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## **Nonprofit Solar HVAC Financing**

### **Problems**

1. Most Non-profits are being pressured to adopt sustainability projects by donors and clients.
2. Most Non-profits do not have the funds available to institute energy saving upgrades.
3. Non-profits need to replace older inefficient HVAC and Refrigeration units.
4. Energy rates are rising annually, in some places over 10% per year.
5. Many states are now outlawing gas equipment. Solutions

### **Solutions**

1. Solar HVAC reduces energy consumption of HVAC and Refrigeration equipment by 25% - 50%.
2. Solar HVAC can reduce or eliminate peak demand charges due to the elimination of in-rush current during startup.
3. Solar HVAC can reduce or eliminate power factor issues reducing Utility charges.
4. Solar HVAC is eligible for 40% - 50% Federal Solar Tax Credits.
5. Solar HVAC is eligible for bonus depreciation and other Federal, State, and Utility incentives.

### **Financing**

1. Investor buys Solar HVAC equipment and leases the equipment to Non-profit organization for up to 15 years.
2. Investor keeps all Federal Solar Tax Credits and other incentives.
3. Lease payments for Non-profit is substantially less than conventional financing since the Investor keeps the Federal, State, and Utility savings thereby reducing the lease amount.
4. Investor pays for all maintenance and repairs to the Solar HVAC or Refrigeration equipment during the term of the lease.
5. After approximately 6 years, the Investor gifts the Solar HVAC equipment to the Non-Profit entity receiving a charitable deduction based on the present value of the remaining nine years of lease payments.

### **Benefits**

1. Non-profit can tout its sustainability initiative.
2. Non-profit gets new HVAC equipment at a very low cost.
3. Non-profit gets 6 years of no maintenance or repair cost on HVAC or Refrigeration units.
4. Non-profit gets reduced energy costs on its HVAC and Refrigeration equipment.
5. Donors can make gifts to Non-profit to cover one or more of the lease payments.