solar.

³ Associated storage is defined in EPA's SFA NOFO as 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. Financial assistance for associated storage must be deployed in conjunction with financial assistance for a solar PV system and the storage asset must be connected to the solar PV system.

enabling upgrades,⁴ in conjunction with complementary programs such as Home Uplift, the Energy Efficiency and Renewable Energy Loan Program, Weatherization Assistance Program, Low-Income Home Energy Assistance Program, Energy Efficiency and Conservation Block Grant Program, Grid Resilience Formula Grant Program, and Inflation Reduction Act Home Energy Rebates. The SFA Program will also provide approximately \$27,803,920 in project-deployment technical assistance focused on workforce development opportunities and siting, permitting, and interconnection assistance. Finally, the Program's current set aside of \$22,196,080 in administrative support (9% of the total EPA funding requested) will ensure that projects are carried out in an effective, timely manner and comply with numerous federal and State requirements (e.g., Title VI; Davis Bacon Act; Build America, Buy American (BABA); National Environmental Policy Act (NEPA); National Historic Preservation Act (NHPA); reporting; onsite monitoring; audits).

IMPACT TARGETS (Below is an overview of the impact targets that EPA required applicants to estimate):

- A minimum of 14,737 households projected to benefit from the solar program.
- 62 MW of solar capacity estimated to be deployed over the five-year program.
- \$3,225,806.45 of financial assistance requested per 1 MW of solar capacity to be deployed.
- 33 megawatt hours (MWh) of storage capacity estimated to be deployed over the five-year program.
- 82,310 short tons of annual carbon dioxide (CO₂) emissions expected to be avoided.
- \$3,037 of award funding requested per 1 ton of CO₂ to be reduced.
- \$5,114,328.48 per year in annual estimated household savings.
- \$48.88 of award funding requested per \$1 in household savings (based on the annual estimated savings figure noted above).

PROGRAM PERIOD: EPA anticipates announcing Solar for All awards in March 2024 and issuing awards by July 2024. The full program period is expected to run for a period of five years from July 2024 to July 2029, with the option of using the first year as a one-year planning period.

PROGRAM DESIGN AND DEVELOPMENT: In response to this funding opportunity, TDEC assembled Tennessee's SFA Program Development Team, which was comprised of the TDEC Office of Energy Programs (the governor-designated State Energy Office for Tennessee), TVA EnergyRight Residential, TVA's Federal Funding Project Management Office, and TVA's Renewable Programs Team. (Note: For the purpose of this application, the TVA partners in the

⁴ Enabling upgrades are defined in EPA's SFA NOFO as 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. Applicants may decide the exact types of enabling upgrades that are eligible for Solar for All financial assistance, yet all enabling upgrades should be energy and building infrastructure related and deployed in conjunction with financial assistance for an eligible solar PV system. Financial assistance for enabling upgrades may comprise up to 20% of the total financial assistance deployed during the lifetime of the program.

Program Development Team primarily serve to support the development of Tennessee's SFA Program and will not be subrecipients.) The Program Development Team intends to identify Local Project Implementation Teams that will provide locally-tailored implementation of solar projects across Tennessee's communities. Communities not represented by a Local Project Implementation Team will be covered by the Statewide Program, led by the Program Development Team. Local Project Implementation Teams will continue to be identified in 2024.

To assess interest in solar deployment throughout the state, the Program Development Team engaged and surveyed representatives of local governments and/or local power companies serving several of the state's major metropolitan areas: the City of Chattanooga; Electric Power Board of Chattanooga; the City of Clarksville; CDE Lightband; the City of Knoxville; Knoxville Utilities Board; the City of Memphis; Memphis Light, Gas and Water; Metro Nashville; Nashville Electric Service; and Middle Tennessee Electric. Along with statewide solar capacity and installation data provided by Tennessee Solar Energy Industries Association, these local surveys provided insight into the current market landscapes and demand for solar infrastructure and informed the initial program scope for Tennessee's SFA program.

While preparing Tennessee's SFA application, the Program Development Team held regular meetings with representatives of local governments, local power companies, other State agencies, community-based organizations, nonprofit advocacy groups, and trade associations from across the state to communicate progress and collect input on program design questions regarding topics such as financial assistance models, implementation pathways and partners, and workforce development opportunities. Through the Solar for All Program, the Program Development Team intends to leverage existing workforce development programs and is committed to working with partner organizations to develop, launch, and support new programs to fill any gaps. The Program Development Team will support the development of new training programs in consultation with solar industry partners to determine if such programs should be academic, certificate, degree, or short-term training programs.

TDEC OEP anticipates awarding subgrants under the following categories: (1) Local Project Implementation Teams; (2) A Statewide Program Administrator; (3) Public high schools to support introduction to solar trades and science, technology, engineering and mathematics (STEM) programs; (4) Public community or technical colleges for workforce development training programs, including employer apprenticeship support and wraparound services; (5) Subgrants to local nonprofits and community organizations for workforce development training programs, including employer apprenticeship support and wraparound services. Categories (1) and (2) include both (a) financial assistance for rooftop and community-serving solar, appropriate storage, and/or enabling upgrades and (b) program administrative activities for delivering financial assistance and/or project deployment technical assistance.

ONE-YEAR PLANNING PERIOD: If awarded, TDEC OEP intends to utilize the one-year planning period to create an SFA Program that effectively serves the maximum number of households possible, considering both the capacity to implement this program over four years, as

well as the local demand for solar infrastructure. TDEC OEP will engage the Program Development Team and other potential implementation partners to further refine the components of program design including, but not limited to:

- refining the number of low-income households that can be served by the program;
- defining programmatic guidelines to ensure a compliant, consistent program is delivered statewide;
- identifying Local Project Implementation Teams;
- drafting and issuing a competitive request for proposals to procure a third-party administrator to assist with the administration of the Statewide Program;
- coordinating with TVA, local power companies, local governments, and community-based organizations to determine the most appropriate, effective mechanisms for delivering savings to low-income households across various communities;
- determining the criteria for evaluating whether cost share or cost match will be required for different types of projects;
- assessing the need for enabling upgrades in communities deploying residential rooftop solar;
- developing a process for assessing qualifications of existing inspectors across participating communities and working with Local Project Implementation Teams and community-based organizations to fill knowledge gaps with professional development opportunities;
- partnering with complementary programs to maximize household savings and the number of individual households served by SFA-funded infrastructure;
- framing prudent guidelines for evaluating when storage may be recommended for a project based on the level of resiliency that such storage is expected to provide.