



Principles and Policies for Low and Moderate-Income Solar

Part 3: Finance Options for Low-Income Solar

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October 6, 2017

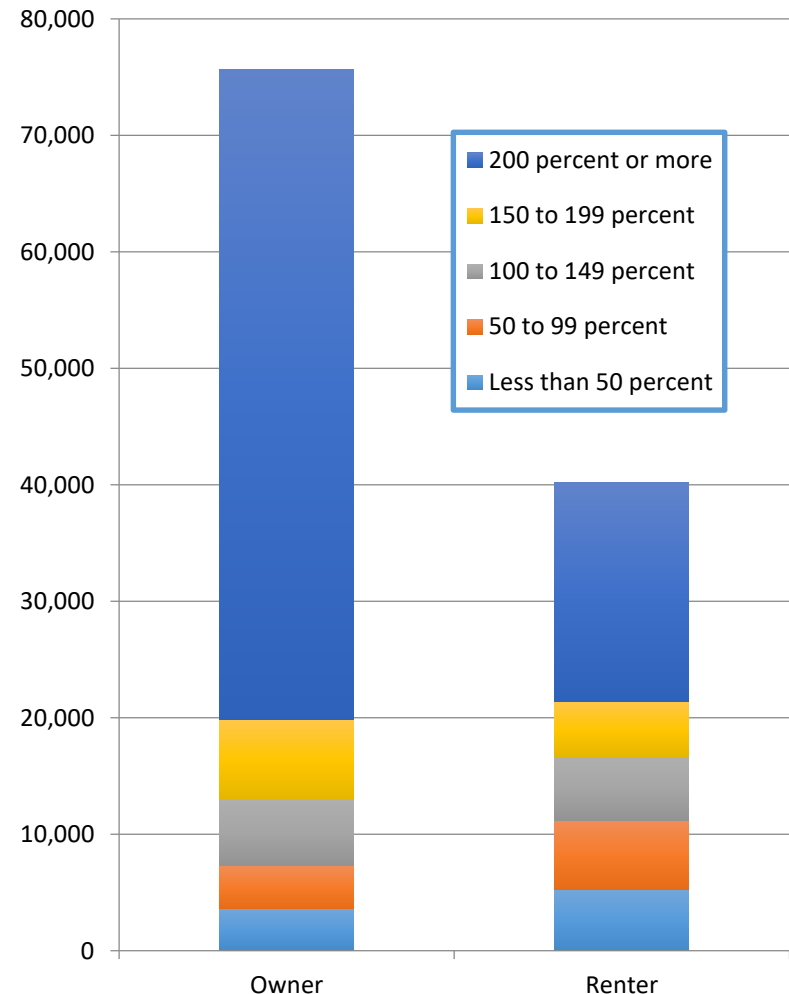
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Learning Objectives

- To understand the difficulties in financing LMI solar projects.
- To be familiar with some solutions that have been implemented or proposed for financing low-income solar.

Who

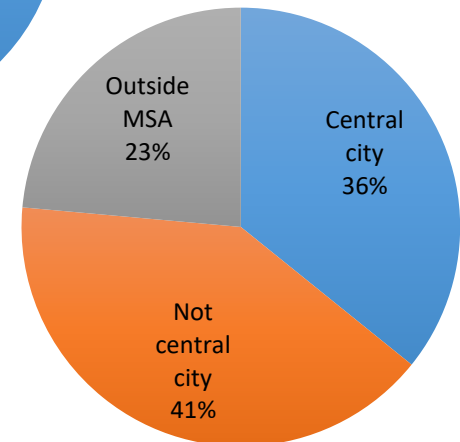
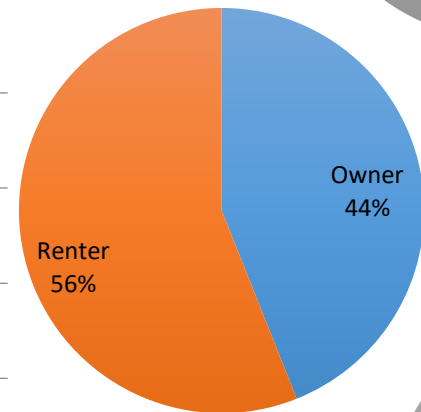
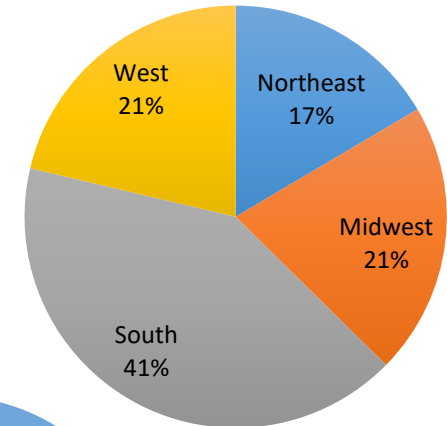
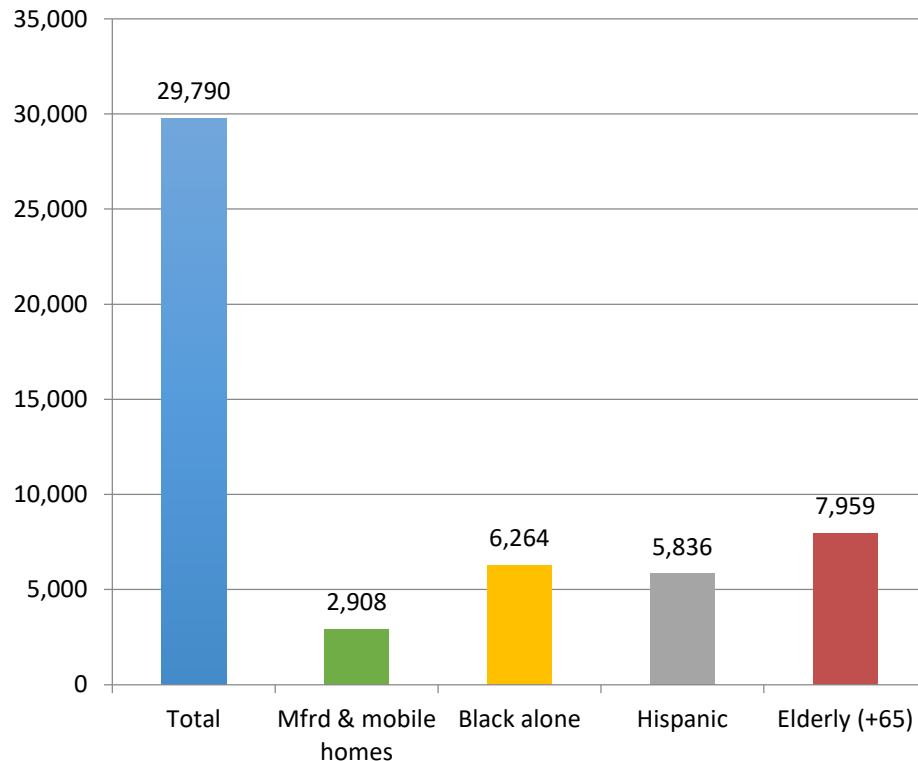
- About 130m housing units, 75m are above 2x the federal poverty level (FPL)
- Slightly more rental units under 2x FPL than homeowners
- Many more under the FPL



What and where

- 30m homes under 150% of federal poverty level: by region, ownership, urban/rural

Households Under 150% of FPL



Conundrums

- Solar can save a low-income person money, but they don't have savings to invest. A solution is to finance it, but low-income people are considered a credit risk, so most vendors shy away.
- Many low-income people don't own their homes or live in multi-family housing. But off-site policies and programs are rare.
- Should policies seek leverage, or just give away solar systems? Leverage reaches more customers, but give away increases savings and reduces risk.

Big debate

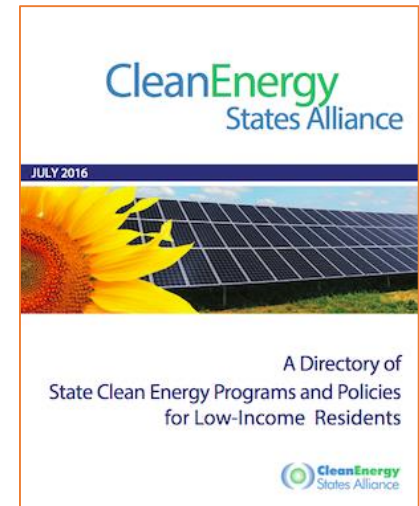
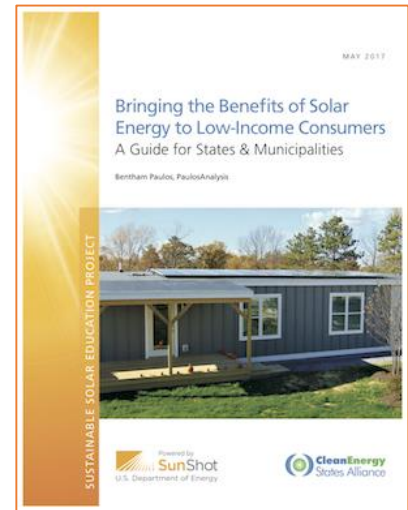
- Should low-income homeowners take on more debt to go solar?
 - Risk: default could be catastrophic if the debt is secured by the home (PACE, HELOC)
 - But unsecured debt (credit card) can be very expensive, especially for customers with poor credit
 - 3rd party PPA vendors (no money down) avoid risky customers
- Should loan eligibility be based on ability to repay, credit scores, or alternative measures?
- Some states have policy to reduce risk *and* reduce cost of borrowing for low-income households

Solutions for low-income solar

- Preserve the value: NEM, rate design
- Lower the cost: rebates, bulk purchases, donations, cut soft costs
- De-risk the finance: low-interest loans, guarantees for developers, on-bill finance
- Community solar for renters: VNEM
- Enabling policies for affordable housing: tax credits, finance, HUD policies

More information

- Clean Energy States Alliance (CESA.org)
 - *Bringing the Benefits of Solar to Low-Income Customers*
 - *Directory of State Clean Energy Policies and Programs for Low-Income Residents*
 - *Publicly Supported Solar Loan Programs*
 - And more!
- Database of State Incentives for Renewable Energy (DSIREusa.org)
- Solar Market Pathways (<http://solarmarketpathways.org/>)

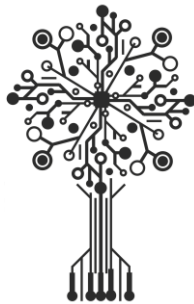


Contact Information

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Thank you for attending our webinar

Questions? Contact:
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Visit CESA's Solar In Your Community Challenge webpage
for more info and resources:

www.cesa.org/projects/sustainable-solar/solar-in-your-community-challenge-webinar-series

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About This Webinar Series

This webinar series is divided into two four-part webinars.

Principles and Policies for Low and Moderate Income Solar, Part 1

Friday, October 6, 2017

1. Opportunities and Challenges
2. Case Studies
- 3. Financing Options**
4. Direct Incentives

Principles and Policies for Low and Moderate-Income Solar, Part 2

Friday, November 17, 2017

1. Presenting solar information to LMI consumers
2. Engaging LMI communities
3. Solar+storage for LMI communities
4. Community solar for LMI customers

Webinar recordings and registration forms are available on CESA's website at:

www.cesa.org/projects/sustainable-solar/solar-in-your-community-challenge-webinar-series



Principles and Policies for Low and Moderate-Income Solar, Part 2

Friday, November 17, 12-2pm ET

Topics to be covered:

- Presenting solar information to LMI consumers
- Engaging LMI communities
- Solar+storage for LMI communities
- Community solar for LMI customers

Sign up at: <http://bit.ly/CESA-Webinar-11-17>

Virtual Office Hours

The instructors will be available for one-on-one consultations with Challenge participants after the webinars, through **virtual office hours**. To schedule a consultation, contact Diana Chace at diana@cleanegroup.org