

Legacy Solar Co-op

Case Study Example

Overview:

Legacy Solar Wisconsin Cooperative (doing business as Legacy Solar Co-op) is a Wisconsin business whose members invest in solar projects for both in the environmental benefits and the financial benefits.

All of our current projects are with non-profit and cooperative solar photovoltaic (PV) system hosts. These organizations cannot easily access tax credit and depreciation benefits. Our Co-op crowdsources solar projects and delivers the lowest cost solar possible to system's host!

Example Project: Willy Street Co-op, East

Legacy Solar Co-op provided technical assistance and fundraising to install a 20 kilowatt solar array and approximately \$8,000 worth of LED lighting retrofits. They are expected to reduce the store's electricity use by 40,000 kWh per year. At the end of year 6, Willy Street will purchase the PV system and lighting upgrades at a 35% discount off their retail cost.

The Willy Street Co-op can't fully use the solar tax credits, so we created a LLC for this project where a "Tax Sponsor" could use the tax benefits for the first 6 years. Willy Street Co-op is a minority owner of the LLC until the end of year 6 when Willy Street purchases the system from the LLC.

Legacy Solar Co-op financed the Willy Street project through both the Tax Sponsor investor and investors who purchase Solar Bonds. Think of the Bonds as a Revolving Loan Fund for solar projects. Legacy Solar Co-op members can buy Solar Bonds and receive a 3% to 5% annual return. Legacy Solar Co-op uses the Solar Bond funds to make loans to qualified projects. For the Willy Street, approximately 60% of the project's cost was raised through Solar Bonds, and 40% financed by the Tax Sponsor who is the majority owner of the LLC.



The Willy Street Co-op can take ownership of the system after 6 years if they purchase enough bonds to buy out the Tax Sponsor and become the majority owner. Any bonds they own during the first six years have a 5% annual return. Willy Street purchased about \$7,500 worth of Solar Bonds up-front, so at the end of year 6, if they buy an additional \$32,000 in Solar Bonds they will own the solar & lighting project.

Under this arrangement Willy Street Co-op nets savings of \$1,500 in the 1st year. In year 7, after taking ownership, they will net over \$7,000 in reduced electricity bills and an expected \$800 in reduced lighting system maintenance costs. Savings continue to grow over the 25-year warranty period for solar.

More Information: For a webinar presentation or an in-person consultation, contact us here:
Go to: www.Legacysolarcoop.org , email to: Info@Legacysolarcoop.org , or call 608-957-6801