Solar on Public Buildings FAQ

Table of Contents

1
5
6
8
10
12
13
14
14
15

Eligible Buildings

Are public housing authorities eligible for these grants?

A public housing authority is considered eligible as an 'other local government jurisdiction' under the definition of a "Local unit of government" in <u>§ Minn 216C.377 Subd 1. (d)</u>:

(d) "Local unit of government" means:

(1) a county, statutory or home rule charter city, town, or other local government jurisdiction, excluding a school district eligible to receive financial assistance under section 216C.375; or

Are buildings that are shared in ownership or operations between a government and a private or nonprofit entity eligible?

Only buildings owned by the local unit of government are eligible for the grant. <u>§ Minn 216C.377 Subd 1</u>:

(f) "Public building" means:

(1) a building owned and operated by a local unit of government; or

(2) a building owned by a federally recognized Indian Tribe in Minnesota whose primary purpose is Tribal government operations

Can a municipality be awarded multiple grants if they wanted to put arrays on multiple buildings?

Yes, a local unit of government can submit multiple applications and be awarded multiple grants for multiple buildings. Local governments will be required to prioritize those projects, and in the event of oversubscription, projects receive prioritization points based on that priority (with first priority receiving the most points).

So federal buildings do not qualify?

Correct. § Minn 216C.377 Subd. 5. (a):

"(a) A grant may be awarded to a local unit of government under this section" and a local unit of government is defined as (§ Minn 216C.377 Subd. 1. (d)):

"(1) a county, statutory or home rule charter city, town, or other local government jurisdiction, excluding a school district eligible to receive financial assistance under section 216C.375; or

(2) a federally recognized Indian Tribe in Minnesota."

Could this funding be used for local government operations that aren't specifically a building? For example, a remote system that operates impoundment gates to adjust water elevation that is owned and operated by a Watershed District? Or a wastewater treatment facility?

A building is a roofed and walled structure built for permanent use. As such, eligibility for a solar array is dependent on whether there is a building that houses the operations of the facility – to which the solar array would be connected. Structures that are not buildings are not eligible.

Are there any restrictions on using the grants funds as part of a new construction building that includes solar?

A new construction building is eligible to receive a grant award for the purchase and installation of the solar energy generating system.

Is a local unit of government eligible to submit an application for a site that does not have a building or structure, but might in the future?

A building would need to be planned for construction to complete the requirements of the application, and the interconnection, installation, and testing of the solar system would need to be completed within 18 months after finalization of the contract.

Does the grant cover building a solar array on a public building that is used for community solar for residents?

Minn Stat. 216C.377 Subd. 5. (a) A grant may be awarded to a local unit of government under this section only if the solar energy generating system that is the subject of the grant:

(1) is installed (i) on or adjacent to a public building that consumes the electricity generated by the solar energy generating system, and (ii) on property within the service territory of the utility currently providing electric service to the public building;

Do Minnesota Army National Guard buildings qualify?

The Army National Guard is not a local unit of Government, so ineligible to receive a grant.

§ Minn 216C.377 Subd. 5. (a):

"(a) A grant may be awarded to a local unit of government under this section" and a local unit of government is defined as (<u>§ Minn 216C.377 Subd. 1. (d)</u>):

- "(1) a county, statutory or home rule charter city, town, or other local government jurisdiction, excluding a school district eligible to receive financial assistance under section 216C.375; or
- (2) a federally recognized Indian Tribe in Minnesota."

Is a public building that currently has a Community Solar Garden subscription eligible for the state grant for solar arrays?

A local unit of government (LUG) would not be prohibited from receiving a grant because the building has a Community Solar Garden (CSG) subscription. The LUG would need to size the onsite system so as to ensure that between the onsite solar and the CSG subscription they do not exceed 120% of their average annual load, but that would be the only limitation (Minn. Stat. § 216C.377 Subd 5.).

Can you clarify the interpretation of public buildings needing to be owned 'and operated' by the local unit of government?

As <u>Minn. Stat. § 216C.377 Subd. 6</u> states that a Local Unit of Government's (LUG) grant application must include "a copy of the proposed contract between the local unit of government and the utility or developer that includes provisions addressing responsibility for maintenance, removal, and disposal of the solar energy generating system..." the statute presumes the utility account/bills must be in the name of the LUG. Additionally operating the public building involves some management of the building. If the LUG owns the building, is involved in its management, and owns the electric utility account, it is eligible for this grant.

If the city has two buildings that are adjoined (for example, a fire department attached to a public works building), do they qualify for two separate grants? Does eligibility of each building differ if they have the same/different addresses, or the same/different electric meters?

To qualify as separate buildings each eligible for a SPB grant, the buildings must have separate addresses and electric utility meters.

Would it be allowed to submit one 40kW application, that would place small solar systems on multiple sites across the community? (e.g. multiple small park buildings)

No, one application may not apply to multiple buildings, if the buildings have separate addresses and separate electric utility meters. However, a local unit of government can submit multiple applications and be awarded multiple grants for multiple buildings. Local governments will be required to prioritize those projects, and in the event of oversubscription, projects receive prioritization points based on that priority (with first priority receiving the most points).

Does this grant program include churches?

No. Only local governments and Tribal Nations are eligible for the state's Solar on Public Buildings Grant Program.

If communities are participating in other Xcel programs, for example B3 benchmarking, or community solar, are they still eligible?

There is an issue for community solar garden (CSG) subscriptions. If a building has a CSG subscription, the combined energy generation of the subscription and the solar array must be no more than a total of 120% of the building's energy usage or less. This means if 50% of the building's energy use is covered in the subscription, Solar on Public Buildings could be used to build an array of 70% of the energy use or less. Some local governments have been able to reallocate CSG subscriptions to other buildings to free up that eligible production of 120% of energy usage for the solar array.

If a Tribe owns building connected to Xcel but not on Tribal land, can it qualify?

Yes, if the building is owned and operated by a local government or Tribe and electricity is provided by Xcel, then it is eligible for the grant.

Say a city receives a grant in Round 1 for a 40kW installation on city hall, but their city hall still has space and capacity to support another 40kW array. Would they in the future, following the installation, be able to install that additional capacity, or would there be anything preventing this? And would this meter/building be eligible for grant support through Round 2?

§ Minn 216C.377 Subd 5:

(a) A grant may be awarded to a local unit of government under this section only if the solar energy generating system that is the subject of the grant:

(2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the average annual electricity consumption, measured over the most recent three calendar years, of the public building at which the solar energy generating system is installed.

Larger systems are not eligible for this grant. Nothing in the statute limits a possible future expansion of the array after the initial installation, but it would not be eligible for an additional grant if the system size exceeds 40 kilowatts or 120 percent of the average annual electricity consumption of the building.

If the energy of the building is greater than 60kWh total, are they eligible for the grant (even though it is greater than 40kwh)?

While the maximum size of the array is the lesser of 40kW system capacity or 120% of the building's annual energy consumption, it is not required that the energy generation of the array cover the entire energy need of the building.

How would one confirm program eligibility if their local unit of government is located in Xcel Energy Territory, but they are not listed on Attachment 7: Local Government Financial Capacity Assessment? If the local government has all or part of its jurisdiction in Xcel Energy Electric Service Territory, but is not listed on Attachment 7: Local Government Financial Capacity Assessment, contact SolarOnPublicBuildings.COMM@state.mn.us and Commerce can provide the applicant with that information.

Eligible Expenses

How far in the process can a project be and still be eligible for the grant?

The Minnesota Department of Commerce cannot be billed for any work that happens before the grant is awarded and the contract is signed.

Can any matching requirement to be met by city funds be spent on construction. For example, could allocated dollars to replace components of a roof or the entire roof be used as a match for the array.

The grants will be awarded as a percentage of the cost of the solar energy system. The local unit of government will be required to show a plan for financing the rest of the project. This can be a combination of federal tax credits, other grants, or other financing options. Eligible expenses for these grant dollars are limited to the procurement and installation of a solar array.

If a local government already has solar but the system needs repair, would they be eligible for the repair costs? Or is it just new systems?

Repairs for existing solar are not eligible for this grant award. The Solar on Public Buildings grant program's purpose is (<u>§ Minn 216C.377 Subd 2.</u>) "to provide grants to stimulate the installation of solar energy generating systems on public buildings."

Some smaller governments may not have the staffing to oversee a rooftop solar project, but may be willing to lease their rooftops and develop a contract with a vendor for solar. Would these solar grants still be allowed for use as long at the array is still on top of a local government owned building?

Yes, this model is eligible for awards. Local governments will be required to show an assessment of anticipated energy and cost savings and should demonstrate a financial benefit to the local unit of government.

Can this grant be used to build solar that will be connected to a battery storage system?

Yes, this grant can be used to build a solar array that will be connected to a battery storage system, as long as it meets the eligibility criteria in <u>Minn. Stat. § 216C.377 Subd 5.</u> and is on a building in Xcel Energy electric service territory. This grant can only be used for the solar array, not for battery storage systems. Information on battery storage grants can be found on the <u>Department of Commerce Website</u>.

Can the Solar on Public Buildings Grant help cover the cost of roof alterations (membrane repairs, structural retrofits, sloping orientation, etc) that are often necessary to make a roof compatible with a solar array.

The grants will be awarded as a percentage of the cost of installing a solar energy system, and the cost of roof alterations are not eligible costs for this grant.

Would this grant cover costs for building structures (ex. Solar Covered surface parking lots?)

Eligible expenses from the Solar on Public Buildings grants only include the procurement and installation of solar arrays.

Solar Array Requirements

Is there a minimum array size?

No.

If the site gets a larger array than 40kW can the grant just apply to the first 40kW?

No. § Minn 216C.377 Subd 5:

(a) A grant may be awarded to a local unit of government under this section only if the solar energy generating system that is the subject of the grant:

(2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the average annual electricity consumption, measured over the most recent three calendar years, of the public building at which the solar energy generating system is installed.

Is the 40KW the rated or actual use capacity (AC or DC)?

An eligible system has a capacity that does not exceed the lesser of 40 kilowatts [AC] or 120 percent of the average annual electricity consumption, measured over the most recent three calendar years, of the public building at which the solar energy generating system is installed.

Do panels need to be roof mounted or can they be ground mounted?

The solar panels must be built on or adjacent to the public building receiving the power. Roof or ground mounted are both acceptable.

Are there any exceptions to the 40kw limit for projects that are receiving state funds and obligated to maximize onsite solar (requiring arrays larger than 40 kw)?

No. Minn. Stat. § 216C.377 Subd. 5 states that an eligible system "has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the average annual electricity consumption," and does not provide for exceptions.

The city is considering the airport as a location. Can a glare study be incorporated into the project cost?

"The purpose of the program is to provide grants to stimulate the installation of solar energy generating systems on public buildings" (Minn. Stat. § 216C.377 Subd 2.). A glare study would not be considered an eligible cost in the installation of a solar energy generating system.]

If the system has a 50 kw AC inverter nameplate but the inverter has an export limit of 40 kW AC, would that be acceptable?

This is acceptable from a program standpoint, but the applicant should seek confirmation from the utility that this will be acceptable for interconnection.

Xcel Energy / Utility

Is the Solar on Public Builds program only available within the Xcel service area, as is the case with the Solar for Schools program?

<u>Solar for Schools</u> grant awards are now available statewide. The Solar on Public Buildings funding is only available to buildings in Xcel Energy electric service territory at this time.

If the local unit of government is partially serviced by Xcel Electric Energy, but the specific public building is serviced by another utility, is it eligible for this grant?

Only public buildings serviced by Xcel Electric Energy are eligible for this grant. <u>§Minn. Stat. § 216C.377</u> Subd. 5:

(a) A grant may be awarded to a local unit of government under this section only if the solar energy generating system that is the subject of the grant:

(1) is installed (i) on or adjacent to a public building that consumes the electricity generated by the solar energy generating system, and (ii) on property within the service territory of the utility currently providing electric service to the public building;

What's considered Xcel territory, if they're not your local utility?

For the Solar on Public Buildings program, <u>§ Minn 216C.377 Subd 5.</u>, an eligible project is one that: "(1) is installed (i) on or adjacent to a public building that consumes the electricity generated by the solar energy generating system, and (ii) *on property within the service territory of the utility currently providing electric service to the public building*" (emphasis added).

In this case, the funding is only appropriated for those public buildings that are serviced by Xcel Energy electric.

Why does the statute reference municipal utilities and cooperatives? (Subd. 5 C)

The language of the statute allows for the legislature to appropriate funds from multiple sources, so that buildings across utility regions could be eligible. The funding, though, was only appropriated for buildings in Xcel Energy electric service territory only.

Is the local government required to sign an MOU with Xcel?

Yes. § Minn 216C.377 Subd 6:

(b) A local unit of government must apply to the commissioner on behalf of a public building on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(6) a written statement from the interconnecting utility that no issues that would prevent interconnection of the solar energy generating system as proposed are foreseen.

Applicants should send the MOU to your Account Manager or Community Relations Manager, and copy <u>SolarProgramMN@xcelenergy.com</u>. Utility MOU <u>video</u> and <u>pdf</u> tutorials are available on the <u>Solar on</u> <u>Public Buildings webpage</u>.

Is a wholesale customer of Xcel Energy eligible for the grant?

Eligible public buildings are retail customers of Xcel Energy electric service. Wholesale customers are not eligible if the building itself is not a direct customer of Xcel Energy electric.

Do Renewable Energy Certificates go to Xcel or the Local Unit of Government?

Local units of government will keep the Renewable Energy Certificate under this program.

Considering the statute's language around forfeiting net income to the utility, presumably a solar array used as a community solar garden would not be eligible?

Correct.

<u>§ Minn 216C.377 Subd. 12</u> "(b) Any net income accruing to a local unit of government as calculated under paragraph (a) must be forfeited to the utility by the local unit of government.

Are there any service areas that Xcel would not allow solar installations?

If the building is in electric service territory and is on the Xcel electrical grid it is eligible for a grant. Applicants will be required to submit a Memorandum of Understanding signed by the utility stating there are no *foreseen* issues with interconnection.

Applicants should send the MOU to their Utility Account Manager or Community Relations Manager, and copy <u>SolarProgramMN@xcelenergy.com</u>. Utility MOU <u>video</u> and <u>pdf</u> tutorials are available on the <u>Solar</u> <u>on Public Buildings webpage</u>.

How long will it take to get the interconnection agreement? We may not be able to have this approved in 12 weeks.

In the application, a full interconnection agreement is not necessary, but the applicant must submit a Memorandum of Understanding, signed by Xcel, documenting that there are no foreseen issues connecting the solar array to the grid.

What if Xcel is not responsive to our emails?

Xcel has confirmed that local units of government applying for this grant should submit their MOU to their Utility Account Manager or Community Relations Manager and include <u>SolarProgramMN@xcelenergy.com</u> in the email. If the applicant does not receive a response within a couple weeks, you can email Commerce at <u>SolarOnPublicBuildings.comm@state.mn.us</u>.

If the solar array hits the production ceiling of 120% average annual usage, would the extra 20% it overproduces annually need to be nullified or paid back to Xcel every year?

Yes, local unit of government is required by statute to forfeit any income accrued as a result of the operation of the solar energy generating system to the utility (Xcel energy).

§ Minn 216C.377 Subd. 12 states:

Forfeited income.

(a) The utility to which a solar energy generating system awarded a grant under this section is interconnected must calculate the amount of net income accruing to the local unit of government annually as a result of the operation of the solar energy generating system, whether in the form of cash payments or electricity bill credits, and report that amount to the local unit of government no later than February 1.

(b) Any net income accruing to a local unit of government as calculated under paragraph (a) must be forfeited to the utility by the local unit of government.

Application Questions

Can any of the organizations that got funding from State Competitiveness Fund to support grant writing help folks write the grants?

No. The State Competitiveness Fund is intended to support applicants applying for federal grants.

For new construction buildings without 3 years of energy data, how is that handled for the preapplication/readiness assessment stage?

The local unit of government will be required to provide an estimate of energy use in the new building.

Can we show intent and apply in 2024 if we do not have funds available until 2025 or later?

Projects will have a required completion date of 18 months after the contract is signed, with the potential for a six-month extension. If the project is completed within that time, and the local

government has submitted a financing plan, applications done this year for project completion the following year are eligible.

It sounds like prioritization is largely based on characteristics of the local government. Will any of the score be based on the project/building specifics, geographic considerations like air pollution or Justice40, etc.

The Department of Commerce is equipped in the Solar Grant Program; Public Buildings (<u>§ Minn</u> <u>216C.377</u>) statute to develop procedural policies, but not substantive policies. Within the constraints of the statute, efforts have been made to advance a fair and equitable distribution of solar arrays to local governments. This includes prioritizing grants to those local units of government that have the lowest financial capacity.

If a city has two metrics for ANTC which should they use?

The Adjusted Net Tax Capacity (ANTC) / Capita is the proposed financial assessment mechanism to determine the amount of the grant award for cities, townships, and counties. <u>This data is provided by the Minnesota Department of Revenue</u>. There should just be one ANTC number per local unit of government in that data. Sometimes there are multiple jurisdictions with the same name. Check the corresponding county to identify the ANTC of the respective unit of government. If there is still confusion, please contact the Solar on Public Buildings program (SolarOnPublicBuildings.COMM@state.mn.us).

What is the grant award cap for a Local Unit of Government that does not have taxing authority?

For local governments that are not cities, counties, townships, or Tribal Nations, the grant award amount is tied to the county or cities within their district. For instance, a watershed district would receive an award based on the average of counties' Adjusted Net Tax Capacity (ANTC)/Capita within their district. Or a Public Housing Authority for a city would receive an award based on the ANTC/Capita of that city.

How will the Department of Commerce determine the distribution of grant awards if the applications with the same amount of prioritization points total more than the available funds?

If there is a tie among applicants at a given point level in prioritization, and there is not enough funding to grant an award to every application at that point level, the Department of Commerce will prioritize those applicants that have not yet been allocated an award.

If an applicant received a Solar on Public Buildings grant in a previous round, but has not yet built the array, should the applicant include that building in the "Existing Solar" question?

Yes, if the applicant has been awarded a Solar on Public Buildings grant in a previous round, they should include that in their total for Existing Solar.

There are two questions in the Round 2 Readiness Assessment asking about Existing Solar? Can you clarify how they are different?

Section 1, Question 6: Existing Solar determines the percentage of buildings owned and operated by the local unit of government that have existing solar arrays. Applicants provide this information by inputing the number of public buildings, the number of those buildings with existing solar, and the percentage of public buildings.

Section 1, Question 7: Existing Solar List asks applicants to submit a list of those buildings with existing solar. Applicants can upload a list as an attachment.

A hospital is jointly owned and operated by the city and county. The city qualifies for a 70% grant and the county qualifies for a 50% grant. If the city applies, would they still be at the 70% level?

The building must be owned and operated by the local unit of government applying for the grant. If that is the case, the applicant will be awarded a grant at the level of their financial capacity. In the case of this city, they would be eligible for the top tier grant of up to 70% project costs.

If a city has two PPA [power-purchase agreement] arrays on existing buildings do these count towards the 'existing solar' that they should report in the grant.

Any solar arrays on buildings owned and operated by the applicant should be included. The two PPA arrays should be counted toward the 'existing solar' the applicant should report in the application.

Procurement Requirements

Could this be a part of a performance contract. 471.345 sub 13

Yes. If it meets the requirements of a 'guaranteed energy performance contract' in the statute then $\underline{\S}$ <u>Minn. Stat. 471.345 Subd. 13</u> is applicable. The applicant will be required to provide documentation to the Department of Commerce that the contract meets all requirements detailed in statute.

The state has a CPV contract S-1049(5) Solar Power System Design and Installation. Could that be used for this grant?

Yes, this is an option for local governments to procure solar installation. If utilizing this option, a local unit of government can submit an RFP through the State Master Contract with the Minnesota Management and Budget Office and that will meet the criteria for attaining the procurement points for releasing an RFP. All the developers on that contract will receive the RFP from the local unit of government.

Grant Payment Details

Are funds provided up front or reimbursed after spending?

State grants are reimbursements of funds spent by the entity receiving the grant.

How long after you apply for a reimbursable cost do you get paid?

Within 30 days of submitting the invoice. Please see § Minn. Stat. 16A.124 Subd. 3 and 4.

Can the federal tax credit be applied on top of the grant fund dollars?

Yes. For example, if the applicant is eligible for a tier one award, they could receive up to 70% from the state, and a 30% Federal tax credit, covering up to 100% of the cost.

How do you use both Inflation Reduction Act (IRA) and the Solar on Public Buildings state grant? Is it 30% (IRA) first and then possibly 50% of the remaining amount of the project cost? Or 30% and 50% of the total project cost.

The awarded applicant will receive the state grant as a reimbursement. After it's built, the local government can apply for Federal tax credits (made available to local governments via Elective Pay in the Inflation Reduction Act) on the entire project. For example, a local government could receive a grant of 70% of the project cost. Then the Federal Tax Credit could provide 30% on the whole project cost, not 30% on the last 30%. In this case, a grant recipient could have up to 100% of the cost covered by the state grant and federal tax credits.

Is a match required?

Grants will be awarded based on the financial capacity of the local unit of government. The proposed range of awards is 30-70% of the project cost. The local unit of government will be responsible for financing the remainder of the cost – whether through tax credits, other grants, or other financing options.

Do you have any additional insights on what the grant reimbursement process will look like?

Reimbursement requires supporting documentation to substantiate the expenses. Supporting documentation includes itemized invoices that have been paid, copy of checks paid to an installer, or other proof of purchase that has been paid.

Technical Assistance

Do you have contact information for Clean Energy Resource Teams?

To set up a free consultation with a Clean Energy Resource Teams member, contact:

11-County Metro Area: Aaron Backs (abacks@gpisd.net)

Outside of Metro Area: Peter Lindstrom (plindstr@umn.edu)

We have buildings that are subscribed to community solar but have undergone an expansion project since that time. Would the available assistance be able to help determine additional potential for rooftop solar through this program that is not currently covered by community solar?

Yes. We are providing free consultation through our partner Clean Energy Resource Teams, who can help assess eligibility of the building(s) for these grants. Contact Peter Lindstrom to set up a consultation (plindstr@umn.edu).

Future Program Questions

What will be the funding amounts available in future years?

The Department of Commerce will administer \$4.3M in grants through at least two funding rounds starting in 2024. Half of the funds will be made available for each round. Funding for future rounds will be dependent on availability of funds.

Will battery storage be included in the future funding since Xcel is moving towards Time of Use rates?

The Solar on Public Buildings grant program's purpose (<u>§ Minn 216C.377 Subd 2.</u>) is "to provide grants to stimulate the installation of solar energy generating systems on public buildings." And (<u>§ Minn 216C.377</u> Subd 1. (g)) ""Solar energy generating system" has the meaning given in section <u>216E.01</u>, subdivision 9a", defined as "a set of devices whose primary purpose is to produce electricity by means of any combination of collecting, transferring, or converting solar-generated energy."

Whether this specific program is expanded to include storage in the future is a question for the state legislature. However, <u>battery storage grant programs</u> – administered by Xcel Energy in Xcel Energy service territory and administered by Commerce outside of Xcel Energy territory – launched in 2024.

Are there any plans/discussions related to expanding this beyond Xcel Energy territory?

For the Solar on Public Buildings program, <u>§ Minn 216C.377 Subd 5.</u>, an eligible project is one that: "(1) is installed (i) on or adjacent to a public building that consumes the electricity generated by the solar energy generating system, and (ii) *on property within the service territory of the utility currently providing electric service to the public building*" (emphasis added).

While the statute allows for multiple funding streams, the actual appropriation of funds language (HF2310, Article 11, Sec 2. Subd. 7. Solar on Public Buildings) reads,

"\$5,000,000 the first year is transferred from the renewable development account to the solar on public buildings grant program account for the grant program described in Minnesota Statutes, section 216C.377. The appropriation in this subdivision must be used only to provide grants to public buildings located within the electric service area of the electric utility subject to Minnesota Statutes, section 116C.779."

In this case, the legislature only appropriated funding for this program for projects within Xcel Energy territory. The legislature would need to decide to expand the program further.

Will there be another round of applications in 2025?

There will be two rounds of funding beginning in 2024. Any additional rounds will be dependent on available funding.

Other Questions

Was the webinar recorded? And will it be available later?

No. The webinar was not recorded, but webinar slides are now available on the <u>Solar on Public Buildings</u> webpage.

The local government doesn't get Solar Rewards, correct?

Correct

If an agency is not awarded the full grant amount (based on tax capacity), and the project is no longer financially feasible with the lower grant amount, can the agency withdraw their project from consideration? Would there be any penalty or consequences for future applications?

In this scenario, a local government could withdraw the project from consideration without any penalty or consequences for future applications.

Is there a clawback provision in the grant in the unlikely scenario that the facility is sold or torn down in a decade or so?

In order to maximize the benefit of public investments in clean energy, Commerce discourages the installation of these solar arrays on buildings that may be sold or torn down. Commerce may look into projects that do not maximize the lifetime financial and clean energy benefits of a solar array.