

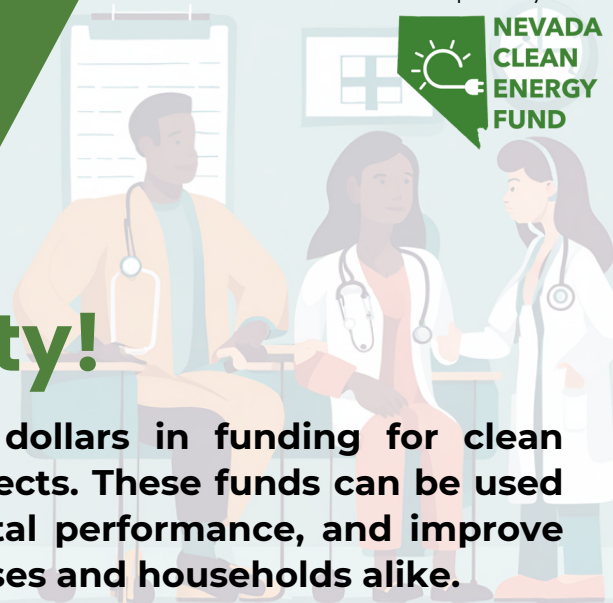
# Federally Qualified Health Centers (FQHCs)

Prepared by:



## Lower Your Utility Bill, Benefit Your Community!

Recent federal legislation allocates billions of dollars in funding for clean energy, energy efficiency, and electrification projects. These funds can be used to reduce utility expenses, improve environmental performance, and improve health, safety, and financial outcomes for businesses and households alike.



### The Role of FQHCs

FQHCs can play a unique role in improving the health of patients they serve by building clinic and community resilience.<sup>1</sup>



#### Community Climate Resilience

Communities with pre-existing vulnerabilities in housing, neighborhood location, income and education are more likely to experience health harms from a changing climate.



#### Extreme Heat

Heat waves cause most health harms in elderly, isolated, housing-vulnerable people, and those economically burdened by energy costs.



#### Smoke and Air Pollution

Wildfire smoke and air pollution from roadways and power plants cause more impacts to low-income residents. Communities burdened by social inequities have reduced capacity to protect themselves and rebuild in the event of a climate-related disaster.

FQHCs already have assets to assist in improving climate resilience, including prioritizing equity, focusing on mental health, and employing community health workers. They can now leverage clean energy funds to further support their communities by building capacity to continue operations in times of extreme heat or disaster, and by developing clinic-based community benefit programs.

<sup>1</sup>Sources & additional studies available upon request

### Clean Energy Pitchbook

This pitchbook is meant to help FQHCs understand two opportunities to use federal clean energy funds and tax credits to improve their building facilities and benefit their communities.

#### Two Opportunities



#### 1. Community Benefit Solar



#### 2. Building Upgrades

*The Nevada Clean Energy Fund (NCEF) is a 501(c)(3) nonprofit organization launched in early 2022 to build Nevada's capacity to access and effectively implement federal clean energy and climate funds for the benefit of Nevada's communities and the climate. NCEF is administering programs to provide clean energy financial and technical assistance to communities across the state.*



# Clean Energy Pitchbook Option 1

## Community Benefit Solar

**Up-front Investment:** Low  
**Owners or renters:** Owners

By installing a community-benefit solar photovoltaic system, health centers can reduce the operational costs of their facilities while also delivering financial benefits to the low-income populations that they serve.

### **Example: Here's how to cover the costs of a \$300,000 rooftop or carport solar PV system**

NCEF can provide bridge loans for the value of the tax credit. Nonprofits can access tax credits like the Investment Tax Credit (ITC) through a new IRS mechanism called Direct Pay. More details: <https://www.irs.gov/credits-deductions/elective-pay-and-transferability>

Gap financing can come from NCEF's Solar for All program or other financing structures such as C-PACE (for building owners in eligible counties). More details on C-PACE: [https://energy.nv.gov/Resources/Property\\_Assessed\\_Clean\\_Energy\\_\(PACE\)](https://energy.nv.gov/Resources/Property_Assessed_Clean_Energy_(PACE))

**\$90,000 §48 Base Tax Credit (30%)**

**\$30,000 §48 Low-Income Communities Bonus (10%)**

**\$30,000 Solar for All Rebate (NCEF) (10%)**

**\$150,000 Solar for All Loan (50%)**

NCEF can help the project get allocated a 10% bonus to the Investment Tax Credit. More details: <https://www.energy.gov/justice/low-income-communities-bonus-credit-program>

NCEF is the state's implementer of a \$156 million Solar for All (SFA) program. SFA includes rebates for solar projects that share financial benefits with low-income households. Contact NCEF for more details. Rebate amounts are subject to change.

## Outcomes

- Loan repayments are passed through to participating low-income households, who experience at least 20% monthly savings
- The FQHC lowers its annual utility costs and is cash flow positive from day one

## Next Steps

- Identify a contractor for a system quote (e.g., through NCEF's vetted contractor network)
- Apply to NCEF for financial assistance (Q4 2024)
- Lay groundwork for Investment Tax Credit bonus application and direct-pay filing

# Clean Energy Pitchbook Option 2

## Building Upgrades

**Up-front Investment:** Low  
**Owners or renters:** Owners

By installing energy efficient upgrades and ground source heat pumps, health centers can enable utility bill cost savings and at the same time build resiliency in case of extreme events such as heat waves and local area power shortages.

### Example: Here's how to cover the costs of \$122,000 geothermal heat pump installation and \$57,000 energy upgrades



NV Energy incentives can pay up to 90% for eligible equipment such as LED lighting, refrigeration, and sensors. More details: [nvenergy.com/save-with-powershift/business-energy-services/small-business-customers/resources/article-2](https://nvenergy.com/save-with-powershift/business-energy-services/small-business-customers/resources/article-2)

**\$25,500**  
NV Energy  
incentive (14%)

With the IRS Section 48 Investment Tax Credit (ITC), owners can claim up to 40% of the system cost on geothermal heat pump projects. More details: [energy.gov/eere/geothermal/tax-credits-incentives-and-technical-assistance-geothermal-heat-pumps](https://energy.gov/eere/geothermal/tax-credits-incentives-and-technical-assistance-geothermal-heat-pumps)

**\$49,000**  
Section 48  
ITC (27%)

Building owners may be eligible for 179D tax deduction for lighting, envelope, air heating/cooling and water heating upgrades. More details: [energy.gov/eere/buildings/179d-commercial-buildings-energy-efficiency-tax-deduction](https://energy.gov/eere/buildings/179d-commercial-buildings-energy-efficiency-tax-deduction)

**\$37,500**  
179D tax  
credit (21%)

Commercial property owners can use low-cost, long-term financing through C-PACE to make upgrades in existing buildings. In this example, C-PACE financing can save building owners approximately \$14,300 compared to conventional financing. Cities such as Las Vegas, North Las Vegas, Henderson, Sparks, Reno, and Fernley have established C-PACE programs.

**\$67,000**  
C-PACE  
financing (37%)

## Outcomes

- The FQHC lowers annual utility costs, improves air quality and builds resiliency to local power shortages
- The FQHC's facilities are more modern, inviting, and environmentally friendly

## Next Steps

- Identify a contractor for a system quote (e.g., through NCEF's vetted contractor network)
- NCEF can provide technical assistance to lay groundwork for tax credit monetization

1. Assumes a typical FQHC is 15,000 sq ft. and ground source heat pump capacity is assumed to be 23 tons.  
2. Assumes a base of 30% ITC. An additional 10% bonus ITC adder could be accessible.  
3. Efficiency upgrades include occupancy sensors.  
4. The building owner is presumed to monetize 50% of the available 179D tax deduction.