

# NATIONAL CLEAN INVESTMENT FUND

## *Post-Award Primer*

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# NATIONAL CLEAN INVESTMENT FUND PRIMER

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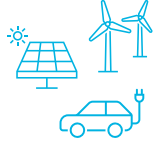


# 01

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Overview of GGRF and NCIF

# GGRF OVERVIEW



**\$27 billion to rapidly deploy clean energy projects benefitting communities**, split between a \$20 billion clean energy finance network and \$7 billion for low-income solar and storage programs



A critical tool for **filling gaps in access to green capital**, with **almost 70%** of funds dedicated to projects in low-income and disadvantaged communities that lack access to financing



Designed to use an initial infusion of federal funds to **mobilize, leverage, and complement** additional public and private investment



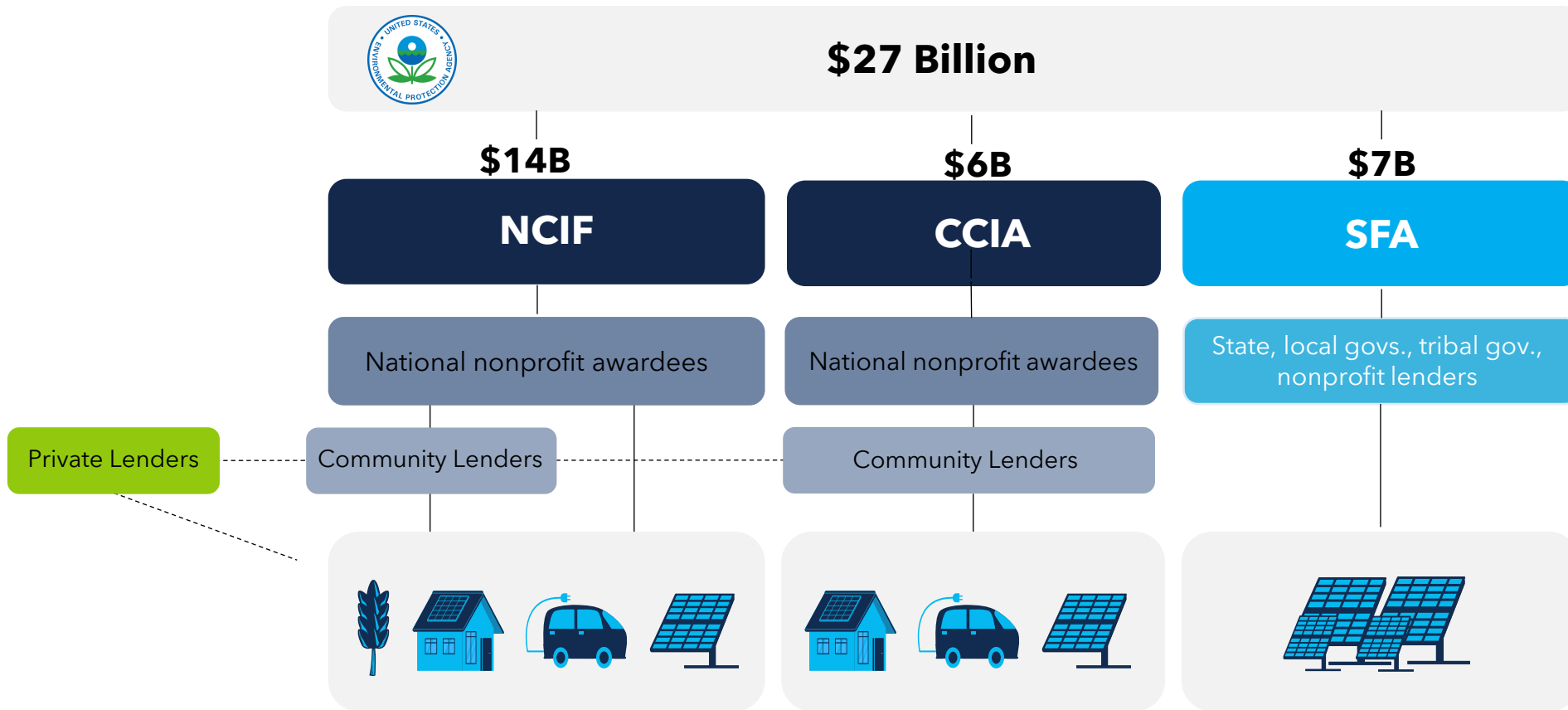
Built on the **successful model and track record** of green banks, community development financial institutions (CDFIs), credit unions, and other green and community-based lenders



EPA identified 3 priority project categories considered *particularly impactful to achieving the GGRF program objectives*: (1) Distributed Energy Generation and Storage, (2) Net-Zero Emissions Buildings, and (3) Zero-Emissions Transportation

# GGRF FLOW OF FUNDS

**Three Programs**, including a \$20B clean energy finance network across two programs, and \$7B for low-income solar and storage programs run by state, local, Tribal government and nonprofits



# GGRF PROGRAM OBJECTIVES



## Objective 1

Reduce emissions of greenhouse gases and other pollutants.



## Objective 2

Deliver benefits of GHG- and air pollution-reducing projects to US communities, particularly low-income and disadvantaged communities.



## Objective 3

Mobilize financing and private capital to stimulate additional deployment of greenhouse gas- and air pollution-reducing projects.

EPA announced awardees of this program in April 2024



**\$6.97 billion**



**\$5 billion**



**\$2 billion**

**PROGRAM:** \$14B portion of the \$27B GGRF devoted to creating **centralized, long-term financing institutions** to deploy capital to community lenders for **clean technologies across the country**

The awardees will provide financing to individuals and families, nonprofit organizations, for-profit businesses (especially small businesses), community lenders and similar institutions, units of governments, and others deploying clean technology projects

**JUSTICE 40 COVERED PROGRAM:** **40%** of NCIF funds awarded must provide **financial assistance to low-income and disadvantaged (LI/DAC) communities** to deploy or benefit from qualified projects.

Based on awardees' applications, it is estimated that the program **will exceed this goal**.

**NEXT STEPS:** EPA and awardees will close out grant agreements and funds are anticipated to flow beginning in **Summer 2024**

# NCIF ANTICIPATED TIMELINE

*Award finalization process*

*7 Year Period of Performance*

*Post-Performance*



**April 2024**

**July 2024**

**July 2031**



Notice of Selection   Program Start Date

End of Performance Period



# NCIF | HOW CAN GRANT MONEY SUPPORT PROJECTS?

## Financial Assistance

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NCIF funds will be used to provide financial assistance directly to projects and indirectly to community lenders, including:

- Debt (loans, partially forgivable loans, forgivable loans, soft loans, subordinate debt)
- Equity (private equity investments, equity project finance investments)
- Hybrids (mezzanine debt, preferred equity)
- Credit enhancements (loan guarantees, loan loss reserves)
- Other financial products

## Market-Building Activities

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NCIF awardees can also invest in activities that (1) build the market for financeable qualified projects; (2) are not tied directly to qualified projects they intend to finance; and (3) are necessary and reasonable for the deployment of financial assistance to qualified projects.

- Activities to generate market-wide demand for qualified projects (e.g. marketing, contractor engagement, community outreach, workforce development)
- Activities to build a more supportive financial market (e.g. standardization of documentation, development of new financial products)

## Predevelopment Activities

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Funds can also support activities that (1) improve the likelihood of the NCIF awardee finances qualified projects; (2) are tied directly to qualified projects the NCIF awardee intends to finance; and (3) are necessary and reasonable for the deployment of financial assistance to qualified projects, including:

- Site and building assessments, financial and technological feasibility studies, design and engineering support, and permitting support

## Program Administration Activities

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NCIF awardees can fund activities supporting administration of the grant program including:

- underwriting financial transactions
- establishing advisory councils
- reporting activities
- supporting and auditing subrecipients, contractors, and program beneficiaries

# FLOW OF FUNDS

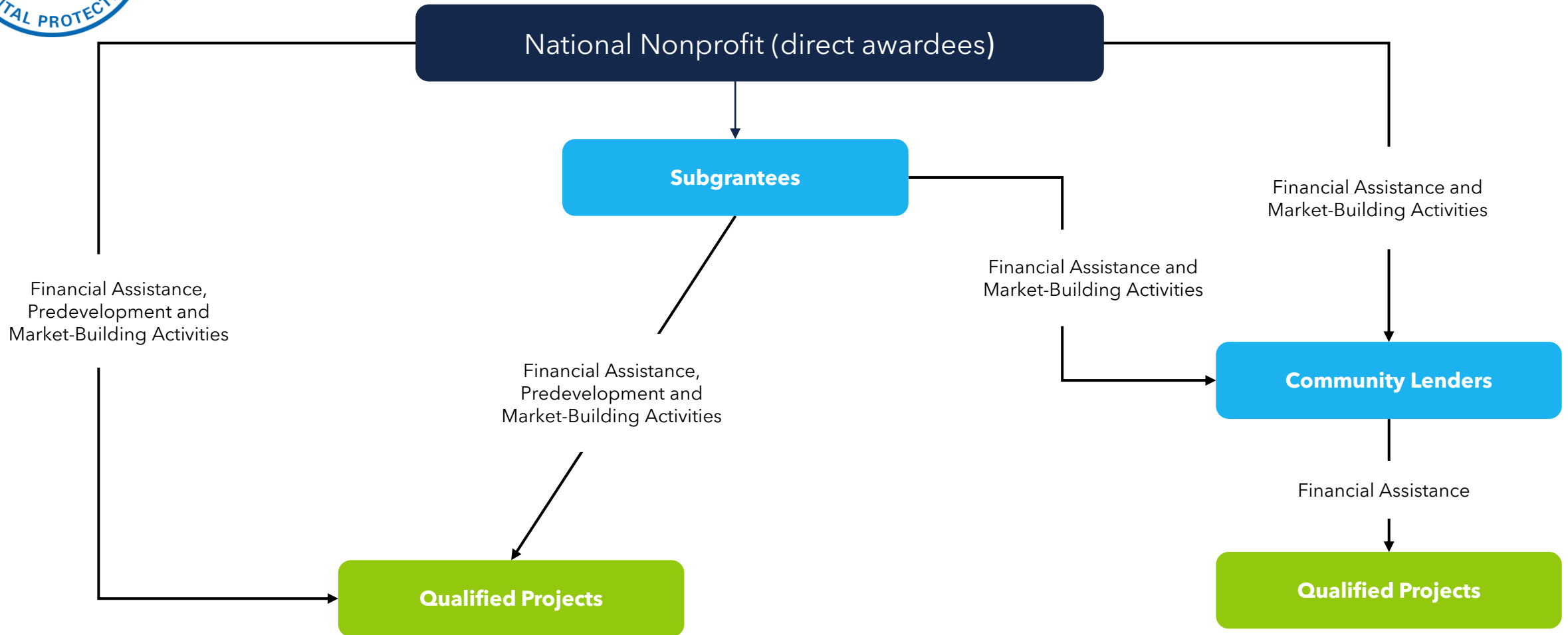


CLIMATE  
UNITED



CGC  
Coalition for Green Capital

POWER  
FORWARD



# QUALIFIED AND PRIORITY PROJECTS

## QUALIFIED PROJECT

Meets the below 6 requirements

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**Would reduce or avoid GHG emissions consistent with the climate goals of the US through its own performance or through assisting communities in their efforts**

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Would **reduce or avoid emissions of other air pollutants** through its own performance or through assisting communities in their efforts.

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Would **deliver additional benefits** in one or more categories:

- |                                       |   |
|---------------------------------------|---|
| a. Climate change                     | e. Training and workforce development                 |
| b. Clean energy and energy efficiency | f. Remediation and reduction of legacy pollution      |
| c. Clean transportation               | g. Development of critical clean water infrastructure |
| d. Affordable and sustainable housing |   |
- 

**Additionality:** May not have otherwise been financed

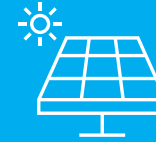
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**Leverage:** Would mobilize private capital.

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Would support **only commercial technologies:** deployed for commercial purposes at least 3 times for a period of 5 years each in the US for the same general purpose as the project.

## PRIORITY PROJECTS



### Distributed Energy Generation & Storage

Small-scale power generation and/or storage technologies (typically from 1kW-10,000kW), plus enabling infrastructure necessary for their deployment (must be carbon-free)



### Net-Zero Buildings

- (1) Retrofits for existing buildings that contribute toward them becoming net-zero buildings over time, or
- (2) Construction of new net-zero buildings in LI/DAC (includes residential, commercial, industrial, and other buildings)



### Zero-Emissions Transportation

Zero-emissions transportation modes, plus enabling infrastructure necessary for these modes, especially in communities overburdened by diesel pollution and PM concentration



# 02

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About NCIF Awardees

# AWARDEES AND COALITIONS



**\$6.97 billion**



Global nonprofit investment firm with a 28-year track record driving financial, social, and environmental returns



The nation's leading nonprofit affordable housing and community revitalization finance company founded in 1974



National nonprofit leader providing financing, support, consumer financial services, and advocacy for those left out of the economic mainstream since 1980



**\$5 billion**

For more than a decade, CGC has led the green bank movement by supporting the creation of more than twenty state and local green banks—mission-driven community lenders that use innovative financing to accelerate the transition to a clean energy economy. To expand and accelerate this work, CGC created the American Green Bank Consortium (the "Consortium"), which consists of 42 green banks and other financing entities located across all ten EPA regions (shown in the map below), each sharing a similar mission.

**Example Named Subawardees**



**\$2 billion**



Enterprise and LISC are the largest nonprofit lenders in the multifamily housing and provide local organizations the capacity and TA they need.



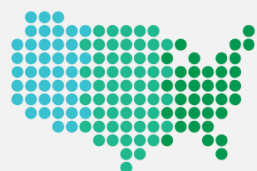
United Way is an international network of over 1,800 local nonprofit fundraising affiliate



One of the largest nonprofit builders of affordable single-family homes in the US



The leading electrification nonprofit focused on electrifying homes, businesses, and communities



CLIMATE UNITED



01

**Standardized Financial Products Ready for Deployment**

02

**Decarbonize Residential Buildings**

03

**Transform and Green Markets**

**PORTFOLIO** *Based on application, but likely to change with grant agreement to EPA*

**Diverse Communities Benefited** (as % of portfolio)

**20%**

**Rural Communities**

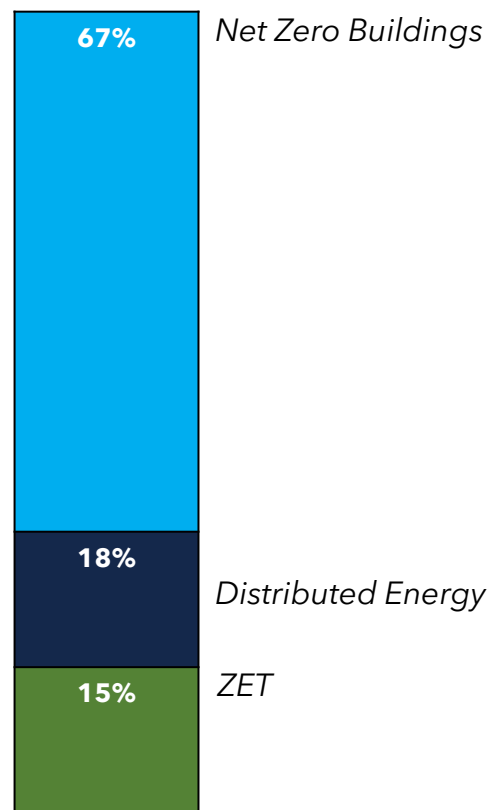
**10%**

**Tribal Communities**

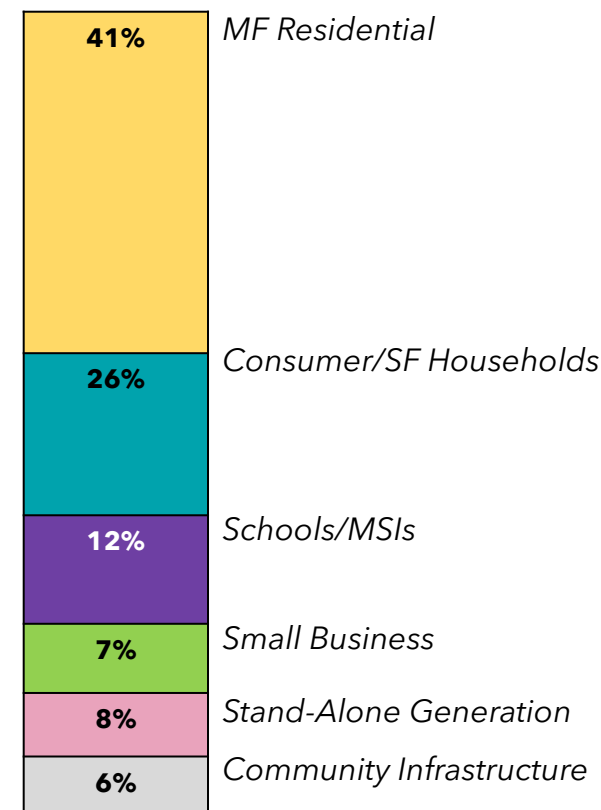
**60%**

**LIDAC**

**Sectors**



**Market**





01

National Green Bank

02

Spend \$ Fast While Mobilizing Private Capital

03

High-Impact Energy Projects

04

Help Achieve LIDAC Deployment Goals With Commercial Partners

**PORTFOLIO** Based on application, but likely to change with grant agreement to EPA

**Diverse Communities Benefited** (as % of portfolio)

20%

Rural Communities

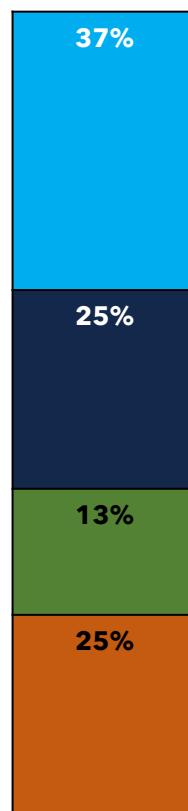
2%

Tribal Communities

55%

LIDAC

**Sectors**



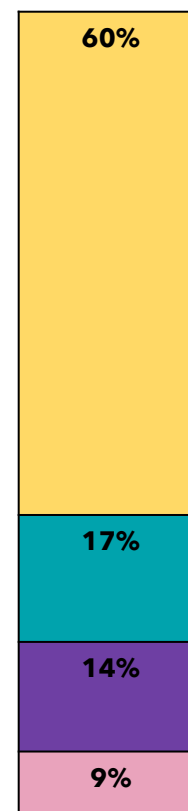
Net Zero Buildings

Distributed Energy

ZET

Other

**Market**



Commercial

Affordable Housing

Small Business

Consumer

## POWER FORWARD



**01**  
**Prioritizing LIDAC in Investments/Engagement**

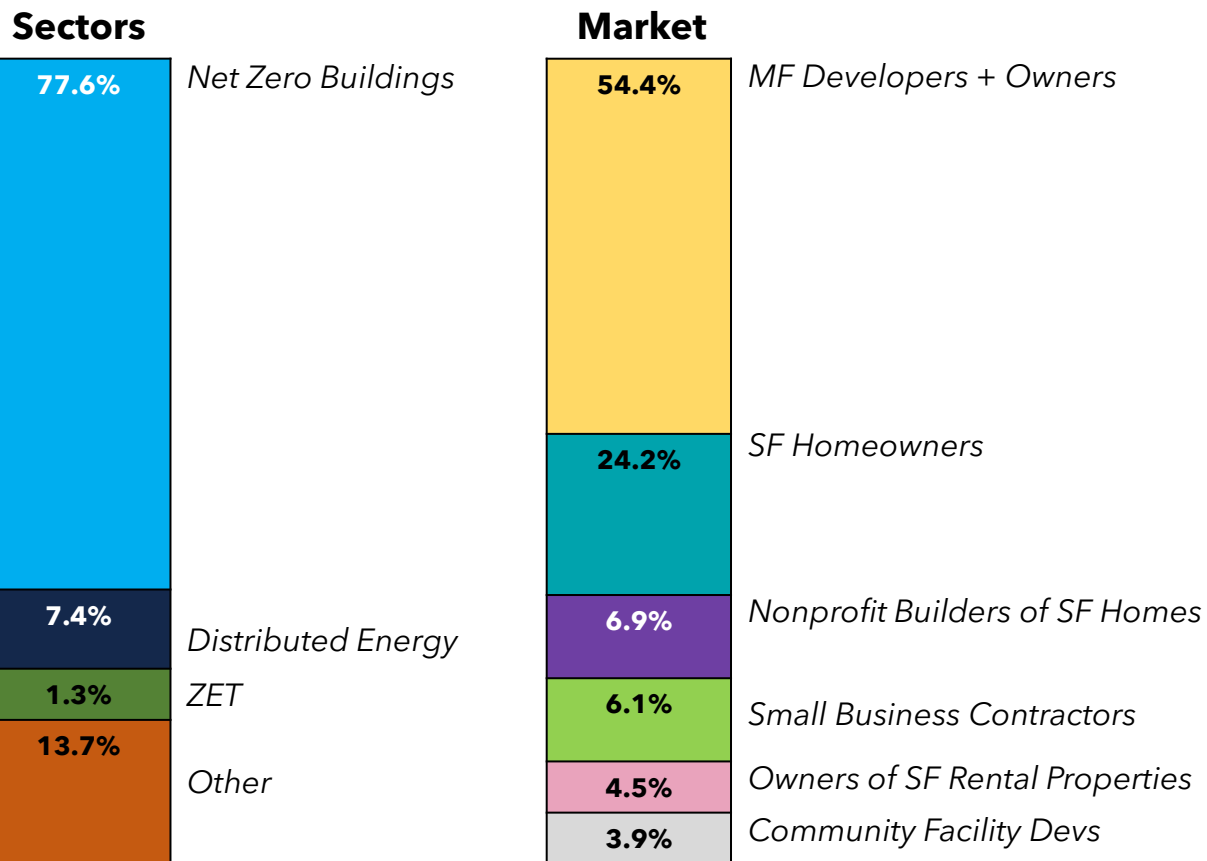
**02**  
**Focusing on Building Affordable, Resilient Homes**

**03**  
**Customizable Loan Products**

**PORTFOLIO** *Based on application, but likely to change with grant agreement to EPA*

**Diverse Communities Benefited** (as % of portfolio)

<b>14.5%</b> Rural Communities	<b>2%</b> Tribal Communities	<b>81.3%</b> LIDAC
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# 03

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## Implementation Guide

### Immediate and High-Impact Actions

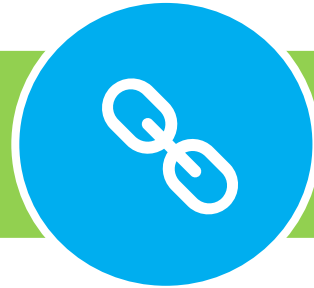
Ensure that your state and/or local government officials in Energy, Environment, Housing, and Transportation are aware of the GGRF. Determine what their strategy is to maximize GGRF investment in their jurisdictions.

Identify which existing state/local programs could complement GGRF financing and which steps can be taken to streamline/improve these programs to ultimately improve compatibility with the GGRF.

### Long-Term and Ongoing Actions

Ensure that proposed GGRF projects in your community are designed to maximize equity and environmental justice benefits. Read more about best practices for equitable GGRF implementation [here](#).

Identify enabling policies that can and should be enacted by state or local governments to facilitate increased deployment of GGRF-supported projects.



#### Key Targets

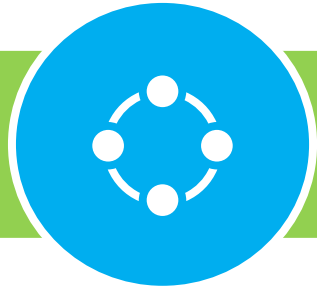
- Look into utility energy efficiency programs. These might be able to be stacked/braided with GGRF financing.
- Look to bundle programs via consolidated applications. For example, DC does this for its affordable housing programs.

#### Key Targets

- Policies that speed development such as streamlined permitting and utility reform (interconnection, PUC oversight)
- Enabling policies in GGRF sectors such as community solar or net zero energy codes. (Read more about these policies [here](#))

## Immediate and High-Impact Actions

Confirm that your proposed project(s) align with the GGRF's minimum requirements (see slide 7). Market and talk about your project through these requirements when interacting with GGRF lenders.



Plan to attend listening/training sessions that NCIF recipients will be hosting. All NCIF recipients will be hosting sessions in the coming months (and Power Forward Communities and Climate United are committed to compensating attendees)



Be prepared to participate in apprenticeship programs. All NCIF recipients will be financially supporting existing/new apprenticeship programs or will be launching new certification programs.



## Long-Term and Ongoing Actions

Speak to recipients about being a vendor if you own a small business. All NCIF recipients are seeking contractors, especially those that are minority or women owned.



### Immediate and High-Impact Actions

Convene key stakeholders in the GGRF ecosystem - including to streamline deployment of GGRF funding and ensure long-term viability of GGRF-supported projects.



#### Key Targets

- Key stakeholders include community lenders, appropriate government agencies, CBOs, developers, philanthropy and others

Identify priorities, resources, and project pipelines for GGRF funding as well as development goals that your government has set that align with GGRF's objectives. Determine how can you market that information to GGRF lenders, as well as CBOs and project developers.



#### Specific Questions

- How can you incorporate these potential resources into your climate plans and begin operationalizing them in capital planning processes?
- What publicly-owned sites could be leveraged for GGRF-related projects?
- How can you market that information to GGRF lenders, as well as CBOs and project developers?

Identify the full suite of local, state, and federal funding programs that may complement GGRF financing as well as steps that must be taken to streamline/improve coordination between these programs.



#### Possible Action Targets

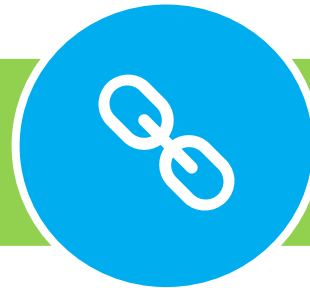
- Consolidating funding applications across program streams. Ex: DC affordable housing
- Working with NCIF and community financing incentives
- Leveraging strong credit ratings to create complementary financial products and credit enhancements for GGRF-related projects

### Long-Term and Ongoing Actions

Work with GGRF lenders to identify which new or existing financial tools are needed to leverage Elective Pay for government- and nonprofit-owned projects, including how GGRF funding can play a role (e.g. bridge loans, etc.).



Identify complementary programs that can leverage GGRF funding to boost local economic development, such as workforce and small business programs.



Identify policy and planning gaps that could facilitate increase project development.



#### Possible Programs

- Looking into solar or building contractor apprenticeship programs. All NCIF recipients have committed to support these programs

#### Possible Policies

- Implementing streamlined permitting processes
- Reforming utility policies such as interconnection standards (read more about those policies [here](#))

# WHAT NOW?



Philanthropy

## Immediate and High-Impact Actions

Invest in predevelopment funding, capacity-building, and coordinated technical assistance for community groups from and working in LIDAC to develop a pipeline of financeable projects in conjunction with GGRF awardees.

Invest in workforce and WMBE programs to build a diverse local business and workforce ecosystem that can deliver projects GGRF capital wants to finance. Support the coordination of those programs in partnership with CBOs and developers pursuing GGRF-financed projects.

## Long-Term and Ongoing Actions

Direct philanthropic capital to efforts that facilitate collaboration and cooperation among awardees, including in efforts to create a suite of shared services (e.g. building hubs; workforce development; etc.) and standards that all GGRF ecosystem players align with and can benefit from.

Invest in state and local advocates and communities to advocate for enabling policies and regulation at the state/local level that can improve the speed, scale, and efficiency of GGRF capital that flows into those localities. (Read more about these policies [here](#)).





# 04

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Other Resources

## Other Key Resources

Official Program Websites	NCIF Awardee Websites	Webinars	Other
<p><a href="#">EPA GGRF Website</a></p> <p><a href="#">EPA NCIF Website</a></p> <p><a href="#">EPA CCIA Website</a></p> <p><a href="#">EPA SFA Website</a></p>	<p><a href="#">Climate United</a></p> <p><a href="#">Coalition for Green Capital</a></p> <p><a href="#">Power Forward Communities</a></p>	<p><a href="#">EPA Webinar Recordings</a></p> <p><a href="#">Just Solutions GGRF Webinar</a></p>	<p><a href="#">Best Practices for Equity and Governance Guide</a></p> <p><a href="#">State Support Center GGRG Memo</a></p> <p><a href="#">Cities and the IRA's Green Banks: Strategies for Engagement</a></p>