



November 4th, 2022

RE: Comments on Notice 2022-50

By way of introduction, Sunstone Credit offers financing for small to mid-size commercial solar projects in the United States. We are a team of twenty-six employees and growing based out of Baltimore, MD with a mission of democratizing access to solar for businesses. Our founding team saw that there were few to no financing options for businesses (especially small businesses) that wish to go solar but do not have large amounts of roof space or real estate to site the large solar projects (>1 MW) that lenders prefer. Our team has begun to fill this gap in the market, with much success thus far. In just over a year of official operation, we have signed up 200 solar installer partners and financed \$27 million in loans, with tens of millions of more in a fast-growing pipeline. All of this is done while serving smaller solar projects (our average project size is \$382,000).

We are thrilled with the opportunities that the Inflation Reduction Act has presented, and we believe that if well implemented the bill has the potential to place the clean energy economy as a pillar of the American economy. We are particularly enthusiastic about the Elective Payment (commonly known as Direct Pay) elements of the bill, which – as described in statute – would be transformative for nonprofits, state & local governments, and projects on tribal lands. These entities, which previously could not access the benefits of the Investment Tax Credit, would be able to access cost-saving solar installations, which could free up money for otherwise deferred maintenance for nonprofits and save taxpayers money on state & local government facilities.

We write to urge your consideration of the frequent lack of administrative capacity of these entities, especially smaller nonprofit organizations (most notably Houses of Worship). Placing a major administrative burden on these smaller institutions can derail even the most financially attractive solar project, given that many have volunteers in roles that are traditionally staffed by financial professionals. With this in mind, we urge you to design the Elective Payment process for smaller clean energy projects (<\$1m) in as quick and efficient a way as possible, distinct from some of the more onerous administrative burdens that larger projects necessarily require. One example of this type of smaller project process streamlining is the State of Connecticut's Low and Zero-Emissions Renewable Energy Credit program (LREC/ZREC), a reverse auction program for clean energy. This program was designed with a streamlined administrative tier for projects less than 100kW in size, which allowed bidders to the program with smaller projects a lesser administrative burden and more streamlined application process.

We would be happy to consult further on ways to design the program to make it more accessible to smaller entities with less administrative capacity. Our installer network is full of clients with examples of the type that we are discussing here. Please feel free to reach out to me on alex.kragie@sunstonecredit.com for further input.

Sincerely,

Alex Kragie
Director of Business Development
Sunstone Credit