

Connecticut's Solar Program for Low- and Moderate-Income Homeowners



In 2015, Connecticut Green Bank launched a solar photovoltaic (PV) program for low- and moderate-income (LMI) homeowners. At its core, the program involves 1) an elevated LMI solar incentive, and 2) public support for solar providers to enter the LMI solar market. PosiGen was the first solar company to be approved for Connecticut Green Bank's LMI solar incentive and to receive program support to enter the state's LMI market. Since 2015, Connecticut Green Bank has successfully supported more than 1,500 solar installations for LMI homeowners in Connecticut.

PROGRAM STATS

- Connecticut Green Bank's partnership with PosiGen has resulted in over 2,700 solar PV projects, collectively amounting to about 18 MW of new solar capacity. Seventy-three percent of PosiGen's projects in Connecticut are in LMI census tracts.
- Connecticut Green Bank and PosiGen have jointly run targeted marketing campaigns in seven underserved Connecticut communities. Approximately 60 percent of the resulting solar projects are in census tracts below the area median income.
- The program has been particularly effective at reaching communities of color; on a per-owner occupied-home basis, solar penetration in communities of color is greater than in white neighborhoods.
- PosiGen's solar offering is open to households regardless of their income or credit score. PosiGen employs alternative underwriting to qualify customers.
- PosiGen offers customers a solar lease. The system ownership structure enables the federal solar tax credit to be monetized by PosiGen's financial partners, which, coupled with an elevated LMI solar incentive, allows PosiGen to offer affordable prices to customers.
- PosiGen contracts have no upfront costs for participants.
- An elevated incentive is offered for households that earn less than 100 percent of area median income. Connecticut Green Bank's LMI solar incentive is nearly three times its standard solar incentive.

- PosiGen's Connecticut offering pairs energy efficiency with rooftop solar to maximize savings. The model includes standard solar system sizing and fixed monthly pricing to reduce sales complexity and increase operational efficiencies.
- Based on a customer's solar generation in Year One and modeled annual demand reduction from the efficiency upgrades, the average participating customer in Connecticut receives a net annual financial benefit of \$700.
- PosiGen guarantees customer savings without hidden fees or escalating lease payments over time. As a result, the program has experienced very few defaults.
- Customers have an option to purchase the system at fair market value at the end of their 20-year lease term.
- Connecticut Green Bank supplied \$5 million in debt capital and leveraged its initial investment to attract an additional \$5 million from a private lender to start the program.
- Supported by Connecticut's program, solar in LMI communities in Connecticut grew by 185 percent between 2015 and 2018.

SCALING UP SOLAR FOR UNDER-RESOURCED COMMUNITIES

This fact sheet has been produced in conjunction with the *Scaling Up Solar for Under-Resourced Communities* project. Under this project, Clean Energy States Alliance, a national nonprofit coalition of public agencies and organizations working together to advance clean energy, has partnered with Connecticut Green Bank, Inclusive Prosperity Capital, Lawrence Berkeley National Laboratory, and PosiGen to evaluate and promote Connecticut's solar model for LMI homeowners. State agencies from across the country have an opportunity to join a working group where they will receive technical assistance and other support to help them explore whether to establish programs for LMI single-family homes. Other stakeholders can join a learning network to learn about potential for replicating the Connecticut model. For more information about the project, visit www.cesa.org/projects/low-income-clean-energy/scaling-up-lmi-solar.

The project is made possible through an award from the US Department of Energy Solar Energy Technologies Office. That office supports early-stage research and development to improve the affordability, reliability, and performance of solar technologies on the grid. Learn more at energy.gov/solar-office.

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