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# ELAB LEAP MEETING NOTES

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JUNE 23-24, 2016



# TABLE OF CONTENTS

**ELAB LEAP..... 3**

- WHAT IS ELAB LEAP?.....3
- WHY FOCUS ON NEW YORK? .....3
- WHAT IS A CHANGE LAB? .....3
- WORK TO DATE.....3

**JUNE 2016 ELAB LEAP MEETING ..... 4**

- CONVENING PURPOSE .....5
- PARTICIPATING ORGANIZATIONS .....5
- AGENDA OVERVIEW .....6
- CHECK-IN/CHECK-OUT .....7
- NEXT STEPS .....8

**FRAMEWORK: THREE TYPES OF INNOVATORS..... 9**

**LEARNING CONVERSATIONS: INSIGHTS FROM INNOVATORS ..... 11**

- JAMES NEWCOMB, RMI: “EMERGING BUSINESS MODELS” ..... 11
- UMBER BAWA, RABBLE: “BACKYARD UTOPIA” ..... 12
- BEN HEALEY, CT GREEN BANK: “GETTING NEW IDEAS FUNDED” ..... 13
- HANNY HINDI, BIONIC: “SCALING IMPACT WITHIN AN ORGANIZATION” ..... 13
- DR. SUSAN SPENCER, ROCSPOT: “ROCSPOT” ..... 14
- JOSH GOULD, CON EDISON: “INNOVATING AT THE UTILITY LEVEL” ..... 14
- DAN CROSS-CALL, RMI: “VALUE OF DISTRIBUTED ENERGY RESOURCES” ..... 15

**REV: UPDATES AND IMPLICATIONS FOR OUR WORK ..... 16**

**SURVEY: NY STATE GOVERNMENT LMI ENERGY ACTIVITIES ..... 20**

**SUMMARY OF LAB INITIATIVES..... 22**

- PUBLIC PARTICIPATION .....22
- LENDER LEARNING .....22
- COMMUNITY ENERGY PROJECT .....23
- REVITALIZE .....23
- INPUT INTO CON EDISON’S LMI RFI .....23

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# ELAB LEAP

## WHAT IS ELAB LEAP?

e-Lab Leap is a change lab convened by Rocky Mountain Institute (RMI) in the state of New York with a convening purpose *to empower and improve the lives of low-income communities and households in a clean energy future*. e-Lab Leap engages a diverse group of organizations throughout the state, including low-income and consumer advocates; environmental groups; community-based organizations; federal, state, and local government entities; housing authorities; housing developers and managers; utilities; regulatory agencies; foundations; financiers; and distributed energy resource service providers.

For detailed information regarding e-Lab Leap, please visit our website: [www.rmi.org/elab\\_leap](http://www.rmi.org/elab_leap)

## WHY FOCUS ON NEW YORK?

Today, deeply entrenched barriers continue to make it difficult for low-income communities and households in New York (over 30 percent of the total and rising) to access clean energy benefits like better health, environmental resilience, and economic growth. At the same time, a number of recent developments present interesting opportunities to address how low-income households participate in and benefit from clean energy choices. These include landmark regulatory shifts like New York's Reforming the Energy Vision (REV) proceeding, post-Superstorm Sandy resilience efforts, ambitious state climate goals, local and city plans, and an increasing range of customer choices and emerging business models around distributed energy resources (DERs).

Today's shifting energy landscape in New York is demanding new things of policy makers, practitioners, and communities alike. With that comes a greater need for new and nontraditional working partnerships between a broader set of stakeholders.

## WHAT IS A CHANGE LAB?

A social change lab is a method for bringing stakeholders together to better understand a complex problem and to work together in new ways to progress "stuck" issues. RMI is cultivating this lab as a space to foster creative, collaborative, and systemic solutions. This is done through facilitated group processes to help participants:

- Develop a shared understanding of complex problems,
- Identify mutual opportunities and interests, and
- Build capacity to work together to champion the design and implementation of new solutions.

In convening e-Lab Leap, RMI draws on knowledge and experience we've gained from the [Electricity Innovation Lab](#) (e-Lab), a nationwide change lab we have been convening around electricity innovation for over three years. We work with change lab and facilitation expert Reos Partners to help design Leap and facilitate its major meetings.

## WORK TO DATE

The NY Change Lab empowers and supports stakeholders to work together to make progress on low-income clean energy opportunities. This work is carried out through lab initiatives, which are prototyped during lab meetings to create innovative and collaborative solutions to low-income energy challenges. All lab initiatives are championed and implemented by lab participants—supported by RMI—and are currently making progress on a 100 percent volunteer basis. At our meetings in June and November 2015, participants co-created several working initiatives, which they have since championed and advanced forward; a comprehensive list and description of initiatives can be [found on our website](#).



# JUNE 2016 ELAB LEAP MEETING

## CONVENING PURPOSE

The third meeting of e-Lab Leap convened on June 23–24 in New York City at the Columbia Faculty House, bringing together over 50 stakeholders who work at the nexus between energy and low-income communities and households. The convening purpose of the meeting was *to empower and improve the lives of low-income communities and households in a clean energy future*. The objectives of the meeting were to:

- Further develop a shared understanding of the current situation for low-income households and communities in New York, and continue to identify key leverage points for meaningful change.
- Equip participants with knowledge on key topics such as REV and emerging business models targeting low-income communities.
- Provide participants frameworks and insights to further their work, such as an entrepreneurial mindset.
- Create opportunities for participants to continue developing relationships within the lab, and share challenges, opportunities, and lessons learned.
- Build on the progress of lab initiatives, and provide tools and time for advancing initiative work.

## PARTICIPATING ORGANIZATIONS

June 2016 participants represented over 30 organizations, including not-for-profit, private sector, government, community based organizations, and foundations. Approximately 20% of participants were new to e-Lab Leap, while about 30% of attendees were ‘veterans’ of the lab, having participated in both of the prior lab meetings.

Alliance for a Green Economy	NYS Department of Public Service
Association for Energy Affordability	NYS Homes and Community Renewal
Bionic	NYS Energy Research and Development Authority
BrightPower	Office of the Governor
Chhaya Community Development Corp.	Office of Temporary and Disability Assistance
Citizens for Local Power	Ridgewood-Bushwick Management Corp.
Community Preservation Corporation	PUSH Buffalo
Con Edison	PosiGen
Connecticut Green Bank	Pace Energy and Climate Center
Erie County Government	Pratt Center
Green City Force	rabble.
Housing Works	Robertson Foundation
Lime Energy	Rocky Mountain Institute
New York City Environmental Justice Alliance	ROCSPOT
Northern Manhattan Improvement Corporation	The New York Community Trust
Natural Resources Defense Council	The Regulatory Assistance Project
New York Community Trust	WE ACT for Environmental Justice
NYC Mayor’s Office	

## AGENDA OVERVIEW

eLab Leap meetings are not like typical conferences, where attendees float in and out of individual sessions. Rather, meetings are curated to bring all participants through an arc from start to finish. Rather than defining challenges and immediately jumping to solutions, meeting agendas take participants through a purposeful detour to ultimately arrive at objectives for maximum impact.

**Day 1:** On the first day, significant time is dedicated to building a common understanding of the issues at hand, and identifying and exposing divergent opinions and ways of thinking. The agenda on Day 1 was designed to:

- Familiarize participants with the social lab context
- Challenge assumptions and generate questions
- Express and understand various stakeholders' frustrations and difficulties
- Better understand REV and its implications for LMI communities
- Inspire participants with new tools and ideas to tackle the convening question
- Developing a shared understanding across the lab of the current situation for low-income communities in NY

**Day 2:** On the second day, participants reflect on the divergent and passionate opinions from the previous day to propel the group forward. Concepts are given time to 'cook', and participants converge on insights and actionable ideas. The agenda on Day 2 was designed to:

- Reframe specific frustrations and difficulties into broader structures and patterns
- Reflect and internalize the key learnings and emotions surfaced on Day 1
- Converge on opportunities for collaboration and action
- Provide time and support for initiative teams to meet
- Develop next steps for eLab Leap and the initiatives

### PROCESS TOOL: GROUND RULES



eLab Leap meetings use cutting-edge group process and facilitation techniques to engage stakeholders across different sectors and hierarchies, to support change at the individual, team, organization, and system levels. One such process used is the establishment of Ground Rules by which to convene the group. Ground Rules are instrumental in building trust and transparency in the team, "democratizing" the plenary space and flattening hierarchy in the team (everyone is subject to the same "rules of engagement" for this work), and because "being present" (i.e. not checking cell phones, not thinking about other business, not just debating with colleagues in the meeting) is important for progress. The Ground Rules established for this meeting were:

1. Be present: turn off phones, or turn them to silent, take calls outside the workshop room, listen to what colleagues in the meeting are saying, be present to what is happening in the work. Also, if you have to leave before the meeting close, let others know so we can recognize your departure.
2. Keep confidences: you can say what was said, and you can say who was in the meeting, but you can't say who said what (quote someone) unless you get their permission. Also be careful about sharing details that would easily identify someone because of their institutional affiliation or perspectives.
3. Be open and have a beginner's mind: in the expert's mind, there are few possibilities, in the beginner's mind there are many
4. Stand when you speak: please also say your name before speaking (at least on the first day)

## CHECK-IN/CHECK-OUT

### Why is it important that I'm here today?

- “I’m interested in being involved in discussions that wouldn’t happen otherwise.”
- “Our community needs a voice in privileged spaces such as this.”
- “I’m interested in seeing what comes out of this meeting beyond the bounds of the normal discussions on the subject.”
- “I’m here because of [my] role, and to make sure that different perspectives [are] taken into account when making policy. I hope that the creativity, and energy, and level of excitement are still here. How are we going to do this? We’re here, we’re doing it at the highest levels of state government. Energy is not a luxury, it’s a necessity.”
- “I’m here to understand the decisions that are being made - which are working and which aren’t working.”
- “The LMI community is incredibly diverse, we cannot be treated as a monolith, and we can’t treat it as a problem that needs to be solved”

### How are you feeling? What is one question that you are holding?

- “I’m feeling hopeful that there is a possibility that this process of structuring our sector in NY has a chance to work for LMI households and create a replicable model across the country.”
- “I’m excited and I’m curious. They are watching us, NY is leading the nation, the spotlight is on us. They want to know how are we doing this and how are we implementing this. I’m curious how we can continue this, how it comes to fruition, and how we can do it at scale.”
- “When the innovative models arise, how will they be received?”
- “I feel grateful for all of the honesty that people bring... where people are at and where they hope to be.”
- “How can we turn these relationships into something and harness that knowledge?”
- “I’m a little worried that the positivity and good intentions/ideas will not translate into actual impact for LMI communities. My question is, what can we do to ensure that is not the case?”

### What was one key takeaway? What is your commitment moving forward?

- “Having heard really creative, interesting ideas in the sphere of new business models, I want to keep seeing these through. I want to see it happen faster. I commit to working on those ideas to bring them into reality.”

#### PROCESS TOOL: CHECK-IN/CHECK-OUT



eLab Leap meetings begin with a process we call Check-in, where we ask questions to help participants get to know one another, invite communication, and help orient to the work at hand. We also use Check-in to build trust and transparency and to “democratize” the plenary space and flatten hierarchy in the team — everyone is invited to talk, and given a time limit of 30 seconds.

Likewise, meetings close each day with a Check-out, where we ask questions that invite participants to reflect on the work done so far. Check-out also allows participants to get a sense of what others are thinking, and provides a formal close to the day.

The Check-in/Check-out questions for this meeting were:

- Why is it important that I’m here today?
- How are you feeling?
- What is one question that you are holding?
- What was one key takeaway?
- What is your commitment moving forward?

- “My takeaway is that there is value in bringing a diverse set of stakeholders together. I’ve seen over the course that it’s richer each time, and I’ve learned a lot.”
- “My takeaway is that the tension was productive, [it was a] good shift when it got more real.”
- “My takeaway is that we are making progress where the policy shift is going. My commitment is to continue working on public participation so that implementation gets down to the real users that we’re focused on.”
- “So far it’s worth struggling to bring together these different types of people.”
- “My takeaway is that it sometimes requires being personal and vulnerable to establish trust and goodwill.”
- “My takeaway is that there is certainly cause for optimism, and [there is] clearly a wealth of dedication to LMI communities. My commitment is to continue to voice constituent concerns and keep them informed on decisions that will impact them.”

## NEXT STEPS

Fundamental to the social change lab approach is successful support of the initiatives and lab participants between meetings. To support the work of the initiatives before the next convening in the first quarter of 2017, RMI plans to provide each team support ‘intensives’ that help overcome specific barriers or issues they may face. Intensives can take the form of: targeted research, facilitation support in key work sessions, network connections, or targeted content or process coaching.

Beyond support of initiatives, there are additional activities that RMI intends to undertake in support of the convening purpose of e-Lab Leap. First, RMI will continue research and support of business models serving low-income customers. The publication “[Breaking Ground](#),” a profile of four emerging business models serving low-income customers and communities, has been the first step in this research and support and will provide a foundation for future work and publications. Beyond research, support of business models can take place through intensives similar to those offered in [e-Lab’s nationwide Accelerator](#).



# FRAMEWORK: THREE TYPES OF INNOVATORS

This meeting was focused around taking an entrepreneurial mindset to identifying low-income needs, and innovating on resourceful solutions. While an entrepreneurial mindset is usually associated with private enterprise, in this case we discussed how it could be productive from the standpoint of public and non-profit entities as well. To prime this thinking, participants were introduced to a framework describing three types of innovators<sup>1</sup>.

**Disruptive Innovators:** Disruptive innovators are the stereotypical entrepreneurs of start-up garage legend. They challenge existing ways of thinking and power structures with novel ideas, new purposes, and unique allocation of resources. They do not often organize into groups, which can lead to exclusion.

**Bridging Innovators:** Bridging innovators provide links between disruptors and institutions. They excel at spotting opportunities and act as brokers, coaches, buffers, liaisons, and peacemakers to help disseminate ideas.

**Receptive Innovators:** Receptive innovators are institutional entrepreneurs, or 'intra-preneurs,' who listen and incorporate new ideas, often into new regulations. They have significant insider knowledge and expertise, and know when and how to move levers and make change happen. They are under-celebrated, and not often recognized for their entrepreneurial efforts.

After being introduced to the Three Types of Innovators framework, participants engaged in an exercise called Sociogram to explore how the framework impacts their interactions with those around them. The questions for this exercise were:

- What type of innovator are you most of the time?
  - What do you think others might need to know about your role?
  - What are some unhelpful myths about your type of innovator?
- What other type of innovator role do you play some of the time?
- What is your risk tolerance?
- In the primary role that you play, what are the biggest challenges, and what kind of help might you need?

## PROCESS TOOL: SOCIOGRAM



Sociogram is an exercise that helps participants understand and visualize how they relate to each other, and how the group stands along a spectrum as a whole. Participants are asked to stand up and arrange themselves spatially based on their responses to a question. For example, "Make a line between being a morning person and being a night owl, or somewhere in between. Stand where you fit on the line." This activity can be an ice breaking and, depending on the questions posed, can "humanize" participants, flatten hierarchies, and give participants a sense of where others are coming from.

## There is a diversity of risk appetite

- "Entrepreneurialism equates with the notion of risk, it's a risk driven transition. Not all communities can bear the burden of risk in the same way."
- "I think that certain things are non negotiable and cannot allow any risk, like the principles. We cannot risk our trust and those principles."
- "My organization would like to disrupt, but when you're a bridger and you have relationships on the receptor end, how do you disrupt without [making] anyone mad?"

## There can be differences between the role individuals ascribe to themselves, versus their organization

- “[I’m] wondering how I can be a respectful disruptor in a structured environment.”
- “I work with a lot of people that are huge disruptors but my role is moderating that risk.”
- “At [our organization] we do ... bridging as we do in the lab context connecting people, resources, and ideas, but in parallel [we lead] a lot of innovating work. [We] have a history of spinouts, dedication to new initiatives; we try to create harmony between those two and it’s fun to be able to work across that spectrum.”
- “We’re trying to take really disruptive ideas to the energy system, and doing it within the sphere of government is challenging. I would say that the myth is that government can’t do that.”
- “Greentech, mobility -- the new round of disruptors are heavily regulated. You need bridgers because you can’t just start these businesses without government.”
- “People in institutions can see everything that’s happening. At some point you have to be able to switch and take the view that came to you and do something exciting and disruptive, which can be really scary.”

## Understanding innovator characteristics, myths, and needs can lead to more effective collaboration

- “Understanding the ecology of innovators helps us to be more impactful and strategic as we work with others in this framework.”
- “Many of us can fit into all three ... categories; if you’re talking to someone who has an innovative idea, you might want to point out connections...”
- “[There is a myth that disruptors] want to be working alone, [that we are] antagonistic... seen as individuals.”
- “[I’m] not particularly bold, [I] don’t have the best ideas but like to scale them from others. I want to take your ideas and convince others that [they are] great ideas.”
- “Disruptors [are] seen as individuals, the reality is that [we] need to collaborate.”
- “As a not for profit, people assume we don’t need money. As a bridger, we still need to be supported.”
- “... A disruptor a few years ago ... said, you are a ‘Gladwellian superconnector.’ Malcolm Gladwell, in his book Outliers, talks about people who make connections whether or not they mean anything at all - does a bridger only make connections when there is something in it for them? I think a bridger makes connections selflessly.”



# LEARNING CONVERSATIONS: INSIGHTS FROM INNOVATORS

Learning Conversations aim to introduce participants to new tools and ideas to inspire creative and innovative solutions around the convening purpose. Seven guest speakers participated in Learning Conversations; the speakers represented a variety of backgrounds and topics, each with a unique perspective into entrepreneurship in the low-income energy space. Speaker presentations can be [found on our website](#).

## PROCESS TOOL: LEARNING CONVERSATIONS



Learning Conversations is a process tool that introduces external guest perspectives and content in an interactive and intimate way. Each speaker provides a six-minute 'lightning' round presentation in quick succession about his or her topic of expertise. The lightning round is followed by two sessions of small group 'learning conversations' hosted by each speaker. Meeting participants choose which learning conversation to join during each session based on their needs and interests.

## JAMES NEWCOMB, RMI: “EMERGING BUSINESS MODELS”

James Newcomb is a Managing Director at Rocky Mountain Institute, where he leads the Institute's Electricity Practice. The following are key insights he shared on emerging business models in the low-income energy space. In addition to this presentation, a copy of Rocky Mountain Institute's recent publication "[Breaking Ground](#)", which details these innovative business models, was circulated.

- **New business models are emerging to serve low-income customers who have previously been unable to access DER options.** As distributed energy resources (DERs) like rooftop solar have become more cost-competitive, these options have remained inaccessible to many low-income customers who stand to benefit most from the environmental and economic advantages of DERs. Serving low-income customers cannot, and should not be ignored: they make up close to a third of the nation's households, and account for over 20% of residential energy use in the U.S.
- **New business models are emerging to serve the low-income space.** Four major ways they are adapting to serve this sector include:



1. *Transform* by identifying non-conventional sources of value, and tapping into those sources.
  2. *Reorganize* by introducing a new structural relationship, or establishing new connections and resources flows between existing stakeholders.
  3. *Aggregate* by pooling customers to unlock economies of scale and other efficiencies.
  4. *Diversify* by accessing a portfolio of different customer types to manage risk, and bring value from different customer segments.
- **RMI has profiled four emerging business models:**
    1. *The Co-op Owner Model:* low-income customers can choose a pre-pay or pay-as-you-go subscription to community solar, and transition to ownership over time.
    2. *The Building Co-op Model:* leverages existing co-op structures in low-income housing to provide tenants with pass-through access to benefits such as loans and incentives.
    3. *The Worker Co-op Model:* leverages local economic development and community resources to reduce project costs, and provide opportunity for community ownership. **For an example of this model, see Dr. Susan Spencer's Learning Conversation below on "ROCSPOT."**
    4. *The 3rd Party Load Flex Model:* provides lower cost utility bills to low-income customers for participation in load flexibility programs.
  - **There are several areas identified as emerging growth opportunities for next-generation innovators.** For example, business models creating links to other (larger) institutional budgets such as those for affordable housing, climate change mitigation, and healthcare could open up greater opportunities for funding. For more information on these emerging opportunities, see RMI's publication "[Breaking Ground.](#)"

## UMBER BAWA, RABBLE: "BACKYARD UTOPIA"

*Umbur Bawa is the Founder and CEO of rabble, an impact investing platform that connects accredited and non-accredited investors to community projects, and enables mission-aligned investment in projects with local impact. Some key takeaways from his presentation and learning conversations are listed below.*

- One vision of a "**utopia**" would be: where a need is identified by a community, a project plan is designed by a community, the project is funded by the community, the project is built by the community, energy is produced and used by the community, and benefits and returns are shared by all.
- **Impact investing is a growing field of investing.** According to the Global Impact Investment Network, the definition of impact investing is as follows: "Impact investments are investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return." With \$15.2 billion committed in 2015, impact investing is helping to adjust expectations around return for projects with additional social and environmental purpose.
- **Investment from non-accredited investors is a huge opportunity,** especially for communities to invest in their own betterment projects. Changes in policy now allow for participation of non-accredited investors; this has lowered a major barrier to entry, and can enable smaller contributions from a much more diverse pool of investors. The challenge is connecting these investors to projects.
- **Crowdfunding or crowd investment can be an important slice of the capital stack.** Crowdfunding from non-accredited investors can be used as either debt or equity, and can lower the overall cost of capital. Crowdfunding a percentage of a project can help to attract traditional investors, or provision projects that are viewed as too risky or too small for large banks.
- **There is opportunity for financing community energy projects using crowd investment.** Organizations such as rabble are moving into funding community energy projects. REV is a potential force multiplier, with a regulatory structure possessing support for monetization and project creation.



## BEN HEALEY, CT GREEN BANK: “GETTING NEW IDEAS FUNDED”

*Ben Healey is the Director of Clean Energy Finance at the Connecticut Green Bank. He discussed strategies and instruments the Connecticut Green Bank has used to facilitate investment in renewables, particularly for the low-income customer segment, and lessons learned that could be applied to the New York market.*

- **The CT Green Bank has served as a catalyst for LMI projects in the multifamily market.** The CT Green Bank has established a suite of financial products for multifamily solar and efficiency projects in collaboration with the Connecticut Housing Finance Authority. In particular, the Low Income Multifamily Energy Loan (LIME), Commercial PACE, and commercial loans credit enhanced through funds supported by a MacArthur Foundation Program Related Investment (including predevelopment loans, as further described below) can be utilized for energy efficiency upgrades. The CT Green Bank also provides solar-only PPAs for multifamily housing.
- **The CT Green Bank has also had impact on the single family LMI market.** The CT Green Bank offers a unique product with Posigen that combines solar leasing with energy efficiency upgrades for LMI customers, without the need for credit check, that limit participation.
- **Project origination and development is still a major challenge**, especially in the multifamily space. CT Green Bank’s offerings of Sherpa and Navigator predevelopment loans put the risk on CT Green Bank to support property owners through the energy upgrade process, with no payback of the loan required if the project is not seen through.
- **There is room for development of more integrated financial products** to enable low-income access to renewables and energy efficiency. While financing solar projects has become less difficult, even for affordable multifamily housing and low-income single family homes, efficiency is still a complex issue with abundant opportunity for improvement in how financing is integrated into the energy upgrade ecosystem, so that it becomes a seamless part of a more easily navigable process.



## HANNY HINDI, BIONIC: “SCALING IMPACT WITHIN AN ORGANIZATION”

*Hanny Hindi works at Bionic, a company focused on scaling impact within organizations. Bionic works with executives at large, traditional companies, and instills entrepreneurial principles of growth into their management structures so that they can compete with start-ups. The following are some of the key insights learned from his presentation and learning conversations.*

- **Effective decision making is key.** One of the processes that Bionic utilizes when consulting for large organizations is streamlined decision-making. Their process brings key decision makers together to quickly and efficiently make many small decisions, which drives downstream efficiency in their organization.
- **Enable risk-taking in large companies.** It is important to carve out space for risk-taking in large, risk-averse organizations in order to scale impact and remain adaptive to market trends.
- There is a generation of startups entering **heavily regulated** industries. This requires a shift away from the question “Am I allowed to get away with this?” to “Let’s work together to solve the problems that the regulations are meant to solve.”
- There is a major opportunity for increasing the speed and quantity of deployment of renewables by **catalyzing change and expediting decision making in large corporations and organizations.**



## DR. SUSAN SPENCER, ROCSPOT: “ROCSPOT”

*Dr. Susan Spencer is the founder, President and CEO of ROCSPOT, an organization in Rochester, NY with a goal of making solar attainable for all residents of Rochester, and powering Rochester with 100% renewable energy by 2025. The ROCSPOT Worker Co-op model is one of the emerging business models described in James Newcomb’s learning conversation, and detailed in RMI’s publication “[Breaking Ground](#).”*

- **An ideal model for public power** includes pairing of renewable energy and energy efficiency, unlocking energy poverty reduction, energy savvy customers, sustainable urban neighborhoods, and community access to the green economy.
- **72% of homes in Rochester are not qualified for residential solar** due to shading, household status as renters, or financial infeasibility. To achieve ROCSPOT’s ambitious targets for solar and renewables, a community-based model was necessary.
- **Establishment of a worker owned co-op** can drive down installation costs and provide other community benefits. ROCSPOT relies on the use of ‘sweat equity’ and other resources to lower solar costs, and provide the community with a stake in ownership of solar assets.
- **Aggregation of projects** can lead to efficiencies of scale, though securing the on-the-ground community participation requires significant effort on behalf of the aggregator. ROCSPOT has utilized a “pound the pavement” strategy of building community trust and partnerships by going door-to-door, and to churches, schools, neighborhood associations, etc.
- **Anchor institutions can be utilized** as a backstop for projects with LMI participation by temporarily absorbing defaults, and help drive down costs for LMI customers. ROCSPOT’s intended project subscriber base is a mix of 25% low-income, 45% sponsor-determined subscribers, and 35% investment-grade anchor tenant (municipal, university, hospital, or other).



## JOSH GOULD, CON EDISON: “INNOVATING AT THE UTILITY LEVEL”

*Josh Gould is a member of the Utility of the Future team at Con Edison, working on business opportunities for the growth of distributed energy resources. The following are the perspectives he shared on innovation in the LMI space at the utility level.*

- **Utilities need to be engaged in efficiently reducing the energy burden for low-income customers.** Con Edison has not been directed by the PSC to do a demonstration project specifically in the low-income space, but there are significant opportunities to better serve LMI customers with solutions that decrease bills.
- **“Putting ourselves in the shoes of LMI customers is core to this.”** Con Edison staff incorporate a commitment to diversity, inclusion, and empathy, which has driven dedication to work toward solutions for low-income customers.
- **Con Edison is planning to release a Request for Information (or RFI) to solicit ideas for an LMI demonstration project(s)** to be funded by the company. The company is using the RFI process to maximize transparency and provide an equal playing field for all applicants. The demonstration projects are intended to uncover new business models, foster new partnerships, and deliver lower-cost energy solutions to low-income customers and communities.



## DAN CROSS-CALL, RMI: “VALUE OF DISTRIBUTED ENERGY RESOURCES”

*Dan Cross-Call is a Manager in Rocky Mountain Institute’s Electricity Practice, where he has worked as a strategic advisor to the PSC on REV for the past two years. The content of Dan’s ‘lightning round’ presentation and learning conversations are included in the next section “REV: Updates and Implications for Our Work.”*



# REV: UPDATES AND IMPLICATIONS FOR OUR WORK

Reforming the Energy Vision (REV) is a landmark policy shift that strives to create a more affordable, resilient, and clean energy future in New York State. In this complete policy overhaul, there are opportunities to improve the potential outcomes of a distributed energy future for low-income households and communities. However, there is also concern that low-income communities will not be adequately served by the market-based mechanisms that will result from REV. Because of these concerns and opportunities, REV was a key focus of this convening, and was explored in a variety of formats intended to improve understanding about REV's potential impacts on LMI households and communities. This section synthesizes the key insights and takeaways regarding REV from discussions throughout the meeting.

REV is rooted in the desire for energy resilience and to avoid a status quo utility business model future that marginalizes LMI customers

In a Moderated Discussion, it was discussed that REV was partially initiated out of a concern of the impacts and energy infrastructure gaps exposed by Hurricane Irene and Hurricane Sandy, which particularly impacted low income communities. Another main motivation for REV was a desire to take a dramatic step toward a regulatory structure that could enable a 'smart grid' vision, and to challenge the conventional utility business model in support of a distributed and affordable energy future.

- “Sandy was so devastating to LMI and communities for a long time that it opened [the] governor’s mind.”
- “[The post-Sandy activity resulting in ConEdison rate case activity was] more of a resilience collaborative, part of which looked at the Brooklyn/Queens upgrade and saw that as an opportunity to put ideas into practice”
- “Everybody had a graphic of the smart grid in their briefcase; the vision has been there for a long time. A lot of businesses have grown around that notion, even though that notion was not being realized anywhere in particular.”
- “The most important benefit of REV related to LMI, is [a recognition] that the [utility business model] status quo was headed in a really bad direction. As technology kept improving, and [given] the current way that markets operate, [there was] likelihood of a death spiral. [A different future than where the current utility business model is headed is] the big driver around low income in REV [and how the question] ‘will low income customers be better under REV?’ [should be framed].”

## PROCESS TOOL: MODERATED DISCUSSION



Moderated discussion is a process tool to take a deeper dive into critical issues for a group in a manner that is both context-rich and interactive. For this session, guest speakers presented some opening remarks in response to a group survey that went out in advance of the meeting, followed by a facilitated Q&A period to explore those remarks.

## Defining the value of DER will help determine how DER projects are compensated in the future

In Learning Conversations (see pg. 15), Dan Cross-Call discussed how REV is addressing valuation method, to more accurately compensate distributed energy resource projects for value provided to the grid. The resulting “value of DER” will impact how programs and business models can serve low-income customers. Through an ongoing proceeding “In the Matter of the Value of Distributed Energy Resources,” the NYPSC seeks to define an interim net metering methodology that more accurately ascribes value of solar and other distributed resources from the customer, utility, and platform operator perspectives on a time and locational basis. The proceeding is considering an interim methodology for different resource types, including small onsite solar, large onsite solar, community solar, and remote net metering systems. The proceeding also seeks to establish “full value” methodologies that will, in the long-term, accurately value additional DER types beyond distributed generation, including load flexibility and energy storage.

## There is significant anxiety and skepticism around the uncertainty associated with REV, especially with respect to LMI impacts

This headline was developed through a facilitated session of Moving Conversations<sup>ii</sup>, which explored the diversity and nuance of opinion in the group around REV. The statements for this exercise flowed as follows:

1. “REV will lead to improved outcomes for low-income communities and households.”
2. “[REV] is going so fast and is so complex. I’m worried that LMI will be left by the wayside, or left behind, and won’t be a priority.”
3. “There is deep risk of exploitation without a more deliberate process to explore the implications of REV on the low income community.”
4. “I think [REV] has a chance at success.”
5. “I’m here [in the middle]. I still have skepticism and think we should - this process has my support but there needs to be accountability, transparency. Having a blind faith in anything doesn’t really meet with my model... the room is nowhere near as diverse as it should be.”

Additional quotes that express participants’ anxiety surrounding REV uncertainty:

- “REV is a piece of the puzzle but not the entire answer. We don’t know what the final picture will look like.”
- “There’s so much talk about REV being the answer to everything... I [feel this approach is] not a good thing and it makes me really skeptical that [REV] can actually meet the goals that people want to

### PROCESS TOOL: MOVING CONVERSATIONS



Moving conversations is a process tool to help explore the diversity and nuance of opinion in a group around polarizing topics. Moving Conversations begins with a facilitator posing a statement to a group standing around the facilitator. The group is then invited to move towards or away from the facilitator depending on whether they agree or disagree with the statement. The facilitator can then explore the emerging dynamics of the group by asking individuals why they chose to stand where they are standing, and ask the group to realign themselves based on their reaction to individual responses (e.g. “If you agree with Jim, move closer”). The facilitator can reset the group with a new leading statement, and continue to explore the resulting options that emerge.

meet for LMI. On the flip side, I feel really excited that these conversations are happening, and that can help make sure my fears aren't realized."

- "Do the architects of REV have a responsibility to commit to what happens if they fail, or don't meet these goals? I wonder how we can demand that commitment."
- "I feel like one piece missing in REV is ... thinking through impacts on LMI. I feel like there's no clear understanding of those impacts. How can you come up with solutions if you don't have an idea of how these will impact communities?"

## REV requires experimentation and demonstration projects. Lab participants expressed concern about those being driven primarily by utilities, and a desire for community-driven projects

- "[Demo projects] drive the disproportional benefit of utilities. From a market development standpoint, utility driven demo projects [do] not seem logical."
- "[I've] wrestled with how to "decenter" the utility within the REV demo project context. How do we devolve from utilities to communities?"
- "We've heard that the REV demo process is biased towards utilities; is there a way of testing ideas that is a little less rigid?"

## New business models (and supporting data) are required to make REV a success

REV depends on the development of market-based solutions. In the Moderated Discussion it was expressed that more ideas and market experience are necessary to spur the innovation required to make REV a success. The formulation of new business models, concurrent with regulations, can ensure that the regulatory models developed are supportive of new and beneficial value streams.

- "If you can release more data into the market, 3rd party developers, innovators, [and] entrepreneurs can enter into the market."
- "We have encouraged utilities to do demos not oriented towards technology, but towards new business models, to demonstrate new ways of getting revenue."
- "What is your sense of the kind of information that could be provided to the DPS that would be helpful?"  
"[Data and information that allows] visibility to more business model ideas. [The] best opportunities are seeing how [those business models] fit."

Despite momentum and optimism around new business models, some stakeholders still fundamentally disagree with the market-based premise of REV, especially where it pertains to the low-income space.

- "It's tough because I think as a society we have to decide if we only care about making money, or something else. It seems to me like we want to focus on the money, and when you only talk about market-based [solutions], that's not creative. Sure, there's creativity in a market based economy, but there's also creativity in a socialized economy."
- "Can we say that we're going to create structures that dismantle exploitation [of low income communities]? That would make me more comfortable."

## There is a strong desire from many stakeholders to participate in the REV process, and provide the DPS with LMI concerns surrounding REV

The following questions and quotes, developed through Troika Consulting<sup>iii</sup> and other discussions, demonstrate a strong desire from participants to engage and impact REV:

- “How can the DPS test, rethink, or otherwise explore new/alternative options for greater comprehension of REV and greater opportunity to participate in the decision making process?”
- “How can public participation initiative being developed (e.g. through eLab Leap) keep pace with the REV activities like Track 1 & 2 orders and demo projects underway?”
- “How can we build capacity at the organizational level to help build community awareness about REV/renewable energy? How can we create a meaningful public engagement process for LMI communities?”
- “How do policy investments such as REV create job opportunities for LMI communities?”
- “How do we find overlap between what [building] owners want and REV goals?”
- “Is there a role eLab Leap can play in REV that would be game changing?”
- “What I’m hoping is that REV is not fixed already, that it can still be molded.”
- “What’s occurring to me is that I actually believe you can imagine the people in charge of REV say, ‘we the architects of REV are open to your ideas and committed to listening to them’, I really feel that. They are open and committed. I don’t know that the system allows them, or they know any other way to hear, unless we package it up and put it into that model.... Does this group have an obligation to take on the responsibility to take on what is acceptable as crafted proposals... The burden here is to come up with something that fits into their system, but is there another way?”

### PROCESS TOOL: TROIKA CONSULTING



Troika Consulting is a process tool designed to flex both the listening and coaching skills of participants. Troika Consulting takes place in groups of three, with participants taking turns in “consultant” or “client” roles. Participants are primed with a coaching question, e.g. “What is your challenge? What do you need help with?” First, the client has an opportunity to share their question, and consultants have a short period in which to ask clarifying questions. Then, the client is instructed to turn their back and listen while the consultants converse and generate ideas, provide coaching advice, or suggest solutions. Finally, the client is instructed to turn around and share what was most helpful to them about the advice given. Then, the roles switch and consultants tackle the next client’s question until each participant has had a turn to act as the client.



# SURVEY: NY STATE GOVERNMENT LMI ENERGY ACTIVITIES

One of the gaps identified at the meeting was a relative lack of awareness on the part of many stakeholders regarding the full suite of New York State (NYS) government-led and funded initiatives focused on low-income energy opportunities. As a result of this gap, it was posited that:

- Stakeholders are not taking advantage of all of the currently available opportunities to collaborate with government and provide input into significant and far-reaching energy programs and initiatives
- It has been hard to develop the trust and partnership required for collaboration between government and other stakeholders, to the detriment of champions both within and outside of government who are dedicated to advancing low-income energy solutions.

In order to address this, a subset of lab participants drafted a "quick survey" of NYS low income energy initiatives, to quickly and succinctly educate the plenary on NYS government's numerous and complex existing efforts focused on LMI energy issues, and establish a foundation for discussion around future collaboration. For the purposes of this survey, existing efforts were broadly categorized into four major categories:

1. NYSEDA programs and activities under the Clean Energy Fund
2. DPS regulatory actions under REV
3. Low Income Energy Program Task Force
4. Affordable Housing initiatives

In addition to these NYS-led efforts, there were several collaborative forums identified in which NYS government participates which enable **broad stakeholder participation and engagement** on LMI energy issues, and which help inform the State's policy and funding choices:

- eLab Leap (e.g. Public Participation Initiative with DPS)
- Clean Energy Advisory Council LMI Working Group
- Low-Income Forum on Energy (LIFE) conferences, meetings, and additional programs

It was also highlighted that NYS government supports several efforts related to the **development of new business models** intended to increase the LMI sector's participation in clean energy projects, including:

- REV demonstration projects through DPS, including:
  - REV Connect, an upcoming pilot website and portal for customers, third parties, and utilities to connect to demonstration projects
  - National Grid's Fruit Belt demonstration project near Buffalo
- Responses to Con Edison's upcoming RFI for LMI-focused demonstration projects
- Innovative financing in the LMI energy space, particularly project proposals including participation of the NY Green Bank

## MAJOR NYS GOVERNMENT LMI ENERGY ACTIVITIES

<p><b>1. NYSERDA programs and activities under the Clean Energy Fund</b></p>	<p>Programs, funding, and resources focused on LMI customers, including a minimum \$211M<sup>iv</sup> total commitment to LMI in the Clean Energy Fund, over the next 3 years:</p> <ul style="list-style-type: none"> <li>• <b>\$162M for traditional LMI incentive programs</b>, e.g. no- and low-cost single and multifamily energy efficiency programs.</li> <li>• <b>\$10M for new LMI market transformation initiatives</b>, such as: “Retrofit NY”, REVitalize (an e-Lab Leap initiative), Green &amp; Healthy Homes Initiative, annual LIFE Statewide Conference/Regional Meetings.</li> <li>• Close to <b>\$40M for other market transformation programs</b> that can accelerate the uptake of energy efficiency, solar PV and other distributed energy resources by LMI customers.</li> <li>• Soon-to-be-released <b>LMI market characterization study</b> that will characterize the LMI market segment according to geographic, housing, demographic, income, and other energy and economic variables.</li> </ul>
<p><b>2. DPS regulatory actions under REV</b></p>	<p>Policy and energy proceedings with potential to impact LMI customers, including:</p> <ul style="list-style-type: none"> <li>• Recently authorized Low Income Discount Program providing a total of \$248M for annual utility low-income bill assistance, representing an incremental increase of ~\$120M over previous program levels.</li> <li>• <b>Community Distributed Generation (CDG) proceeding</b>; community solar white paper release forthcoming.</li> <li>• ESCO protections</li> <li>• Other energy proceedings and rulemakings such as <b>Community Choice Aggregation (CCA)</b> and <b>REV Track II Orders</b> that will affect LMI utility customers.</li> </ul>
<p><b>3. Low Income Energy Program Task Force</b></p>	<p>New collaborative effort among state agencies spearheaded by the Governor’s Office that includes NYSERDA, DPS, OTDA (HEAP admin.), and HCR (WAP admin.):</p> <ul style="list-style-type: none"> <li>• Total of approximately <b>\$750M in annual low-income energy investments</b> by NYS government across agencies.</li> <li>• Weatherization assistance that serves 18,000 homes per year; HEAP bill assistance that serves 1.4M households.</li> <li>• Task force intends to <b>identify ways to reach more customers and serve more households</b> through improved collaboration and coordination of funding entities.</li> </ul>
<p><b>4. Affordable Housing initiatives</b></p>	<p>Focus on the affordable housing channel allows the state to deliver integrated clean energy solutions by effecting programmatic changes in a mature market segment. In the affordable housing sector, NYS is supporting the following energy policies:</p> <ul style="list-style-type: none"> <li>• <b>Increasing energy efficiency standards in HCR’s competitive tax credit allocation processes</b>, including additional point allocations for projects to be built to Passive House standards.</li> <li>• <b>HCR benchmarking</b> for energy performance in low-income housing.</li> <li>• <b>Green Physical Needs Assessments</b> in partnership with Energy Efficiency For All.</li> <li>• <b>Underwriting of energy efficiency savings</b>, following the lead of Community Preservation Corporation, allowing for greater sizing of low income housing loans to fund various energy conservation measures, thereby incentivizing higher performance in both preservation and new construction projects.</li> </ul>

# SUMMARY OF LAB INITIATIVES

eLab Leap fosters the development of unique and collaborative work initiatives between lab participants. Work initiatives are created and championed by lab participants who coalesce around an idea or objective that they can use their collective expertise to advance in support of the convening purpose.

Going into this third meeting, eLab Leap had four active initiatives, described briefly below. On the afternoon of Day 2 of this meeting, participants vetted additional initiative ideas, resulting in one additional work stream, which is also described below. Participants also dedicated several hours in unstructured “team time” to support the progress of existing initiatives.

**How RMI supports initiative work:** Initiative work is carried out by lab participants on a volunteer basis. Initiative champions are responsible for managing the day-to-day operations of the initiatives, such as coordinating workplans and setting meeting agendas. In some cases, initiatives seek funding from third party sources (e.g. foundations) to carry out their work.

RMI supports initiatives through in-kind “intensives,” which can take the form of: targeted primary research, quantitative analytic support, content expertise input, periodic reviews, and facilitation/strategic process support.

## PUBLIC PARTICIPATION

There are significant opportunities to improve the public input process for regulatory energy proceedings and ensure that low-income concerns are incorporated into emerging energy regulation. This is especially critical in the case of the ongoing REV proceedings, which could play a formative, near-term role in shaping how low-income communities participate in a clean energy future. This initiative is developing a new model of effective and transparent public engagement between government agencies and community stakeholders on low-income energy issues. In 2015, the team designed and piloted two grass-tops meetings, a new meeting format focused on dialogue between community-based organization leaders and DPS.

In this meeting, the group developed short term goals to:

- Develop a ‘subway map’ for REV stakeholders to better understand the proceedings occurring around them.
- Develop a proposal to better outline their vision for the program, and to seek external funding. They hope to involve as many community-based organizations as possible in the development of this proposal, and the initiative itself.

## LENDER LEARNING

Today, not enough lenders understand the value of distributed energy resources (DERs) or have the confidence to invest at scale in low-income DER projects. This initiative is developing informational and educational materials for lenders to enable lenders to understand the value of DERs, increase knowledge and confidence in

### PROCESS TOOL: VETTING NEW INITIATIVES



Lab participants responded to the following two prompts by “filling in the blanks” on sticky-notes:

- The most important thing for this collective group to work on is \_\_\_\_\_.
- The thing I would most like to work on or have help from the group is \_\_\_\_\_.

After ideas were written down, participants were invited to read off their ideas. Participants then self-coalesced in groups, according to shared interests and objectives.

low-income DER investments, and educate building owners on the benefits of clean energy projects. This summer and fall, the group will be focusing on a guide for lenders to affordable multifamily projects, intended to increase familiarity and confidence in financing low-income energy investments. The group has made significant progress on development of content, and will be working with a consultant for feedback and solidification of content in the coming months.

In this meeting, the group discussed:

- An outline for the upcoming guide
- An inventory of content to be included, and prioritized that content.

## COMMUNITY ENERGY PROJECT

New York State budgets nearly \$600 million on low-income-relevant energy programs through state and federal funding. Programs such as HEAP, WAP, EmPower NY, utility payment assistance programs, and the Multifamily Performance Program each fund energy assistance but with different qualifications, goals, and programmatic constraints. This initiative is developing a program map to identify potential areas of overlap and alignment, and to develop two pilot projects (upstate and downstate) that demonstrate the increased impact of coordinating disparate program funding.

(did not meet during this June meeting)

## REVITALIZE

Energy plans and programs are often developed and applied top-down without meaningful local engagement or customization. As a result, many programs aren't able to take advantage of a community's greatest assets or meet its most pressing needs. This initiative is developing new opportunities for funding ground-up, community-led energy plans by leveraging existing initiatives such as Reforming the Energy Vision (REV) and the Clean Energy Fund. These new funding streams will support pilot projects that demonstrate how community-led planning efforts can accelerate low-income access to clean energy, energy affordability, environmental justice, and resiliency, and provide local workforce and economic development opportunities.

The team is currently pursuing two parallel tracks for enabling ground up community planning:

1. Development of philanthropic funding opportunities (this track has been completed, with the New York Community Trust awarding \$100,000 to the New York City Environmental Justice Alliance, supporting community energy planning in low-income areas of Buffalo and New York City).
2. Development of a government-sourced RFP (NYSERDA is leading this effort, with a goal of including an RFP process in upcoming Clean Energy Fund opportunities).

(did not meet during this June meeting)

## INPUT INTO CON EDISON'S LMI RFI

This group of lab participants seeks to provide input into the development of Con Edison's RFI related to low-income energy demonstration projects. The team will work to provide a broad set of inputs and principles from lab members and provide them to Con Edison by August 1st, 2016. They intend to explore concepts that could enable ConEd to effectively engage and aggregate low-income customers. Individuals interested in providing input as part of this process will respond to the following key questions:

1. What are the key needs that you see that the ConEd demonstration projects could address?
2. What recommendations do you have for ConEd on the process of gathering proposals and ideas?
3. Are the specific approaches that you would like to see ConEd support through its demonstration projects?
4. Do you have any other comments or recommendations?

## ENDNOTES

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<sup>i</sup> The Three Types of Innovators framework is described in [Impact: Six Patterns to Spread Your Social Innovation](#) (2015) by Al Etmanski.

<sup>ii</sup> Moving Conversations (originally called Soft Shoe Shuffle) was developed by Myrna Lewis of Deep Democracy

<sup>iii</sup> <http://www.liberatingstructures.com/8-troika-consulting>

<sup>iv</sup> \$234M is the total commitment, including \$23M dedicated to program administration

