THOUGHT LEADERSHIP

LEGAL UPDATES

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Services

Nonprofit Organizations & Religious Institutions Solar Energy Tax Credits

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Solar for All Grant Deadlines Approaching Fast

Governments, tribes, and nonprofits wanting to improve solar energy infrastructure have a new tool in their toolkit. On June 28, 2023, the EPA published the Notice of Funding Opportunity (NOFO) for the Solar for All grant competition on its website. Through the Greenhouse Gas Reduction Fund, the grant competition will provide financial incentives to increase access to residential solar infrastructure for low-income and disadvantaged communities and households. A total of \$7 billion in funding will be awarded to 60 applicants. Awards amounts will range between small (\$25-\$100M), medium (\$100-\$250M), and large (\$250-\$400M). The EPA emphasizes program outputs and outcomes, rather than simply funding projects. Specifically, programs receiving funding must accomplish at least one of the following "meaningful benefits":

Household Savings – Delivering a minimum of 20% household savings to all households served under the program. Benefits can be delivered through direct financial benefit or, for households without an individual utility bill, a direct non-financial benefit equivalent in value to the program's household savings target in the utility territory.

Equitable Access to Solar – Ensuring the program increases access to residential distributed solar generation in low-income and disadvantaged communities through financing products and project-deployment technical assistance, maximizing the breadth and diversity of the households that can benefit from solar.

Resilience Benefits – Increasing the resilience of the power grid by creating capacity that can deliver power to low-income and disadvantaged households.

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Community Ownership – Facilitating ownership models that allow for low-income households and disadvantaged communities to access the economic benefits of asset ownership.

Workforce Development and Entrepreneurship – Investing in high-quality jobs and businesses in low-income and disadvantaged communities by supporting prevailing wages, investing in effective workforce training programs for underserved populations, and prioritizing equitable economic opportunities for women and minority-owned businesses.

Eligible applicants must be one of the following:

- 1. **State or Territory** Specific state or territory
- 2. **Tribal Governments** American Indian and Alaska Native communities
- 3. **Multi-State Programs or Nonprofits** Programs that serve similar communities that face similar barriers to residential distributed solar development in multiple states

Eligible nonprofits must comply with the federal definition of a nonprofit (meaning not organized primarily for profit; using net proceeds to maintain, improve, or expand operations; and operating primarily for public interest purposes), be funded by public or charitable contributions, have the legal authority to invest in or finance projects, and not be controlled by one or several entities that are not eligible nonprofit recipients. Further, the nonprofit must have an organizational mission consistent with working "to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low and zero emission products, technologies, and services." It is also important to note that all recipients will be subject to federal procurement rules, the Davis Bacon Act, and the Buy American Act.

Applicants must submit a Notice of Intent (NOI) by the applicable deadline. Applicants must submit an NOI via email to GGRF@epa.gov and include a signed letter and an attachment that describes (1) the applicant name, (2) the eligibility category of the applicant (one of the three listed above), and (3) the number and type of application. Specific NOI and application requirements can be found within the NOFO. An NOI must be submitted via email to the EPA by midnight on the following dates:

States, D.C., and Puerto Rico – July 31, 2023

Territories, Municipalities, and Eligible Nonprofit Recipients – August 14, 2023

Tribal Governments and Intertribal Consortia – August 28, 2023

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After NOIs have been submitted, applications close on September 26, 2023. Award notifications will likely be distributed in March 2024 and grant funds will likely be distributed in the fourth quarter of 2024.

Contact us

If you have questions about this update and how it might affect your organization, contact Emily Chad or your Husch Blackwell attorney.

 $This \ content \ was \ written \ with \ the \ assistance \ of \ Husch \ Blackwell \ Summer \ Associate \ Grace \ D'Souza.$