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C-PACE: A powerful tool to realize the potential of solar energy - by Jeffrey Diehl

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According to an analysis recently published by Synapse Energy Economics, there is the potential to install as much as 7,340 megawatts (MW) of solar across Rhode Island. That is almost 30 times the current level of 250MW of solar currently installed. Needless to say, it will require significant investment to realize this potential but fortunately there is an attractive financing mechanism in place that many RI businesses and non-profits have already used to install solar: Commercial Property Assessed Clean Energy (C-PACE). The rooftops of commercial, industrial, multifamily, and mixed-use buildings in Rhode Island represent almost 20% of the total solar potential identified in the report, and C-PACE has a proven track record of successfully financing rooftop installations.

C-PACE provides access to long-term, fixed-rate capital for efficiency and renewable energy projects. C-PACE financing does not require a personal guarantee, works for both for-profit and non-profit organizations, and can finance up to 100% of the costs of a solar project. Over the last few years, a diverse range of companies in Rhode Island have utilized C-PACE to fund cost-saving solar installations: an animal hospital, a daycare center, a green dry cleaner, an apartment building, a data center, a medical office building, even a golf course. New construction projects can also use C-PACE to fund a significant portion of their construction budget, including the costs associated with installing solar. Many C-PACE projects incorporate both energy efficiency and solar, leveraging utility and state incentives available for these types of projects, and significantly driving down energy costs.

For solar installers, C-PACE adds a powerful tool to their sales arsenal. Building owners that lack up-front capital can leverage the value of their property to access the funding necessary to complete a solar project. C-PACE integrates easily with existing third-party solar finance mechanisms, such as power purchase agreements and leases, as the C-PACE capital providers assume any repayment or off-taker risk. C-PACE also provides non-profit building owners and those without any tax liability access to the benefits of solar tax credits.

Solar electric generation reduces greenhouse gas emissions and complements the further

electrification of our buildings through technologies like electric heat pumps (which are also eligible for C-PACE financing). In addition to these tremendous environmental benefits, solar installations represent a huge economic development and job creation opportunity for the state. As we work toward realizing governor Raimondo's goal of 100% renewable electricity in Rhode Island by 2030, solar will play an increasingly big role and C-PACE can provide a deep reserve of capital to capture the potential savings and economic upside solar represents.

For more information on how C-PACE can help you make the conversion to solar, contact Toby Ast, C-PACE business development manager at Rhode Island Infrastructure Bank.

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