

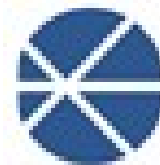
Clean Energy and Sustainability Accelerator Use Case

**Delivering Solar Power & Energy Bill Relief to
Low & Moderate Income Households with
Community Solar Financing**

Prepared By:



CGGC
Coalition for Green Capital



**THE CLIMATE
ACCESS FUND**

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Community solar means jobs, local control, lower electricity prices for all neighborhoods, especially low to moderate income

Situation

- Many states have enough sun to produce solar power that is cheap enough to lower electricity bills. This is particularly important for low-to-moderate income (LMI) households
- For high-income households that own their own homes with large roofs, there is lots of capital and capacity to easily install rooftop solar that lowers electricity bills.
- For LMI households there are capital formation problems, and smaller roof size or no roof at all (not homeowners) means the pathway requires “community solar”
- Community solar means a large solar project is built on an empty lot or local rooftop and generates solar power for many households collectively

Barriers

- Lack of data on LMI household repayments creates perception of high repayment risk, limiting cost and availability of capital.
- High upfront project development costs to secure site, connect to grid and market to households requires expensive development capital.

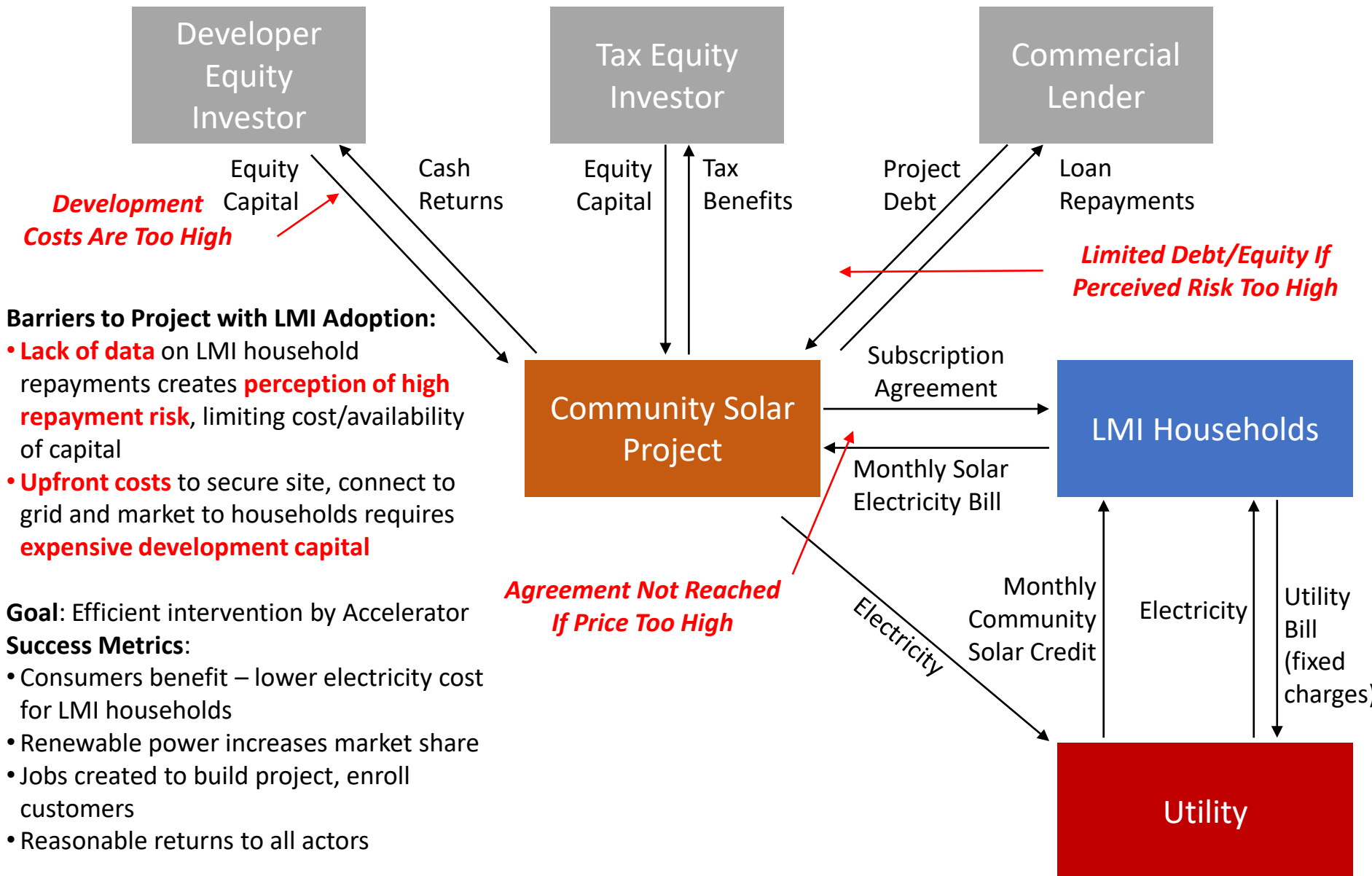
Clean Energy and Sustainability Accelerator Intervention

- Working with state/local green bank, Accelerator provides seed capital for LMI revenue guarantee fund as risk mitigation for private capital until track record and accurate risk provide is learned
- Working with state/local green bank, Accelerator provides seed capital for bridge loan fund for developers to pay interconnection fees with capital that is lower cost than their own developer equity

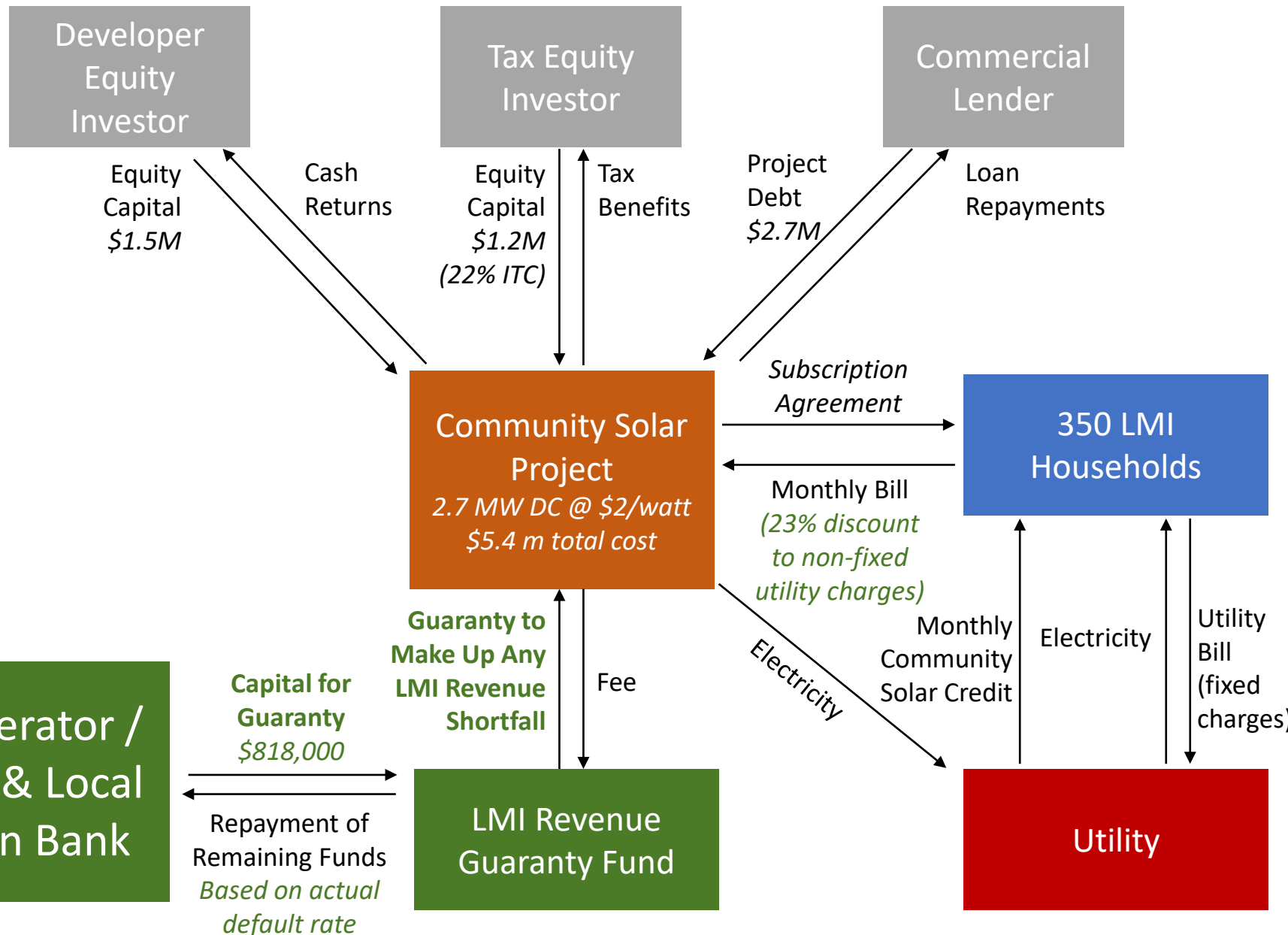
Market Potential

- 50 million LMI households - requires 477 GW of capacity and nearly \$700 billion of total investment. Even modest vision of only 4 million LMI subscribers means 84 GW and \$121 billion investment. Only 2 GW of community solar today – 2% of the tiny target, with only small portion serving LMI – LMI being left behind in the transition from carbon to clean.

Lots of problems to overcome



Accelerator Intervention: Revenue Guarantee for LMI Subscribers

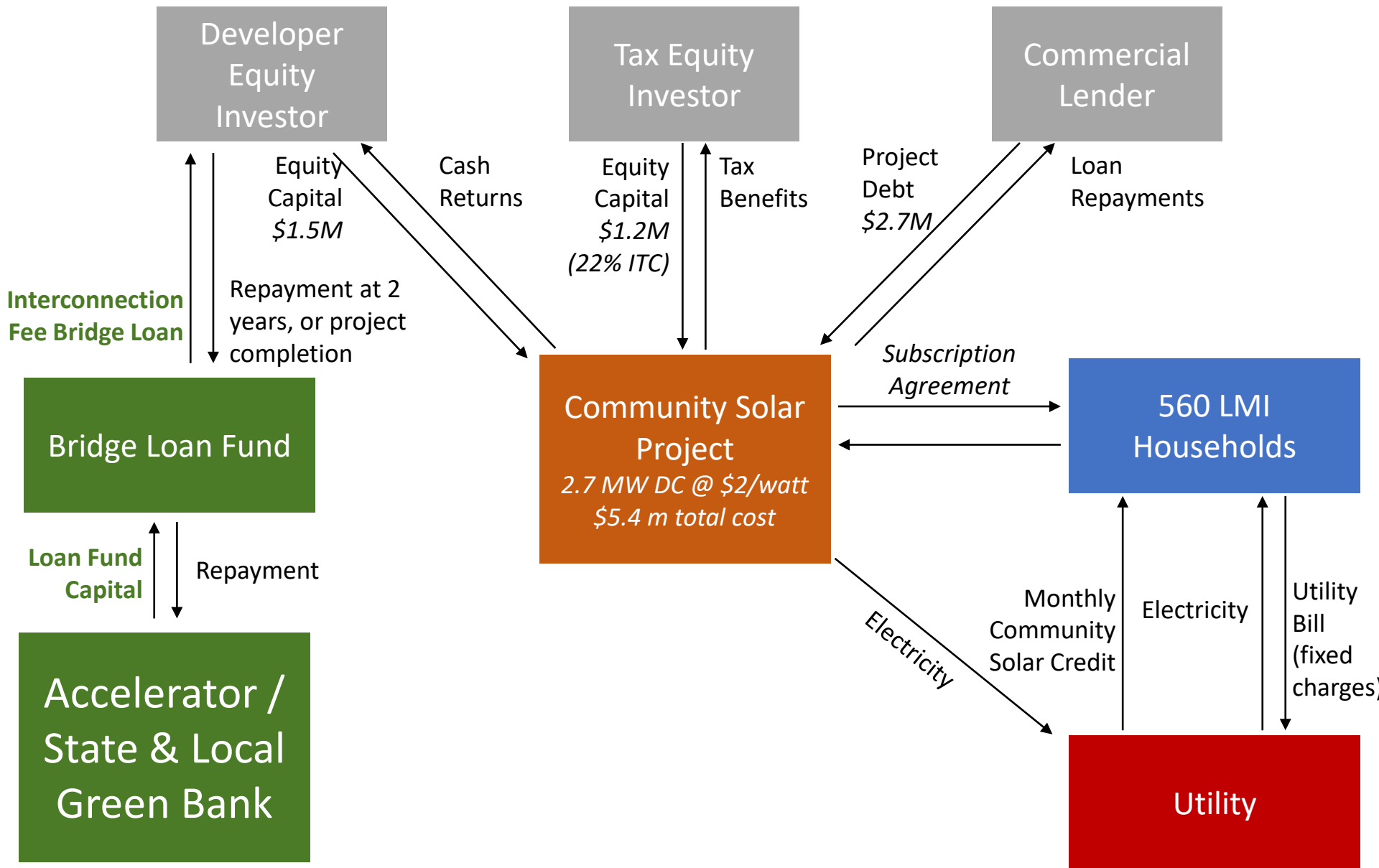


LMI consumer benefits with 23% reduction in monthly bill

	Without Community Solar	Community Solar with CEJF & CAF
<i>LMI Household Electricity Usage</i>	<i>900 kwh</i>	<i>900 kwh</i>
LMI Household Utility Bill	\$113	\$113
Community Solar Credit from Utility based on Subscription		-\$105
Community Solar Bill		\$79
Total Electricity Cost	\$113	\$87
Net Change Electricity Cost (\$)	N/A	-\$26
(%)	N/A	-23%

Note: Market-driven community solar without Accelerator and Local Green Bank would lead to higher electricity costs for LMI households, lower savings, and reduced LMI participation. With Accelerator and Local Green Bank, cumulative savings for all LMI households = \$770,000.

Accelerator Intervention: Interconnection Bridge Loan



Accelerator Intervention Delivers Multiple Solutions

- Expediate and ease capital formation so developers can serve LMI households
- Allow developers to pay upfront costs with less expensive capital
- Increase penetration rate of community subscription sales to LMI households
- Lower electricity costs for LMI households
- Facilitate greater lending volumes by debt providers
- Produce data to demonstrate true default risk of LMI households to lower cost/increase availability of private capital
- Eliminate GHG's produced by fossil fuel-based power generation that is displaced on the grid with the new community solar project
- Create jobs in both construction and subscriber marketing and management