Puget Sound Energy's Solar Grants Frequently asked questions

Q1: Can one applicant submit applications for more than one building/site?

Yes, an eligible applicant may submit applications for more than one site. However, there must be one application completed per project site. PSE will prioritize awarding funds to multiple, geographically diverse agencies before awarding funds to two sites.

Q2: If our organization was awarded a Solar Grant in the past, does that disqualify us from this round of funding?

Being a past grant recipient does not disqualify an applicant. However, in order to increase access to solar, PSE will highly prioritize applicants who have not received solar grant funding from PSE in the past. Tribal entities are exempt from this condition.

Q3: Should we pick an installer bid before completing the application?

Yes. In fact, PSE strongly encourages you to select a solar installer after receiving multiple bids, before completing the application. The selected installer can help complete several parts of the grant application.

Q4: Are applicants required to enter into a contract with an installer prior to submitting a grant application?

PSE prefers projects that have a contract in place that extends to the award notification date. Contracts may be contingent on award of funding. However, if contracting prior to application is not possible due to public bidding requirements or other circumstances, please explain these circumstances in your application and include a firm bid from your preferred installer.

Q5: What is Total Solar Resource Fraction?

Total Solar Resource Fraction is a measure of the shading present on the site. An installer who completed a site assessment can provide this number, which is expressed as a percentage.

Q6: How should we include (or where should we describe) leveraged in-kind donations?

Any in-kind donations should be described in the application question: "Describe efforts to ensure that the proposed budget represents the maximum value for the cost of the project."

Please describe any commitments or expectations of applicant to recognize in-kind donors. Do not include the value of in-kind contributions in the Project Budget section; this section should only include actual costs to the applicant.

Q7: Can an applicant get information on the grid capacity to accommodate solar in the area of a proposed site prior to submitting the application?

Your selected installer can check with our Customer Connected Solar team about the transformer capacity prior to bidding a project. The team will do their best to provide them information in a timely manner. However, it is not a requirement to submit an application. PSE may evaluate the feasibility during the grant selection process and may raise that as an issue to discuss during negotiations on the grant award. PSE may work with the applicant and their installer to address any potential gird/transformer capacity issues; including possible solutions such as a different project size.

Q8: Will this be a prevailing wage project?

Prevailing wage is not a requirement except where the applicant is otherwise required to pay prevailing wages.

Q9: Our organization has individual meters for each apartment but we also have a centralized meter for the building that the agency covers. Would this building be eligible? Or do the individual meters disqualify it?

The metering set-up, outlined in your question, would not be cause for disqualification from this grant opportunity. Metering configuration will be an important topic to discuss with solar contractors when obtaining bids and discussing feasibility and system sizing/design. We suggest applicants, and their solar contractor, look at the amount of energy use billed to applicable metered accounts. Keep in mind that a solar array will only reduce the electric bill of the metered load that it is connected to the solar project (and, optionally, one other meter on the property that bills to the same customer).

Possible solutions may include:

- 1. An applicant may propose multiple systems, each interconnected separately and sized to offset the individual loads with the cost and ownership of the arrays being grouped together for one grant. The organization would need to decide if they want to put electric billing for the units served by solar in their name or if they're ok with the grant being used to lower individual tenants' bills.
- 2. An applicant may propose a single interconnected system to offset "house load" or common areas, which would reduce organizational operating costs. If the system is larger than 100 kW AC, it may be eligible for financial compensation for extra energy returned to the grid through the Solar Energy Credit program.

We recommend discussing these options with a solar contractor(s) to better understand the implications of each.

Q10: We are currently in the process of applying for a Solar Grant. If we apply for a PSE Foundation grant, will that disqualify us from potentially being a recipient of the Solar Grant?

An applicant will not be disqualified from Solar Grant consideration for applying to or receiving a PSE Foundation community grant.

Q11: What if someone other than the applicant pays the electric bill at the project site?

While this does not disqualify the project, the applicant will need to demonstrate how utility bill savings resulting from the installation of the solar project will flow to the applicant and then on to historically marginalized community members.

Q12: Can we apply for a Solar Grant for an expansion of a current system?

Yes. Projects that include expansion of a current system are eligible to apply. However, please note that PSE may give preference to new solar projects at locations where a solar project did not or does not currently exist.

Q13: Does the grant recipient have to be the same legal entity as the end electric customer?

No, the grant recipient does not need to be the same legal entity as the end electric customer as long as both the recipient and the end electric customer/entity receiving the reduced utility bill are eligible recipients.

Q14: Does PSE consider ground mount or carport systems eligible for grant funding?

PSE would consider both the ground mount and carport options as eligible under this grant.

Q15: How would someone sell Renewable Energy Certificates (RECs) to PSE?

Currently, for the grants, PSE requires that the owner of the system retains the RECs so if you were awarded the grant, you would not be able to sell them to a third party entity. Selling the RECs precludes the solar project owner from making any claims regarding the environmental benefits of the system since those benefits would be conveyed to the party that purchases the RECs.

In some cases, PSE may purchase RECs through a Renewable Energy Certificate Purchase Agreement. This agreement can be anywhere from 5-10 years and represents only the value of the environmental attributes of each kWh generated by the project. The energy benefits are still conveyed to the project owner through the net metering agreement.

Q16: Who owns the installed system? Does the recipient own it or PSE?

The installed solar energy system will be owned by the recipient of the grant and/or owner of the land or building on which it is installed. PSE does not take ownership of arrays installed as a result of Solar Grant funding.

Q17: Are new meters eligible expenses for grant funding?

Yes. If a new production meter is required to support the installation, that is an eligible cost. Please include relevant details in the 'Other solar installation costs' line item of the budget table in Section D of the application.

Q18: If the building we are placing solar on is new construction, must it be occupied by the time the system is commissioned?

Not necessarily, but please note that PSE would like to see as little of a gap between the system install and benefits realization for historically marginalized community members as possible. A larger gap between system commissioning and building occupancy or benefits realization may factor into our evaluation of your application.

Q19: Are we eligible to receive grant funding even if we will be purchasing and installing the solar array before we know if we have been awarded and the grant funds will act as a reimbursement?

The situation you outlined does not disqualify you from applying/receiving a Solar Grant. However, please be aware that the grants are competitive and we will still need to assess your project against all the other projects we receive. Please ensure you are able to cover the cost of the solar panels without PSE funding, as it is not guaranteed.

Q20: We are considering requesting the maximum award amount. Are award amounts 'all or nothing' or does PSE sometimes offer a partial award?

In particularly competitive rounds, PSE has offered applicants a partial award as opposed to denying their application entirely.

Q21: Can the Solar Grant funds be used for batteries?

No, the Solar Grants are only for solar at this time. However, applicants are welcome to stack funding sources. For example, if you did receive **Department of Commerce funding** for a battery or battery and additional solar, those funds can be paired with Solar Grant funds to expand your project. If you go this route, please share in the Budget section of the application how all funding sources stack, including any tax credits, and show that all the different funding sources total no more than 100% of the total project costs.

Q22: How are these grants funded?

Funding Package A, for projects less than or equal to 100kW AC, is funded by <u>Green Power</u> and <u>Solar Choice</u> participants. Funding Package B, for projects greater than 100 kW AC, is funded by the <u>Solar Energy Credit</u> program.

Q23: How do I know if my project is at, above or below 100 kW AC?

When providing bids, solar installers will assess your roof's capacity and size the system appropriately. The installer can provide you the system size in kW AC.



Q24: What does interconnection mean, and what is the process?

Interconnection means connecting a solar (or other renewable energy) generating installation to your home's electrical system. This allows you to draw power from your solar system when it's available but never lose the benefit and reliability of the PSE grid. When your system generates more power than your home is using, the excess energy goes back onto the PSE grid. When your home is using more power than your system is generating, the PSE grid is there for you. The process for interconnection differs based on system size.

For projects less than or equal to 100 kW AC:

In order to interconnect to PSE's electrical distribution system, an interconnection application must be submitted. The project must be reviewed by PSE and successfully complete a commissioning test to be approved to operate. When the project is approved to operate, the interconnection is complete.

More information on this process can be found at: pse.com/netmetering

For projects greater than 100 kW AC:

In order to interconnect to PSE's electrical distribution system, an interconnection application must be submitted and interconnection studies must be completed to ensure safe operations. Interconnection studies will identify technical requirements for the project beyond established electrical codes and standards. Please keep in mind that these requirements may result in a longer study process and additional project costs. When interconnection studies are complete, the project must sign an interconnection agreement with PSE and successfully complete a commissioning test to be approved to operate. When the project is approved to operate, the interconnection is complete.

More information on this process can be found at pse.com/distributedrenewables

Please note: A qualified installer will be able to navigate the interconnection process with customers.

Q25: Can zoning codes impact the ability to site solar projects?

In some instances, yes. Please work with your selected solar installer to review any zoning restrictions that may apply.

Q26: Can I estimate the size of my project and its TSRF prior to contacting a solar installer?

Google's Project Sunroof and PVWatts Calculator (<u>nrel.gov</u>) are options for conducting a preliminary review of your site. However, working with a solar installer will result in the most accurate assessment.

Q27: Are production meters required for projects applying for the Solar Grants?

No. Production meters are not required but may be requested.

Q28: If awarded, how will an awardee receive grant funding?

After a Funding Agreement is signed between PSE and the grant recipient, funding is disbursed at two milestones. The first 50% of grant funding is disbursed after the awardee provides PSE with a copy of a signed contract between the awardee and their chosen installer. The final 50% of grant funding is disbursed after the project completes interconnection. The default is to disburse grant funding to the awardee, but upon request, PSE can disburse funding directly to the awardee's chosen installer.

Q29: What are examples of workforce development opportunities for historically marginalized community members?

Examples of workforce development opportunities include but are not limited to 1) opportunities for community members to shadow the solar installer as they work on the project and 2) educational sessions about solar installation to community members.

Q30: Our organization cannot enter into or negotiate any "choice limiting contracts" prior to receiving notification of a successful award and potentially conducting an RFP or receiving other regulatory approvals. Would it be possible to submit an estimate only from one or more solar contractors instead?

Yes, please submit the bids you receive and fill out the application with information from your preferred bid. In the project timeline, please note how your organization's policies or regulatory commitments may impact next steps and timeline.

- Q31: Is the cost of establishing Wi-Fi to connect solar monitoring services an eligible expense?

 The initial cost to set up the Wi-Fi will be considered an eligible expense. However, any ongoing monthly payments for the Wi-Fi are ineligible.
- Q32: Have you awarded a church before in this process? What makes a church competitive?

Churches are eligible and have been awarded in the past. Midway Community Covenant Church received a grant in 2023 and Kent United Methodist in 2021. What will be considered most highly during the review process is how an applicant will use the savings on their utility bill to directly benefit historically marginalized community members. Typically, churches that have been considered in the past have on-site programs like meals for those in need, car camping for the unhoused, or free childcare for local low-income families.

Q33: The site currently has too many tall trees to meet the 75% TSRF requirement. The applicant is open to replacing the trees with a lower growing variety. Could they apply if they committed to removal and a 75% TSRF?

Yes, this project would still be eligible. The applicant should explain the details of this process in the exception section under A. Eligibility Questions and in the Timeline section of the application. Please also note that landscaping and tree removal are ineligible costs for the grant, so it would be at the applicant's expense.

Additional questions can be submitted on or before August 13, 2024 to psegreenpower@pse.com. Answers will be posted biweekly at pse.com/applysolargrant.