



Clean Energy Bank

A Remedy for Limited and Expensive Debt Financing

Overview

SEIA supports the creation of a Clean Energy Bank as a fully-funded, independent, wholly owned government corporation to support renewable energy projects. Obtaining financing on reasonable terms is one of the key challenges facing renewable energy developers. Commercial banks are often reluctant to offer financing to small projects and unfamiliar technologies. A Clean Energy Bank could reduce the cost of debt financing for a renewable energy project by half and could shorten the length of the loan.¹

A Clean Energy Bank is an essential part of a suite of federal policies needed to promote the growth of clean energy production in the U.S. Increased solar installations will create millions of new manufacturing, construction and service jobs. A Clean Energy Bank, in tandem with the continuation of other proven clean energy policies such as the Section 1603 Treasury Program and solar manufacturing incentives, will spur investment, create jobs and diversify the nation's energy supply.

Purpose

A Clean Energy Bank should issue direct loans, loan guarantees, insurance and provide other credit support to those deploying solar equipment. This bank should be chartered for 20 years, fully transparent and accountable to Congress. To provide meaningful support, a Clean Energy Bank needs an initial capitalization of at least \$10 billion and authority to issue bonds to increase capitalization to up to \$100 billion.

A Clean Energy Bank should promote investment in:

- Residential and small commercial solar applications, in which the homeowner or business owner is taking out a loan to finance the solar system
- Commercial solar applications, in which the solar company engages a third-party financier to fund the system and the customer signs a power purchase agreement to buy the solar energy generated
- Utility-scale solar applications, in which the solar developer finances the solar power plant through a long-term loan and sells the electricity to a utility
- Solar manufacturing assets, wherein the solar company finances a new or expanded manufacturing facility through a long-term loan

About the Solar Energy Industries Association

Established in 1974, the Solar Energy Industries Association® is the national trade association of the U.S. solar energy industry. Through advocacy and education, SEIA and its 1,000 member companies are building a strong solar industry to power America. As the voice of the industry, SEIA works to make solar a mainstream and significant energy source by expanding markets, removing market barriers, strengthening the industry and educating the public on the benefits of solar energy.

For a referenced version of this factsheet and more information, please visit www.seia.org.

¹ Presentation of the Coalition of the Green Bank (September 21, 2009)