



INTRODUCTION:

COMMUNITY SOLAR

& AFFORDABLE HOUSING

COMMUNITY SOLAR

OVERVIEW

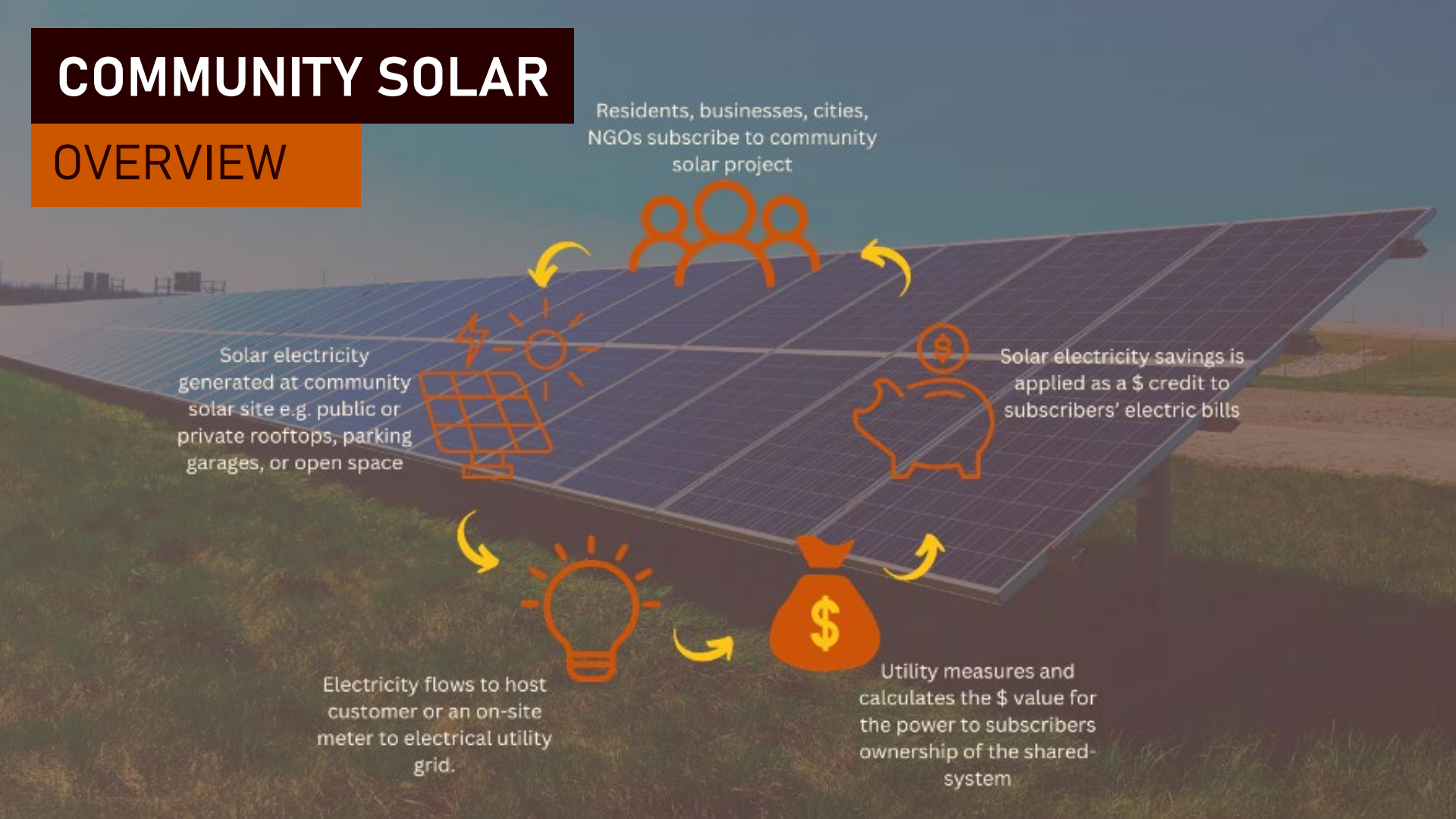
Residents, businesses, cities,
NGOs subscribe to community
solar project

Solar electricity
generated at community
solar site e.g. public or
private rooftops, parking
garages, or open space

Solar electricity savings is
applied as a \$ credit to
subscribers' electric bills

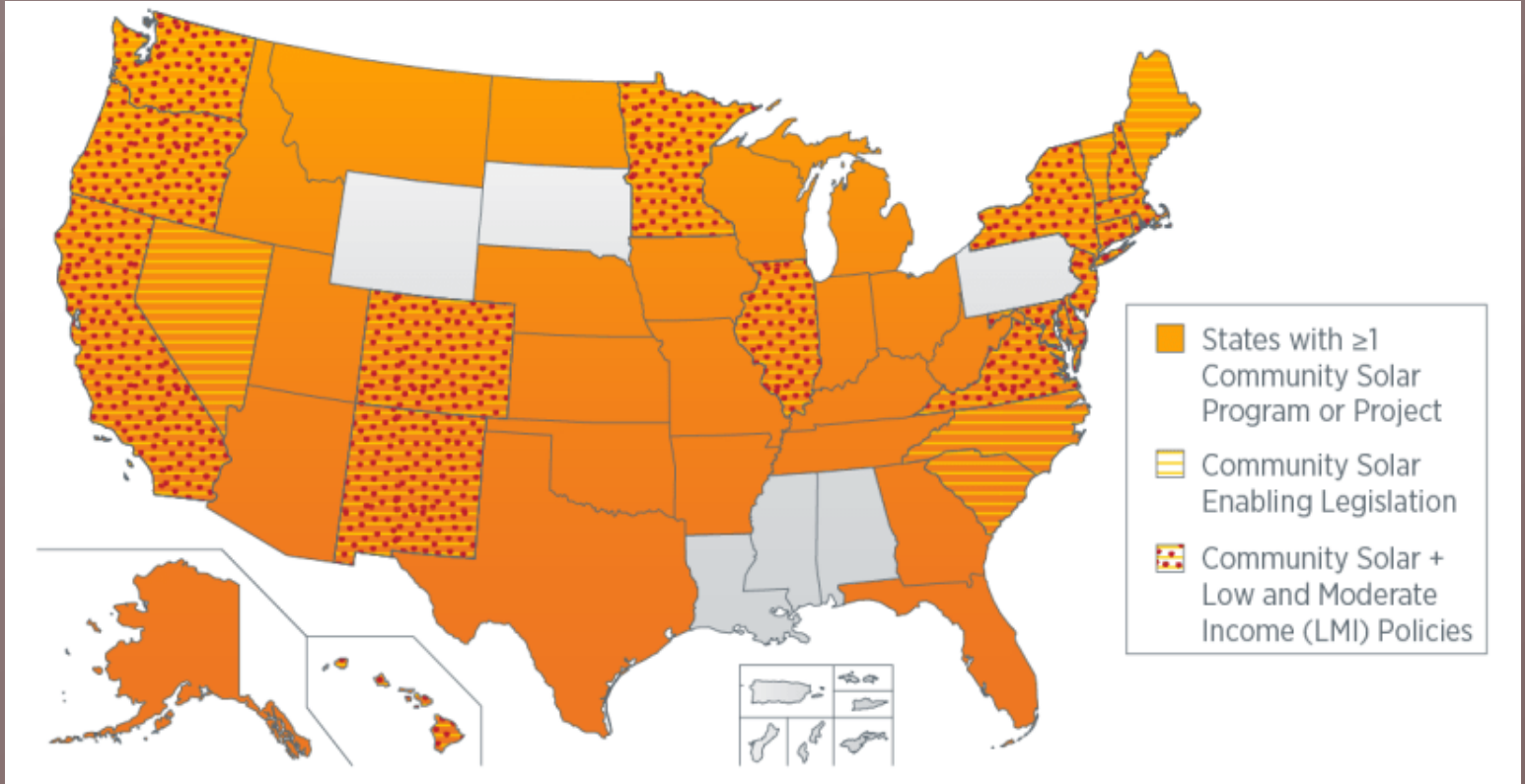
Electricity flows to host
customer or an on-site
meter to electrical utility
grid.

Utility measures and
calculates the \$ value for
the power to subscribers
ownership of the shared-
system



WHERE IS COMMUNITY SOLAR

AVAILABLE



IRA OPPORTUNITY CONNECTING

AFFORDABLE HOUSING & COMMUNITY SOLAR

AFFORDABLE HOUSING



COMMUNITY SOLAR



Community Solar Provides Support: Once operational clean energy produced by the solar array is sold to subscribers or pooled customers, generating revenue for the owner.

Deal Structures Expanded: 1.) Sale-leaseback 2.) limited partnership w/ investor. New Options: Direct Pay option – ITC credits redeemed for face value reducing development fees (retroactively).

Bonus Credits: EJ Credit 2024 for project in LI communities or other criteria including projects on affordable housing. These could bump energy credit to 50%.

New Financing Options: \$27B of GGRF funds to support renewable projects at below market terms.

COMPARING SOLAR FINANCE – LIHTC v. FREE STANDING

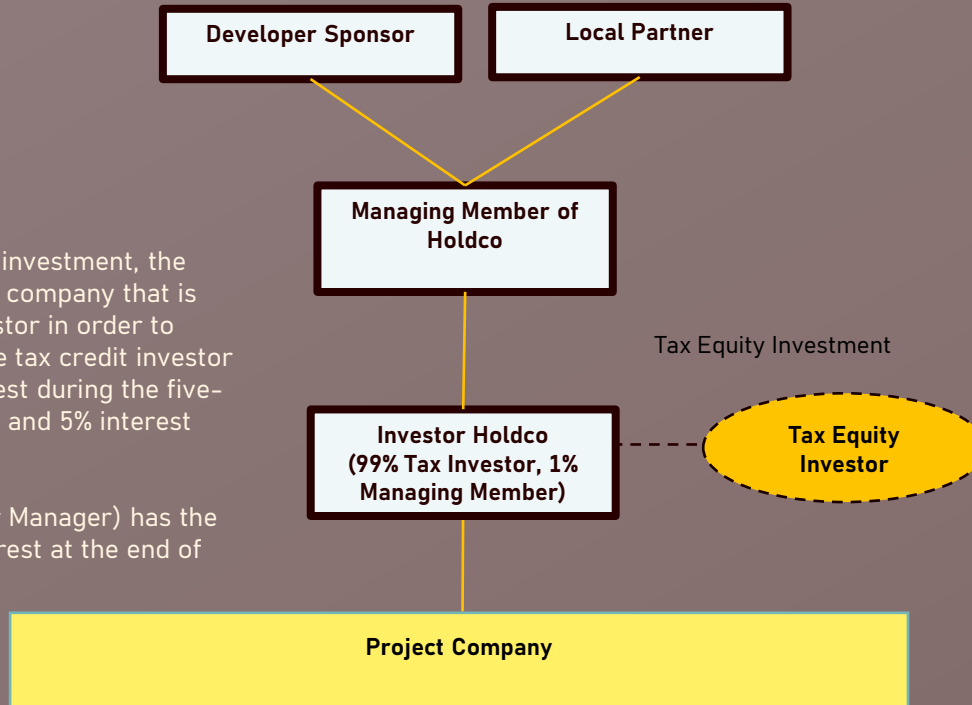
LIHTC SOLAR	ITC COMMUNITY SOLAR
Subject to LIHTC allocation	No limit on base ITCs; bonus credits competitive
Power use restricted per common facilities rules	Power available for sale to subscribers or Solar for All buyer
Reduced operating costs to project and/or resident savings	Cash flow to project/sponsor and/or resident savings
Local regulatory concerns include QAP, other state and local regulatory issues	Local regulatory concerns include availability of community solar/Solar for All, reimbursement for power produced
New projects or tax credit resyndications only	New or existing projects
Tax credit equity upfront	Construction financing bridges to tax credit equity

kWh fees differ per market, e.g., in Connecticut its \$.29/kWh and \$.06/kWh in North Carolina – In NY for example cost could differ within the state based on utility territory e.g., \$.12-.19/kWh

WP – Partnership Flip Solar Project

At closing on the tax credit equity investment, the Project is transferred to a holding company that is 99% owned by the Tax Equity Investor in order to maximize the tax credit equity. The tax credit investor holds a 99% non-controlling interest during the five-year tax credit compliance period, and 5% interest thereafter.

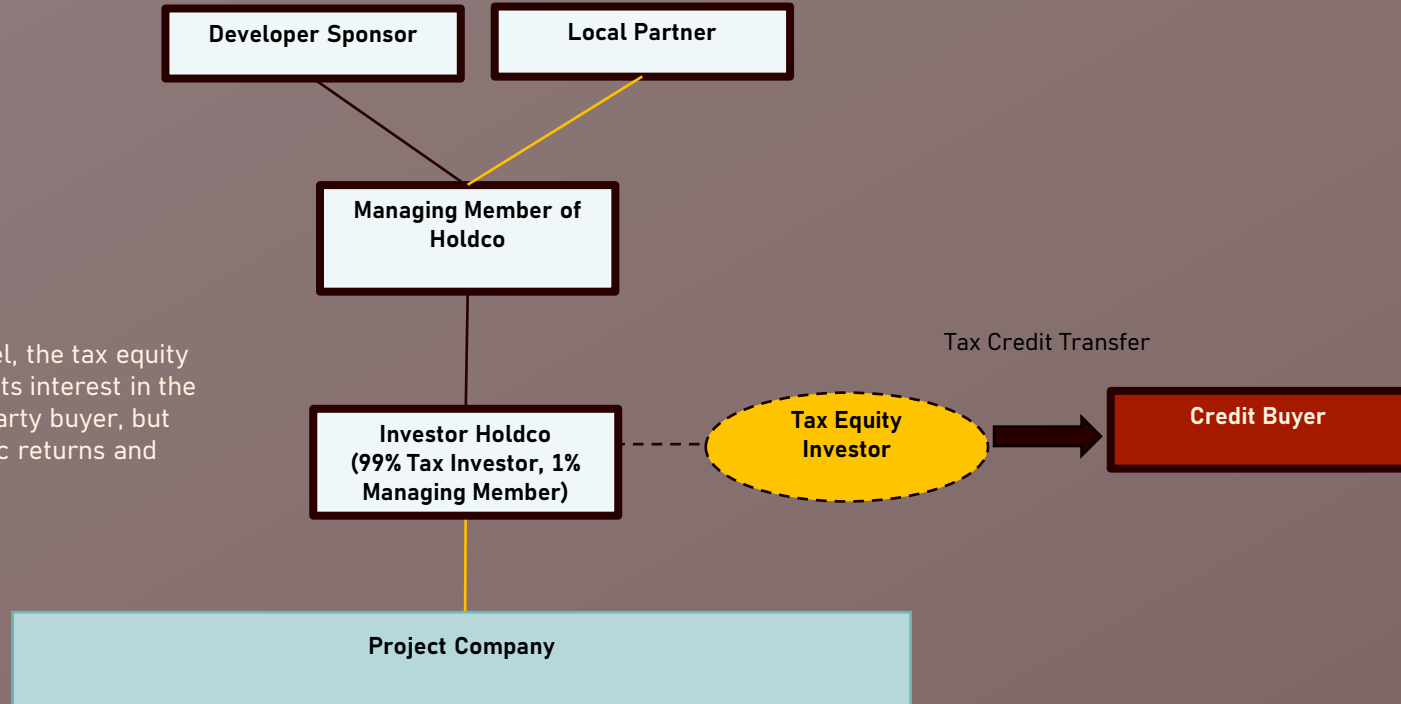
The Managing Member (SPS Solar Manager) has the right to buy out the investor's interest at the end of the compliance period.



Project Company





WP – T Flip Solar Project

In the “T Flip” model, the tax equity investor transfers its interest in the credits to a third party buyer, but keeps the economic returns and depreciation.



PROJECT PHASES

TIMELINE & CASH FLOW

PHASE	 COMMUNITY ENGAGEMENT <i>(Pre-development)</i>	 CONSTRUCTION <i>(Project Development)</i>	 LIVE SOLAR PROJECT <i>(Operations & Income)</i>
TIMELINE	12-18 Months	12-15 Months (\$170K example)	25 Years (\$975K, Average \$40K annually)
\$ FLOW TO PARTNER	<div style="display: flex; justify-content: space-around;"> <div data-bbox="193 731 415 769">Pre-Dev Grants</div> <div data-bbox="454 731 666 802">Capacity Grant (TBD)</div> </div>	<div style="display: flex; justify-content: space-around;"> <div data-bbox="772 715 956 824">30% Dev Fee Notice to Proceed</div> <div data-bbox="1052 791 1246 900">30% Dev Fee Construction Complete</div> <div data-bbox="1207 715 1391 786">40% Dev Fee Refinance</div> </div>	<div style="display: flex; justify-content: space-around;"> <div data-bbox="1458 567 1874 709">  </div> <div data-bbox="1526 737 1777 808">Annual Revenue From Solar Sales</div> </div>
FUNDING SOURCES	Predevelopment	Sponsor Equity and Construction Loan	Permanent Financing



EXAMPLE

1.25 MW

SOURCES & USES

Sources	%	\$	\$/watt
Permanent Debt	22%	\$950,000	\$0.76
Tax Credit Equity	33%	\$1,462,500	\$1.17
Working Power (Sponsor Equity)	6%	\$250,000	\$0.20
Partner Equity	6%	\$250,000	\$0.20
Incentives	34%	\$1,500,000	\$1.20
Total Sources	100%	\$4,412,500	\$3.53
Uses		\$	\$/watt
Solar PV Installation		\$3,312,500	\$2.65
Interconnection		\$125,000	\$0.10
Contingency		\$325,000	\$0.26
Development Fees		\$375,000	\$0.30
Finance & Legal		\$125,000	\$0.10
Construction Interest		\$150,000	\$0.12
Total Uses		\$4,412,500	\$3.53



Activity	2024	2025	2026	2027	2028	...	2044	2045	2046	2047	2048
kW Produced	1,250,000	1,243,750	1,237,531	1,231,344	1,225,187		1,130,763	1,125,109	1,119,448	1,113,886	1,108,317
Price per watt	0.1944	0.1954	0.1964	0.1974	0.1984		0.2148	0.2159	0.2170	0.2181	0.2192
Electricity \$	243,061.75	243,055.68	243,049.60	243,043.52	243,037.45		242,940.25	242,934.18	242,928.10	242,922.03	242,915.96
Subsc. Savings (20%)	\$48,612	\$48,611	\$48,610	\$48,609	48,607		48,588	48,587	48,586	48,584	48,583
1% admin	\$2,431	\$2,431	\$2,430	2,430	2,430		2,429	2,429	2,429	2,429	2,429
Income	\$192,019	\$192,014	\$192,009	192,004	192,00		191,923	191,918	191,913	191,908	191,904
Expenses											
Tax/Acct.	7,500	7,650	7,803	7,959	8,118		11,145	11,367	11,595	11,827	12,063
Insurance	8,836	9,012	9,193	9,376	9,564		13,129	13,392	13,660	13,933	14,212
O&M	15,000	15,300	15,606	15,918	16,236		22,289	22,735	23,190	23,653	24,127
Solar/ Subscriber Management	15,000	18,300	18,606	16,918	16,236		22,289	22,735	23,190	23,653	24,126
Lease Payment	20,000	20,200	20,402	20,606	20,812		24,404	24,648	24,894	25,143	25,395
Total Expenses	66,336	67,462	68,610	69,778	70,967		93,256	94,877	96,528	98,210	99,923
Net Operating \$	125,683	124,552	123,400	122,227	121,032		98,667	97,041	95,385	93,699	91,981
Debt Service	70,986	70,986	70,986	70,986	70,986		-	-	-	-	-
Net Revenue	54,697	53,565	52,413	51,240	50,046		98,667	97,041	95,385	93,699	91,981

CASE STUDY: Brentwood Reservoir Community Solar

The Brentwood Reservoir project is a partnership with National Housing Trust (NHT) with funding support from Solar for All on DC Water's Brentwood Reservoir. The **1.8 MW** project is one of the largest community solar projects in DC. It will **provide energy for 500 low-income residents** cutting their energy bills in half. The project cost approx. **\$5M to construct** and will **generate \$8M** in energy cost savings, revenue, and lease payments to DC Water.

workingpower.com

Developed & Co-owned with



SunLight General Capital
Solar Energy Development and Financing

Solar Energy
Generated
1.8MW

50% reduction in
energy bills for **500**
income qualified
households

Total Development Costs	\$5M
Community Energy Savings	\$4M
Lease Payment & cash flow to local utility	\$3.8M
Cash flow to national affordable housing partner	\$310K
Overall Community Benefit	\$8M approx.



US Secretary of Energy Jennifer Granholm tours Brentwood Reservoir announcing USG Community Accelerator Winners – Four are WP Partners.

A photograph showing a building with solar panels in the foreground and a domed capitol building in the background. The scene is captured in a warm, golden light, likely during sunset or sunrise. The solar panels are blue and arranged in rows. The building in the background has a prominent dome and classical architectural features.

THANK YOU!