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The Kresge Foundation Makes \$3.3 Million Commitment to Advance Solar+Storage in Underserved Communities in Partnership with Clean Energy Group and NYCEEC

Montpelier, Vermont: The Kresge Foundation, Clean Energy Group (CEG) and New York City Energy Efficiency Corporation (NYCEEC) announced today a groundbreaking \$3.3 million commitment – through a Kresge loan guarantee and connected grants – to accelerate the market development of solar PV plus battery storage (solar+storage) technologies in historically underserved communities.

The Foundation's investment represents the first time a U.S. foundation has committed to use both its grantmaking and endowment resources in a comprehensive strategy to bring these new clean energy technologies to affordable housing and critical community facilities in low- and moderate-income neighborhoods. NYCEEC is the lender selected to participate in the loan guarantee initiative. CEG will manage the effort.

Low-wealth communities rarely have access to cutting-edge technologies that reduce the impacts of climate-related emergencies, even though statistically they are the most vulnerable. Solar+storage technologies ensure these populations don't lose power during blackouts, keeping homes cooled, oxygen tanks running, and food accessible. This investment will allow more urban communities to access funding for these projects.

The multiyear financing program consists of three innovative elements:

- A \$3 million [loan guarantee](#) to reduce credit risk for solar+storage projects in low- and moderate-income areas. Structured as a 50 percent payment guarantee to help ensure borrowers' loan payments remain current, this innovative credit enhancement is designed to substantially reduce the risk of a payment default to lenders and their investors who provided capital for solar+storage loans. The guarantee is booked as a reserve on the foundation's endowment until such time as a demand for payment is made under a specific guaranteed loan transaction, which then takes the form of a program-related investment.
- \$170,000 in a capacity-building grant to accelerate the participating lender's ability to finance solar+storage projects, build project pipelines and actively engage in information sharing.

- \$120,000 in *technical-assistance grants* to enable eligible project owners and developers to assess the technical and financial feasibility of new solar+storage projects.

This financing program is designed to make the market development of new solar+storage technologies more equitable. Solar+storage can provide clean, affordable, and resilient power – benefits that are most important to underserved populations, but which, due to up-front cost barriers, are largely out of reach.

“This innovative program is a comprehensive finance model that combines a first-of-its-kind loan guarantee with grants that build capacity and assess project feasibility- — a new strategy that will build demand and speed deployment of resilient energy in those communities that need it most,” said Robert Sanders, CEG’s senior finance director, who helped develop the program with Kresge.

“Other foundations can join this effort, as the program is structured to scale up with other investors,” added Lewis Milford, president of CEG.

“The Kresge Foundation is persuaded that program-related investments — including below-market loans and loan guarantees — can prove out the viability of delivering clean, resilient power to historically underserved communities,” said Lois DeBacker, Managing Director of Kresge’s Environment Program. “That’s why we are pleased to announce this pairing of a loan guarantee with traditional grants to speed the adoption of solar+storage technologies in communities with the greatest need.”

“We’re honored to be the first lender in this pioneering program to bring solar+storage to underserved communities. Financial innovation like this loan guarantee is a cornerstone of fulfilling our vision for energy efficiency and clean energy financing to achieve scale and be accessible to all. Philanthropic partners like Kresge help us to focus on high-impact areas like LMI communities, solar+storage, net zero energy buildings and scalable financial products to ensure a just transition to a clean economy,” said Jessica Luk, Director of Development, NYCEEC.

A **Fact Sheet** with more information on the program is available at: <https://www.cleaneenergy.org/wp-content/uploads/Financing-Resilient-Power.pdf>

Clean Energy Group will host a free webinar on the program on Tuesday, January 28th from 2-3pm ET. Guest speakers from Kresge, NYCEEC and Clean Energy Group will present. This webinar is open to the public. Read more and register at: <https://register.gotowebinar.com/register/4328821662830888715>

Foundations interested in partnering with Kresge and Clean Energy Group on this initiative are invited to contact Robert Sanders for more information: rsanders@cleaneenergy.org.

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About Clean Energy Group

Clean Energy Group is a leading national, nonprofit advocacy organization working on innovative technology, finance, and policy programs in the areas of clean energy and climate change. Clean Energy Group also manages the Clean Energy States Alliance (CESA), a coalition of state and municipal clean energy funds. The Resilient Power Project, a joint initiative of Clean Energy Group and Meridian Institute, is designed to help states and municipalities with program and policy information, analysis, financial tools, technical assistance, and best practices to speed the deployment of clean, resilient power systems in their communities. For more information, visit www.cleanegroup.org and www.resilient-power.org.

About The Kresge Foundation

The Kresge Foundation was founded in 1924 to promote human progress. Today, Kresge fulfills that mission by building and strengthening pathways to opportunity for low-income people in America's cities, seeking to dismantle structural and systemic barriers to equality and justice. Using a full array of grant, loan, and other investment tools, Kresge invests more than \$160 million annually to foster economic and social change. Kresge's Environment Program helps cities implement comprehensive climate-resilience approaches grounded in equity. For more information visit www.kresge.org.

About NYCEEC

Established in 2010 as the nation's first local green bank, NYCEEC is a 501(c)(3) mission-driven lender focused exclusively on energy efficiency and clean energy in buildings. NYCEEC is based in New York City and lends throughout the Northeast and mid-Atlantic regions. NYCEEC's loans help buildings invest in energy efficiency and clean energy to save money, improve the environment and build sustainable communities. Partnering with lending institutions, policymakers and philanthropies, NYCEEC is working to build green financing markets and solve the challenge of climate change. Learn more at www.nyceec.com.