



# VIRGINIA COMMUNITY CAPITAL Solar Opportunities

# About Virginia Community Capital

- Nonprofit mission (Impact Investing) lender
- We measure ourselves by community impact
- Lending Areas
  - Affordable/workforce housing
  - Small business
  - Fresh foods
  - Solar & energy efficiency

*Let's do more, together.*

# Solar Deployment in Virginia

- Local governments, schools and municipal utilities
- Colleges and Hospitals (large non-profits)
- Commercial and Industrial
- Utility Scale
- Residential

# Tax Incentives for Solar

- 30% Federal ITC- Investment Tax Credit
  - Commercial Solar- Set to phase down to 26% in 2020, 22% in 2021 and 10% for commercial in 2022 there after
  - Residential Solar- same phase down schedule but goes to 0% for residential in 2022
- Expense the cost of solar system
  - For businesses only, not residential solar

# Primary Methods to Access Solar Energy In VA

- **Power Purchase Agreement** (topic of this presentation)
- Direct Ownership
- Lease

# Power Purchase Agreement

- Contract between an electricity consumer and owner of solar system- sell electrons to the user
- Typically 20 to 25 year contracts
- Only legal in
  - Dominion Virginia Power service area (pilot program- capped at 50 megawatts)
  - Electric Coops- new law- July 2019
  - Appalachian Power service area- for colleges

# Municipalities Using Power Purchase Agreements

- Albemarle County Schools- 1.1 MW
- Westmoreland County Schools- 800 kW
- Middlesex County Schools- 1.9 MW
- Arlington County School 2.5 MW
- Augusta County Schools 1.8 MW
- Richmond City Schools 2.5 MW
- King William County Schools- 1.7 MW
- Powhatan County Schools- 2.3 MW
  
- 12 municipalities are considering solar
- VEPGA contract permits use of solar PPA

# Middlesex County School- Elementary School



**\$2.5 million in energy savings over 25 years**

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# Why Solar and Why PPA

- No up front cost, no financing required, no capital expenditure. Purchasing electricity from third party rather than your utility.
- Electricity Price can be lower than your current utility price day one- 5% to 15%.
- Hedge against future utility rate increases

# Why Solar and Why PPA

- Gain the benefit of tax Incentives for non-profit and local governments that can't use the tax incentives. The owner of solar system captures the tax incentives.
- Local Jobs- Electricians, installers, equipment operators.
- Student Education

# Questions

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