Financing Resilient Power is a groundbreaking philanthropic effort—a $3.3 million initiative of The Kresge Foundation to accelerate the market development of solar PV plus battery storage (solar+storage) technologies in historically underserved communities. The Foundation’s investment—developed with the nonprofit Clean Energy Group (CEG) that will manage the effort—represents the first time a U.S. foundation has committed to use both its grantmaking and endowment resources in a comprehensive strategy to bring these new clean energy technologies to affordable housing and critical community facilities.

New York City Energy Efficiency Corporation (NYCEEC) is the first lender selected to participate in the financing initiative. The new financing partnership consists of three innovative elements:

1. **A $3 million loan guarantee** to reduce credit risk for solar+storage project investments. The guarantee is booked as a reserve on the foundation’s endowment until such time as a demand for payment is made under a specific guaranteed loan transaction, which then takes the form of a program-related investment (PRI);

2. **$170,000 in capacity grants** to NYCEEC to accelerate their ability to finance solar+storage projects, build project pipelines, and actively engage in information sharing; and

3. **$120,000 in technical assistance grants** to enable eligible project owners and developers to assess the technical and financial aspects of new solar+storage projects.

Solar+storage systems provide energy resilience, reduce electric bills, and provide a powerful means of integrating more clean renewable energy into the grid. **Financing Resilient Power** should: (1) lead to increased investments in more solar+storage projects in challenging low- and moderate-income (LMI) markets, (2) help build multiple project pipelines of solar+storage projects that expand existing loan portfolios of low-income project lenders, and (3) provide technical assistance and capacity building support to ensure successful solar+storage system installations and program success.

The initiative could become a model for how foundations in the environment and climate space align their grant and investment portfolios to enhance equity in clean energy project development. **Financing Resilient Power** is an outgrowth of a resilient power “capital scan” that The Kresge Foundation and Surdna Foundation (with additional support from The JPB Foundation) commissioned CEG to conduct. In early 2017, CEG published *A Resilient Power Capital Scan: How Foundations Could Use Grants and Investments to Advance Solar and Storage in Low-Income Communities*.

In 2018, CEG collaborated with lenders, foundations and owner/developers to design a loan guarantee model and draft term sheet, which became the initial blueprint for **Financing Resilient Power**. **Financing Resilient Power** launched in the winter of 2020. CEG will monitor the progress of the program and issue a report on its results. Learn more about CEG’s efforts to expand resilient power at [www.resilient-power.org](http://www.resilient-power.org).

**Overcoming LMI Market Barriers in Solar+Storage Deployment**

**Loan Guarantee Program Process**

1. Capacity/pipeline-building, project pre-development
2. Loan underwriting, approval, construction
3. Data/program evaluation/shared learning

**Gaps & Barriers**

- Lack of capacity: lenders, owners/developers
- Persistent financing gap, credit risk
- Uncertain demand, insufficient project performance data

**Solutions**

- Capacity-building and project evaluation grants
- 50% payment guarantee to keep loan viable
- Continuous data collection, real-time program evaluation

**Outcomes**

- Strong project pipelines for solar+storage
- Comprehensive finance model that de-risks leveraged capital
- Integrated collection, evaluation and sharing of data

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Financing Resilient Power is unprecedented in several ways:

- It provides the participating lender with a 50 percent payment guarantee for loans made to solar+storage projects. If the project can’t cover its portion of borrower’s debt service, then the guarantor foundation pays up to 50 percent of the project debt service to keep borrower’s loan payments current, substantially reducing the risk of a payment default to the lender’s investor(s) who provided capital for the loan.
- The cumulative payments made by the guarantor will not exceed 50 percent of the original amount of the solar+storage portion of the project loan. The guarantor foundation assumes the first-loss position for these loans.
- The loan guarantee appears as a reserve liability against the guarantor foundation’s endowment, but no funds are transferred until such time as a demand for payment is made under the loan guarantee, which then takes the form of a program-related investment (PRI).
- The term of the guarantee is 14 years, which includes an initial two-year origination period.
- Financing Resilient Power is initially available to support solar+storage projects in the Northeast, with the intention of expanding efforts nationally over time.

Loan types
- Construction
- Permanent

Ownership types
- Direct Immediate Ownership
- Third-Party Ownership
- Special Purpose Entities
- For-Profit and Nonprofit Ownership
- Co-operative/Community Ownership

With NYCEEC, Financing Resilient Power includes two important new grant resources:

- The participating lender will have access to new capacity grants to help them build additional in-house capacity to finance solar+storage projects, strengthen project pipelines, and share information.
- Second, the initiative will offer new technical assistance grants to help project developers and community groups verify project feasibility, as well as economic and resiliency benefits.

- The technical assistance grants are limited to supporting those projects that are likely to be financed by the approved participating lender.

From NYCEEC
“Availability of a loan guarantee for a project would reduce lender risk, and it could also provide NYCEEC access to more efficient funding structures for the guaranteed loan.”

$3 Million Investment in Solar+Storage

| $3 million loan guarantee to reduce credit risk for solar+storage project investments in low-income areas |
| $170,000 in capacity grants for NYCEEC to accelerate solar+storage projects |
| $120,000 in technical assistance grants to assess the technical and financial aspects of solar+storage projects |
| 50% payment guarantee for eligible solar+storage project loans |
| 14 Years the term of the guarantee, including initial two-year origination period |

For more information about the Resilient Power Loan Guarantee Program, please contact:
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