

August 30, 2023

**Subject:** **Transformative Climate Communities Round 4: Guidelines Technical Amendment**

**Reporting Period:** December 2022 – August 2023

**Staff Lead:** Gerard Rivero, Acting Transformative Climate Communities Program Manager, California Strategic Growth Council

## Recommended Action

Approve Staff recommendations to amend the Transformative Climate Communities Round 4 Guidelines to update the solar photovoltaic (PV) system sizing requirements within Project Strategy 4: Solar Installation, Energy Efficiency, and Appliance Electrification.

## Summary

The TCC Program seeks Council approval for an amendment to the TCC Round 4 Program Guidelines (Guidelines) to update solar PV system sizing requirements within Project Strategy 4: Solar Installation, Energy Efficiency, and Appliance Electrification. This amendment would remove the current solar photovoltaic (PV) system size cap which requires TCC funded systems to produce no more than 80 percent of household annual energy consumption. The amendment would allow Round 4 Grantees to install single-family solar that produces 100 percent of home energy needs. This solar sizing flexibility already exists in the adopted Round 5 Program Guidelines. This Guidelines amendment could support increased electricity savings for TCC Project Area residents who install solar.

## Background

### About the TCC Program

The Transformative Climate Communities Program (TCC), established by AB 2722 (Burke, 2016), invests in community-led climate resilience projects in the state’s most disadvantaged communities. The program objectives are to reduce greenhouse gas emissions, improve public health and the environment, and support economic opportunity and shared prosperity. TCC Implementation Grants support an integrated set of projects within a neighborhood project area of approximately five square miles. TCC Planning Grants support planning activities to advance community-led goals and projects. To date, TCC has awarded over \$326 million since 2017, through eleven (11) Implementation Grants and twenty-five (25) Planning Grants.

The Council adopted the FY 21-22 Round 4 TCC Program Guidelines at the February 24, 2022, Council Meeting and later technical amendments to provide further clarification on program requirements and adopt advance payment specifications at the April 28, 2022 and December 15, 2022 Council Meetings respectively.

At the October 27, 2022 Council Meeting, the Council then approved \$96.2 million in Round 4 grant funding to ten (10) communities. Three of the ten awards are Implementation Grants that all include project plans for installing solar PV.

### **Background on Strategy 4**

The TCC Program has funded solar PV installations since its creation and the adoption of Round 1 Program Guidelines in 2017. In TCC applications, Grantees consistently partner with solar providers to bring low- or no-cost solar and resulting energy savings to residents.

### **Summary of Changes to Round 4 TCC Guidelines**

Proposed amendments to the FY21-22 Program Guidelines are summarized below and included as Attachment 1 to this staff report. The TCC Program intends to align with industry practices and update Strategy 4 specifications in the Round 4 Guidelines to remove a solar system size cap and allow for the installation of larger single-family solar PV projects with TCC funding.

#### **Round 4 TCC Guidelines: Update solar sizing considerations language for Single Family PV Projects:**

- Pg. B-24 Removes language restricting solar photovoltaic (PV) systems to produce no more than 80 percent of household annual electricity consumption.
- Pg. B-24 Updates language to allow installed solar photovoltaic (PV) systems to be equal to or less than 100 percent of a dwelling's annual electric usage and allow for project exceptions that exceed 100 percent, with proper justification from the solar provider.

### **Council Recommendation**

Should the Council agree with Staff's recommendation, the following motion language is suggested:

"I move that the Council approve staff recommendations to amend the Round 4 Transformative Climate Communities Round 4 Guidelines to align with the Round 5 approved Guidelines' solar sizing specifications and remove a restrictive solar PV size cap."

### **Attachments**

Attachment A: Transformative Climate Communities (TCC): Final Round 4 Program Guidelines: Technical Amendment