



# SOLAR INCENTIVES FOR BUSINESS & GOVERNMENT

APRIL 2023

**SOLAR  HOLLER**  
MINE THE SUN



## ABOUT SOLAR HOLLER

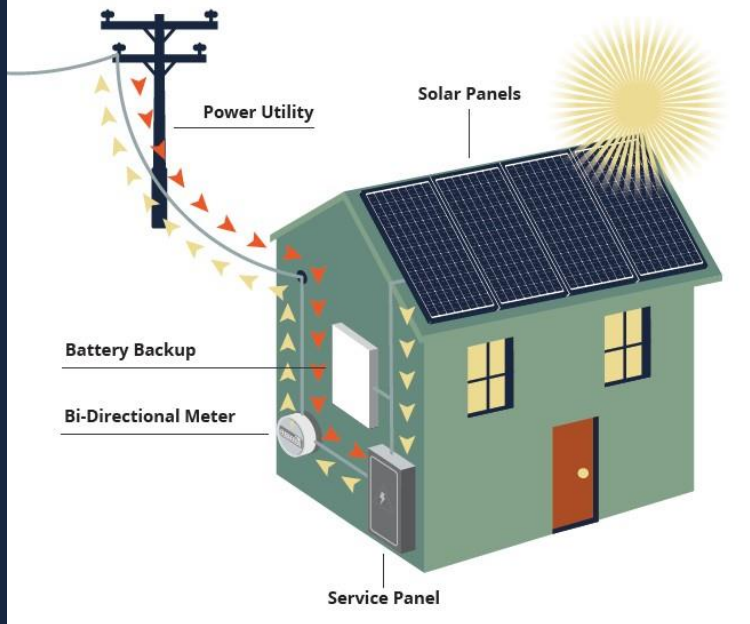
**From the beginning, we set out to do things differently.**

- We're a benefit corporation
- We built West Virginia's revitalization and worker protections built into our corporate charter
- We use American-made panels and joyfully unionized our installation crews
- We built a virtual power plant to give away solar to nonprofits, when it was still just an idea on a whiteboard for utilities
- We launched the first solar training program in Appalachia, when no one else thought twice about the region
- We are now installing 700 systems per year.
- We have 105 full time employees working from their home hollers with staff statewide



## GRID-TIED SOLAR

### How Grid-tied Solar Works



Energy from the sun is converted to electricity by solar panels.

During daylight hours, excess energy produced by your system is sent back to the grid (measured by a bi-directional meter).

At times of low light, you use energy from the grid.

This net-metering process means you only pay for (or are credited) the difference.



## Key Inflation reduction act provisions

### Commercial Solar Changes

**30% Base Tax Credit**  
'til 2032

#### **Bonus Tax Credits:**

10% Energy Community or Brownfields

10% American Made

10% Low Income Community

10% Low Income Offtaker

**Tax Credits: Now Transferable**



## KEY INFLATION REDUCTION ACT PROVISIONS

### Nonprofit & Government Solar Changes

**30% Base Tax Credit**  
'til 2032

#### **Bonus Tax Credits:**

10% Energy Community or Brownfields

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10% Low Income Community

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**Tax Credits: Now qualify through direct pay**



## Types of financing

- 1) **Loan Financing**
- OR
- 2) **Power Purchase Agreement**
- OR
- 3) **Lease (Capital & Operating)**



## LOAN FINANCING

### Loans through Solar Holler

**5 year - 3.99%**

**10 year - 4.99%**

**20 year - 5.99%**

**Project Amounts: \$25k - \$1M**

**Amortized based on 30% ITC  
Reamortization at 18 months**

### Great for:

Organizations that want  
to own their system

Organizations that are stable &  
able to access tax credits

Comfortable with some level  
of maintenance



## Power Purchase agreements

**Legalized in 2021 by WV Legislature**

**25 year term**

**Ability to buy out system at Yr 6**

**Only pay for the power produced**

**Single payment for equipment,  
service, insurance, etc**

**1% cost of living adjustment  
per year**

**Solar Holler monetizes tax credits  
to lower monthly payments**

**Great for:**

**Organizations that don't  
want debt**

**Organizations that don't  
have the tax appetite**

**Risk-averse groups**

**Organizations that  
Don't have up front  
Capital**





## KEY INFLATION REDUCTION ACT PROVISIONS

### Manufacturing Incentives

**30% Factory Investment Tax Credits**  
for Clean Energy Manufacturing

#### **Production Tax Credits**

**\$.075/W Solar Modules**

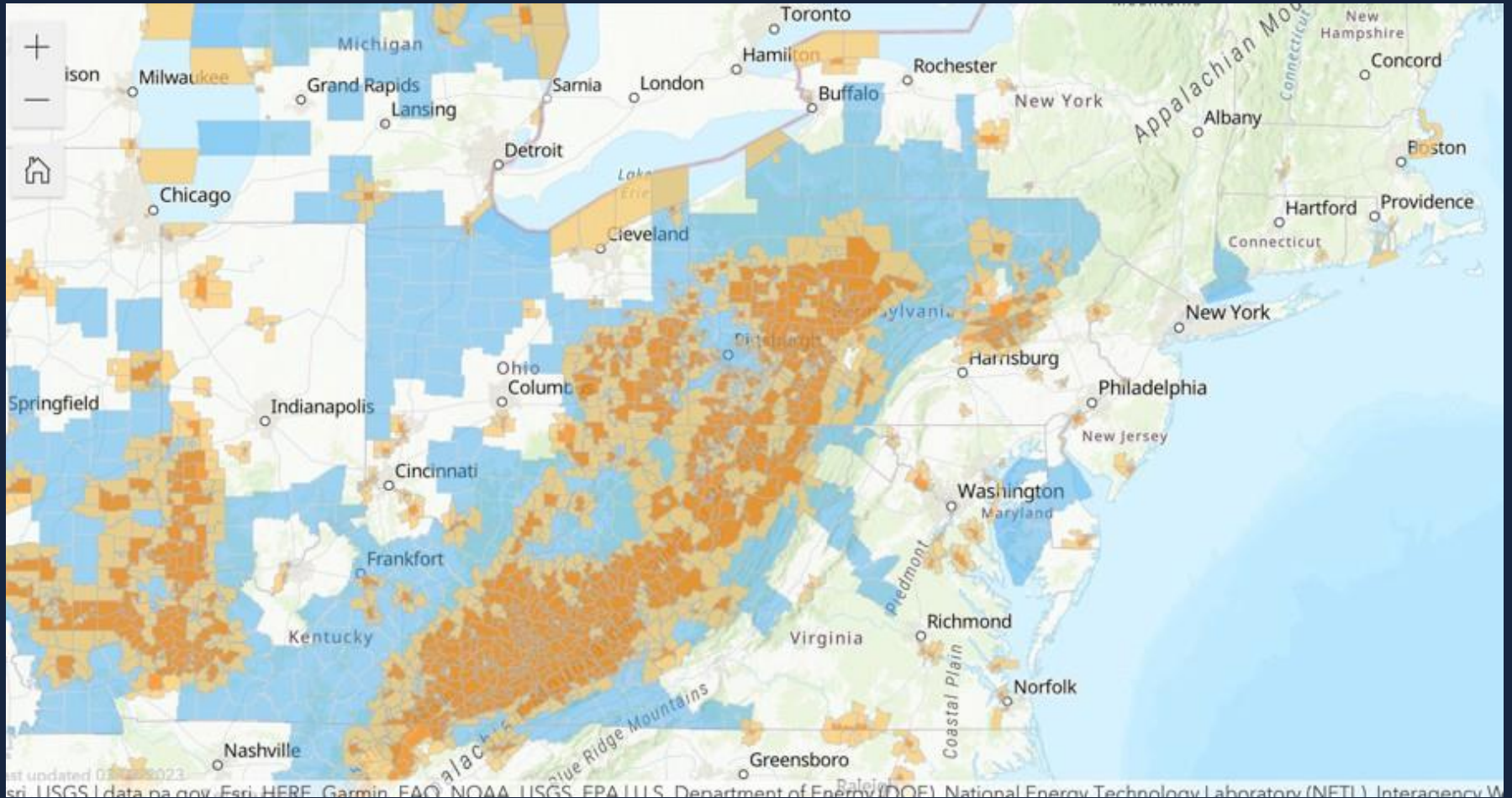
**\$.11/W Microinverters**

**Critical minerals, EVs, batteries, etc**

**40% of ITC must be in Energy Communities**  
for Clean Energy Manufacturing

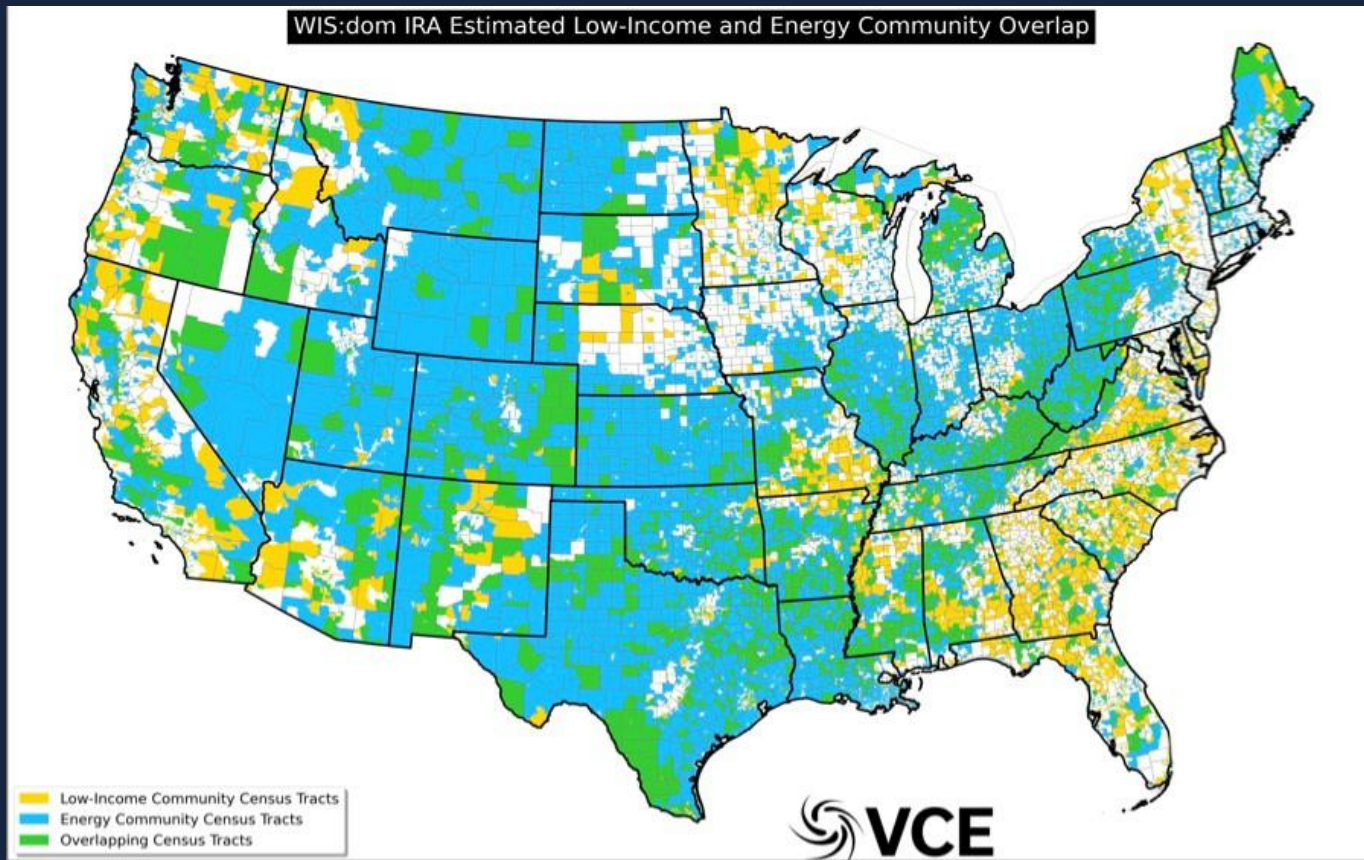


### ENERGY COMMUNITIES IN INFLATION REDUCTION ACT



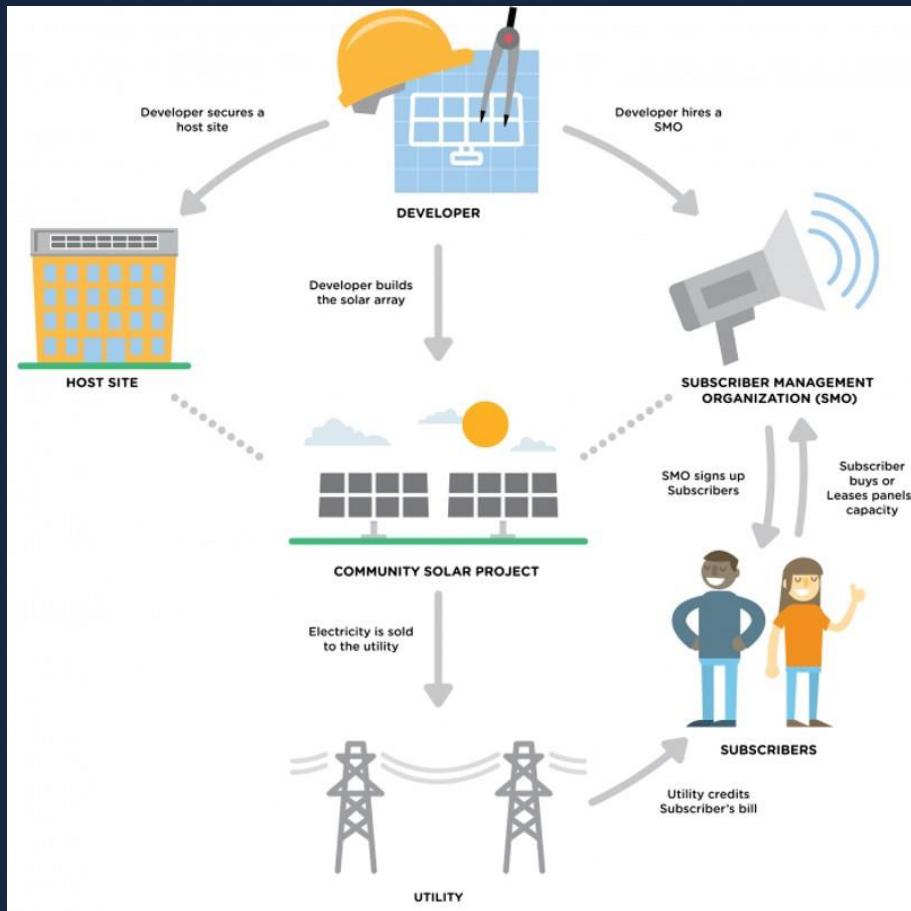


## Projected energy communities and low income communities





## WHAT IS COMMUNITY SOLAR



- Allows families and businesses to subscribe to a common solar array.
- Solar developer or nonprofit owns and maintains the system.
- Credits from the solar system are applied to the subscribers' utility bill.
- Subscribers pay the owner a contracted amount for their credits – typically 10-20% less than the price of utility power.





## WHY DOES WEST VIRGINIA NEED COMMUNITY SOLAR

- Reduces utility bills for families and businesses.
- Saves average family \$450 per year in AEP territory.
- 400 MW of energy will create 12,000 jobs.
- Drives distributed investment in energy infrastructure.
- Attracts other businesses who need energy pricing certainty.



QUESTIONS?

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