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## Develop and publicize local financing options



### FINANCING OPTIONS EXPAND ACCESS

Not everyone interested in going solar can pay for a new solar installation up-front. Statewide and citywide financing programs can make solar energy available to households, nonprofits and small businesses that might otherwise be priced out of the market. Solar financing options can include loans and installment programs, as well as leasing options that reduce up-front investment. Offering these options for your community can:

- Decrease up-front costs so that more community members can access solar energy,
- Allow you to reach your solar goals faster by involving a broader portion of your community and
- Create opportunities to partner with local financial institutions and solar installers to support the local economy.

### PROGRAMS TO CONSIDER

Several different categories of financing options can enable cities to expand solar access. Some of the most popular and beneficial include:

**The Property Assessed Clean Energy (PACE) Program:** This program allows local and state governments to loan money to home and business owners for energy and efficiency improvements, often through a third-party administrator. This program includes an option to tie a loan for a solar installation

to the property itself so that it is transferred to the new owner if the property is sold. Cities can adopt PACE legislation and issue PACE bonds, which the property owner then pays back on top of their property tax bills. This allows property owners to see energy savings as they pay off a solar project, usually resulting in net savings for the customer.

**Public-Private Partnerships:** Cities can also partner with local financial institutions to offer low-interest loans for solar projects. The [“Milwaukee Shines”](#) program, for example, partnered with Wisconsin’s Summit Credit Union to offer competitive loans of up to \$20,000 for certain solar installations. The loans can fund equipment, labor, permits, fees and necessary building upgrades for a solar home project.

**Solar Leases and Power Purchase Agreements (PPAs):** Cities should ensure that customers are able to lease solar installations through local solar installers over time. In a solar lease or PPA, the homeowner does not own the solar panels on their rooftop, but essentially rents the system from a local installer. The homeowner benefits from the energy that the solar panels generate, while the installer maintains the system and receives any applicable tax credits. In order to allow solar leases and PPAs, cities and states must allow companies that install solar panels to sell electricity to their customers without subjecting them to the same regulations as large utilities.



*Solar financing options give more residents and businesses access to clean energy.*

## CASE STUDIES

Hundreds of cities have enabled these and other solar financing options, and are seeing faster adoption as a result. Here are a few examples:

- **The City of San Diego**, which is a leader in total installed solar capacity, allows residents and businesses to select from [eight providers](#) that have been authorized by the city to provide PACE financing.
- After mandating that existing buildings [cut greenhouse gas emissions](#) through energy efficiency upgrades and renewable projects in 2017, **New York City** authorized a PACE financing program to provide low-interest loans for those efforts. The program has the potential to finance \$100 million annually in energy efficiency and clean energy projects.
- **More than 60 cities and counties in Florida** have enabled PACE financing for investments in energy efficiency, renewable energy and even hurricane resistance measures. Throughout the state, 8,000 homeowners have taken advantage of PACE financing to boost hurricane resilience and save on insurance.
- Since the **Milwaukee Shines** program was founded in 2008 and the city began providing financing resources for home and business owners, the city has exceeded its goal of 1 MW of solar capacity significantly. As of January 2019, Milwaukee homes and businesses have more than 3.6 MW of solar energy installed.
- **The Solar Phoenix Program**, established in 2009 through a partnership between the city and the National Bank of Arizona, offered financing to help residents install leased solar panels on their roofs. Within a year, the program resulted in installations on nearly 450 homes totaling almost 3 MW of solar capacity and no defaults. The city unveiled a second iteration of the program in 2012 because of its success, which was the largest residential solar financing program sponsored by a U.S. city at the time.

## RESOURCES

- [PACE Nation](#) provides a map of where PACE programs are enabled throughout the U.S..
- The U.S. Department of Energy (DOE) provides a [resource page](#) on PACE financing programs, with information on how to set up a PACE program, policy frameworks for both residential and commercial programs and webinars on a variety of PACE-related topics.
- [Learn more about the financing options available in San Diego and Milwaukee.](#)
- [EnergySage](#) can help consumers compare available lease and PPA options.