

Green Financing

Solar Policy Survey

October 2016



The NESEMC Solar Policy Survey compiles information on state-level policies that significantly influence the solar energy market. The survey was produced with the help of the Pace Energy and Climate Center's team of student researchers. The vast majority of the information contained within this document has been obtained from [the Database of State Incentives for Renewables & Efficiency](#) (DSIRE) with additional information and research obtained from various sources.

Note: These factsheets are updated periodically to reflect policy changes within each state. If you notice a mistake or out of date information, please contact Nick Martin at nmartin@nesemc.com.

POLICY BACKGROUND

States have taken several steps to help spur more efficient and innovative financing for renewable energy systems including establishing green banks and property assessed clean energy (PACE) financing programs.

A green bank is a public or quasi-public institution that uses public funds to encourage private financing of renewable energy or energy efficiency.

Under a PACE program, a city or county typically finances the up-front costs of a solar PV system. The up-front costs may also be borne by private investors with the locality acting as an intermediary. The costs are then repaid by the property owner over many years through a special property tax assessment.

SUMMARY

	GREEN BANK	PACE FINANCING	OTHER GREEN FINANCING
CT	Connecticut Green Bank established.	PACE financing authorized. Active Commercial PACE program administered by Green Bank.	Loan and lease programs offered.
ME	None.	PACE financing authorized. Act Active PACE program administered by Efficiency Maine.	None.
MA	None.	PACE financing authorized.	Loan program offered.
NH	None.	PACE financing authorized. Active PACE program administered by the Jordan Institute.	Loan programs offered by NH Community Development Finance Authority.
NJ	No green bank, but Energy Resiliency Bank established.	PACE financing authorized. Active PACE assistance program administered by NJPACE.	Loan program offered.
NY	New York Green Bank established.	PACE financing authorized. Active Commercial PACE program administered by Energy Improvement Corporation.	Loan program offered.
PA	None.	None.	Loan programs offered.
RI	Rhode Island Infrastructure Bank established.	PACE financing authorized. Active PACE program administered by RI Infrastructure Bank.	Loan program offered.
VT	None.	PACE financing authorized.	Loan programs offered.

CONNECTICUT

Green Bank:

Connecticut has established the [Connecticut Green Bank](#) (formerly Clean Energy Finance and Investment Authority). The bank is a quasi-independent corporation. It compiles its funding from both private and public sources, including proceeds from the Regional Greenhouse Gas Initiative (RGGI), commercial electric bills, federal funds and grants, and private capital.

From the Connecticut Green Bank's website:

The Connecticut Green Bank's mission is to:

- Support the Governor's and Legislature's energy strategy to achieve cleaner, cheaper and more reliable sources of energy while creating jobs and supporting local economic development.

The Connecticut Green Bank's vision is to:

- Lead the green bank movement by accelerating private investment in clean energy deployment for Connecticut to achieve economic prosperity, create jobs, promote energy security and address climate change.

PACE Financing:

Authorized by state law, the Connecticut Green Bank oversees a [Commercial PACE \(C-PACE\) program](#). For a building owner to take advantage of the program, the municipality must join the C-PACE program through an approving resolution.

Other Green Financing:

[Low-Interest Loans for Customer-Side Distributed Resources](#) – This loan program offers a long-term financing option at a fixed interest rate.

[Smart E-Loans](#) – Energize CT offers this loan program with long-term, low-interest financing to CT residences for a variety of solar technologies.

[Energy Conservation Loan](#) – The Connecticut Housing Investment Fund (CHIF) offers this ten-year loan to owners of one- to four-family homes that are installing solar.

[CT Solar Lease](#) – Supported by the Connecticut Clean Energy Fund, CT Solar Lease allows homeowners to lease PV and solar thermal systems.

MAINE

Green Bank:

Maine does not currently have an operational green bank or similar institution/program that uses public funds to leverage private investment in solar PV.

PACE Financing:

Authorized by state law, local governments may establish PACE financing programs. [Efficiency Maine](#) has developed a [model PACE ordinance and other materials](#) for local governments, and it maintains a [list of municipalities](#) that offer PACE financing.

MASSACHUSETTS

Green Bank:

Massachusetts does not currently have an operational green bank or similar institution/program that uses public funds to leverage private investment in solar PV.

PACE Financing:

Authorized by state law, local governments may establish a PACE financing program.¹ However, there has been little to no adoption of PACE financing at the local level within the state.²

Other Green Financing:

[Massachusetts Solar Loan Program](#) – Administered by the Massachusetts Department of Energy Resources and Massachusetts Clean Energy Center, the Mass Solar Loan Program offers low interest loans to solar system owners.

NEW HAMPSHIRE

Green Bank:

New Hampshire does not currently have an operational green bank or similar institution/program that uses public funds to leverage private investment in solar PV.

PACE Financing:

Authorized by state law, local governments may establish PACE financing programs.³ The Jordan Institute is the state-wide administrator for the [NH C-PACE program](#), which works with program partners and municipal representatives to establish local C-PACE programs. In 2016, there were at least three New Hampshire municipalities with C-PACE programs.⁴

Other Green Financing:

[Municipal Energy Reduction Fund](#) – The New Hampshire Community Development Finance Authority (CDFA)

¹ Mass. Gen. Laws ch. 44, § 53E 3-4

² See <http://pacenation.us/pace-programs/>

³ New Hampshire Statutes § 53-F

⁴ See <http://www.cpace-nh.com/about.html>

administers this revolving loan program available to municipalities (with an initial budget of \$1.5 million) aiming to encourage the state’s municipal governments to invest in alternative energy.

[Enterprise Energy Fund](#) – The New Hampshire CDFA administers this revolving loan fund available to businesses and nonprofits to make energy improvements.

NEW JERSEY

Green Bank:

New Jersey does not currently have an operational green bank, but there is a state [Energy Resilience Bank](#) (ERB) that will support the development of distributed energy resources at critical facilities to remain operational during electric grid outages.

PACE Financing:

Authorized by state law, local governments may establish PACE financing programs. [NJPACE](#) administers a state-wide program to assist municipalities to establish local PACE programs.

Other Green Financing:

[PSE&G – Solar Loan Program](#) - Public Service Electric and Gas (PSE&G) offers loans for "behind the meter" solar PV systems to all customers in its territory.

NEW YORK

Green Bank:

The New York Public Service Commission established the [New York Green Bank](#) in December 2013. The bank is housed in the New York State Energy Research and Development Authority (NYSERDA). Its funding is derived from repurposed existing state funds (in the form of System Benefits Charges) and Regional Greenhouse Gas Initiative (RGGI) funds. The initial public capitalization of the New York Green Bank was \$218.5 million, with additional funds approved in subsequent orders to provide a total of \$1 billion in capitalization.

From the NY Green Bank Website:

“NY Green Bank is a state-sponsored, specialized financial entity working with the private sector to increase investments into New York’s clean energy markets, creating a more efficient, reliable and sustainable energy system. In adopting a targeted approach to clean energy financing markets, NY Green Bank represents an innovative business model at the forefront of the trend driving institutions nationally and internationally.

NY Green Bank increases the availability of capital for projects deploying proven clean energy technologies across New York State through:

1. Leveraging private sector capital to support and expand clean energy financing markets;
2. Animating and growing capital markets reducing the need for government support; and
3. Motivating faster and more extensive deployment of clean energy assets, contributing to economic development, greater energy choices, reduced environmental impacts and more green energy advantages for every public dollar spent.”

PACE Financing:

Authorized by state law, local governments may establish PACE financing programs.⁵

The Energy Improvement Corporation (EIC) administers the [Energize NY Finance](#) program, which provides financing for commercial facilities through the PACE structure.

Other Green Financing:

[NY-Sun Loan Program](#) – NY-Sun offers a number of solar financing options for residential and small commercial customers.

PENNSYLVANIA**Green Bank:**

Pennsylvania does not currently have an operational green bank or similar institution/program that uses public funds to leverage private investment in solar PV.

The Union of Concern Scientists have published a [report](#) and [factsheet](#) estimating the benefits a Green Bank could create for Pennsylvania. Their analysis found that an initial capitalization investment of \$135 million could create a possible \$4.2 billion investment in energy efficiency and renewable energy within the state.

PACE Financing:

Pennsylvania does not currently have a PACE program or PACE enabling legislation.

Other Green Financing:

[Penelec SEF of the Community Foundation for the Alleghenies Loan Program](#) - This \$9.1-million-dollar fund provides loans or equity investments to support the development of renewable and clean energy use.

[Sustainable Energy Fund \(SEF\) Loan Program \(PPL Territory\)](#) - The Sustainable Energy Fund (SEF) promotes and invests in a variety of renewable energy development projects.

[West Penn Power SEF Commercial Loan Program](#) - The program accepts proposals for commercial loans, equity investment, subordinated debt, and royalty financing for commercial, industrial, institutional, and residential solar projects.

[Sustainable Development Fund Financing Program](#) - The Reinvestment Fund, Inc. administers the Sustainable Development Fund. The fund provides commercial loans, subordinated debt, royalty financing, and equity financing to a variety of solar ventures.

[Metropolitan Edison Company SEF Loans](#) - Administered by the Berks County Community Foundation, this loan fund is open to any individual, organization, governmental entity, or corporation that relates to renewable energy use, including solar energy.

⁵ NY Gen Mun L § 119-GG (2012)

RHODE ISLAND

Green Bank:

Rhode Island established the [Rhode Island Infrastructure Bank](#), which offers a number of green financing products.

From the Rhode Island Infrastructure Bank website:

“Rhode Island Infrastructure Bank (“RIIB”), formerly known as the Rhode Island Clean Water Finance Agency is a quasi-public agency which issues tax-exempt, AAA-rated bond securities, the proceeds of which are used to provide low cost financing to Rhode Island’s municipalities and sewer and water utilities for infrastructure projects to enhance the waters of the State. Recently enacted legislation changed the name of the agency and expanded its mission to establish and finance newly created programs for energy efficiency and renewable energy projects in public, commercial, and residential properties.”

PACE Financing:

Authorized by state law, local governments may establish PACE financing programs.

The Rhode Island Infrastructure Bank has established a [Commercial](#) PACE financing program. Projects must be located in cities or towns that have opted into the program to be eligible for PACE financing.

Other Green Financing:

[Efficient Building Fund](#) - A revolving loan fund to finance energy efficiency and renewable energy projects for municipally owned buildings and school facilities as well as quasi-governmental agency buildings.

VERMONT

Green Bank:

Vermont does not currently have an operational green bank.

PACE Financing:

Authorized by state law, local governments may establish PACE financing programs.⁶ Efficiency Vermont maintains a [list of towns](#) with active PACE programs and PACE districts.

Other Green Financing:

[Small Business Energy Loan Program](#) - This program is one of four loan programs under Vermont's Sustainable Energy Loan Fund. The SBELP provides loans, up to \$350,000 and up to 40% of the project, to small businesses for solar PV projects on a case-by-case basis.

[Commercial Energy Loan Program](#) - This is one of four loan programs under Vermont's Sustainable Energy Loan Fund. The program finances large business loans up to \$2,000,000 and up to 40% of the project.

⁶ 24 V.S.A. § 3251 et seq.

[Agricultural Energy Loan Program](#) - This is one of four loan programs under Vermont's Sustainable Energy Loan Fund. Administered by the Vermont Agricultural Credit Corporation, this loan program provides loans to agriculture or forest product-based companies for solar projects.

[Energy Loan Guarantee Program](#) - This loan program is one of four loan programs under Vermont's Sustainable Energy Loan Fund. The ELGP provides loan guarantees to financial institutions for loans made to businesses that invest in solar projects.

About NESEMC



The **Northeast Solar Energy Market Coalition** brings together solar energy business associations and other stakeholders in the Northeast United States to harmonize regional solar energy policy and advance the solar energy market. We are funded by the U.S. Department of Energy SunShot Initiative as a cooperative agreement through 2017.

Our vision is a thriving, efficient regional market for solar photovoltaic energy generation in the Northeast.

We will realize our vision by encouraging and engaging regional solar businesses in advancing market policy to lower costs and increase solar market opportunity. We will educate stakeholders and policy makers throughout the region directly, and by empowering our member organizations with robust analysis and timely information.

Visit us at NESEMC.com

Powered by
SunShot
U.S. Department of Energy