

List of Available Financing Mechanisms

Mechanism	Category	Description
Dedicated Fees	City Funding	Fees for things like paying online, facility use fees, etc. Example \$5 surcharge on parking tickets to pay for EV infrastructure
Dedicated Taxes	City Funding	Could include tourism taxes, sin taxes that dedicated to mitigation
Developer Impact Fees	City Funding	Commonly used to offset anticipated public costs of a development. Example fee on market rate housing units to incentivize more affordable units or pay for subsidizing affordable units elsewhere
Feebates and Density Bonuses	City Funding	Charge a fee that is then rebated to pay for EE and RE. Allow more floors to a building if meets RE and EE criteria
Fines, Penalties and Violation Funds	City Funding	Money from penalties like polluting violations.
Local Carbon Tax	City Funding	Done in some cities to fund climate mitigation efforts, either on direct emitters or electricity, or large emitters
Microgrid enhanced with parking and EV charging fees	City Funding	Pay for EV infrastructure, EE and RE with these fees
Parcel Tax	City Funding	Uniform tax on parcels to pay for something, regressive, used in CA to get around Prop 13
Public Benefit Funds	City Funding	Small surcharge on energy bills to pay for RE and EE
Rebate Programs	City Funding	Costs discretionary revenue. Focus on Energy already.
Renewable Energy Credits	City Funding	Require utilities to buy RECs at certain price from behind the meter producers of certain size
TIFs	City Funding	Anticipated increased property tax receipt from investments given up front and paid off by actual increased tax collection that occur
Traffic Congestion Fee	City Funding	Charge a toll to come and go to central city with higher rates at high traffic times
Value Capture Tools	City Funding	Special assessments to property that will increase in value due to investments
Community Choice Aggregation	Cross Sector Partnerships	Not in Wisconsin
Group Purchasing	Cross Sector Partnerships	Brooklyn microgrid example
Performance Contracts	Cross Sector Partnerships	Pay for Performance, Pay for Success. Contractor makes upgrades and is paid for the outcomes like energy savings. Little up front cost. Local government can subsidize and consolidate many small loans.
Power Purchase Agreements	Cross Sector Partnerships	Detailed agreements between energy producers and purchasers including finance. Developer gets low financing cost. Example sale of methane from local landfill
Public Private Partnerships	Cross Sector Partnerships	Utilize discipline and expertise of private sector. With employers of certain size. Example EV shuttle partnership with Google.
Corporate Foundation Clean Energy Innovation Grants	Donor Grants	Funds San Fran microgrids and NY Retrofit Accelerator.
DOE Grants	Donor Grants	SunShot Program. EE and conservation block grants.

State Grants	Donor Grants	Wisconsin Office of Energy Innovation has competitive grants
Board of Commissioners of Public Lands	Investor Financing	Managed by State Treasurer. Fast, no fees, fixed rate loans from 2 to 20 years, 4% to 4.5% - up to \$400m available
Capital Leases	Investor Financing	Common with performance contracts. Lessee takes on much risk and gets tax advantages of depreciation and the like. Often bargain purchase option at end.
Catastrophe Bonds	Investor Financing	Like reinsurance. For large projects that vulnerable to catastrophe
Certificates of Participation	Investor Financing	Multiple parties funding securities. Unlike bonds not considered debt.
Energy Efficiency Loans	Investor Financing	Money from state and Feds. Backs loans so low cost. Milwaukee Loan Loss Reserve Program
Energy Efficiency Mortgages	Investor Financing	Cost of EE and RE improvement wrapped into full original or refinance mortgage. Sometimes subsidized by state or local government. Associated Bank.
General Muni Bonds	Investor Financing	Utilize general bonding. Attractive because no Fed or State taxes on earnings. Debt limits a barrier.
Green Bonds	Investor Financing	Same as muni bonds but for dedicated green purpose. Very popular investment vehicle now. Blackstone example.
Industrial Development Bonds (IDBs)	Investor Financing	Like IRBs. Limited to \$10 million. Can fund manufacturing facilities
Infrastructure and Economic Development Banks	Investor Financing	Can't do in all states. Issues taxable and non-taxable bonds. Funds infrastructure. Can do credit enhancements. Can leverage state and Federal funds
Lease Purchase Agreements	Investor Financing	Lease to own agreements to capture tax credits and get low rates. Get asset at end of leasing for low cost.
Lease Revenue Bonds	Investor Financing	Low cost financing. Used by community colleges in CA.
Loan Loss Reserve Funds, Debt Service Reserves, Loan Guarantees	Investor Financing	Different kinds of funds to guarantee repayment. Reduces risk and makes loans affordable. Must set aside money.
Municipal Industrial Revenue Bonds (IRB)	Investor Financing	Bonds to fund private investments. Municipality holds collateral. Tax free. No property taxes until paid off.
On Bill Financing	Investor Financing	Depends on utility limits. Two kinds - loans which individual liable for, tariffs which stay with the property.
Operating Leases	Investor Financing	Full ownership by entity providing equipment, means no debt to user. IRS rules govern what qualifies.
PACE Financing	Investor Financing	Loan stays with property if it changes hands. Very secure because takes precedence over all other lenders. Why residential opposed.
Pool Bond Financing	Investor Financing	Municipalities pool for loans. Low cost. Structured based on each municipality's bond rating.
Qualified Energy Conservation Bonds (QECCB)	Investor Financing	Taxable bonds that better for non-profit investors. EE or RE. Higher interest rates but subsidized by Fed government
Qualified School Construction Bonds (QSCB)	Investor Financing	Interest free, tax credit bonds that can be issued by state and local governments. Energy savings pays off bonds.

Qualified Zone Academy Bonds (QZAB)	Investor Financing	For schools in high poverty or enterprise zone areas. Same structure as QECB. EE only. DOE regs and subsidy. Can do 0% if private match.
Residential Energy Efficiency Financing	Investor Financing	Combines loans, incentives from state, fed and utilities
Revenue Bonds	Investor Financing	Bonds repaid by revenue generated by investment. Tax free like munis. Higher interest. Example parking structure paid off by parking fees.
Revolving Loan Funds	Investor Financing	Funds new investments on returns from prior loans. Often used for small businesses. Below market rates because low risk.
Social Impact Bonds	Investor Financing	Like Pay for Success and Pay for Performance Bonds. Relatively new. Agreed on valued outcome and pay off after it's achieved.
Solar Leasing	Investor Financing	Property owner rents the equipment and covers the cost with reduced E costs.
Tax Exempt Lease Purchase Agreements (municipal leases)	Investor Financing	Presume government owns equipment at end of lease. Lower cost because no taxes on interest paid.