



# Financing Developments for Microgrids

WEBINAR PRESENTATION

DECEMBER 9, 2025

Information Purposes Only

# What we'll cover today...

1. New Economics for Financing Microgrids
2. Beyond the IRA and ITC's
3. Community Development Drivers
4. Innovative Financing Approaches
5. Illustrative Pathway to Funding



# Safe Harbor Statement

## Tax and Legal Disclaimer

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# New Economics for Financing Microgrids

# New Economics for Financing Microgrids

## Key Changes for consideration...

- Outage frequency and increasing grid instability driving the value of microgrids under 500 kW.
- Microgrid costs are escalating and sunset of layered federal, state, and community development programs challenges projects to pencil.
- Increasing interest at state and local levels in resilience needs (coastal + rural) and funding pathways, some new local and state resilience grants and new EAAS models/portfolio approaches to funding multiple sites.
- Some projects will no longer be viable with under-performing economics, third party ownership solutions become more important than previous periods.
- **Ideal adoption partners:** local community centers, places of worship, community health clinics, light commercial industrial, and municipal facilities.



# Common Microgrid Use Cases

## Community Resilience & Continuity

- Serving vulnerable populations and underserved communities with backup power for critical operations during grid outages (shelters, clinics, food distribution, cooling centers, charging stations, medical equipment, communications, and food systems).
- Islanding capability to maintain operations for extended hours.
- Disaster preparedness for storms, heat events, wildfires, and grid instability.

## Commercial Energy Cost Control, Hedging & Security

- Peak shaving and demand-charge reduction using battery dispatch.
- Long-term protection against utility rate escalation and volatility.
- Optimization of Time-of-Use and capacity charges.
- Supporting EV charging, fleet electrification, and building electrification.
- Preparing sites for future load growth, automation, and grid constraints.
- Enabling modular expansion over time.

## Revenue & Grid Services

- Participation in utility demand response, VPPs, and grid-support programs.
- Monetization of flexible load and storage capacity where allowed.
- Portfolio aggregation across multiple sites for scalable revenue.

## Sustainability & ESG Objectives

- Onsite renewable generation supporting carbon reduction goals.
- Compliance with corporate ESG commitments, municipal climate plans, and grant requirements.
- Visibility for community leadership and stakeholder engagement.

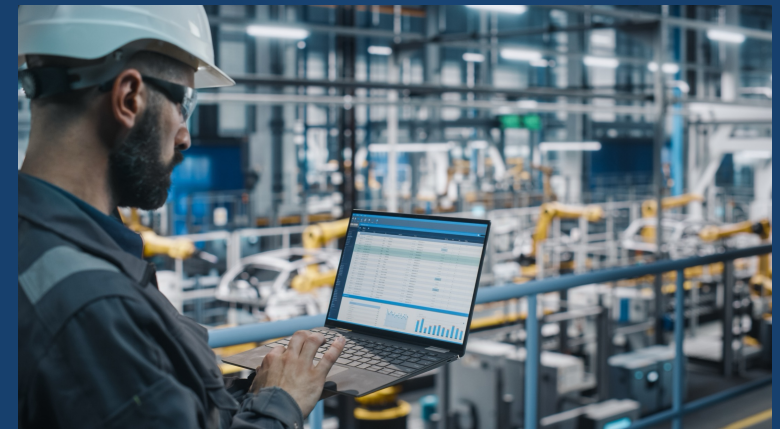
A stylized financial chart with a dark blue background. It features a candlestick chart on the left and a bar chart on the right. A red line represents a moving average, and a blue line represents another trend. The chart is overlaid with a grid of vertical and horizontal lines. The numbers '1500' and '45' are visible on the right side of the chart.

# Beyond the IRA and ITC's – New Funding Pathways

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## Storage ITC's, NMTC's, Opportunity Zones and LP's

- **S. 48 Storage credits & adders** still apply, so storage first design concepts can optimize financing approaches.
- **Opportunity Zones (OZs)** can be a strong fit for targeted microgrids serving resilience hubs in designated OZ census tracts. Third party owns/operates the microgrid while serving local critical facilities. Up to 20% of the capital stack can be OZ equity.
- **New Markets Tax Credits (NMTCs)** also a strong fit for targeted communities, creating jobs and community investment while serving resilience needs through microgrids. Again, 20% - 25% equity through NMTC's.

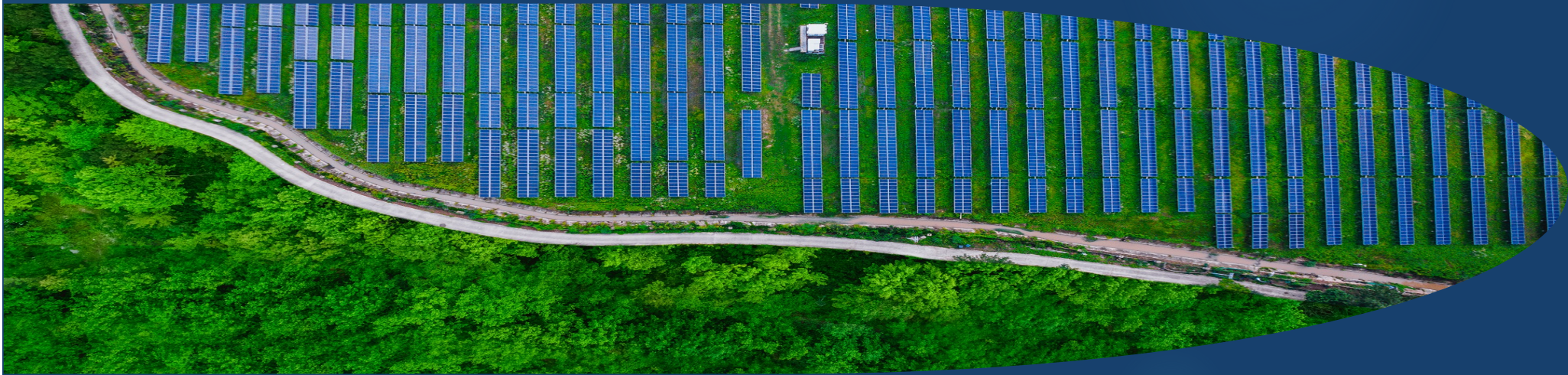




# Beyond the IRA & ITC's – New Funding Pathways

## Storage ITC's, NMTC's, Opportunity Zones and LP's

- **Limited Partners (LP's)** – equity investment into the SPE enables loss share in 100% Bonus Depreciation! Substantive participation for LP's in the partnership required.
- **Why this matters** – these approaches enable us to form scalable, revenue-generating businesses while directing mission-aligned capital into underserved communities.





# Community Development Drivers



# Community Development Drivers

## Highlights of non-Federal programs...

- State and local energy administrations providing planning and implementation grants for resilience and DER projects – eg's in Maryland (MEA & Mo Co) and Virginia (town resilience grants, VA Clean Energy Innovation Bank).
- Utility participation programs providing incentives for storage/DER programs and microgrid pilots (GA Power, Dominion, Duke and Santee Cooper here in SE).
- Coastal and rural communities may further benefit from state and local focus on community and economic development – eg. SCRA in SC and USDA New ERA & CF or REAP program funds (with new parameters and focus on grid resilience).

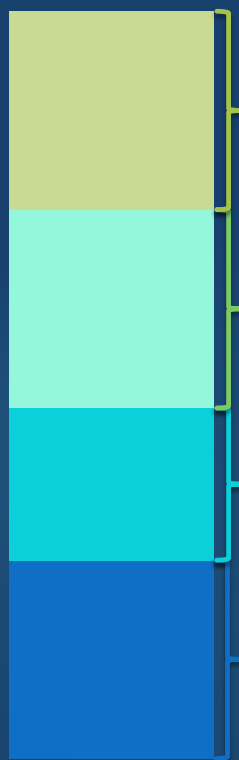






# Innovative Financing Steps

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➤ Preferred funding with potential government guarantees for qualified microgrid service business 30% <

➤ OZ equity 20% – 25% with deferred returns

➤ NMTC's tax equity and leverage – 20%

➤ S. 48 ITC's transferred/tax equity for solar \* and storage – 30% + adders where applicable

\* Solar ITC's have sunset provisions during 2026 and 2027

**Potential for zero investment capital to implement community resilience hub with predictable operating cashflows**

# Innovative Financing Approaches

**Preferred Loan and Guaranty Programs** mentioned above, federal and state programs can provide grants and loans/guaranties (like USDA's ERA and REAP programs) that can enhance the financing programs being offered by community lenders and CDFI's like Enterprise Community Loan Fund, etc.

**Opportunity Zones (OZs)** are a federal economic-development program created under the 2017 Tax Cuts and Jobs Act to incentivize long-term private investment into designated low-income census tracts across the United States. Investors deploy capital gains into Qualified Opportunity Funds (QOFs), which in turn invest in operating businesses or real estate located within these zones.

OZ's allow investors to convert taxable gains into patient equity aligned with infrastructure, energy, real estate, eligible operating businesses, and community redevelopment projects.

**New Markets Tax Credit Investments** are a federal economic-development incentive created in 2000 to attract private capital into qualified low-income communities by providing investors with a predictable, investment tax credit tied directly to capital deployed into operating businesses and real assets. The program is widely used to finance industrial facilities, manufacturing plants, community infrastructure, renewable energy, healthcare, food systems, and mixed-use developments located in underserved markets.

**Energy Income Tax Credits under S 48** as noted above have changed with the OBBB, but Unlike wind and solar, energy storage projects have an extended window to qualify for investment tax credits, with construction through about 2033 (and phasedown years thereafter) to receive full benefit. This signals that storage is treated as an enduring part of the federal incentive landscape even as solar and wind support is curtailed.





# Illustrative Pathway to Funding

# Community Development Drivers

## Illustrative Resilience Hub in SC



- Rural Community & Health Center in rural South Carolina.
- Approximately 500 kw solar + up to 1 mw battery storage and Microgrid intelligence equipment (BOS).
- Behind the meter at the community center, PPA with the town for onsite power, community solar for 20% of power to low-income residents, storage enables demand shaving & DER participation through co-op/utility programs.
- Third party owned system with OZ, NMTC, S 48 ITC's, LP's and USDA loan guarantee provides 100% financing for construction and working capital.
- Grid and climate events mitigated with microgrid resilience and place of refuge for community members.



# Jetrise Overview



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- ▶ **Gain Valuable Insights** – Jetrise has collective decades of experience in financial engineering and provides the insights needed to make strategic decisions in capital planning.
- ▶ **Financial Market Expertise** – we have a deep understanding across the financial markets and tax incentive structures, including tax credits programs, partnership frameworks, and optimization strategies. Exceptional quality with end-to-end execution across all aspects of the capital strategy is our focus.
- ▶ **Project Development Know-how** – we understand the intricacies of project development, from design & feasibility analysis to engineering, construction, commissioning and ongoing operations and maintenance, a partner that has the background to ensure success is critical.
- ▶ **Continuous dialogue with major market participants** – getting the big picture to engage with all stakeholders is important, Jetrise has touch with key investors and partners.

# Jetrise Principal



**Pete Fitzsimmons, Jetrise Ventures** - Pete has more than 30 plus years of executive experience as a leader in technology and financial services industries. Over the past ten years his leadership roles have spanned CEO roles at technology services solutions and senior transaction and strategy advisory to mid-market and early-stage businesses.

As a CEO and CFO, Pete leverages his extensive business, technology, financial and operations experience with growth-oriented companies to create strategic value for all stakeholders.

Thank you!!



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