



2022 ANNUAL REPORT + 2023 PROJECTIONS



PREPARED BY

PEOPLE'S SOLAR ENERGY FUND
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ORGANIZATIONAL OVERVIEW

The People's Solar Energy Fund (PSEF) is a four-year-old network of predominantly BIPOC-led community solar developers and leading environmental justice groups. PSEF operates as an interconnected and diverse collective of organizations that is largely rooted in BIPOC communities. Our members include community-based solar developers with demonstrable commitment and experience in building community-led and -owned energy; a number of groups interested in undertaking development; advocates and organizers in community solar; and an entity modeling cooperative finance.

We are a growing organization, aiming to cultivate direct engagement of many of our members' affiliates, some of whom are looking to expand from pure advocacy into development.

Our network works to build a path to solar ownership in low- and moderate-income communities and communities of color across the United States through a variety of strategies including:

1. Developing and financing community-led and community-owned solar projects that serve low-medium-income and BIPOC communities;
2. Creating solar industry jobs and enterprises in low- or medium-income and BIPOC communities;
3. Guiding our members to access funds from the new sizable federal initiatives, such as Justice 40 programs and the Inflation Reduction Act; and
4. Securing tax equity partnership for a sizable pipeline of solar projects.

“PSEF is a game-changer. It is a unique opportunity to show not only that low-income and BIPOC communities can own and control our own energy but that we can build a national financial and technical assistance infrastructure for a collective commons around people power and energy democracy.

Gopal Dayaneni – PSEF Board Member”



2022 IN REVIEW

Our Leadership Transition Strengthened the Organization and Affirmed Our Values

In 2022, PSEF underwent a leadership transition with the January hire of two Black co-directors — [Millard “Mitty” Owens](#) and [Mmakgantsi “Mak” Mafojane](#) — who possess an extensive, combined history in energy, organizational development, and community building. Working closely with the Board, the new executive leadership addressed important organizational issues including relieving the Board of staff-appropriate work, implementing human resources infrastructure, enhancing IT and financial management systems, completing outstanding audits, and crafting an investment policy that acknowledges ethics and accountability in our pursuit of investors.

A successful fundraising appeal put the organization on stable financial footing into the new year (further aided by the hiring of a part-time fund developmental consultant in December); and a fall strategic planning process culminated in a rewarding retreat in Oakland over Martin Luther King Jr. weekend of 2023.

Foundational to the new leadership’s first year of work was an affirmation of PSEF’s commitment to ensuring close staff-board collaboration, transparency and accountability, adherence to cooperative principles, strong member engagement, and vigilance towards ensuring our lived intersectionality of climate, racial and economic justice.

Significant Advances for Community Solar Needs

Over the past year, PSEF has made significant strides in meeting the needs of community solar developers with a specific focus on exploring financial opportunities and incentives, as well as shared services. These incentives and services empower community solar developers within our member network with a strong foundation on which to jumpstart their projects. More specifically, these advances have included:

- **Connecting Members to Capital:** A core component of PSEF's work involves securing capital for member projects - both directly, through connecting members to non-extractive financing partners, and by securing capital for PSEF to invest into projects. In 2022, with a pipeline of 10MegaWatts (MW) of projects reaching the finance-ready or operation-ready stage, PSEF assisted a member secure sponsor equity funds for a project, while also continuing to build relationships with tax-equity investors interested in investing in a portfolio of projects. Challenges tied to both the investors' requirements and the pandemic's interruptions of the global supply chain significantly slowed deal closures. Going forward, PSEF will continue to build partnerships with aligned investors and funders for project financing, but will also build internal financial infrastructure for members to access some of this critical capital through PSEF.
- **Lending Activity & Funding Pools:** Through assessing member needs, it quickly became evident that while several members required significant pre-development loans, many others were not quite at the stage where debt was appropriate in driving meaningful community-led project development. In these cases, funds for early stage organizational support, community organizing etc. were most appropriate. Ensuring that we address the spectrum of resource gaps members face is a key focus of PSEF's and we are working to ensure that PSEF offerings bridge the resource gaps that so often prevent projects from taking off, result in them stagnating, or lead to their failure. To this end, we carved out a portion of the pre-development loan pool for early stage mini-grants (mentioned below) and in addition, will develop an innovation fund pool to provide more flexible early stage funds to support communities innovating in project structure and ownership models, and maximizing overall community benefit. Together with our existing pre-development loan pool, we hope to see increased movement in project development.
- **Loan Guarantee Pool:** 2022 saw the legal formation of our for-profit entity People's Solar Energy *Cooperative* (required for investments) and the securing of a \$5MM loan guarantee from CIGP (the Community Investment Guarantee Program), both vital catalysts for our members' growth.

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- **Shared Services and Insurance for Member Projects:** In 2022, we not only continued providing legal support for state-enabling legislation and technical assistance for project needs, we also explored shared insurance products, resulting in our first insurance aggregation pool - benefitting 11 member projects.
 - **Mini-Grants to Meet Early-Stage Needs:** Recognizing the uphill battle of our small, community members to undertake even the preliminary organizing steps - prior to a pre-development loan stage - we converted \$50,000 of our loan capital mid-year to offer mini-grants to members, extending nearly \$15,000 by the close of 2022.

Coalition and Partnerships

As an organization committed to working collaboratively with kindred sister organizations, PSEF worked in 2022 to strengthen its ties to and engagement in key coalitions such as the Energy Democracy Project (a national coalition educating and advocating for an end to monopolistic corporate control over this fundamental human need), and the Black Solidarity Economy Fund (a national network of Black coops and project of the New Economy Coalition). Such partnerships enhance efforts for advocacy and field-building, and deepen our ties with allied organizations working with frontline, impacted communities. We also spoke on a panel at the Opportunity Finance Network regarding BIPOC (Black, Indigenous, and People of Color) representation in new guarantee programs; and we helped pilot-test and offer design input into the first community-solar certification curriculum (offered by the University of New Hampshire). ■



OUR 2023 TRAJECTORY

IN 2023, WE ARE POSITIONING OUR MEMBERS TO ACCESS THE NEW STREAM OF FEDERAL FUNDS, TO ENSURE THAT COMMUNITY OWNERSHIP MODELS AND BIPOC AND LOW-INCOME LED PROGRAMS ARE NOT OVERLOOKED.



PSEF leadership, staff, and board have collectively recognized 2023 as a year for ensuring the readiness of our members – and the community solar field more broadly – to seize the moment and take advantage of the significant federal programs rolling out to address climate detriment and support solutions. We are working closely with aligned partners and other stakeholders to make this a reality. In the new year, we are aiming to fully leverage the expertise of [our members](#), veteran allies such as

Energy Democracy Project, and prospective partners such as Black Owners of Solar Service (B.O.S.S.) to build and continually ensure capacity and equity. With the help of our board and members through a handful of working groups identified during our strategic planning retreat, PSEF staff will work to advance an agenda centering three specific areas:

1. Leveraging the Inflation Reduction Act (IRA) & Other Federal Opportunities

As an intermediary non-profit loan fund, PSEF seeks to support our network of member organizations in overcoming the barriers of developing community-based and community-owned solar projects primarily in communities of color. To do this efficiently and effectively for our members, we are closely tracking federal opportunities to share with our membership, as well as providing technical assistance to help members package their proposals and pursue federal funds.

Federal funds flowing from the IRA have the potential to unlock significant opportunities for PSEF members to both pilot and scale projects to multiple communities. We are actively pursuing federal funds to ensure that this capital is accessible to not only current members, but future community-based solar developers when needed. In order to maximize this opportunity and catalyze further funding for primarily BIPOC communities developing projects, we are pursuing strategic partnerships with philanthropic funders and other aligned partners.

Key to this is PSEF's commitment to ensuring that low-income and BIPOC communities are centered in the [just transition](#) and, therefore, not overlooked within these programs. Through our new initiative **Communities of Color Building Solar Capacity (CBSC)**, PSEF will provide training and foster close working partnerships in communities of color to strengthen capacity of BIPOC-led groups to have a place in the burgeoning solar movement, and, to help more advanced groups pursue the federal offerings with a particular eye towards the climate, health, green jobs and wealth-building promise of community-owned solar. Additionally, partners under this unique initiative will be guided — utilizing PSEF's technical and financial assistance — through actual first-stage project development. [See the [visual project model](#).]

Additionally, PSEF will leverage the new tax incentives such as the IRA, as well as external funds, to pilot the **Communities Owning Solar Innovation Fund (COSI Fund)**. The COSI Fund will provide qualifying PSEF member organizations access to three types of funding: bridge loans to cover the IRS direct pay portion of project costs; flexible recoverable grants to cover expenses related to innovations in community-ownership models; and early stage mini grants to support novel approaches to community ownership of solar, maximizing low-income community participation and wealth-building opportunities. In piloting the COSI Fund, PSEF aims to support a thriving ecosystem of community-owned and led solar models.

2. Community Solar Project Development & Member Growth

To ensure continued growth of our members and their projects, we are exploring ways to raise and deploy capital, provide strategic technical assistance, and offer members access to shared services.

More specifically, we are developing a member engagement strategy to better assess member needs and to design technical assistance according to those needs. In turn, PSEF staff will be better positioned to identify and refine our capital products and determine the level of capital necessary to fully support members. More specially, we are focused on the following areas in 2023:

- **Capital Raising & Deployment:** growing our loan fund to provide members financing options, including flexible loans, mini-grants, and other financial products to support community solar projects at various stages of development. Capital will be deployed to support members in understanding and expediting the community solar development process.
- **Training & Shared Services:** to include access to shared insurance, technical assistance such as project management, and financial advising. We are also exploring how we can provide training to BIPOC communities, as well as solidify additional shared services as needed, such as subscription management.
- **Recruiting New Network Members:** This year, we are working to expand our network, specifically targeting organizations in the Midwest and potentially the Southeast, and with a particular concern for identifying and supporting projects serving and led by low-income and BIPOC communities.

3. Strengthening Racial Equity and Movement Building

With the Co-Directors' first year under their belts, PSEF looks forward to even greater participation in coalition efforts, as named above, as well as new opportunities aimed at achieving our overarching goals of energy democracy, planetary sustainability, and social and economic justice.

Furthermore, during our strategic planning retreat, we discussed the challenges (and opportunities) in building an organization and a solar movement that centers racial justice and equity. Through new initiatives, such as CBSC and the COSI Fund, PSEF will continue to support the expansion of the ecosystem for solar and renewable energy to include BIPOC-led institutions. We will seek to engage HBCUs and other BIPOC-serving educational institutions; think-tanks (e.g., Joint Center for Policy Studies, PolicyLink, and Chisholm Legacy Project); evolving solar organizations such as B.O.S.S.; and relevant professional associations like the National Society of Black Engineers, MAES – Latinos in Science and Engineering, and The American Indian Science and Engineering Society (AISES). ■

THE PSEF TEAM



PSEF's two new co-directors, both leaders of color with extensive experience, bring skills in clean energy, community development finance, organizational development, racial justice, and community building.

With PSEF operating as a member-organized non-profit, our members have direct and democratic decision-making power, rendering final decisions on critical issues such as new members, loans, technical assistance offerings, and shared services programs.

PSEF has an active and engaged Board, with combined experience covering an array of areas including community organizing, community solar development, policy/advocacy and finance.

Current leadership is committed to building excellent infrastructure—with transparency and accountability—to support member organizations in overcoming the numerous barriers to community-solar project development.

Our vision is to drive the expansion of community-owned solar as a model for energy democracy.



Photos from January 2023 Board-Member-Staff Retreat in Oakland, CA