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NYC Health, Energy & Equity Challenge: Clean Community Power Agreement

1/25/2024

Call to Action

The Problem Statement:

Leverage funding to pilot an intervention that helps hospitals address energy insecurity as a social determinant of health in a community facing high rates of chronic disease prevalence and energy cost burden.

The Proposed Solution:

12 Month:
Initiate a health-system-supported renewable energy project serving an energy insecure community in Brooklyn with associated Resource Guide.

90 Day:
Issue solicitation with location(s), funding mechanisms/resources, stakeholder commitments outlined in a public presentation.

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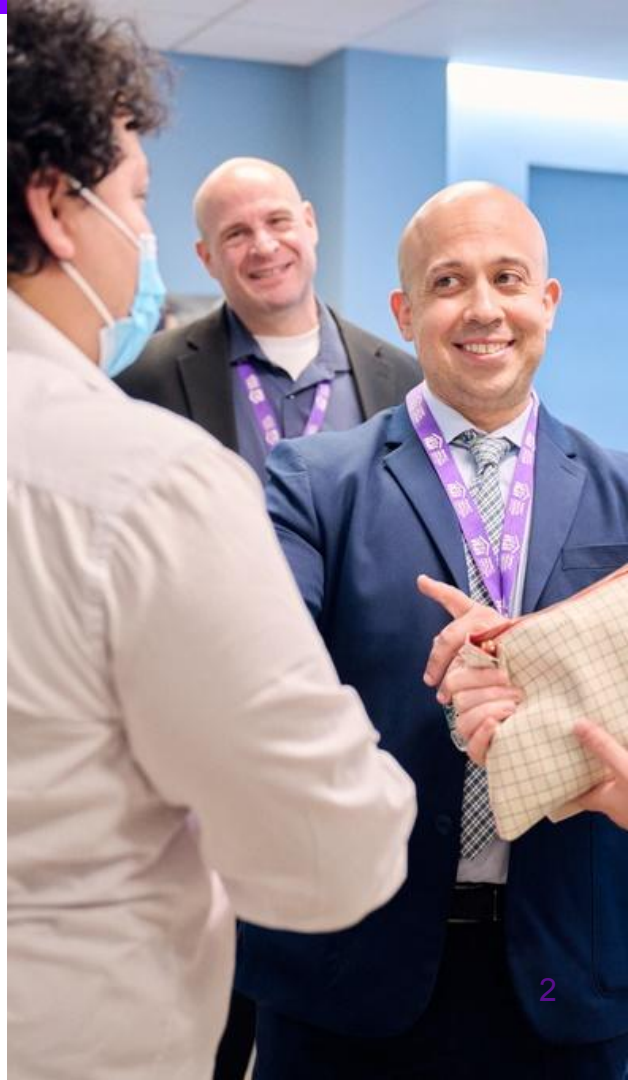
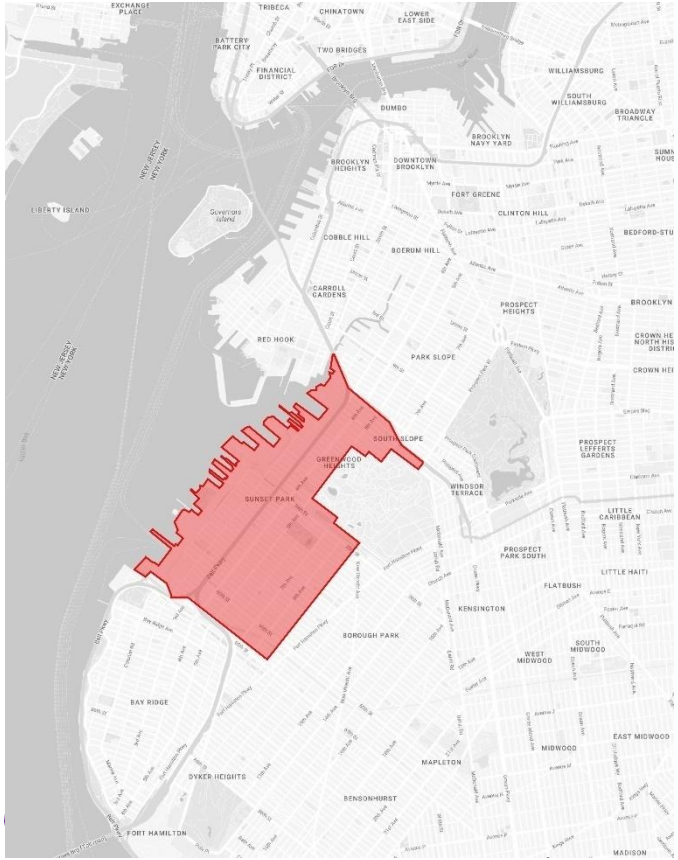


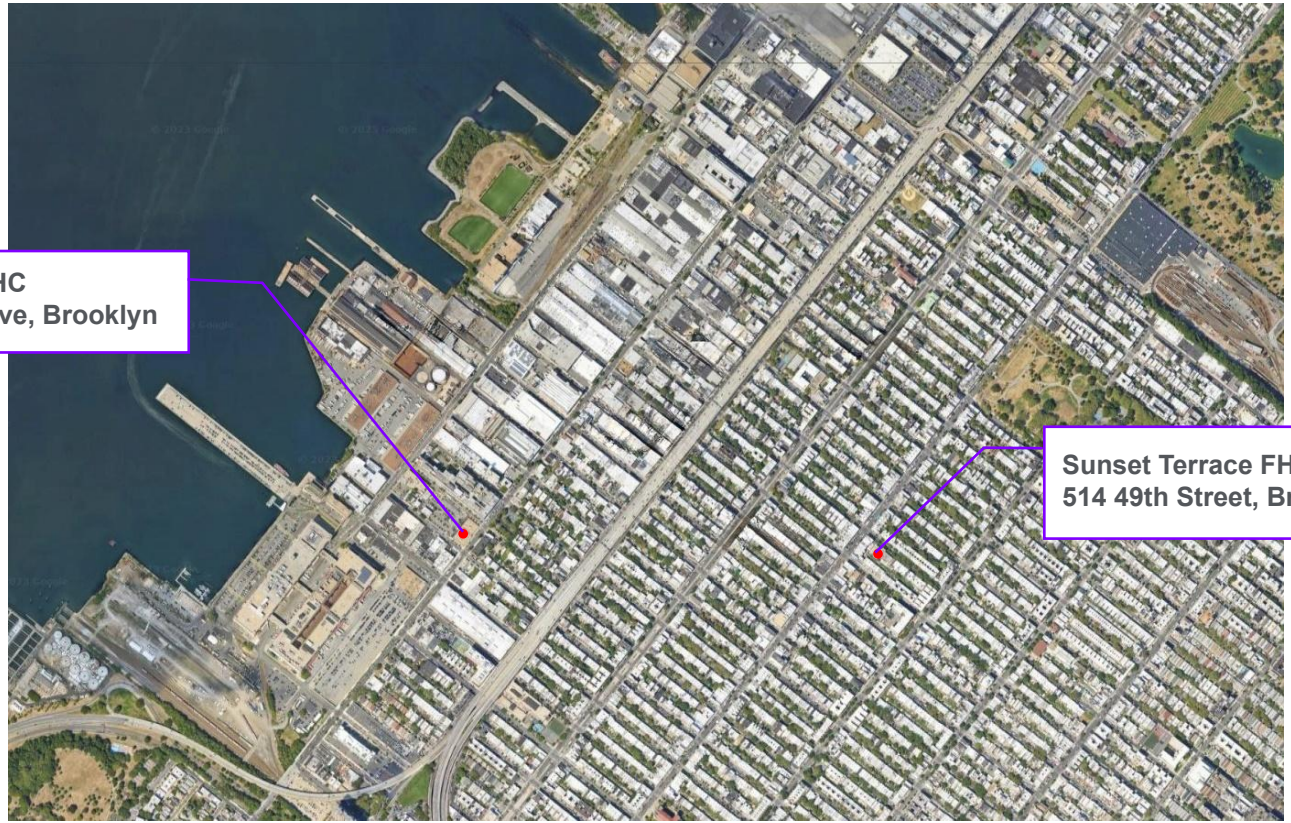
Neighborhood Profile: Sunset Park, Brooklyn



Sunset Park is an EPA environmental justice community, housing a diverse population of over 120,000 residents.

- 20.1% of households have incomes below the federal poverty level
- 45% of households face rent burden
- 24% of households receive SNAP
- Predominantly immigrant population
- Has a high level of vulnerability on the Social Vulnerability Index

Proposed Locations



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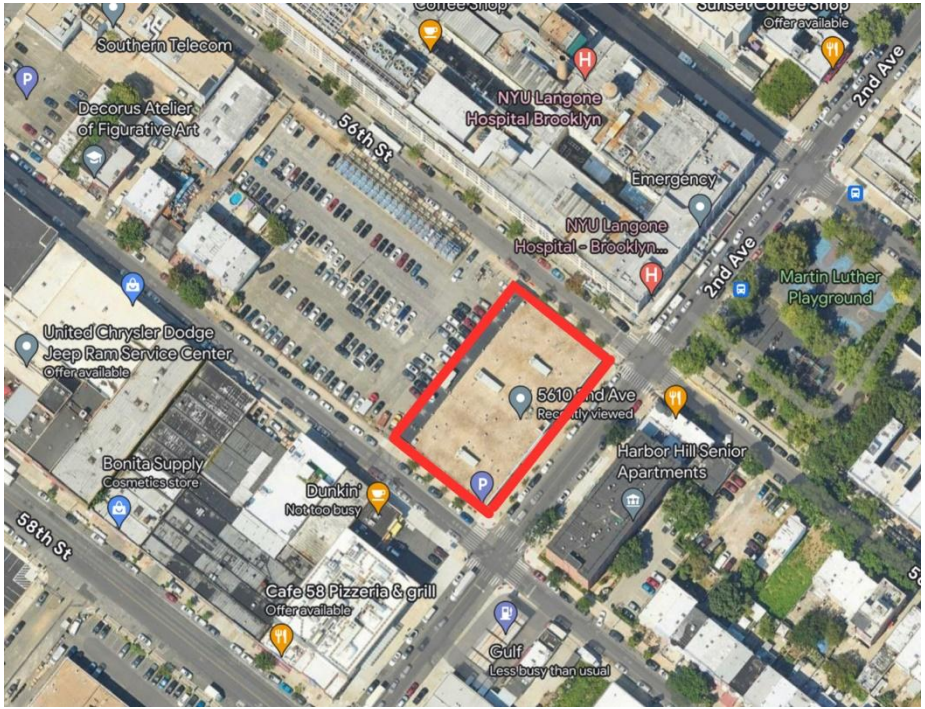
SUNSET PARK FHC

5610 Second Avenue, Brooklyn, NY 11220

PREFERRED



Site Details:	
Ownership	Owned
Use Type	Medical Facility (Article 28)
Roof Size	24,800 sqft
CY22 Electric Usage (kWh)	608,960 kWh
CY22 Electric Spend	$115,000
CY22 Cost per kWh	$0.19
Solar Parameters:	
Solar Panel Roof Size	18,000 sqft
Panel Capacity (est.)	180 kW
Annual Power Generation (est.)	196,560 kWh

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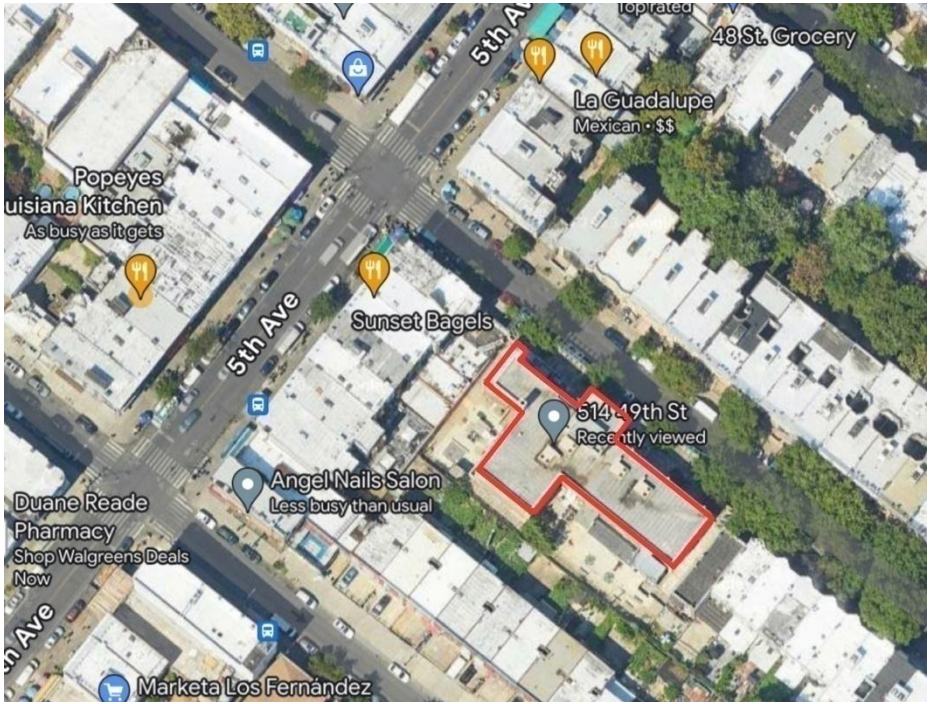
SUNSET TERRACE FHC

514 49th Street, Brooklyn, NY, 11120



Site Details:	
Ownership	Owned
Use Type	Medical Facility (Article 28)
Roof Size	8,500 sqft
CY22 Electric Usage (kWh)	544,000 kWh
CY22 Electric Spend	$102,000
CY22 Cost per kWh	$0.19
Solar Parameters:	
Solar Panel Roof Size	5,000 sqft
Panel Capacity (est.)	50 kW
Annual Power Generation (est.)	54,600 kWh

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Where We Are Today

Understanding Infrastructure Needs

- Identified potential installation locations
- Conducted preliminary review of building (electrical) services and roof conditions

Identifying methods to maximize project value

- Identified options to deliver benefits to subscribers
- Started process to integrate academic research
- Documenting processes, challenges and solutions to promote replicability

Understanding project parameters and processes

- Developed initial project scope
- Developing internal NYU processes for this new type of project (approval, award, delivery)

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Project Scope

Infrastructure

Install required electrical upgraded and maximize solar output design on selected site(s)

Financial

Select project parameters to maximize incentives and have a project ROI of 15 years or less

Community Benefit

Determine process to distribute utility credits to subscribers and study program benefits

Project Scope: Infrastructure

Maximize installed solar capacity on selected site(s)
- Understand optimal roof conditions and structural parameters for solar installation to minimize costs and complexity

Create an internal process that can be scaled to future sites

Determine solar utility structure - CDG or remote crediting

Collaborate with utility to ensure electrical service and interconnections are adequate

Evaluate complimentary strategies. i.e. back-up generators, energy storage

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Project Scope: Financial

Participate in utility, state and federal programs that provide financial support/incentives

- Con Edison's Community Distributed Generation (CDG) Program (VDER tariff)
- NYSERDA & Con Ed's NY-Sun Program
- Inflation Reduction Act ITC

Select project parameters to pursue incentives that prioritize environmental justice zones and low/medium income households

Conduct payback analysis on single site vs multiple; and PV system designs

- Estimate community benefit for 990 Schedule H claims

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Project Scope: Community Benefit

Determine methodology to distribute solar energy utility credits to subscribers • Hire a solar administrator or collaborate with community based organization to identify and manage subscribers?
Define target subscribers i.e. low/medium income, areas of high heat stress, near power plants, health issues
Analyze and develop process to best manage the public/private partnership long term
Study and document the environmental, health and community impacts and benefits of this intervention
Document processes and program structure as a case study for other health systems to utilize and replicate

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Introduction

QUESTIONS TO ANSWER TODAY

1. What are approaches to maximize incentives to improve project payback?
2. What are the criteria and metrics for success?
3. How can this project be replicable for others? i.e. documentation, case study
4. Who would respond to this RFP?
5. What are key qualifications should responders have?
6. Should this be a single of multiple RFP, and/or allow joint responses?
7. Any other important considerations or items?

APPENDIX

CDG Net Crediting

- Con Edison has implemented "**Net Crediting**" billing for Community Distributed Generation (CDG)
- For projects that opt-in, Utility will collect subscription fees from CDG subscribers and will remit those fees as a payment to CDG Sponsor
  - The fee is a % of credit from the CDG Sponsor; subscriber's will therefore see a "net credit" on their bill, equal to the gross credit value less the CDG subscription fee
- Simplifies CDG revenue & collections
- Aims to increase LMI participation in CDG by removing credit checks/barriers
- Became effective in 2021

CDG Billing comparison

	Traditional CDG	Net Crediting CDG
Subscriber acquisition	By CDG Sponsor	By CDG Sponsor
Valuation	Value Stack rates	Value Stack rates
Monetization	Bill credits to Subscribers	**Partial** bill credits to Subscribers **+ payment to CDG Sponsor**
Subscription cost recovery	CDG Sponsor bills Subscribers	**Utility bills Subscriber as a % of the gross credit value**

CDG Net Crediting requirements

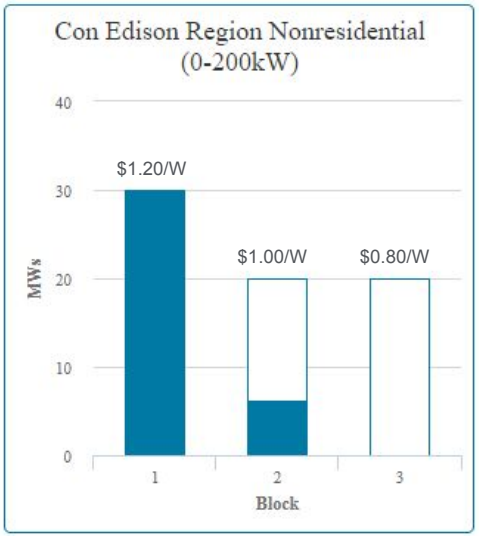
- Similar requirements as traditional CDG, plus:
  - Must execute a Net Crediting Agreement (contract) with the utility
  - Submit Net Crediting enrollment forms, including allocation & savings rate

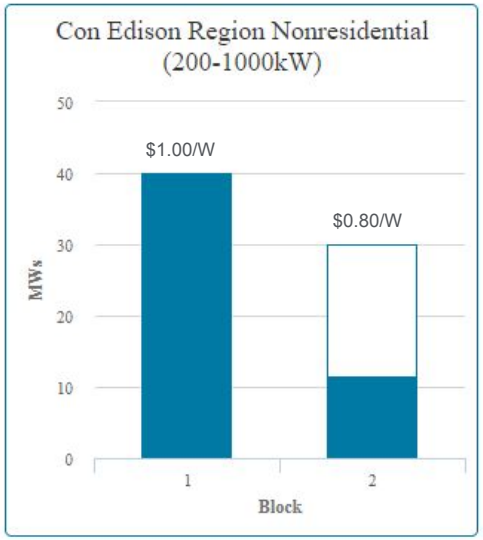
	Con Edison Account Number	Con Edison Account Name	Allocation Percentage	Anchor Satellite
1	850320671200012	ACME Headquarters	40.000%	X
2	850320672300003	ACME Warehouse	10.000%	
3	941320332520082	Stark Labs	10.000%	
4	155623447586120	Stark Midtown	10.000%	
5	965201160228540	Stark Helipad	15.000%	
6	923525630310500	Wonka Industries	15.000%	
7				

CDG Savings Rate: 10%

    - CDG savings rate applies to all satellites, except for up to 1 anchor satellite
  - Provide ACH banking information
- See coned.com/dg, Guides & Specifications for enrollment documents

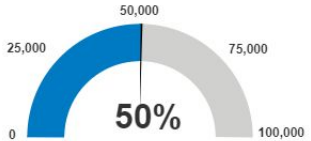
NY Sun Con Edison Incentives?





Con Edison Community Adder Tranche 1

The incentive rate for the first tranche of the Con Edison Community Adder is $0.20 per Watt. Additional tranches and incentive rates may be announced in the future as funding in Tranche 1 reaches full allocation.



- **Total Block Size:** 100,000 kW
- **Amount Submitted to Date:** 50,439 kW
- **Remaining Amount:** 49,561 kW

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NY Sun Con Edison Incentives?

Inclusive Community Solar Adder

The Inclusive Community Solar Adder (ICSA) is available for community solar projects serving low-to-moderate income (LMI) subscribers, affordable housing, and other facilities serving disadvantaged communities . The goal of the ICSA is to increase access to community solar and resulting electric bill savings for LMI households and to reduce operating costs for affordable housing and nonprofit entities serving disadvantaged communities. The ICSA initially launched on July 20, 2021 and Round 1 closed on June 7, 2022. The following information applies to Round 2 which launched on October 12, 2023 and is currently accepting applications.

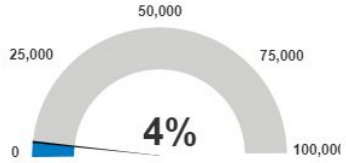
Project Eligibility

To be eligible for the ICSA, projects must meet the following:

- Be metered as CDG
- Meet the requirements of the NY-Sun Commercial/Industrial or NY-Sun Nonresidential Program
- Be in "Approved" status
  - Projects that achieved commercial operation approval from the utility after June 7, 2022, but before October 12, 2023 are also eligible to apply for Round 2 of ICSA
- Dedicate no less than 40% of the project capacity (Wdc) to Eligible Subscribers, and dedicate no less than 50% of the ICSA portion of the project capacity (Wdc) to eligible residential subscribers.
  - Details on how to demonstrate the project capacity requirements can be found in the Program Manual.

Region	Project Type	Adder ($/Watt)	Adder Capacity Block (MW)
Con Edison	• CDG Project • Minimum guaranteed discount of 10% • ≥50% of ICSA capacity filled with Eligible Residential Subscribers	$0.20	100 MW

Con Edison Community Solar Projects



- **Total Block Size:** 100,000 kW
- **Amount Submitted to Date:** 3,573.14 kW
- **Remaining Amount:** 96,426.86 kW

Inflation Reduction Act