
CATHOLIC ENERGIES NEWS

Proudly serving Catholic organizations nationwide as their trusted solar project developer to evaluate and deliver measurable economic, spiritual, and environmental benefits

Energy Cost “Shock” and the IRA Law Through a Catholic Lens

We are pleased to provide you details of the “Direct Pay” policy which was part of the new climate legislation signed by the President in August, the Inflation Reduction Act (IRA); a policy that substantially benefits nonprofits. For those Catholic clients who have been discouraged in the past by the lackluster financial viability of solar, we encourage you to take a fresh look. And for those Catholic organizations who have never taken a committed look into utilizing solar, there has never been a better time.

The World Bank posted a [sobering report](#) this spring discussing how the war in Ukraine has impacted commodity markets this year. Energy prices from many utilities are rising as much as 50% throughout 2022 with sharp increases in coal, oil, and natural gas. These are the dominant fossil fuel sources for utility-generated electricity. Inflation, drought, and heat waves add to this utility strain. Organizations are already seeing sharp rate increases in their utility bills because utilities pass these rising costs on to ratepayers.

Catholic organizations, often with limited capital and budgets, are especially vulnerable to higher electricity bills. As the largest solar developer for Catholic-owned real estate in the U.S., we have a unique lens on how Catholics appreciate and support clean energy to comprehensively address financial, environmental, and spiritual objectives. Solar use reduces energy bill expenses in the short and long term; is a proven hedge against utility rate increases; contributes to the decarbonization of Catholic properties; and demonstrates commitments to protect human life, health, dignity, and security. Yet for many Catholic organizations, implementing solar energy has been prevented due to the capital costs, inadequate bandwidth, a lack of know-how, or all three.

Previous cost barriers to adopting solar are vastly diminished by the IRA, which includes the largest, most transformative domestic clean energy policy ever passed. For nonprofit organizations, including every Catholic-owned piece of real estate, the opportunity to optimize clean energy benefits has dramatically changed. No matter what state you are in, the IRA just helped level the playing field for all nonprofits wanting to utilize solar energy.

We continue to write this newsletter to celebrate the solar pursuits of such a broad diversity of Catholic clients in the United States, and to inform all Catholic organizations from articles and stories of interest. The “Direct Pay” policy adds a whole new chapter to “going solar”.

Inflation Reduction Act (IRA) Provides Nonprofits a "Direct Pay" Rebate

We have often described how Power Purchase Agreements (PPA) are used by many Catholic clients to fund their solar projects. One of the key benefits for the PPA investor is that they receive a federal Investment Tax Credit (ITC) in exchange for investing into solar projects. The Direct Pay (DP) provision in the IRA now *provides that ITC equivalent as a cash rebate directly back to the nonprofit* when they select to be the primary solar owner of their array.

The DP rebate is at least equal to 30% of the gross cost of your solar project. PPAs and solar leases still exist, and will continue to be options to fund solar in many regions; however, the DP provision optimizes all available benefits to the nonprofit by their taking primary ownership of the array. It is available to every Catholic organization across every state and utility, whereas PPAs are allowed by fewer utilities in fewer states.

1. Whether you pay cash or take out a loan for the total installed cost of the project, you will receive a rebate equal to at least 30% of that total cost if your solar system is less than 1 MW AC in size. You receive a check from the Department of Treasury.

2. Your DP rebate may go as high as 50% due to "Adder Credits". For example, if most of the project components (steel, inverters, racking etc.) are domestic, you may receive an additional 10%; if your project is located in an "energy community" or "low income" area, you may apply to receive additional percentage rebates. (These final regulations are still being written by the Dept. of Treasury; more details to come).

3. This DP rebate is effective immediately and will be paid after the system is installed and interconnected to your utility grid (Treasury will soon provide further guidance).

4. In addition to the rebate, you reduce your monthly and annual energy expenses by the amount of kW hours the solar array produces multiplied by your utility tariff. It's your generated solar electricity, so the utility doesn't charge you for it.

5. In addition to the rebate and the reduction in energy costs, if your state provides Solar Renewable Energy Certificates (SRECs) from the solar you generate, you receive 100% of that income. You own the array, thus you own the SRECs.

Primary ownership optimizes the financial and environmental benefits because you own the solar array. While available cash may be limited, securing a loan is far more attainable, and the DP rebate allows you to quickly pay down the debt service on the loan so that your energy savings annually may be larger than the loan amount.

Catholic Energies continues to vet every option for our clients on how their solar project can be paid for so that the client can make a fully informed decision. The DP provision now offers every Catholic organization a more affordable path to leveraging all of the financial, environmental, and spiritual benefits of solar use.

We are available to all Catholic organizations to assess energy use and prepare financial modeling for solar, at no cost nor obligation. Please submit the following [online survey](#) to get started.

Project Updates



Mission Energy has achieved mechanical completion for the solar carport canopies adjoining Immaculate Conception Monastery in Queens-Jamaica NY, owned and operated by the **Order of the Passionists**.



We have also received mechanical completion for our first Catholic project in Puerto Rico at Colegio Santa Gema, a preK-12 Catholic school founded in 1965 by the Congregation of the Passionists Fathers of Spain.

The **Diocese of Richmond** continues to add solar across their parishes. This summer we have completed the installations and utility interconnections for their ninth and tenth installations. The Sacred Heart Church and School in Danville and St. Augustine Parish in Richmond have optimized their properties for both roof top and ground array combinations. Congratulations to both!



Retirement, assisted and other health care facilities are excellent candidates for solar; they operate 24/7 and typically consume more electrical power; many have flat and suitable roofs for panels; and the “witness value” of solar demonstrates a continued commitment to healthier, welcoming environments. We are honored to be partnering with **Ascension Living** to develop solar at their Washington DC and Illinois long-term care properties. For their Washington DC property, the convenience of covered parking with solar can be added to their parking lot.

Meet the Mission Energy team behind Catholic Energies



Behind every successful project we develop for Catholic clients is a team of dedicated professionals. Meet Laura Clark. Laura was one of our first employees and is our Vice President of Operations. Her previous experience in the legal and nonprofit sectors supports her role across several different functions on our team. Laura manages many of the complexities in developing projects, with a focus on the legal, corporate, and real estate aspects of due diligence, and the power purchase, lease, and construction agreements for our projects.

Originally from the DC metro area, Laura is a new transplant to Charlotte, NC and she enjoys yoga, running, and exploring her new city. You may recognize her cat Moose (pictured, right) as he likes to make appearances on camera when she's on Zoom meetings while working from home.



Solar Industry News

Illinois:

Commerce Commission Approves Detailed Roadmap to Reach 40% Renewables by 2030

The plan outlines how the state will expand the low-income solar program, Illinois Solar for All, with a dedicated \$70 million now available each year. This program is designed to provide solar to low-income customers and critical need facilities, such as nonprofits and public facilities, at no upfront cost and with mandatory energy savings

Virginia:

Nativity Catholic Church, of the Diocese of Arlington, Recognized By Interfaith Power & Light As A "Cool Congregation"

Nativity Catholic Church, a large congregation with 10,000 members, has taken seriously the call from Pope Francis in his teaching, *Laudato Si'*, to care for Creation. They have reduced their carbon footprint by over 40%, saving 7700 tons of carbon emissions, and an estimated \$200,000 over the next 25 years in energy costs.

Pennsylvania:

PUC Alerts Consumers of June 1 Price Changes for Electric Generation

The Pennsylvania Public Utility Commission (PUC) is alerting consumers that most utilities will be adjusting their prices for electric generation on June 1 - cautioning that many non-shopping (default service) customers will see sharp increases in energy costs as summer approaches, ranging between 6% and 45% depending on their electric utility.

Rhode Island:

Governor McKee Signs 100% Renewable Electricity Bill Into Law

McKee's signature makes official the aggressive state mandate, which updates the state's renewable electricity targets, with the ultimate goal of having all electricity generated from renewable sources or otherwise offset through credits or payments made by utility companies.

North Carolina:

Solar Panels One Way Catholics Are Caring For Our Common Home

Earth Day, April 22, is an occasion to shed light on practical ways we can do our part to protect the planet, as called for by the pope. *Laudato Si'* is the appeal from Pope Francis addressed to "every person living on this planet" for an inclusive dialogue about how we are shaping the future of our world.

National:

Sheep Are the Solar Industry's Lawn Mowers of Choice

The laborious job of clearing weeds in solar-panel fields has triggered a welcome boom for American shepherds and their flocks. Centuries after breakout roles in the Bible, shepherds are back in demand.

National:

Carbon-Dioxide Level In Atmosphere Hits Historical High

Emissions from the burning of coal, oil and natural gas for energy sent 36.3 billion metric tons of carbon dioxide into the atmosphere in 2021, according to the International Energy Agency.

Catholic Energies is a solar development service of Catholic Climate Covenant. Created and operated by Mission Energy, we empower Catholic organizations nationwide to put faith into action to protect our common home.

We do the work for busy Catholic officials and represent their best interests. We design and model a project's economic potential, vet technologies and solar contractors, find investors or other financing for each project per the organization's preferences, and serve as project manager for the installation. We help our Catholic clients:

1. *Make fully informed decisions upfront whether or not to install solar and energy efficiency projects*
2. *Lower their costs, risks, and operating expenses from a cleaner and more reliable electricity source*
3. *Secure the capital for funding these projects where possible*
4. *Put stewardship for God's creation into practice to further serve their mission*