

FACT SHEET

SAN DIEGO REGION APPLIES FOR \$260 MM IN CLEAN RENEWABLE ENERGY BONDS (CREBs) TO BUILD SOLAR PROJECTS

OVERVIEW. On August 4, 2009, 9 San Diego municipal agencies, ranging from school districts to city governments to water authorities, filed a total of 298 applications with the federal government for Clean Renewable Energy Bonds (CREBs). The applications represent over \$260 million in financing and if all projects are approved and built, the region would see more than 160 new solar projects representing over 26 megawatts of solar power generated. We believe this filing may represent the largest per capita filing for a region of our size and population.



LATHAM & WATKINS LLP



Southern Contracting, Inc.

MuniBonds Solar Inc.

BACKGROUND ON CREBs. The American Recovery and Reinvestment Act of 2009 (ARRA) and the Energy Improvement and Extension Act of 2008 together have authorized and funded a total of \$2.6 billion for CREBs. One third of this amount or \$800 million is available to public agencies nationwide. Eligible entities use their allocations under a CREBs award to issue no or low-interest bonds to finance renewable energy projects such as solar rooftop installations. CREBs are administered by the IRS. Awards are made on a smallest to largest project basis, making this an ideal financing tool for solar rooftop and parking structures. Once awarded, the municipal authority has the option to seek tax credit bonds to finance its project. Awards must be used within three years of issuance or they revert back to the IRS.

SAN DIEGO'S REGIONAL STRATEGY. CleanTECH San Diego identified CREBs as an opportunity to accelerate San Diego's lead position on solar installations, access new financial resources and increase green jobs. CleanTECH also recognized that capturing this opportunity would require an organized effort and invited a group of key regional stakeholders from the public and private sector to help. The region answered the call.—demonstrating once again San Diego's renowned reputation for collaborating. Since May, a group of stakeholders has been working together, for no fee, to assist municipal agencies with all aspects of the CREB process. In addition to sponsoring a number of workshops to educate municipal agencies about CREBs, the team also provided direct assistance to the municipals in all aspects of the application, including:

- Solar assessments to identify the feasibility of solar projects
- Engineering assessments and certifications for each project
- Financial models for each project
- Legal services and general quality control on applications..

THE CREBs TEAM

CleanTECH San Diego. Project manager.

UC San Diego. Helped design CREB regional strategy. Enlisted students to create a web tool to help municipal agencies complete solar assessments for each application.

Latham & Watkins LLP. Helped design CREB regional strategy. Provided hundreds of hours of pro bono legal services to research CREB, fielded inquiries, quality checked final applications and interfaced with IRS.

Stone & Youngberg. Provided hundreds of hours of pro bono financial services, created a template to help municipal agencies complete the financial portion of the application, fielded individual inquiries.

San Diego Foundation. Provided outreach and follow up to municipal agencies. Participated in educational seminars, provided volunteer resources to assist with project management and municipal support.

Center for Sustainable Energy. Provided outreach and follow up to municipal agencies. Provided engineering services and certifications to support applications.

PE Consulting. Provided solar assessments and engineering services and certifications. Quality checked applications.

Southern Contracting Inc. Provided solar assessments and engineering services and certifications. Quality checked applications.

MuniBond Solar. Provided CREB advice and cost saving analysis for several participating local agencies as well as general support to CleanTECH staff.

PARTICIPATING MUNICIPAL AGENCIES. Participating agencies include Santee School District, the Cities of Santee, Chula Vista, Fallbrook and Lemon Grove, Valley Center Water District and others. A few other San Diego regional entities applied for CREB funding without using the referenced resources and are included in these totals.

PROJECT DESCRIPTIONS. The large majority of applications are for solar rooftop and solar parking lot shade structures. Projects were wide ranging including civic centers, city halls, fire stations, libraries, schools, recreation centers, parking lots, animal shelters and more.

NEXT STEPS. We anticipate that CREB funding may be oversubscribed and therefore highly competitive. We expect to hear some feedback from the IRS regarding award allocations within a matter of months. We look forward to building on this regional momentum as new funding opportunities arise and as we mobilize to install hundreds of solar projects in the coming years.

MORE INFORMATION. Contact CleanTECH San Diego for more information on this project at www.cleantechsandiego.org.