Clean Energy Financing

Presented by
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Background

• Existing legislation (SB97) was thought to enable C-PACE financing, however, the statute was not designed well and thus lacked legislative details and components of a C-PACE program.

• Existing legislation piggy-backed on assessment statutes

• Opt-in deadline for existing legislation is July 1, 2025

• The NC Clean Energy Plan in 2019 identified C-PACE as a viable option to finance clean energy projects. In response, the NC DEQ assembled a PACE Workgroup to identify barriers and draft legislation to enable the program

• Senate Bill 358 was filed on March 25, 2021, which would authorize a statewide C-PACE program for NC
Existing CPACE Program Limitations

• Based on assessment statutes, which require a geographically defined area

  Scenario Discussion:
  1. Single parcel
  2. Whole county
  3. Opt-in/Opt-out

• Cannot issue debt for CPACE program

• Private financing is not currently identified as a barrier to commercial solar
New CPACE Program Design

State Administrator:
• Responsible for preparing guidance, all documentation, determining eligibility, imposing fees, evaluate and approve applications

Capital Provider (NC Green Bank?):
• Responsible for all billing, collection, and enforcement of the special assessment and lien

Local Government:
• Must adopt a resolution authorizing C-PACE in their jurisdiction
• Place voluntary assessments and liens on properties that participate

***New legislation does not resolve issues with assessment statutes***
Barriers to Commercial Solar

Are Commercial Solar financing options currently available?
- Yes, most developers provide in-house financing and/or work with private lenders; rates are good

Commercial Developers identified impediments to adding solar as:
- ROI – typically 9-10 years is too long for most commercial businesses; 4-5 yrs is desired
- NC Cost of electricity is low on avg. making ROI longer (5-6 yrs in areas with more expensive kWh)

Alternative Options to incentivize solar on commercial properties:
- Revolving Loan Fund and Loan Loss Reserves
- Update Economic Development policy to include renewable energy incentive
- Work with Chamber to identify commercial entities that might be interested in solar
- Explore incentives for new construction
- Partner with Blue Horizons on Commercial Solarize campaign/education & outreach
Questions/Next Steps

• Questions?

• Next steps
  • Continue discussion about Commercial Solar as part of Goal Setting
  • Deadline for opt-in is July 1, 2025; pending legislation should be clarified by then