



# SCALING UP SOLAR

The Montgomery County Green Bank  
and Sunnova's Low-and Moderate-  
Income Solar Pilot Program

July 7, 2022

# Webinar Logistics



Join audio:

- Choose Mic & Speakers to use VoIP
- Choose Telephone and dial using the information provided

Use the orange arrow to open and close your control panel

Submit questions and comments via the Questions panel

This webinar is being recorded. We will email you a webinar recording within 48 hours. This webinar will be posted on CESA's website at [www.cesa.org/webinars](http://www.cesa.org/webinars)

# CleanEnergy States Alliance



Governor's Energy Office



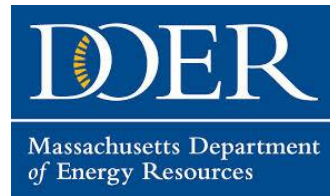
Maryland Energy Administration



MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY



Washington State Department of Commerce



# Scaling Up Solar for Under-Resourced Communities

Three tracks:

- Single-family homes
- Manufactured homes
- Community institutions

**SIGN UP FOR OUR LEARNING NETWORK MAILING LIST**

**<https://tinyurl.com/CESASFH>**

This project is supported by an award from the US Department of Energy Solar Energy Technologies Office.

# Webinar Speakers



**Thomas Deyo**

Chief Executive Officer,  
Montgomery County  
Green Bank



**Bert Hunter**

Executive Vice President  
and Chief Investment  
Officer, CT Green Bank



**Vero Bourg-Meyer**

Project Director, Clean  
Energy States Alliance





Montgomery County  
**GreenBank**

Your partner for clean energy™

# Scaling Up Solar For Underserved Communities

---

TOM DEYO, CEO, MONTGOMERY COUNTY GREEN BANK

FOR: CLEAN ENERGY STATES ALLIANCE PRESENTATION

JULY 7, 2022





Montgomery County  
**GreenBank**

Your partner for clean energy™

➤ **Nonprofit Mission-Driven Organization:**

- Chartered in 2016 by Montgomery County. Independent, 501(c)3 non-profit corporation.
- Not a Bank, a **Financial Investment Intermediary**
- Purpose: Accelerate investment in energy efficiency and renewable energy in the County by partnering with the private sector.
- Mission: Build a more diverse, equitable, and inclusively prosperous, resilient, sustainable, and healthy community.
- Approach: Create more resources for County by leveraging capital provided to Green Bank from public funds in partnership with private capital partners to de-risk investments.
- Alignment: Support Montgomery County's goal to reduce to 0% GHGs by 2035.
- Equity: Support County Climate Action Plan and equity emphasis.



# Green Bank Product Suite – Partners, Sectors and Needs

Product	Partners	Focus
<b>Homeowners</b>		
Clean Energy Advantage – Energy Efficiency	Credit Union	Energy Efficiency
Renewable Energy Financing (REF)	Credit Union	Solar, Geothermal, Energy Storage
Access Solar – LMI Ownership Option (pair with REF)	SREC broker	Income qualified; subsidy to lower upfront costs
Access Solar – LMI Rental Option	PPA Provider	Income-qualified; Power Purchase Agreement
<b>Commercial and Industrial</b>		
C-PACE (Program Administrator)	Private Capital	Long-term capital; low-cost
Commercial Loan for Energy Efficiency & Renewables (CLEER)	Community Banks	Mid-term loan where C-PACE not feasible
CLEER+ Adds a debt participation in loan	Community Banks	Allows Green Bank to co-lend and improve terms and rates
Small Business Energy Savings Support	CDFI	Highly flexible with mid-term loans
Commercial Solar PPA (Nonprofits, affordable housing, faith-based, commercial)	Private Capital	No out-of-pocket costs; long-term steady operating costs
Tailored Structured Finance	CDFI	Bridge loans; higher risk gaps
<b>Low-Moderate Income Owners and Renters</b>		
Community Solar for Low- and Moderate Income	Private Capital	LMI subscriber risk on turnover





# Low- and Moderate-Income Homeowner Solar Financing Program

## Program Goals

1. Main goal: Build more equity in the uptake of homeowner solar installations in Montgomery County
2. Pilot Goal: 100 LMI households supported with solar installations
3. Ultimate desired outcome: Create a model that can be used more broadly

## Timeline

- December 2020 – Brainstorming meeting with stakeholders
- February 2021 – Existing program review and development of program principles
- April 2021 – Program Options
- June 2021 - Framework Development
- September 2021 – Program Design
- Winter 2021 – Program Creation
- Spring 2022 – Program Launch



# Stakeholder Principles For Program Design

---

1. Low-moderate income component – determine % of AMI the program will serve
2. Subsidy – Likely needed to make model work.
3. Protect homeowners – Be aware of risks to vulnerable households and find ways to mitigate risk.
4. No escalator unless directly related to prevailing utility rates
5. Credit alternatives to qualifying
6. Equity in all aspects – homes installing on, job creation, and businesses assisted (installers)
7. Marketing / Outreach: Education with Community messaging using community organizations that serve.



# Installer Feedback

---



## Challenges for LMI households to get Solar PV

- Homeownership, Credit Score, lack of available incentives and grant monies
- Education and communication (Solar 101, Solar Finance 101, and official county messaging)

## Most important factors for Third Party Ownership

- Guaranteed savings, Lower credit tiers (< 650)
- Easy, automated billing, No escalation rate
- Need to show 15% to 20% savings from current bill
- PPA rate of about 13 cents flat per kWh a good target



# Green Bank Considerations

---

1. Available to multiple installers to reach broadest market
2. Leverage our funding to get most from financial partners
3. Learn from those doing the work
4. Stay out of operational role – stay in lane of financing
5. Reach end users in simplest manner using existing structures



# Program Design Elements

---

**Rent:**

PPA

**Ownership:**

SREC Pre-Payment  
Lower Rate Loan

Market

Co-op

Rejected: Lease, Grants, Single Installer





**Access**  
*Solar*

# Power Purchase Agreement Option

---

- Sunnova - Found a partner focused on delivering on equity
- Green Bank role - credit enhancement for LMI owners

## **Result**

- No out-of-pocket costs to homeowner
- 25 year contract with three contract price options available
  - 5% + discount to current kWh with a 1% escalator or lower
  - 0% escalator and set price for term of contract
  - discount to utility price and stays at this discount for term of contract
- Sunnova finances, owns and maintains the system
- Homeowner can transfer to new owner or purchase contract
- Installers do not have liability hooks or potential obligations if a given system falls short of expected production.



**Access**  
*Solar*

# Power Purchase Agreement Option

## Sunnova PPA includes:

- **System Monitoring and Diagnosis** - Proactive service alerts, performance monitoring, and access to production data.
- **Extensive System Coverage** - Zero out-of-pocket costs. Covers repairs, replacements, and labor for ALL system components even if outside the manufacturer's warranty.
- **Sunnova Insured** - Sunnova obtains insurance for the solar system to protect against theft or damage. Consumers don't have to worry about additional costs for this coverage.
- **Roof Penetration Warranty** - A 10-year roof penetration warranty. Sunnova will cover the repairs if there are leaks or damages to a roof caused by the installation of the solar system.
- **System Exits**
  - Customer has the option to buy the system after year 5.
  - Complete a request to transfer the PPA contract to a buyer of the home.
- **End of contract options**
  1. Renewal – Renew the PPA for up to ten years in (2) five-year increments
  2. Removal – Removal of the solar system at no cost
  3. Purchase – Purchase at the greater of either fair market value or the termination amount on contract



**Access**  
*Solar*

# Ownership Options

---

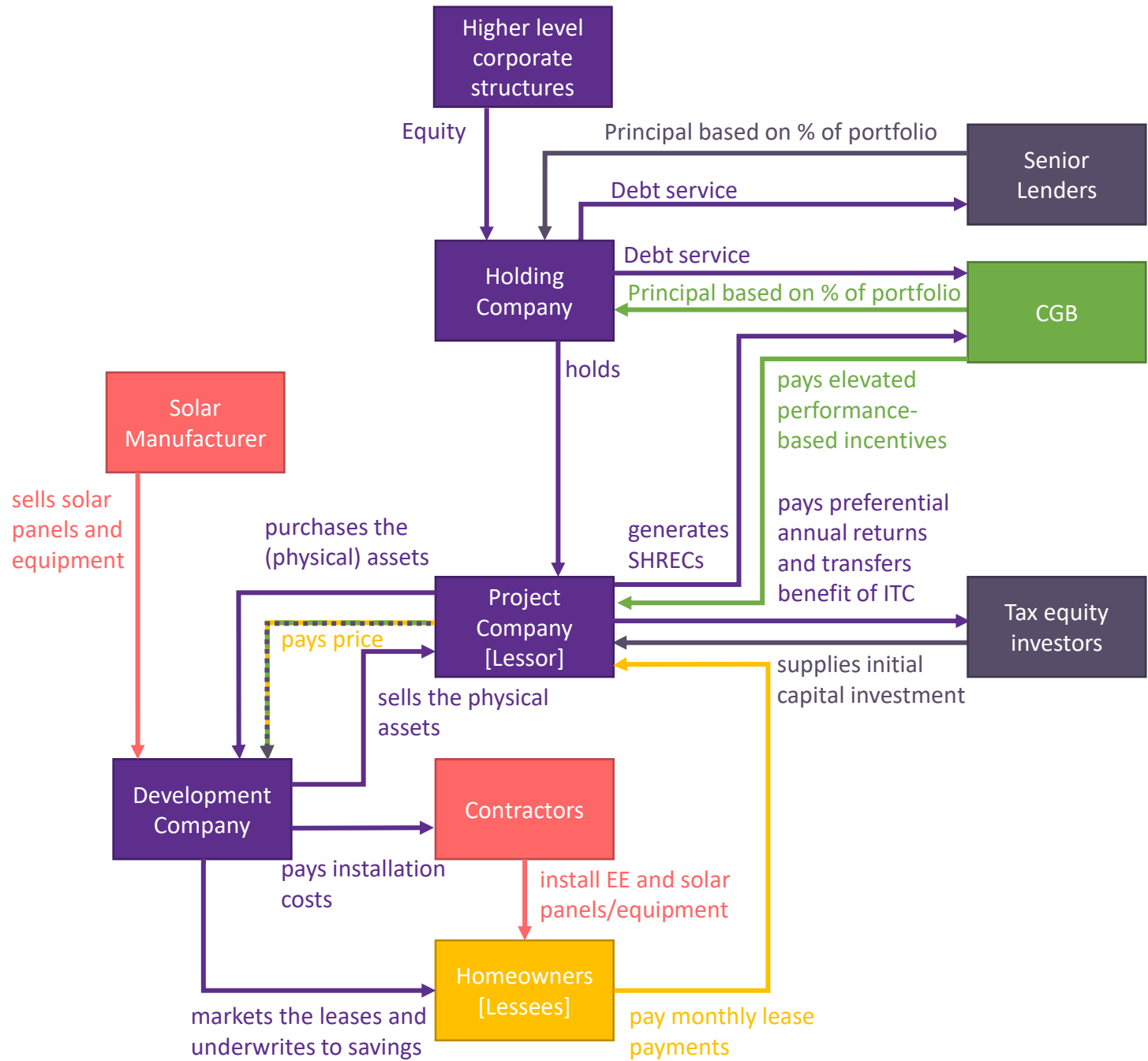
1. **Upfront SREC Subsidy - \$0.244 per Year 1 kWh projected production**
  - MC Green Bank pay's the installer at Project Completion (on behalf of the homeowner) for 5 years of SRECs to directly lower over cost of solar PV system. Paid to Installer at Project Completion.
  - The SREC Subsidy can be directly applied as a credit to the contract price to the customer, thus lowering the amount homeowner needs to pay or finance to pay for the solar system
  - Homeowner executes assignment of SRECs to Installer. Installer executes assignment of SRECs to Green Bank.
  - No homeowner SREC price / production risk in Years 1-5. Homeowner gets SRECs after Year 5.
2. **Low Interest Loan - interest rates 0.5% BELOW lender's market rate. No Dealer fees.**
  - Provided by our participating lender – Clean Energy Credit Union
  - Can cover the balance of the system costs financed by the homeowner
  - **Offered for credit scores of 600 or above**

Homeowner can choose to do either or both. Not required to do both.



# Discussion

# CT Solar for All Program Structure Diagram



# Thank you for attending our webinar

**Vero Bourg-Meyer**

Project Director, Solar and Offshore Wind

Clean Energy States Alliance

[vero@cleanegroup.org](mailto:vero@cleanegroup.org)

Learn more about the **Scaling Up Solar for Under-Resourced Communities Project** at [www.cesa.org/projects/scaling-up-solar-for-under-resourced-communities](http://www.cesa.org/projects/scaling-up-solar-for-under-resourced-communities)



# Upcoming Webinar

## **The Energy Storage Supply Chain – Delays and Cost Increases: What's Happening in the Industry, and What to Expect Next**

*Thursday, July 14, 2-3:30pm ET*

This webinar will feature speakers who will address the impacts of these global events on their energy storage projects now in development. We will also get an overview of the global energy storage industry, and a look at trends that may help us understand what to expect in the coming months and years.

**Read more and register at [www.cesa.org/webinars](http://www.cesa.org/webinars)**

