



DOE SunShot Program

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Background

- Unformed idea based on handful of calls with banks of different types and sizes in the Northeast, all of who have provided recourse debt for solar projects
- Not a silver bullet
- Fundamentally-sound premise with lots of challenges

Challenge

- Limited non-recourse debt financing options in solar market
- Small businesses, project developers (borrowers) often need to put personal and/or corporate guarantees behind solar project investments
- Recourse debt means borrower needs higher rate of return on project investment

Why?

- Cause
 - Banks are reluctant to view solar equipment as collateral
 - Used solar equipment is difficult to value
- Effect
 - Need personal or corporate guarantees to secure loans

Solution

Robust secondary market for solar equipment

- May create more confidence in equipment value and provide basis for non-recourse finance
- Key components
 - Clear, objective values like the Kelley Blue Book for vehicles
 - 25-year warranties should be helpful
 - Robust web-based platform to connect buyers and sellers