



Solar for All, LLC

A wholly owned subsidiary of the non-profit organization Solar Richmond

INVESTMENT OVERVIEW

INTRODUCTION

Solar for All (S4A) brings the benefits of the green economy to low-income communities by offering stable electricity rates for non-profit organizations, reduced pollution and carbon dioxide emissions for cleaner air in the community, and green-collar career opportunities for local low-income residents.

Without new financing options, clean energy solutions remain out of reach for non-profits that cannot qualify for federal solar tax incentives or raise the capital needed to buy their own solar units. This mission-driven for-profit social enterprise leverages the power of the marketplace to provide returns to investors with a defined exit strategy and generates earned income for the parent non-profit, Solar Richmond.

S4A is raising \$5 million in equity, debt and philanthropic investment to finance 54 solar panel installations. S4A finances, owns and maintains solar rooftop units on the buildings of churches, non-profits, and community groups. The company provides solar energy under an arrangement that functions like a lease, called a Power Purchase Agreement (PPA). Customers make a monthly payment for the clean electricity generated instead of buying power from the local utility. This removes many costs and barriers to solar adoption in low-income communities and for non-profits. Customers do not pay for the equipment or installation. This innovation saves them money while reducing their environmental footprint. The work benefits the local community by providing jobs for Solar Richmond's training graduates, increasing property values in low-income neighborhoods, and fostering community pride for those often excluded from the coming green economy.

MANAGEMENT

S4A is a for-profit company formed in 2010. It is a wholly-owned subsidiary of Solar Richmond, a green jobs non-profit based in Richmond, California, in the San Francisco Bay Area. Solar Richmond provides hands-on solar industry training, transitional employment, staffing services, and consulting.

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Since 2006, Solar Richmond has participated in more than 40 installations, trained 160 low-income residents, placed 29 graduates in temporary solar industry jobs, and realized 25 permanent job matches. In 2009, Solar Richmond graduates contributed to installation of over 800 kW of solar electricity, the equivalent energy to power 250 homes. It has received numerous awards for its innovation and successful accomplishments, including the *Barbara Boxer Conservation Champion Award* and the *FBI Director's Community Leadership Award*. Media attention includes *Oprah's O Magazine*, *TIME*, *USA Today*, *NPR*, the *San Francisco Chronicle* and the cover story in *Solar Today*.

S4A is managed through a service agreement with the parent, Solar Richmond. This is an established arrangement in PPAs and in non-profit owned businesses. The service agreement generates mission-related income for Solar Richmond with safeguards in place to protect the 501(c)3 status of the parent. Grants and philanthropic capital are not at risk from this arrangement. Each installation creates a sustainable, recurring cash flow for the next 25 years.

S4A is also supported by a network of advisors including Van Jones, Gifford Pinchot and the Bainbridge Graduate Institute, Bright Green Talent, Drew Tulchin, Wall Street Without Walls and Duane Morris LLC. It also benefits from the Board of Directors of its parent entity.

PRODUCT

S4A provides Power Purchase Agreements (PPAs) to small commercial solar power installations ranging from 20 kW to 80 kW. The typical S4A customer is served with a 30 kW solar system. Non-profit customers, including churches, schools and community groups, cannot benefit from lucrative state and federal solar incentives. S4A's accessing these incentives reduces installation costs by 40% or more. The energy 'lease' lessens and stabilizes energy costs. Installation is free with customers saving money from day one.

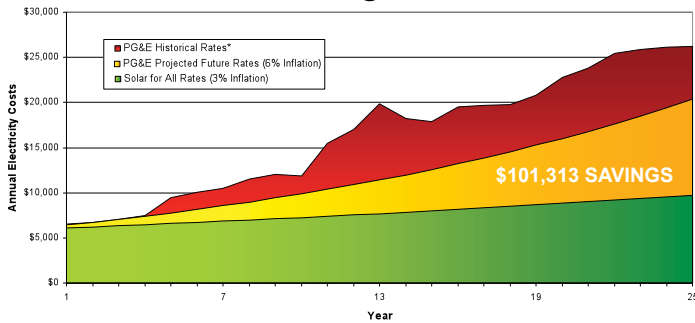
As a PPA provider, S4A will own the systems and have local vendors work with Solar Richmond graduates on installations, scaling the parent organization program. This model creates dozens of green-collar solar jobs for low-income workers. It also helps the environment, benefits community, and provides long-term revenue for Solar Richmond to become less dependent upon donations. S4A's business activities are focused exclusively on PPAs, first these initial 54 and then more as additional funding is raised.

S4A, as a subsidiary of Solar Richmond, accesses the expertise of an established leadership team with decades of experience:

- **Michele McGeoy**, *Founder*, led Solar Richmond to set national best practices in solar installation training, built and sold a software company, worked as a Solar Sales Engineer for Real Goods Solar, and launched a non-profit to address the digital divide.
- **John Russell**, *Operations and Finance Manager*, MS Nonprofit Management, New School University
- **Kandea Mosley**, *Sales and Marketing Director*, MBA, Johnson School, Cornell University
- **Mitchell Smith**, *Training and Placement Manager*, Ed.D, University of Massachusetts, Amherst



Customer Savings



THE MARKET

Good Job Growth

The solar photovoltaic (PV) market grew 37.5% in 2009, even as the rest of the U.S. economy shrank by 5%. The U.S. solar PV market is estimated to triple from 2009 and 2012, to \$6 billion. Although unemployment is at its highest levels in decades, the solar installation market in California is growing. Over the next 20 years, 487,000 new jobs are projected to be needed in solar installation. These jobs are a great opportunity for low-skill workers to build family-sustaining careers. Although installation jobs do not require advanced degrees, they cannot be readily outsourced. The industry is young, such that entry-level workers can rapidly scale a career ladder. Wages in the solar sector are significantly higher than average employment for people from low-income communities. The 2008 median annual salary for entry-level solar work was \$31,200; experienced installers received \$52,000, and project foremen earned \$72,800 or more.¹

California Market and Incentives

The San Francisco Bay Area is a hotbed for the green economy; the area is home to 31% of the \$1.64 billion worth of solar installed in the state. Many factors have come together to make solar more accessible in this market, including government tax benefits and other incentives, state legislation including the California Solar Initiative (CSI) and the Global Warming Solutions Act (AB32), and private investment. These factors specifically target the solar energy

sector and are the most lucrative in the nation. Moreover, nearly 72% of nonresidential solar installations in 2008 were purchased via third-party financing and PPAs, in part because of this incentive landscape.

Niche Market

S4A's core target market is non-profits that own their own buildings. There are more than 45,000 non-profits in the Bay Area. Local county assessment data puts local totals at more than 9,222 for the nine counties.

The market is accessible for S4A's growth to conduct 54 installations, less than 1% of the potential market. S4A already has an initial pipeline of customers to fill its first year of operations.

COMPETITIVE ADVANTAGE

S4A has extensive competitive advantage to operate in this market thanks to its social purpose, well-trained labor, collaboration with local integrators, and niche solar installation size. Competitive advantages include:

- Existing competition does not seek out this size installation; nor focus on the non-profit market
- S4A, through its partnership agreement with Solar Richmond, carries few fixed costs
- Work is local with minimal transportation costs
- Solar Richmond generates media coverage and word-of-mouth marketing due to its mission
- Parent enjoys extensive relationships in the community with potential customers who want to work with a mission-aligned vendor

GROWTH

The \$5 million in capital will finance 54 installations averaging 30 kW each. Four are planned for 2010 as infrastructure is put in place with financing finalized. Installations will be on-going and, after the 2010 ramp-up



year, to be completed in 2011 and 2012. If installations go faster, new funds will be sought earlier. If efforts proceed more slowly, work is moved to 2013 with minimal impact given the variable cost structure of S4A through its service contract with Solar Richmond. Solar Richmond has current capacity to manage this work and can readily hire additional labor, if required.

Number of PPA Financed Installations				
	2010	2011	2012	Total
# Installations	4	18	32	54

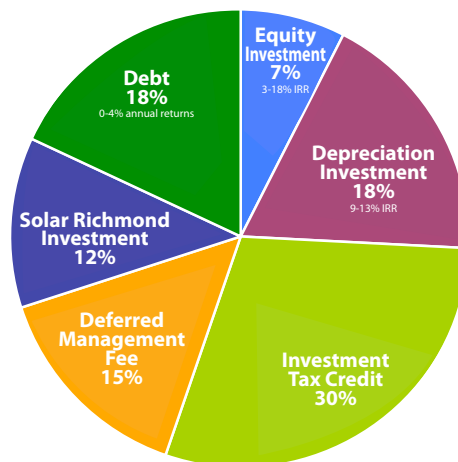
Once this model is proven, S4A will seek additional funds to grow and replicate. Growth is envisioned both locally and nationally where solar incentives, interest in green efforts, and significant volume of clients exist.

FINANCE

S4A is raising \$5 million in its first round of capital to finance 54 solar installations. It offers investors debt, equity, and philanthropic options with returns ranging from 3-18%. A defined exit is offered starting in Year 7. Solar Richmond is an equity investor itself, with

“skin in the game” and will also benefit from projected cash flows.

At full operations, PPAs are cash positive from Year 1. Total gross profits average \$48,000 over the first 10 years. After debt repayment and equity holder exit, S4A and its parent Solar Richmond will retain all profit in years 11-25. The 54 installations generate approximately \$3.4 million over the 25-year life of the systems.



Capital Sources



IMPACT

S4A calculated its impact for 54 installations based upon its “quadruple bottom-line”. It will be tracking impact data and sharing metrics with investors and other stakeholders transparently.

Quadruple Bottom-Line Impact		
Impact Area	Total Outputs	Projected Impacts
Social	Transitional work experience to build trainee resumes and sustainable green job creation for low income people	729 internship work weeks will be created in the solar industry and 30 individuals will have full time employment in the green economy at least one year after graduation
Environmental	Solar electricity adoption and reduction of 677,534 metric tons CO ₂ , 6,103,500 lbs NO ₂ , 5,529,053 lbs SO ₂ & 369,800 lbs particulates	Carbon dioxide reduction benefits equivalent to removing 426 cars from the road or planting 528 acres of pine trees
Community	Utility costs reduced for 54 non-profits	Each non-profit averages \$4,500 annual savings and \$101,313 in total 25-year savings
Financial	Debt re-payments amortized over 10 yrs. Investor return with defined exit and income for Solar Richmond.	0-4% return to debt investors with 10 yr repayment, Equity investor buyout in Year 7 of each PPA offering 3-18% IRR, \$3.4 million in income over 25-year life of PPAs