

Clean Energy Deployment Administration

Overview

SEIA supports the creation of a Clean Energy Deployment Administration (CEDA) as an independent, wholly owned government corporation to support renewable energy industries via direct loans, loan guarantees, insurance and other credit mechanisms. CEDA would create thousands of jobs in renewable energy, encourage energy generation without raising consumer rates or impairing shareholder value, decrease dependence on foreign oil, increase American competitiveness in renewable energy technology, and reduce carbon emissions.

Purpose

The purpose of CEDA is to support the deployment of renewable energy technologies by authorizing credit support. This bank should be chartered for 20 years, fully transparent, and accountable to Congress. Below is a scenario demonstrating a properly capitalized CEDA.

Because Green Bank will provide a lower cost of debt, projects can still provide 15% return on equity, and meet debt coverage ratios without an increase in rates.¹

	Financing with Green Bank	Financing without Green Bank
Capital Cost Class IV Wind	\$2200	\$2200
Cost of Debt	4.5%	8.5%
Return on Equity	15.0%	15.0%
Leverage Ratio	49%	43%
Debt Maturity	22	16
Required increase in current rates ¹	50	\$16.61 (1.661 c/kWh)

*Note: The financing model assumes higher leverage and lower cost of debt under the Green Bank scenario.
Source: presentation of the Coalition of the Green Bank (September 21, 2009)*

Existing Legislation

The Clean Energy Deployment Administration (CEDA) currently exists in pending energy and climate legislation. CEDA is included in the *American Clean Energy and Security Act* in the U.S. House of Representatives and the Senate's *American Clean Energy Leadership Act*. SEIA has outlined its top requirements for CEDA legislation:

<http://seia.org/galleries/pdf/CEDA%20side%20by%20side%202.22.10.pdf>.

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. As the voice of the industry, SEIA works with its 1,000 member companies 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.