July 9, 2014

IPL Webinar: Village Power Financing Option

OCICE House of Worship Greening Committee

Contact: Sylvia Walker

***Summary:*** Village Power is a for-profit financing company that will work with churches and non profits to provide these organizations with financing for solar photovoltaic installations as well as other energy efficient projects. Village Sun’s job is to make the legal and financial components, which can be quite complex, simple. The financing method Village Power offers is crowd funding. This is similar to the financing that CollectiveSun offers to houses of worship, but there are some differences. (For more information, see the CollectiveSun report written on April 30, 2014.)

***Why crowd funding:***

* Tax credits can be take advantage of
* Clean energy project that might not have been possible become possible
* Good returns 15-20 years
* Member can be re-engage and new members might be brought in

***How it works:***

* Community decides it wants to install solar photovoltaic and/or other energy efficient projects
* Bank approves the project
* Community collects the funds

-House of worship appoints a champion to work with Village Power

-Funds are collected and placed in a bank account. If not enough funds are collected, then participation can be extended to the larger community. An LLC is formed. The community owns the project.

* Church pays the project company, not the utility.
* Project gets built
* Investors get paid

***Additional details:***

* Buy out of the project is possible in 10 to 15 years
* Profits stay in community (3-8% return)
* House of worship can decide how much investors get
* Village Power will look for ways that the house of worship can save energy
* Solar photovoltaic can be bundled with other energy projects
* The house of worship is billed monthly for its energy use

***An example:***

A Unitarian Church in Melrose, MA, authorized a board endowment to be used for the project.

***How Village Power, a for-profit company, gets paid:***

* Village Power collects a one-time fee from the LLC when all the money for the project has been collected and deposited in the LLC account.
* Village Power manages the assets and takes a yearly fee.