



# Clean Energy Financing

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*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

