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Docket Number:	17-IEPR-08
Project Title:	Barriers Study Implementation
TN #:	221856
Document Title:	Presentation - Expanding Low- Income Access to Solar in Maryland the Climate Access Fund
Description:	by: Lynn Heller, Project Director, Climate Access Fund November 2017
Filer:	Raquel Kravitz
Organization:	The Climate Access Fund
Submitter Role:	Public
Submission Date:	11/27/2017 2:56:53 PM
Docketed Date:	11/27/2017



Expanding Low-Income Access to Solar in Maryland: the Climate Access Fund

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November 2017

The Climate Access Fund: Why does it matter?

The U.S. is transitioning from an energy economy based on fossil fuels to one dominated by clean energy, yet as with many new technologies, the benefits of clean energy have not reached most low-income households to date.

Maryland's new three-year community solar pilot program has created a unique opportunity to change that paradigm. Through community solar, underserved communities can now benefit, at scale, from the cost savings associated with solar energy – but only if solar investors are guaranteed their returns. The Climate Access Fund (CAF) is using social impact capital to guarantee low-income solar bill payment in the short term, and to demonstrate creditworthiness to traditional investors in the long term.

The Climate Access Fund: Goals

Goal 1: Expand low- and moderate- income (LMI) access to clean energy.

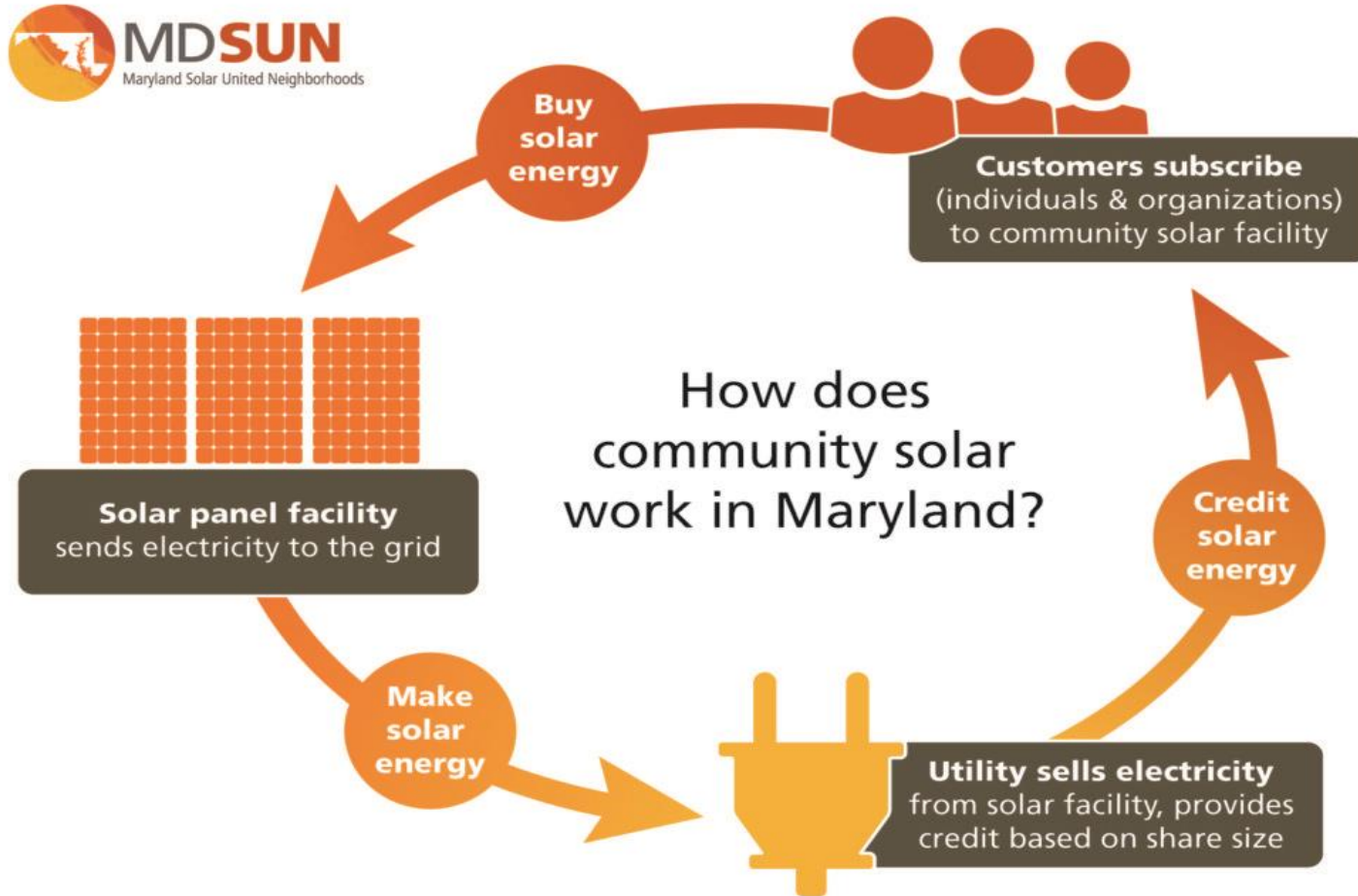
- Maximize the number of LMI residents over the next three years who save at least 20% on their electricity bills through Maryland's community solar pilot program.
- Develop a replicable financing model to scale up LMI access to clean energy technologies.

Goal 2: Demonstrate the creditworthiness of LMI electricity bill payers.

The Climate Access Fund: What is Community Solar?

- A 3-year regulatory program in Maryland to increase access to solar power
- Estimated 10 - 20% savings on electricity bills
- 30% “carve-out” for low- and moderate-income (LMI) subscribers
- No financial incentive for developers to target LMI customers

Maryland's Community Solar Pilot Program



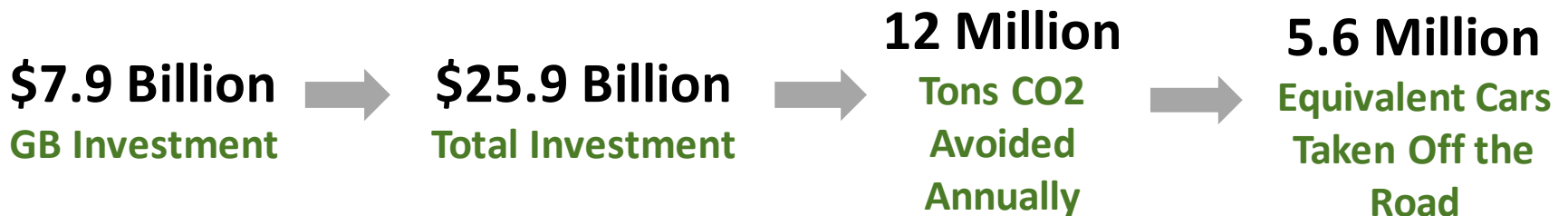
The Climate Access Fund: What is its structure?

The Climate Access Fund is:

- ✓ A partnership between the Coalition for Green Capital (CGC) and Lynn Heller
- ✓ A Baltimore-based 501(c)3 organization in start-up mode
- ✓ Focused on low-income access to clean energy
- ✓ A nonprofit “Green Bank”

The Climate Access Fund: What is a Green Bank?

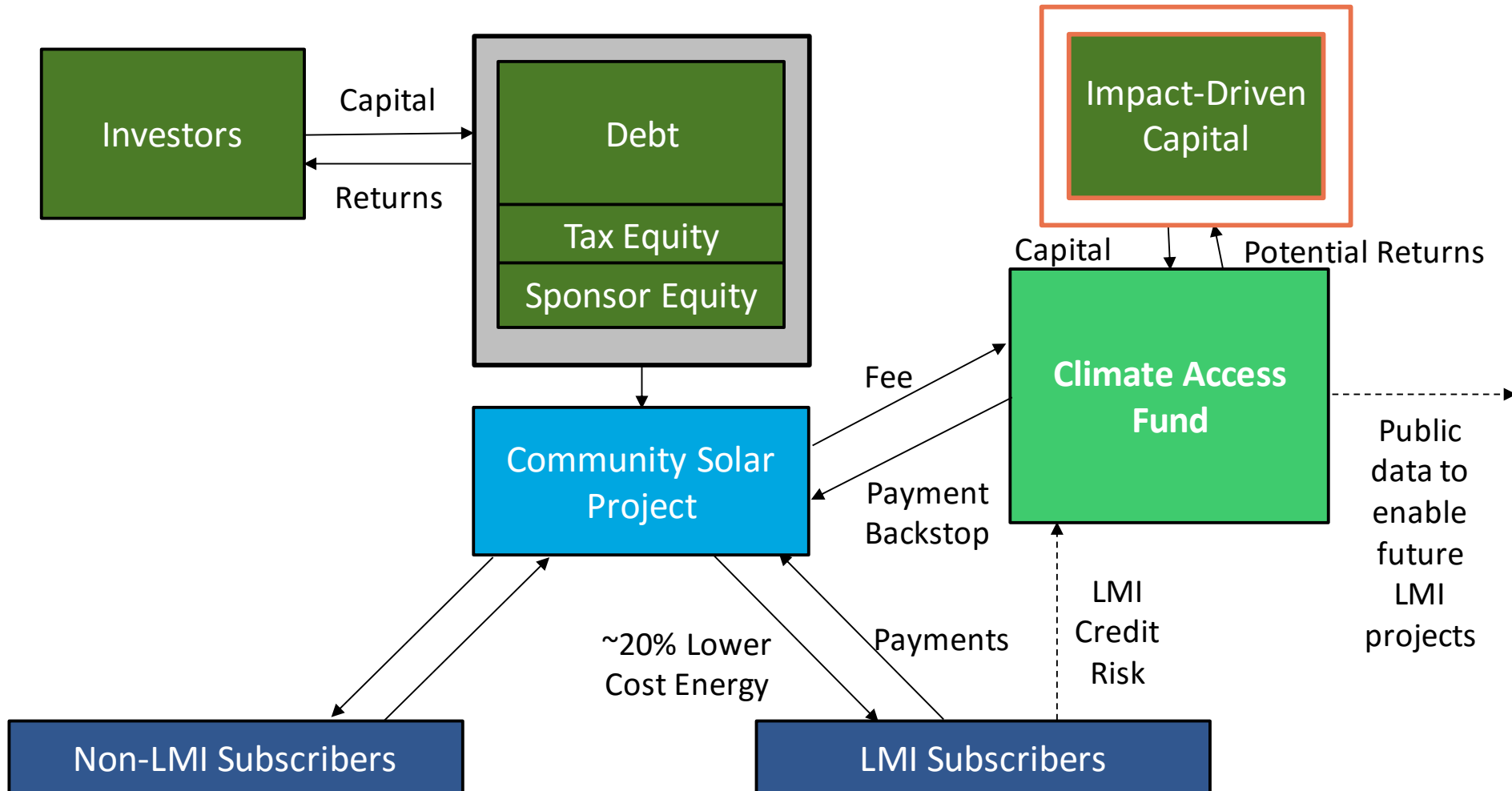
- A dedicated public or non-profit finance entity designed to partner with private capital to fill clean energy investment gaps
- Green Banks exist or are in formation in 15 states and 4 countries
- Green Banks' collective impact:



The Climate Access Fund: What product will it offer?

- The Climate Access Fund's first product is a **guarantee fund** to be used to encourage solar developers to enter the LMI community solar marketplace
- The guarantee fund will be capitalized with social impact capital, primarily in the form of **philanthropic program-related investments**
- CAF will work with partners to ensure successful LMI participation and **limit risk** to the fund's investors

The Climate Access Fund seeks to prove out the LMI community solar market by removing credit risk



The Climate Access Fund: What Do We Need?

\$3.4 million to guarantee 60MW of LMI community solar statewide over 3 years

Possible forms of investment:

1. Grant for start-up operations and/or to capitalize the fund
2. Recoverable grant or zero-interest loan*
3. Letter of credit: a guarantee to cover losses up to a specific dollar amount*
4. Some combination of the above

* Term: 3 to 7 years.

The Climate Access Fund: Potential Impact

- **1,800 households** would save an estimated 20% on their electricity bills (\$214 a year) at no upfront cost to them.
- **60MW of LMI solar** (regulated capacity needing to be guaranteed) would prevent 1.1 million tons of CO2 emissions over 25 years -- the equivalent of 1.2 billion pounds of coal burned, or 125.2 million gallons of gasoline consumed.

Questions?

Thank you!

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