



| **BOSS**

Black Owners of Solar Services

**BOSS
POLICY
BRIEF**

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www.blacksolar.org

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BOSS
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BOSS POLICY BRIEF



Introduction

BOSS is the largest community of African American professionals working in the solar photovoltaic (PV) space. We are entrepreneurs, financiers, veterans, attorneys, engineers, contractors, developers and other peer partners. We possess deep knowledge, experience and strategic access to the multi-trillion dollar, emerging solar and clean energy technology marketplace that is fast reshaping sustainability, infrastructure resilience and livelihoods in our country and across the globe. We have established roots and relationships in all communities, and particularly those disproportionately impacted by climate change —in the United States and abroad. Our collective efforts are making communities more resilient, sustainable and economically powerful.

The mission of BOSS is to combine and leverage our collective power to lead actionable solutions for sustained access to equitable opportunities in clean energy production, distribution and storage for Black-owned businesses.

BOSS was launched in the Fall of 2020 after an inaugural Solar Equity Summit (SES) on September 29, 2020. A common theme throughout the SES was the importance of policy in shaping markets to enable accessibility for Black-owned businesses to thrive in the clean energy sector. Energy equity is a key policy enabler to manifesting the mission of BOSS and plays a critical role in our endeavor to highlight unfair practices and provide recommendations for common actions to address them.



BOSS Member Company Energy Electives

“Our mission is to combine and leverage our collective power to lead the clean energy sector on our terms for all communities”

Executive Summary

The purpose of this paper is to share the federal policy priorities and recommendations of Black Owners of Solar Services. This paper provides an overview of national policy developments and opportunities that will galvanize a more equitable clean energy economy where Black-owned businesses are central to helping America reach its climate resilience goals. Black-owned solar businesses have catalyzed and advocated for clean energy policy at the federal, state and local levels for many years. BOSS is proud to serve as a platform for the collective voices of Black entrepreneurs and professionals in the solar services industry. Effective, sound federal policy - centered in racial justice - that scales the deployment of solar, energy storage and energy efficiency will be indispensable to our nation's clean energy transition.

FEDERAL LEADERSHIP

Justice40

The Justice40 initiative has tremendous promise to facilitate climate resilience investment that benefits Black communities. However, the term “benefits” must be effectively defined, such that direct federal investment dollars flow to disadvantaged communities, not just the climate benefits. BOSS firmly believes that there must be direct federal investment to businesses, organizations and communities of color in order to truly achieve climate justice.

American Jobs Plan

BOSS applauds President Biden’s American Jobs Plan and strongly urges Congress to pass it. As proposed by President Biden on March 31, 2021, the AJP represents a monumental \$2 trillion commitment to invest in rebuilding, decarbonizing and modernizing America’s infrastructure. Black-owned businesses will play a key role in fulfilling the vision of the AJP. The AJP, as proposed by President Biden, is an important step in the right direction on climate and job creation. Any compromise on the AJP that eliminates investment in grid modernization, climate and clean energy would be unacceptable.



Clean Electricity Standard

BOSS supports the concept of a national clean electricity standard that would require utilities to steadily ramp up their provision of clean energy to consumers within a specific time frame. We believe that America is well-positioned to achieve a 100% clean energy standard by 2035.

Federal Procurement

BOSS strongly advocates for Black business owners receiving more prime contractor awards in both the deployment and construction of clean energy infrastructure projects and the provision of research, analysis, modeling, and other supportive services for government agency contracts. For far too long, rules for government contracting have had the disparate impact of excluding Black businesses from having the prime contractor role – a role that is critical to both making a long-term impact through infrastructure projects and growing an enterprise.



BOSS Member Marine Colonel Al Trimble (Retired)

Protect Voting Rights

Voting rights are fundamental to who we are as a democracy. Our democracy is under attack and voting rights are being actively suppressed by those who aim to revive the Jim Crow era. Therefore, BOSS urges the U.S. Congress to pass the For the People Act (H.R. 1) and the John Lewis Voting Rights Advancement Act. BOSS believes that voting rights are integral to a climate resilient future and a racially just society. The will of voters has a direct impact on climate, energy and economic justice policy at every level of government. Time is of the essence and BOSS calls for the passage of these bills immediately.



FINANCE

Access to capital is a fundamental challenge for Black-owned businesses in all industries, including the clean energy industry. America has tolerated a long history, pattern and practice of shutting Black businesses out of access to capital that they are qualified, worthy and eligible for. Black businesses are more heavily scrutinized by financial institutions and when they do receive financing, they are routinely assigned higher interest rates than their white-owned business counterparts.





BOSS Member Company ReVamp Energy Solutions

National Clean Energy & Sustainability Accelerator

BOSS supports the inclusion of the National Clean Energy & Sustainability Accelerator model in the AJP. We recommend that the Accelerator be implemented to provide and leverage low-cost capital to businesses, organizations and projects that are challenged in accessing capital. It should prioritize those “last-mile” projects that Wall Street does not. Focusing on underserved businesses, and the trusted community development financial institutions and credit unions that serve them, is how America will scale clean energy and sustainability equitably.

Funding Set-Asides for Black-Owned Businesses

Federal funding streams should include at least a 40% set-aside or carve-out for direct investment in businesses owned by people of color. The 40% set-aside should serve as a floor, not a ceiling or cap in driving funding for minority-owned businesses. BOSS recommends creating a special window for Black-owned businesses modeled after the Paycheck Protection Program or Small Business Administration Economic Injury Disaster Loans program, utilizing streamlined, simplified paperwork to prioritize businesses – based on the size of the business - operating within certain demographics and geographies.

Clean Energy Finance Solutions

BOSS believes that it is imperative that we institute and scale widespread innovative clean energy finance solutions to ensure that Black communities can participate in the benefits of clean energy resources like solar, energy efficiency and energy storage. These creative solutions include such models as Pay-As-You-Save and refundable tax credits.

INCLUSIVE PROJECT SITING AND DESIGN

Affordable Housing

Increasing equitable deployment of solar requires the removal of numerous legal and regulatory barriers in the affordable housing space. BOSS supports amending rules for LIHTC, LIHEAP and other programs under the purview of the U.S. Department of Housing and Urban Development (HUD) and U.S. Department of Health and Human Services (HHS), respectively to enable scaled installation of solar for low-wealth communities.

Community Solar

BOSS supports legislative efforts that will enable millions more citizens to be able to participate in community solar. Community solar will bring transformative benefits to a diverse array of communities, particularly low-wealth and rural communities that have been most impacted by pollution from traditional power plants and the economic downturn.

Incentives for Energy Storage

BOSS supports expanded incentives for energy storage. Localized and resilient solar plus storage, or stand-alone storage, play an important role in the ability of frontline, Black and Brown communities to weather climate change and redress legacy harms of the siting of dirty peaker plants and other conventional infrastructure in their backyards.



BOSS Member Company EnerWealth Solutions

Virtual Power Plants

BOSS supports legislative and regulatory efforts that will galvanize aggregated distributed energy resources to replace legacy, aging polluting conventional energy infrastructure like peaker plants in communities of color. And as virtual power plants increasingly take shape in our energy economy, Black-owned businesses must be provided meaningful opportunities to partner with aggregators, utilities and technology companies to deploy, operate, and manage them.

“The urgency around the need to empower a diverse clean energy workforce cannot be overstated.”

WORKFORCE DEVELOPMENT

Black-owned businesses are indispensable to the Administration’s objective of cutting the nation’s GHG emissions by 50% by 2030. The workforce inequities in the clean energy industry are a direct obstacle to the achievement of President Biden’s goals. Black workers make up only eight percent of the solar and energy efficiency workforce. The urgency around the need to empower a diverse clean energy workforce cannot be overstated. BOSS supports significant federal funding for clean energy workforce development in Black communities.

Additionally, BOSS is committed to educating and training the next generation of clean energy entrepreneurs, scholars, regulators, and community leaders. We recommend that the U.S. Department of Education, U.S. Department of Energy, and other relevant agencies provide funding and programming for America’s public schools to incorporate an energy curriculum at all levels, for all students.



Andrea Hsu/NPR

BOSS Member Company Energy Electives



BOSS Member Company ReVamp Energy Solutions

BOSS ENGAGEMENT

BOSS applauds the Biden Administration's commitment to centering racial justice in all aspects of its planning for economic recovery and climate resilience. The Administration has shown leadership in prioritizing the input and guidance of frontline community-based, non-profit organizations in its climate policy agenda. It is also essential that Black-owned clean energy businesses be afforded the same level of input and consultation. BOSS stands ready to serve as a resource for the Biden Administration and members of Congress on how our country's climate agenda can be implemented effectively, equitably and profitably for Black communities.





BOSS Member Company Power 52 Energy Solutions

FEDERAL LEADERSHIP

Protect Voting Rights

At the outset, BOSS unequivocally urges the U.S. Congress to pass the For the People Act (H.R. 1) and the John Lewis Voting Rights Advancement Act (“VRAA”). In no uncertain terms, our democracy is under attack and the right of people of color to vote is being actively suppressed throughout our nation. Between January 1 and May 14, 2021, at least 14 states enacted 22 new laws that restrict access to the vote and over 380 voter suppression bills have been introduced in 48 states.¹ We must protect democracy and ensure that every citizen’s vote is counted, respected and upheld. BOSS believes that voting rights are integral to a climate resilient future and a racially just society. The will of voters has a direct impact on climate and energy policy at every level of government. Additionally, poll after poll shows that most Americans support the For the People Act.² The time is now to pass these bills and preserve the right to vote and have fair, open and inclusive elections.

Justice40

On January 27, 2021, President Biden issued Executive Order No. 14008 on Tackling the Climate Crisis at Home and Abroad. Section 223 of the Executive

Order established the Justice40 Initiative calling for recommendations for “certain Federal investments might be made toward a goal that 40 percent of the overall benefits flow to disadvantaged communities. The recommendations shall focus on investments in the areas of clean energy and energy efficiency; clean transit; affordable and sustainable housing; training and workforce development; the remediation and reduction of legacy pollution; and the development of critical clean water infrastructure.”³

The Justice40 Initiative is historic. BOSS celebrates the Biden Administration’s clear-eyed vision for a comprehensive, government-wide approach to the climate crisis and racial justice. Justice40 has the potential to galvanize environmental and climate reparative justice for communities that have long been abused, neglected and overlooked. BOSS encourages the Administration to clarify how the Justice40 initiative funds will be allocated and how benefits will be defined and measured.

BOSS believes that these “overall benefits” can and must be better defined, such that direct federal investment dollars flow to disadvantaged communities, not just the climate benefits. Specifically, local credit unions and Black-owned banking institutions should

¹ Brennan Center for Justice, Voting Laws Round-up: May 2021, available at: <https://www.brennancenter.org/our-work/research-reports/voting-laws-roundup-may-2021>

² See e.g., Prokop, Andrew, Republicans Feared Democrats’ Voting Protections Bill Polls Well: A New Poll Says They’re Right, Vox, May 3, 2021, available at: <https://www.vox.com/2021/5/3/22406391/hr1-poll-for-the-people-act>; Hutzler, Alexandra, As GOP Opposes H.R. 1, Poll Finds Majority of Republicans Support H.R. 1 Bill, Newsweek, Feb. 25, 2021, available at: <https://www.newsweek.com/gop-opposes-hr-1-poll-finds-majority-republicans-support-election-reform-bill-1572166>

³ Exec. Order No. 14008, 86 FR 7619 (2021), available at: <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad>

have a prominent role in Justice40, as they are trusted community partners focused on community economic development and revitalization. BOSS firmly believes that there must be direct federal investment to businesses, organizations and communities of color in order to truly achieve climate justice. Otherwise, incumbent, non-diverse sustainable infrastructure companies - with no meaningful, long-term track record of service to or collaboration with Black-owned businesses and disadvantaged communities - may obtain unmerited and unfair access to those funds, once again blocking access to capital for people of color.

For Justice40 funding to reach the hands of local businesses and organizations within disadvantaged communities, BOSS strongly recommends that the federal government remove any “shovel-ready” requirements for projects and businesses receiving funds - a metric that was imposed under the American Recovery and Reinvestment Act (“ARRA”). As a result of this requirement under ARRA, many Black-owned businesses were not able to benefit from the program. True racial equity and justice in our economy must be rooted in a commitment to long-term, sustainable economic growth in Black communities. Therefore, hasty disbursement of federal dollars to companies and organizations with ample, pre-existing resources will undermine the goal of economic justice.

Additionally, BOSS recommends that the application processes for obtaining the funding be simplified and streamlined. The application requirements for the Paycheck Protection Program are a good example.⁴ The PPP form was a few pages long with required attached tax documentation. A consistent concern that Black clean energy business owners raise is that the voluminous documentation required to obtain federal funding can be both cost-prohibitive and excessively time-consuming. The same applies to the reporting requirements for continued federal funding. Many small minority-owned businesses do not have the staffing capacity necessary to parse through reams of documentation while still running profitable businesses. Structuring a reasonable reduction in application and reporting documentation for Justice40 funding recipients will yield tangible benefits for both Black businesses and federal agency workflows. BOSS recommends that there be interagency, as well as

community-based, intermediaries to serve in technical assistance and capacity building roles to facilitate access to opportunities and resources.

BOSS believes that it is imperative to document, track and measure the implementation of the Justice40 Initiative. However, accountability and data collection need not be a barrier to entry for Black-owned businesses. In fact, accountability and data collection must be inclusive and transparent in the Justice40 Initiative. Justice40 must be accountable to the communities it was established to serve. Organizations, like BOSS, that directly represent the perspectives of Black clean energy business leaders should be included in the regular review and assessment of Justice40’s performance across the country.

The American Jobs Plan

BOSS applauds President Biden’s American Jobs Plan (“AJP”) and strongly urges Congress to pass it. As proposed by President Biden on March 31, 2021, the AJP represents a monumental \$2 trillion commitment to invest in rebuilding, decarbonizing and modernizing America’s infrastructure.⁵ The AJP is an appropriately far-reaching plan that calls for the fixing of America’s roads and bridges, expanding access to broadband, retrofitting buildings and upgrading transit systems and critical infrastructure. The AJP mandates the creation of clean energy jobs, transition to electric vehicles, innovative financing for sustainable infrastructure projects and the upgrading of energy transmission networks. Our electricity systems are a cornerstone of American infrastructure and economy. The AJP must include modernization and decarbonization of our electricity sector. Any omission of climate-related infrastructure funding will undermine America’s economic recovery and climate readiness. A keen focus on our transmission grid, to remove bottlenecks in the interconnection of renewable energy facilities, is a prerequisite for this recovery. Likewise, a focus on developing regional wholesale markets, especially in regions without such markets like the Southeast, is also imperative to driving rapid and efficient deployment of renewable energy.

⁴ See e.g., Paycheck Protection Program Second Draw Borrower Application - revised March 18, 2021.

⁵ White House, Fact Sheet: The American Jobs Plan, March 31, 2021, available at: <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>

Black-owned businesses will play a key role in fulfilling the vision of the AJP. The AJP, as proposed by President Biden, is an important step in the right direction on climate and job creation. BOSS looks forward to engaging with members of Congress and the Administration on making the AJP a reality and ensuring equitable and transparent implementation of the AJP once passed into law.

National Clean Energy Standard

Enacting a national standard for decarbonizing our energy delivery system will be crucial for reducing our dependence on fossil fuels and galvanizing greater generation and consumption of solar, wind and other clean energy resources. BOSS supports the concept of a national clean electricity standard that would require utilities to steadily ramp up their provision of clean energy to consumers within a specific time frame. We believe that America is well-positioned to achieve a 100% clean energy standard by 2035. Transitioning to a 100% clean energy system is an indispensable building block to facilitating building, heavy industry and transportation electrification. Such standards have proven successful in numerous states and jurisdictions across the country for driving clean energy job growth, reduced emissions and economic development.⁶

⁶ See, Barbose, Galen, U.S. Renewable Portfolio Standards: 2018 Annual Status Report, Lawrence Berkeley National Lab, November 2018, available at: https://eta-publications.lbl.gov/sites/default/files/2018_annual_rps_summary_report.pdf; Teirstein, Zoya, Biden's treacherous path to 100% clean energy just got a little easier, Grist, Feb. 4, 2021, available at: <https://grist.org/politics/bidens-difficult-but-possible-path-to-100-clean-electricity-by-2035/>

⁷ Fairchild, Denise & Kalima Rose, Inclusive Procurement and Contracting: *Building a Field of Policy and Practice*, Emerald Cities Collaborative & PolicyLink, pp. 11-12, February 2018.

Federal Procurement

“Entrepreneurship is especially critical for closing the wealth gap suffered by those with the least access historically to entrepreneurial opportunities. Increasingly, small business ownership in the United States reflects the diversity of our communities. . . Ensuring that ethnically diverse businesses grow and thrive over the next several decades will require active investment, technical support, and improved access to procurement opportunities. One area with great potential for economic prosperity for communities of color is in the growing construction industry, as America rebuilds its major infrastructure, including water/sewer systems, renewable energy, energy efficiency, and transit.”⁷

As America embarks upon a journey of recovery from the worst public health and economic crisis in recent memory, the federal government will play a fundamental role in rebuilding the economy to be climate-resilient, just and prosperous. Like the New Deal following the Great Depression, significant federal investment in infrastructure, education and workforce development will be available. Unlike the implementation of the New Deal, however, America's 21st century economic recovery will be centered in racial justice and climate resilience.



BOSS Member Company Tampa Bay Solar

BOSS appreciates President Biden’s focus on facilitating equity in procurement as demonstrated by his January 20, 2021 Executive Order No. 13985 on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government.⁸ This Executive Order requires that federal agencies conduct an Equity Assessment examining obstacles and barriers to agency procurement and contracting opportunities. The Executive Order calls on federal agency leaders to increase engagement with community-based and civil rights organizations.

Federal government procurement and contracting with private industry will play a central role in building back better. If the Administration is to fulfill its commitment to racial justice, Black business owners must be able to access government contracts. BOSS acknowledges that, over the years and in various forms, multiple federal agencies have had contractor inclusion programs such as the Small Disadvantaged Business program, U.S. HUD Local Hiring Policy and the EPA Office of Small Business Programs Disadvantaged Business Enterprise (DBE) Program.⁹ However, these programs have not made nearly the impact necessary to accelerate the participation and growth of Black-owned businesses in the clean energy economy.

Facilitating equitable access to government contracts for Black business owners is of paramount importance to BOSS. BOSS strongly advocates for Black business owners receiving more prime contractor awards in both the deployment and construction of clean energy infrastructure projects and the provision of research, analysis, modeling, and other supportive services for government agency contracts. For far too long, rules for government contracting have had the disparate impact of excluding Black businesses from having the prime contractor role – a role that is critical to both making a long-term impact through infrastructure projects and growing a business.

Revising prime contractor eligibility requirements to focus on expertise, networks and value rather than tenure and pre-existing access to capital will be critical to increasing the numbers of diverse prime contractors for clean energy infrastructure projects and related services. Maintaining restrictive rules and program parameters (such as bonding capacity requirements)

that result in the repeated selection of companies with larger budgets and consistent access to capital only will continue the status quo of marginalization of Black businesses from federal government contracting. One concrete way to facilitate more diverse prime contractors would be to restructure how large infrastructure projects are presented for bidding. BOSS encourages dividing larger-scale projects to allow an opportunity for small minority-owned businesses to participate while building capacity. Carving out a special window of opportunity for Black-owned businesses to bid on federal contracts, separate from other marginalized groups (e.g., veteran-owned, women-owned) would be a meaningful and effective vehicle for accelerating greater inclusion in government contracting.

“BOSS strongly advocates for Black business owners receiving more prime contractor awards in both the deployment and construction of clean energy infrastructure projects”

⁸ Exec. Order No. 13985, 86 FR 7009, available at: <https://www.federalregister.gov/documents/2021/01/25/2021-01753/advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government>

⁹ *Ibid.* at 19.

FINANCE

Access to capital is a fundamental challenge for Black-owned businesses. America has tolerated a long history, pattern and practice of shutting Black businesses out of access to capital that they are qualified and eligible for. Black businesses are subjected to greater scrutiny by financial institutions and when Black-owned businesses do receive loans, they are routinely assigned higher interest rates than their white-owned business counterparts. This discriminatory treatment of Black-owned businesses by the banking and lending industry has been thoroughly documented and researched by numerous institutions including the U.S. Federal Reserve, the U.S. Department of Commerce’s Minority Business Development Agency, the Congressional Black Caucus, the Rockefeller Foundation, Brookings Institution and countless others.¹⁰ This is why BOSS supports the National Clean Energy and Sustainability Accelerator (“Accelerator”) legislative effort and is pleased that the Accelerator has been included in the American Jobs Plan.

The National Clean Energy and Sustainability Accelerator

“The clean energy transition will stimulate a massive transfer of wealth to the businesses, large and small, that manufacture, design and install clean energy technologies. Unfortunately, the same inequities that exist in the broader economy have been replicated in the clean energy transition. Businesses owned or operated by members of environmental justice communities are often unable to access the capital necessary to survive and thrive. State and local Green Banks can serve as a crucial source of capital for the locally owned contracting and construction businesses that do the work of the clean energy transition.”¹¹ In addition to the already successful demonstration of state and local green banks as providers of creative capital, we recommend that funding flow to the thousands of existing community based financial institutions, including community development financial institutions, credit unions, and minority serving depository institutions, all of which have deep and trusted relationships in communities across the country.

¹⁰ See e.g., Board of Governors of the Federal Reserve System, *Report to the Congress on the Availability of Credit to Small Businesses*, September 2017, available at: <https://www.federalreserve.gov/publications/files/sbfreport2017.pdf>; Perry Andre M. and Carl Romer, *To Expand the Economy, Invest in Black Business*, Brookings, December 31, 2020, available at: <https://www.brookings.edu/essay/to-expand-the-economy-invest-in-black-businesses/>; Fairlie, Robert W., Ph.D. and Alicia M. Robb, Ph.D., *Disparities in Capital Access between Minority and Non-Minority-Owned Business: The Troubling Reality of Capital Limitations Faced by MBEs*, U.S. Department of Commerce - Minority Business Development Agency, January 2020, available at: <https://www.mbda.gov/sites/default/files/migrated/files-attachments/DisparitiesinCapitalAccessReport.pdf>

¹¹ Coalition for Green Capital, *Catalyzing Investment for Environmental Justice*, p. 6, October 2020, available at: https://coalitionforgreencapital.com/wp-content/uploads/20201027_NCB-Environmental-Justice-Whitepaper.pdf

BOSS strongly recommends that the Accelerator be implemented to provide and leverage low-cost capital to businesses, organizations and projects that are challenged in accessing capital. The Accelerator should prioritize those “last-mile” projects that Wall Street does not. In other words, companies and projects that currently enjoy consistent ease of access to capital should not be able to utilize the Accelerator as a mere additional or supplemental funding source. Focusing on underserved businesses and communities is how America will scale clean energy and sustainability equitably. The Accelerator has the potential to catapult inclusive clean energy finance forward so that communities historically left behind will reap the public health, infrastructure and economic benefits of climate resilience.

BOSS further recommends that funds allotted to the Accelerator be increased. The current amount allotted - \$27 Billion - for the Accelerator is insufficient for targeted deployment of climate resilience assets in Black and Brown communities nationwide. BOSS supports at least tripling the proposed amount to \$100 Billion.

Funding Set-Asides for Black-Owned Businesses

The Accelerator framework, as well as other federally-managed funding streams in various agencies including but not limited to the U.S. Department of Agriculture, the U.S. Department of Energy, US Department of Housing and Urban Development and the U.S. Department of Labor, should include at least a 40% set-aside or carve-out for direct investment in businesses owned by people of color—staying in line with Presidential Executive Order 14008. The 40% set-aside should effectively serve as a floor, not a ceiling or cap in driving funding for minority-owned businesses. BOSS believes that the federal government’s commitment to facilitating economic growth in Black communities needs to be explicit and targeted. BOSS recommends creating a special window for Black-owned businesses modeled after the Paycheck Protection Program or Small Business Administration Economic Injury Disaster Loans program, utilizing streamlined, simplified paperwork to prioritize businesses – based on the size of the business - operating within certain demographics and geographies.



BOSS Member Company ReVamp Energy Solutions



“Black business owners know too well what happens when government fails to recognize the composition of their businesses. The first round of Paycheck Protection Program funding in the 2020 CARES Act restricted COVID-19 relief subsidies to employer firms, which largely shut out Black entrepreneurs.”¹²

Indeed, during the first two rounds of the PPP funding, many Black-owned businesses were overlooked. Black-owned businesses were excluded from the PPP program because of its requirements regarding staffing and payroll budget. The program failed to include smaller-sized businesses – the size of many Black-owned enterprises.¹³ Given this track record of disparate processes and rules for federal funding, there should be specific set-asides for Black businesses within the Accelerator and in all the federal grantmaking and procurement programs. This approach has also been presented by the National Urban League and the U.S. Black Chambers.

Moreover, Black-owned clean energy businesses need capital for pre-development and operations to compete in the clean energy marketplace. Working capital is an urgent need. BOSS would recommend a special provision of very low-cost SBA loans, and advances in the form of grants, as well as loan guarantees for pre-development or operational needs of targeted businesses.¹⁴

Innovative Clean Energy Finance Solutions

BOSS is resolute in our belief that America will fail to reach its climate goals without making measurable advancements in making solar, energy efficiency and energy storage affordable and accessible to low-wealth communities, people of color and rural communities – communities that constitute the majority of Americans. Without question, the overall cost of solar has reduced substantially over the past decade.¹⁵ The installed

¹² Perry, Andre M., Tynesia Boyea-Robinson, and Carl Romer, *How Black-owned businesses can make the most out of the Biden infrastructure plan*, *The Avenue – Brookings*, April 29, 2021, available at: <https://www.brookings.edu/blog/the-avenue/2021/04/29/how-black-owned-businesses-can-make-the-most-out-of-the-biden-infrastructure-plan/>

¹³ Ellis, Nicquel Terry & Adrienne Broadus, *Black leaders want targeted federal funds for Black businesses hit hard by pandemic*, CNN.com, Feb. 15, 2021, available at: <https://www.cnn.com/2021/02/15/us/covid-im-pacts-black-businesses/index.html>

¹⁴ Ibid.

¹⁵ Feldman, David, Vignesh Ramasamy, Ran Fu, Ashwin Ramdas, Jal Desai, and Robert Margolis. 2021. *U.S. Solar Photovoltaic System Cost Benchmark: Q1 2020*. Golden, CO: National Renewable Energy Laboratory. NREL/TP-6A20-77324. <https://www.nrel.gov/docs/fy21osti/77324.pdf>

cost of rooftop solar has reduced 64%¹⁶ and the cost of commercial-rooftop solar has reduced by 69%.¹⁷ However, despite these cost reductions, many Americans cannot afford the upfront costs for solar or solar-integrated technologies such as battery storage and energy efficiency upgrades.

These financial challenges are compounded by the fact that because of the confluence of oppressive economic policies such as redlining, predatory lending and discrimination in banking and employment, many communities struggle and persevere through obstacles related to creditworthiness, lack of access to capital and minimal to no tax appetite.¹⁸ These obstacles can prevent low-wealth communities from accessing solar. It is imperative that we institute and scale widespread innovative clean energy finance solutions to ensure that more communities can participate in the benefits of clean energy resources like solar, energy efficiency and energy storage. The following are just a few examples of impactful inclusive finance options.

Pay As You Save

On-Bill Financing/ Pay As You Save is a proven, accessible financing mechanism for solar and energy efficiency that should be scaled and implemented across all jurisdictions nationally. Pay as you Save works as follows:

“The utility invests in cost-effective energy upgrades at customer sites, such as building energy efficiency upgrades or rooftop solar. The customer pays nothing upfront for the upgrades they choose. Instead, the utility pays the installer. Using a tariff, the utility puts a fixed charge on the customer’s monthly bill that is less than the estimated savings generated by the upgrade, allowing the customer to enjoy immediate and

sustained cash flow. Until the investment is recovered, the tariff for the PAYS charge automatically transfers to future customers at that site.”¹⁹

Pay As You Save has been successfully implemented by the Roanoke Electric Cooperative and Oachita Electric Cooperative.²⁰ The members of these cooperatives have seen significant savings on their utility bills, in some cases as high as 40%-50% in savings. BOSS recommends the creation of a national pilot project, funded through the USDA and/or US Department of Energy, working with electric utilities.

Investment Tax Credits

In addition to on-bill financing models, BOSS supports utilizing the tax code as a vehicle for facilitating inclusive access to clean energy. We strongly recommend the permanent revival of refundable tax credits.²¹ Making the investment tax credit (as well as state and local tax credits) refundable would allow project owners with less tax appetite to receive the full value of the federal tax incentives without having to utilize a multi-year carry forward to offset future taxable income.²²

Likewise, a grant in lieu of tax credit could help low-income consumers benefit from the full value of the credit without having to resort to complicated ownership structures. A grant in lieu of tax credit is not new and was implemented by Congress with great success over a decade ago. “For renewable energy, in 2009, Congress enacted a temporary provision under Section 1603 of the American Recovery and Reinvestment Act whereby energy projects could receive a 30 percent cash grant from the Department of the Treasury instead of the PTC or ITC, effectively making the credits refundable. The program played a major role in unleashing and expediting investment in

16 Ibid. at 25.

17 Ibid. at 38.

18 Singletary, Michelle, *How Race Affects Your Credit Score*, Washington Post, Oct. 16, 2020, available at: <https://www.washingtonpost.com/business/2020/10/16/how-race-affects-your-credit-score/>

19 Clean Energy Works, *PAYS® for Energy Efficiency*, available at: <https://www.cleanenergyworks.org/about-pays-for-ee/>

20 Walton, Robert, *Pay As You Save: Coops Are Reaching New Customers With a Novel Way to Pay*, Utility Dive, Aug. 17, 2016, available at: <https://www.utilitydive.com/news/pay-as-you-save-co-ops-are-reaching-new-customers-with-a-novel-way-to-pay/424234/>

21 Sustainable Capital Advisors (prepared for Vote Solar), *Inclusive Solar Finance Framework*, August 2018, available at: <https://www.energyefficiencyforall.org/resources/inclusive-solar-finance-framework/>

22 Ibid.

renewable energy projects around the country.”²³ Making a permanent refundable renewable energy investment tax credit, or providing a grant in lieu of tax credit, will bring market certainty and rapidly scaled renewable energy deployment serving municipalities, non-profits, small businesses and low-wealth families previously excluded from benefiting from the ITC.

Moreover, the ITC should be deepened for projects that are mission focused, below a certain size threshold, within frontline communities, if paired with storage or energy efficiency and if primarily installed by a minority or disadvantaged business. Further, BOSS recommends that the cost for interconnection of local solar and storage be included in the cost basis for the ITC. The prohibitive cost of interconnection of community solar projects has been a barrier for many Black-owned solar businesses. Community solar not only benefits subscribers to the community solar facility but brings a wide range of benefits to all ratepayers, greater grid resiliency and reduced grid costs as the result of reduced peak demand.²⁴ BOSS strongly advocates for more equitable mechanisms for allocation of interconnection costs that reflect the benefits that local community solar provides to consumers, utilities, climate and the grid. One easily implementable way of doing that is by including interconnection costs in the cost basis for the ITC will ensure the higher penetrations of solar that can serve all communities, especially traditionally underserved communities and distributed solar, is deployed to meet the Administration’s equity and climate goals together. Also, broader ITC benefits should be made available in Puerto Rico and all U.S. territories.

“Making the investment tax credit refundable would allow project owners with less tax appetite to receive the full value of the federal tax incentives without having to utilize a multi-year carry forward to offset future taxable income”

²³ Bhattacharyya, Bidisha, *Renewable Energy Tax Credits: The Case for Refundability*, Center for American Progress, May 28, 2020, available at: <https://www.americanprogress.org/issues/green/reports/2020/05/28/485411/renewable-energy-tax-credits-case-refundability/>

²⁴ Clack, Christopher T.M., et al., *Why Local Solar for All Costs Less: A Roadmap for the Lowest Cost Grid*, Vibrant Clean Energy, LLC, December 2020, available at: https://www.vibrantcleanenergy.com/wp-content/uploads/2020/12/WhyDERs_TR_Final.pdf

INCLUSIVE PROJECT SITING & DESIGN

Solar Market Access for Low- and Moderate-Income Housing Applications

Several restrictions to equitable solar applications in low and moderate income (“LMI”) communities still exist in various affordable housing applications administered by HUD and its subsidiary administrations, including Low-Income Housing Tax Credit (“LIHTC”) and utility voucher programs such as Low-Income Home Energy Assistance Program (“LIHEAP”), administered under HHS. As such, BOSS believes that the following matters warrant amendment and revision:

Low-Income Housing Tax Credit

Several barriers to solar adoption on LIHTC applications can be eliminated by making solar exempt from the definition of “commercial use.” This tax law restriction threatens LIHTC eligibility if more than 20% of the project’s income derives from a commercial source. Solar leases/easements/licenses are not “commercial use” of LIHTC property. Such restrictions inhibit opportunities for innovative public-private partnerships that allow for solar access to LMI residents.



BOSS Member Company Suncatch Energy

HUD Affordable Housing

Currently, third party PPAs, a powerful and proven tool for solar deployment in both the public and private sector, are restricted under the Anti-Deficiency Act. Because of the multi-year nature of PPA agreements PPAs fall under term restrictions set forth in PIH- 2019-24 (Scenario 5-3: Power Purchase Agreement (PPA) using a third-party energy supplier.) These restrictions do not apply to performance contracts and therefore can be updated to include PPA applications as well.



Low Income Home Energy Assistance Program

LIHEAP is a critical, life-saving program that targets and serves the most vulnerable — older Americans, individuals with disabilities, and children.” LIHEAP vouchers are critical to families and individuals that survive on less than \$20,000 per year; many on a fixed income.²⁵ This multi-billion-dollar program has the potential to interrupt the cycle of poverty and help alleviate energy burden in lasting ways by pivoting

to include and require a solar carve-out like that proposed in the 2019 Low-Income Solar Energy Act.²⁶

Additionally, the Federal Housing Finance Agency should give Fannie Mae and Freddie Mac authorization to create loan products allowing banks to amortize clean energy improvements to residential and commercial property, including tax incentives (e.g., solar, energy storage, electric vehicles, energy efficiency).

²⁵ National Energy and Utility Affordability Coalition, LIHEAP Talking Points, available at: <https://neuac.org/wp-content/uploads/2020/06/LIHEAP-Talking-Points.pdf>

²⁶ H.R. 4291, Low Income Solar Energy Act, available at: <https://www.congress.gov/bill/116th-congress/house-bill/4291/text>

Community Solar

Community solar or “shared solar” is the single most effective vehicle for expanding access to solar to communities that need it the most yet face numerous barriers to participating in solar generation. Community solar “helps address the physical and financial barriers of going solar for those who do not own their home or have a suitable roof, or who live in multifamily housing. Shared solar programs allow multiple energy customers to subscribe or otherwise participate in a solar energy project located somewhere else in their community. Participants receive a credit on their utility bill for their portion of the clean energy produced.”²⁷ Local community solar democratizes solar power by completely removing the barrier of home ownership. This is particularly impactful for Black Americans because only about 44% of Black Americans own homes,²⁸ compared to 74% of White Americans who own homes – a stark disparity. At least 56% of Black Americans are unable to install rooftop solar at their residences, making community solar an indispensable tool for energy justice.

BOSS supports legislative efforts that will enable millions more citizens to be able to participate in community solar. For example, BOSS supports the Community Solar Consumer Choice Act of 2021 (Rep. Kathy Castor – FL14) which will bring transformative benefits to a diverse array of communities, particularly low-wealth communities that have been most impacted by pollution from traditional power plants and rural communities where economies have been hit hard in recent years.²⁹

We recommend the provision of at least \$120 billion to state, local, and tribal governments to fund existing and new distributed and community solar programs and incentives with a 40% set aside for minority-owned businesses that expand access to solar focusing on creation of long-term sustainable and just economies

based on best practices established by the Department of Energy (DOE), with criteria to ensure that at least 50% of incentives support underserved communities, communities of color, indigenous communities, rural, and low to moderate income households. Growing the deployment of distributed energy resources (DERs) such as community solar and storage and ensuring proper compensation for the value they provide to the grid and society, while ensuring equity in the access and benefits of the resources, will unlock hundreds of billions of dollars in private capital for what are essentially public infrastructure projects. Additionally, BOSS recommends an incentive for non-residential renewable energy projects below a certain size threshold, between 3-5 MW - a federal enhancement like the enhancement for unemployment insurance. This enhancement could be for community solar, small, distributed scale, or commercial/industrial projects below a certain size.

Incentives for (Solar plus) Storage

Access to energy storage is a critical building block for inclusive climate resilience. Black solar business owners will play a key role in deploying solar plus storage for all communities.

While the cost of energy storage has reduced over the past few years, storage remains a premium resource that is cost-prohibitive for most Americans. Given the numerous benefits that storage provides, including back-up power, demand response, ancillary services, environmental benefits and energy cost savings, BOSS supports expanded incentives for energy storage.³⁰ Local and resilient solar plus storage, or stand-alone storage, plays a role in the ability of frontline, Black and Brown communities to weather climate change and redress legacy harms of the siting of dirty peaker plants and other conventional infrastructure in

27 Low Income Solar Policy Guide, Community-Shared Solar, available at: <https://www.lowincomesolar.org/toolbox/community-shared-solar/>

28 Lerner, Michele, *One Home, A Lifetime of Impact*, Washington Post, July 23, 2020, available at: <https://www.washingtonpost.com/business/2020/07/23/black-homeownership-gap/>; see also Passy, Jacob, *Black homeownership rate hits lowest level since the 1960s — that’s unlikely to change in Pandemic Year 2*, MarketWatch, March 23, 2021, Available at: <https://www.marketwatch.com/story/most-black-americans-arent-homeowners-how-can-we-change-that-11615431459>

29 U.S. Rep. Kathy Castor, Press Release: *On Earth Day, Rep. Castor Introduces Legislation to Increase Access to Solar Energy*, April 22, 2021, available at: <https://castor.house.gov/news/documentsingle.aspx?DocumentID=403596>; H.R. 5968, Community Solar Consumer Choice Act of 2020, available at: <https://www.govtrack.us/congress/bills/116/hr5968/text>

30 GridLab & GridWorks, *The Role of Distributed Energy Resources in Today’s Grid Transition*, August 2018, available at: http://gridlab.org/wp-content/uploads/2019/04/GridLab_RoleOfDER_online-1.pdf

their backyards.³¹ Locally-optimized solar, energy efficiency retrofits and battery storage will bring jobs, opportunities for community control, opportunities for greater entrepreneurship, a more flexible and resilient energy grid, more affordable energy and reduce vulnerability to climate-related hazards.

BOSS supports legislative efforts that will galvanize aggregated distributed energy resources to replace legacy, aging polluting conventional energy infrastructure like peaker plants in communities of color. For example, the Promoting Energy Alternatives is Key to Emission Reductions Act of 2021, also known as the PEAKER Act of 2021, championed by U.S. Senator Kirsten Gillibrand and Representatives Yvette D. Clarke, Nydia Velazquez and Jerrold Nadler provides incentives to facilitate more rapid deployment of clean energy and energy storage to replace aging and dirty peaker plants in disadvantaged communities.³² The bill is very promising as it calls for a 10% ITC for battery storage and renewable electricity and establishes a \$1 billion grant program through DOE for clean energy projects.

Virtual Power Plants

As the nation moves forward with building back better through eliminating reliance on an aging fossil-fuel based, centralized energy delivery system, virtual power plants (“VPP”) can play a role in providing energy security and energy independence to communities of color and low-wealth areas. Germany’s Next Kraftwerke – a pioneer in VPPs – defines a VPP as “a network of decentralized, medium-scale power generating units such as wind farms, solar parks, and Combined Heat and Power (CHP) units, as well as flexible power consumers and storage systems. The interconnected units are dispatched through the central control room of the Virtual Power Plant but nonetheless remain independent in their operation

and ownership.”³³ In other words, VPPs function as aggregated distributed energy resources – think neighborhoods with solar, battery storage, electric vehicles and smart thermostats – that empower consumers, utilities and communities with energy system cost savings and flexible capacity during peak demand, among other benefits. As a result of generations of exclusion from the housing market because of redlining and discriminatory lending, the poor condition of housing stock in Black communities paired with high density and small footprint of urban homes make VPPs and other decentralized energy models well-suited for equitable solar deployment. “VPPs make it possible to synchronize demand and supply with maximum efficiency and flexibility, taking advantage of the balancing resources already widely available, as well as facilitating peer-to-peer trading that brings carbon reduction benefits to local production and use of power.”³⁴

BOSS looks forward to the advancements that the Federal Energy Regulatory Commission (“FERC”) will make in integrating the value of distributed energy resources and opportunities for deployment of VPPs into the wholesale energy marketplace. FERC Order 2222 is a critical step in removing barriers to aggregation of distributed energy resources and opening the market for greater competition.³⁵ The importance and potential of aggregated small to medium clean energy resources sited in disadvantaged communities to deliver significant cost savings, create community wealth, increase resilience, improve public health, reduce GHG emissions and economic growth cannot be overstated. As VPPs take shape in our energy economy, Black-owned businesses must be provided meaningful opportunities to partner with aggregators, utilities and technology companies to deploy, operate and manage VPPs.

31 Peak Coalition, *The Fossil Fuel End Game: A Frontline Vision to Retire New York City’s Peaker Plants by 2030*, March 2021, available at: <https://www.cleangroup.org/wp-content/uploads/Fossil-Fuel-End-Game.pdf>

32 Pickerel, Kelly, *PEAKER Act of 2021 calls for 10% energy storage ITC to replace dirty peaker plants*, Solar Power World, May 20, 2021, available at: <https://www.solarpowerworldonline.com/2021/05/peaker-act-of-2021-calls-for-10-energy-storage-itc-to-replace-dirty-peaker-plants/>

33 Next-Kraftwerke, *Virtual Power Plants: How to network distributed energy resources*, <https://www.next-kraftwerke.com/vpp/virtual-power-plant>

34 Emma Davidson, *How Virtual Power Plants will help UK reach its Net Zero Targets*, Renewable Energy World, Feb. 11, 2021, available at: <https://www.renewableenergyworld.com/solar/how-virtual-power-plants-will-help-the-uk-meet-its-net-zero-targets/#gref>

35 Federal Energy Regulatory Commission, *Fact Sheet: FERC Order No. 2222: A New Day for Distributed Energy Resources*, Sept. 17, 2020, available at: <https://www.ferc.gov/sites/default/files/2020-09/E-1-facts.pdf>



BOSS Member Company Solar Stewards

BOSS: Black Owners Of Solar Services

WORKFORCE DEVELOPMENT

Black-owned businesses and their workforce are indispensable to the Administration’s objective of cutting the nation’s GHG emissions by 50% by 2030. The workforce inequities in the clean energy industry are a direct obstacle to the achievement of President Biden’s goals. Black workers make up only eight percent of the solar and energy efficiency workforce³⁶ even though about 14% of Americans identify as Black.³⁷ Therefore, it is urgent that more federal funding be devoted to clean energy workforce development in communities of color.

BOSS supports the American Jobs Plan’s call for \$40 billion in upgrading research infrastructure in laboratories across the country—half of which will be reserved for Historically Black Colleges and Universities (“HBCUs”) and other Minority-Serving Institutions (“MSIs”). The plan also calls for the creation of a new HBCU-affiliated National Lab focused on climate and investment of \$10 billion in research and development at HBCUs and other

MSIs. The American Jobs Plan further carves out \$15 billion to create up to 200 centers of excellence that serve as research incubators at HBCUs. In our view, the funding for HBCU’s and MSIs allotted in the initial version of the American Jobs Plan is a starting point, not a destination.

Indeed, there are numerous opportunities to enhance funding for solar workforce development and career training, including partnering with HBCU’s and other trusted community institutions like BOSS and expanding funding in the Department of Energy’s Solar Energy Technology Office and other related federal agency divisions. Inclusive solar workforce development requires a holistic approach. The focus should not solely be on training installers but also engineers, operations specialists, finance analysts, marketing staff and more. BOSS looks forward to collaborating with Congressional representatives and the Biden Administration to catalyze further creative workforce development opportunities.

³⁶ NASEO & Energy Futures Initiative, *2020 U.S. Energy & Employment Report*, available at: <https://www.usenergyjobs.org/>

³⁷ Tamir, Christine, *The Growing Diversity of Black America*, Pew Research Center, March 25, 2021, available at: <https://www.pewresearch.org/social-trends/2021/03/25/the-growing-diversity-of-black-america/>

STEAM Education

BOSS is passionate about educating and training the next generation of clean energy entrepreneurs, scholars, regulators, and community leaders. From preschool through the 12th grade, college and beyond, America's youth should be educated about energy, where it comes from, how it works and how they and their families can contribute to a clean energy future. We recommend that the U.S. Department of Education, U.S. Department of Energy, and other relevant agencies provide funding and programming for America's public schools to incorporate an energy curriculum at all levels, for all students.

Moreover, when energy literacy can be established at a young age, students are more apt to continue to a post-secondary opportunity in pursuit of a career in clean energy. Thus, to take advantage of critical opportunities to gain experience while affording a college education, BOSS recommends supporting and enhancing the Federal Work Study Experiment to create more inclusive pathways for the next generation of renewable energy professionals.

“BOSS is passionate about educating and training the next generation of clean energy entrepreneurs, scholars, regulators, and community leaders.”



Andrea Hsu/NPR

BOSS Member Company Energy Electives



BOSS ENGAGEMENT

BOSS applauds the Biden Administration's commitment to centering racial justice in all aspects of its planning for economic recovery and climate resilience. For example, President Biden has shown tremendous leadership in his appointments to the White House Environmental Justice Advisory Council. The Administration has shown leadership in prioritizing the input and guidance of frontline community-based, non-profit organizations in its climate policy agenda. Black-owned clean energy businesses should be afforded the same level of input and consultation.

BOSS recommends that President Biden consider establishing a Small Business Administration (SBA) advisory committee of underrepresented and small business owners in sustainability. Moving forward, it will be important for the Administration to have sustained input from this constituency to help ensure an equitable climate resilience transition and strong economy. With this in mind, BOSS recommends the formation of a designated office to work with Black businesses with interagency resources, to include federal resource ambassadors who can work one-on-one with business entities akin to the Affordable Care Act's in-person assistance personnel program.



Audra Melton/The New York Times

BOSS Member Company PowerSolutions



BOSS

Black Owners of Solar Services

Conclusion

BOSS stands on the shoulders of so many Black energy entrepreneurs and leaders over many decades who have blazed the trail for Black innovation and enterprise in solar. Black-owned clean energy businesses bring tremendous expertise, networks and vision to our climate resilience future. America will not reach its climate goals without Black entrepreneurial leadership. BOSS looks forward to working collaboratively to advance federal policy that galvanize an inclusive clean energy economy.



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