



## GBN Bulletin- September 2016

### ***Greetings!***

The GBN Team is excited to share with you some news and developments from the Green Bank world. And we are pleased to introduce the first versions of a number of new tools and features on the Green Bank Network website.

Around the world, there have been exciting Green Bank developments since our last newsletter. This month, leaders of the G20 [released a communique calling for nations to establish national Green Development Funds](#) and crowd in private investment. In a separate editorial, Ma Jun, Chief Economist of the People's Bank of China (Co-Chair of G20 Green Finance Study Group) called for China to [create a Green Development Fund "much like the UK Green Investment Bank."](#)

These strong statements show how Green Bank principles are now recognized and endorsed at the highest levels in global governments. And in the U.S., federal legislation has been introduced to create a new national Green Bank that would capitalize state and local institutions, based on the success of GBN members in CT and NY. These exciting developments highlight the the opportunity presented to strenghten operations through GBN collaboration and uncover best practices and disseminate them more widely. To further these goals, the GBN team is introducing new information sharing and collaborative web tools, and hopes to bring more best pratics and experiences to the network as we grow.

Happy reading,

*Doug and Jeff, NRDC and CGC*

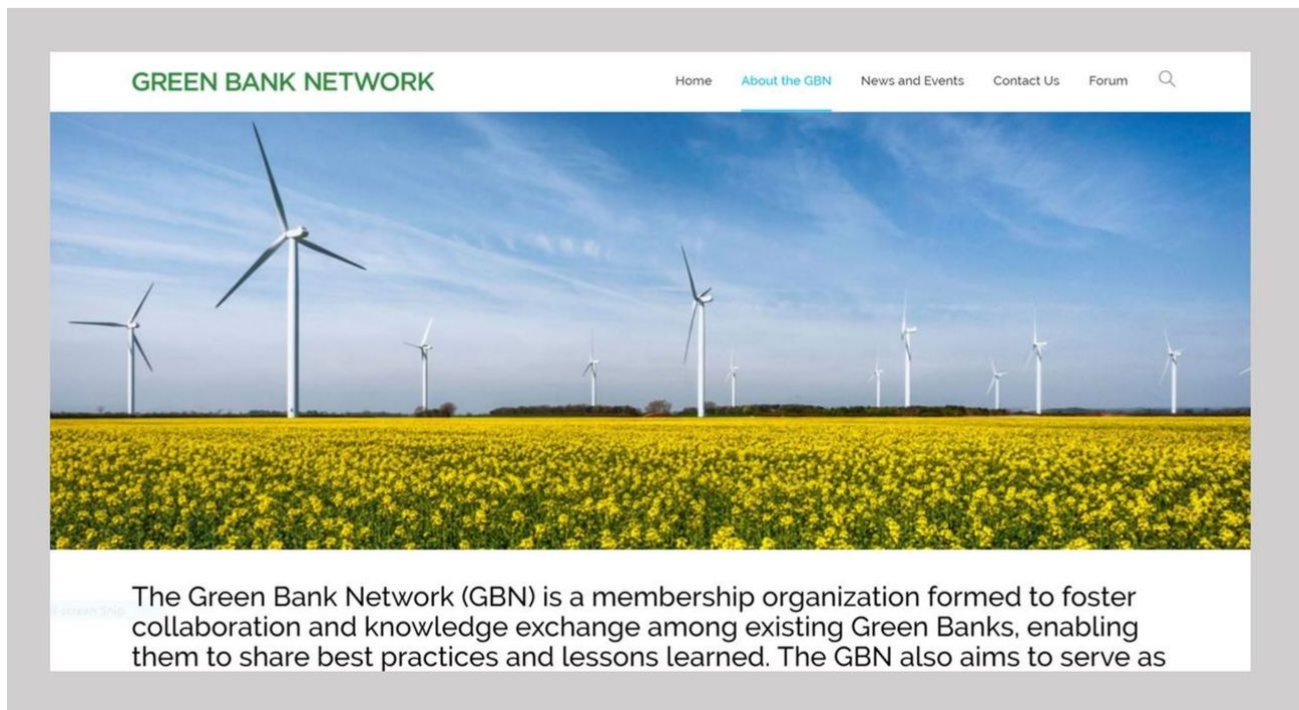
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## GBN Website: New features and tools!



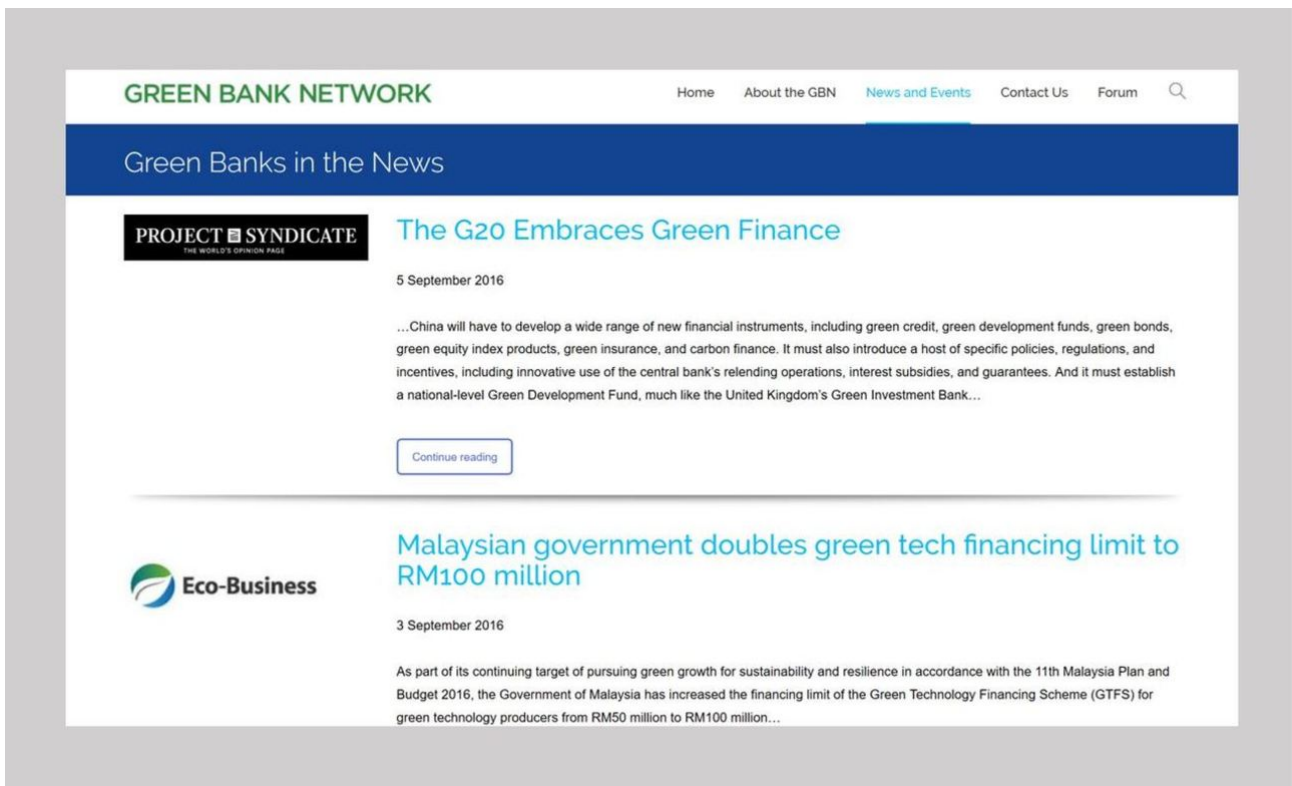
The Green Bank Network website, [www.greenbanknetwork.org](http://www.greenbanknetwork.org), is LIVE with new content and online tools to facilitate information sharing and collaborative dialogue among members, as described below.

### Summary of Website Architecture:

- Home
- About the GBN

- What is a Green Bank?
- Members
- GBN Team
- News and Events
  - Green Banks in the News
  - Upcoming and Past Events
- Knowledge Center
  - Green Bank Financing Approaches by Sector
  - Reports and White Papers
  - Slide Decks
  - Webinars and Videos
  - Standardized Documents
- GBN Members Forum
  - Transaction Database
- Contact Us

## News and Events

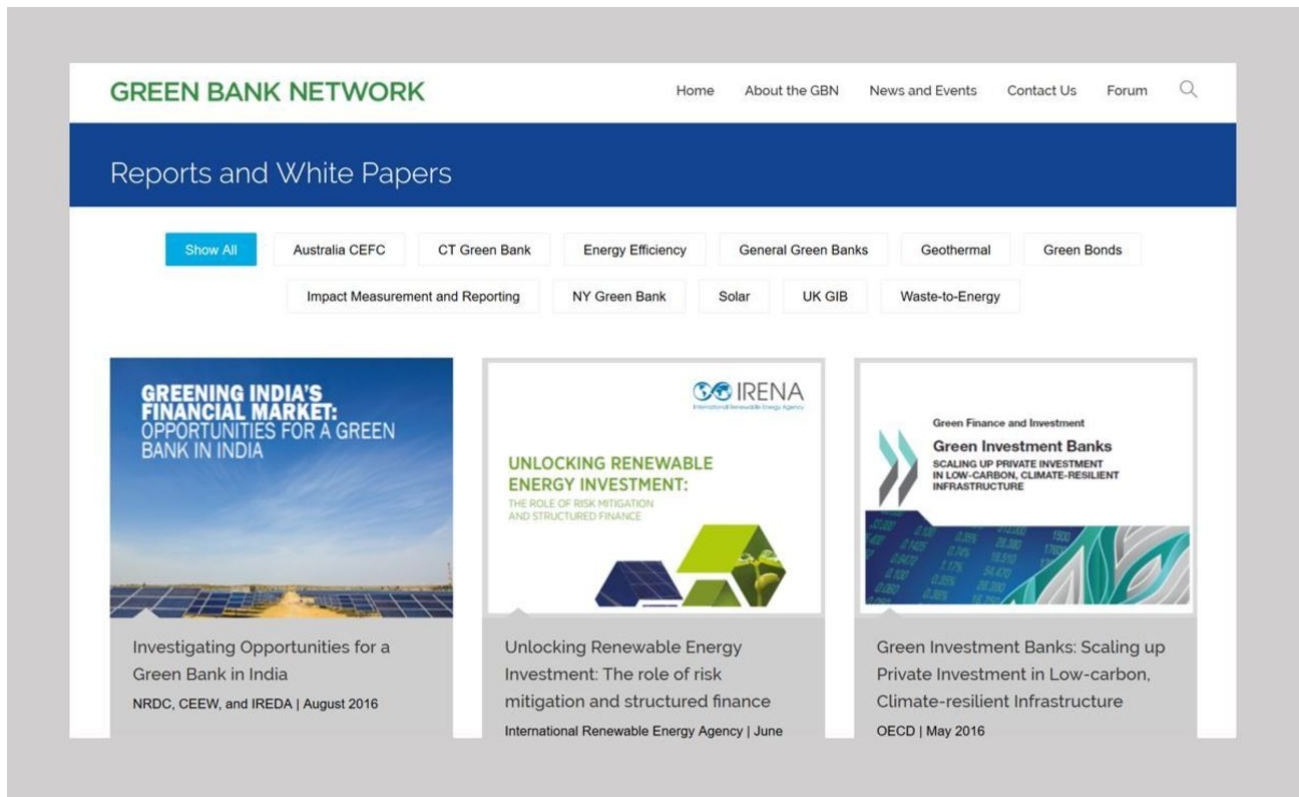


The screenshot displays the 'Green Banks in the News' section of the Green Bank Network website. The page features a navigation bar with links for Home, About the GBN, News and Events (highlighted), Contact Us, and Forum, along with a search icon. Below the navigation bar, the main heading 'Green Banks in the News' is displayed. The first article, titled 'The G20 Embraces Green Finance' by Project Syndicate, is dated 5 September 2016. The article text discusses the need for new financial instruments like green credit, green development funds, green bonds, green equity index products, green insurance, and carbon finance, as well as specific policies, regulations, and incentives. A 'Continue reading' button is provided. The second article, titled 'Malaysian government doubles green tech financing limit to RM100 million' by Eco-Business, is dated 3 September 2016. The article text mentions the 11th Malaysia Plan and Budget 2016, noting an increase in the financing limit of the Green Technology Financing Scheme (GTFS) for green technology producers from RM50 million to RM100 million.

Get the latest news on Green Banks across the world on the [Green Banks in the News](#) page, and view upcoming as well as past events on the [Events](#) page.

Do you have Green Bank news to share or want to spread the word about an upcoming event? Send it to [info@greenbanknetwork.org](mailto:info@greenbanknetwork.org)! These updates will also be shared in the next Green Bank Network newsletter.

## Knowledge Center



The [GBN Knowledge Center](#) is a central repository for information on Green Bank transactions, financial products, organizational and program structures, and impacts. It includes information collected from Green Banks and green finance organizations around the world, helping other Green Banks and related financial institutions understand the purpose, mechanics and impact of actual Green Bank investments.

### The Knowledge Center contains:

- Green Bank Financing Approaches by Sector, Short descriptions of green bank approaches to financing the following sectors:
  - [Agricultural and Other Waste Energy](#)
  - [LED Streetlighting](#)
  - [Lien-Based Commercial Energy Efficiency](#)
  - [Residential Energy Efficiency](#)
  - [Residential Solar](#)
- [Reports and White Papers](#)
- [Slide Decks](#)

- [Webinars and Videos](#)
- [Standardized Documents](#)

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## Recent Green Bank Transactions



*Clockwise from upper left: **Future Biogas** anaerobic digestion in Nottinghamshire (UK Green Investment Bank), **Mukaihama Power Plant**, running on thinned wood and other biomass (Green Finance Organisation Japan), **North Melbourne Recreation Centre** rooftop solar (Clean Energy Finance Corporation), **Tully AD Project**, one of the first anaerobic digestion projects to run exclusively on poultry waste (UK Green Investment Bank).*

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### NY Green Bank (NYGB):

In June, NY Green Bank announced the closing of a [\\$25 million construction loan for Sunrun](#), which will accelerate construction of more than 5,000 solar projects and expand its ability to finance the installation of solar projects in New York State. More recently, in August, NY Green Bank announced the closing of [a \\$37.5 million loan to Vivint Solar](#), which will result in approximately \$167 million in new investment in New York's clean energy economy and will provide financing for thousands of new solar projects at homes across the state. This deal with Vivant represents a significant

milestone for NY Green Bank, as it triggers release of NY Green Bank's next \$150 million in funding from the Public Service Commission towards its \$1 billion capitalization.

### **Green Tech Malaysia:**

The financing limit for the Producer category of the Malaysian Government's Green Technology Financing Scheme (GTFS) was increased from RM50 million (USD12.5 m) to RM100 million (USD25 m) effective June 2, 2016. For the first 8 months of 2016, out of a total of 19 projects that were approved under the GTFS Scheme, 15 are RE projects (with a total proposed installed capacity of 11.2 MWp for Solar PV, 3.5 MW for Biogas and 10 MW Mini Hydro). The total approved financing amount for the 15 RE projects was USD41.3 million.

### **UK Green Investment Bank:**

In June, UK-GIB announced that a fund in which it is a cornerstone investor has committed [£10.5m to two on-farm anaerobic digestion plants](#) in Northern Ireland. One of the plants will be one of the first in the world to be fueled exclusively with poultry litter. That same fund has also [invested £6.6m in an anaerobic digestion plant](#) whose recycled digestate byproduct will be used as compost on local farms. Altogether, these three biogas plants are expected to produce enough clean electricity to power nearly 9,000 homes.

UK-GIB has also announced a £7m investment via a fund in a major [energy efficiency project at a chemical manufacturing plant](#) and £80m of senior debt for the construction of a [new 43 MW CHP energy from waste facility](#) that, when operational, is expected to power 37,500 homes.

### **Green Finance Organisation, Japan:**

The Green Finance Organisation (GFO) recently announced the completion of the Mukaihama power plant in Akita Prefecture, which will be powered with woody biomass. The total cost of the 20MW biomass plant was JPY 12.5 billion (almost USD25 million). GFO is an investor in the project alongside United Planning Co Ltd, Forest Energy Co Ltd, and Renova Co Ltd. A stable supply of biomass feedstock will be procured through an agreement with local foresters thinning wood in the region. Diagrams of the plant's design can be found on GFO's website [here](#) and additional cases outlining GFO investments can be found [here](#).

### **Connecticut Green Bank:**

Recent transactions announced by CT Green Bank include a [comprehensive, multi-year energy efficiency retrofit](#) of a large commercial building, including a rooftop solar array, financed using its C-PACE program. The [largest solar project financed to date](#) by the Connecticut Green Bank's CT Solar Lease Commercial program is now operational at a manufacturing facility. The solar system was financed using the CT Solar Lease Commercial program and was secured via a benefit assessment on the property under the C-PACE program. The CT Green Bank recently received a [2016 State Leadership in Clean Energy Award](#) for its leadership in innovative commercial solar lease program.

### **Australia Clean Energy Finance Corporation:**

Westpac and the CEFC have announced the [establishment of a \\$200 program](#) that will help Australian businesses invest in energy saving solutions. CEFC also announced [its lending \\$68](#)

[million to finance a property development](#) that will retrofit a historic landmark in Victoria into an exemplar green building. A [Melbourne football club and recreation center](#) have also gone solar with financing from the CEFC.

On September 2nd, Artesian Venture Partners announced [the launch of Australia's first Clean Energy Seed Fund](#). The \$20 million seed fund includes a \$10 million cornerstone commitment from the new \$1 billion Clean Energy Innovation Fund. The Clean Energy Seed Fund—the first of its kind in the Australian clean energy space—will focus on unearthing and financing emerging innovations and startups in clean energy. The \$10 million cornerstone commitment is the first project to be financed through the new Clean Energy Innovation Fund, which draws on finance and skills from the CEFC and the Australian Renewable Energy Agency.

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## Recent Events



[Sustainable Investment Forum](#) at Climate Week  
New York City, 20 September 2016

Alfred Griffin of NY Green Bank and Bryan Garcia of CT Green Bank spoke about winning climate finance strategies and shared experiences working with the private sector to drive more investment into low-carbon technologies.

**Japan Renewable Energy Institute (REI) [International Symposium](#)**

**Tokyo, 9 September 2016**

Takejiro Sueyoshi, CEO of Green Finance Organisation, spoke about shifting investment priorities and new international initiatives in light of the Paris Agreements. Watch it [here](#).

**Alliance to Save Energy [Great Energy Efficiency Day](#)**

**Washington DC, 22 September 2016**

Bryan Garcia of CT Green Bank spoke about customer-centric approaches to energy efficiency, including Property Assessed Clean Energy (PACE). Watch it [here](#).

**[Australia Clean Energy Summit 2016](#), hosted by the Clean Energy Council**

**Sydney, 27 July 2016**

Jillian Broadbent, Chair of CEFC and Oliver Yates, CEO of CEFC spoke about new initiatives at CEFC, including co-investments, three new funds, and Green Bonds. See Oliver Yates' slides [here](#).

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## Upcoming Events



### **Green Bank Congress 2016 is approaching!**

Several exciting events are happening in Tokyo October 11-14:

- October 11: GFO-hosted Green Bank Congress
  - October 12 Morning: GBN-hosted Member Working Session
  - October 12: MOE-hosted Green Finance Conference, featuring Green Bank speakers
  - October 13-14: [OECD-hosted GIFF](#), with a Green Bank-focused panel on October 13
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## Energy Efficiency Financing Event hosted by IDB and ALIDE

The Inter-American Development Bank and the Latin American Association of Financial Institutions for Development (ALIDE) are partnering to host an event titled, "[Innovative Financial Instruments to Support Energy Efficiency: Experiences from Financial Institutions in Latin America and Asia-Pacific Regions](#)." The event will be held on 15-16 November in Lima, Peru.

The event will feature speakers discussing the Green Bank model including Bryan Garcia from CT Green Bank, and Jeff Schub from Coalition for Green Capital.

This event aims to promote a dialogue and exchange of experiences among Financial Institutions from Latin America and the Caribbean (LAC) and Asia – Pacific (APAC) regions about the challenges and opportunities for private investments in energy efficiency to mobilize and deploy adequate and effective financial resources to achieve a low-carbon, climate-resilient development.

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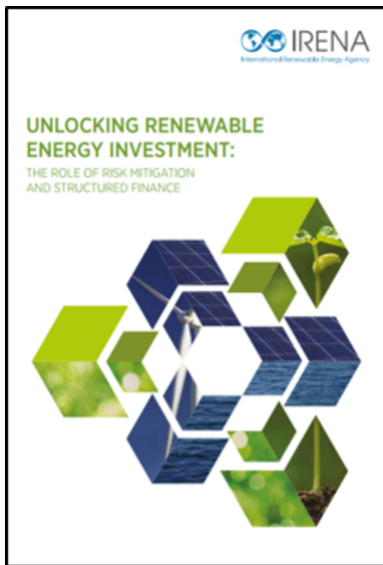
## Recent Webinars and Publications

### Green Bank Webinar

The Green Bank Network hosted Rob Youngman, Team Leader of the Organisation for Economic Co-operation and Development (OECD)'s Climate, Finance and Investment Unit, to present takeaways from the OECD's highly anticipated report, "[Green Investment Banks: Scaling up Private Investment in Low-carbon, Climate-resilient Infrastructure](#)". The

report--announced at the 7th annual Clean Energy Ministerial--provides the first comprehensive study of publicly capitalised Green Investment Banks (GIBs) and analyses the rational, mandate and financing activities of this relatively new category of public financial institution. Following his presentation, Mr. Youngman answered questions from participants. The full webinar recording, including the Q&A, can be viewed on the Green Bank Network website [Webinars and Videos page](#) under the category "GBN Hosted."





[Unlocking Renewable Energy Investment: The role of risk mitigation and structured finance](#), a new report by the International Renewable Energy Agency (IRENA) identifies key risks and barriers limiting low-carbon investment; it also supplies a toolkit for policy makers, public and private investors, and public finance institutions to scale up their investments in renewable energy.

The report features a case study on a [UK Green Investment Bank](#) wind deal.

Additional case studies and survey material provide insights on the challenges, the opportunities and what has actually worked in different markets. IRENA compiled these real-world examples and conducted survey questionnaires through engagement with its member countries and industry stakeholders in both energy and

finance. The resulting report identifies five main action areas whereby policy makers and development financial institutions can address risks and barriers for renewable energy projects:

- Advance renewable energy projects from initiation to full investment maturity.
- Engage local financial institutions in renewable energy finance.
- Mitigate risks to attract private investors.
- Mobilise more capital market investment.
- Create facilities dedicated to scaling up renewable energy investment.

### **Recordings of Green Bank Panel at the [ACEEE Energy Efficiency Finance Forum 2016](#)**

Green Bank Network members participated in a panel at the American Council for an Energy-Efficient Economy's (ACEEE) Energy Efficiency Finance Forum in May. The plenary session was titled "**The Green Bank Movement: Public-Private Partnerships to Accelerate Energy Efficiency**" and



featured Bryan Garcia of CT Green Bank and Alfred Griffin from NY Green Bank well as representatives from Rhode Island Infrastructure Bank and Michigan Saves. The discussion was moderated by Jeff Schub of CGC.

Video recordings of various segments of the panel can be viewed on the Green Bank Network website [Webinars and Videos page](#) under the category "Energy Efficiency".

### **GCF Board approves projects worth \$250M and prepares for leadership transition**

The thirteenth meeting of the Board (B.13) of the Green Climate Fund (GCF) has approved its first funding proposals for 2016 totalling USD 256.6 million in GCF funding.

“The close of B.13 marks the half-way point for the GCF in 2016,” said Board Co-Chair Ewen McDonald (Australia). “Looking at what we’ve achieved so far this year – major policy gaps have been filled, we have a strategic plan, 13 new entities are accredited and now over USD 250 million in funding proposals has been approved – we’re tracking well.” The Board is calling for more proposals with the aim of achieving its aspirational USD 2.5 billion approvals target in 2016. [Continue reading](#)



**GREEN  
CLIMATE  
FUND**

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## Green Bank Growth



### **China and the G20:**

In September leaders of the G20 released a [communiqué](#) endorsing new guidelines that call for nations to establish national Green Development Funds and crowd in private investment. In a separate editorial, Ma Jun, Chief Economist of the People’s Bank of China (Co-Chair of G20 Green Finance Study Group) [called for China to create a Green Development Fund “much like the UK Green Investment Bank.”](#)

### **United States:**

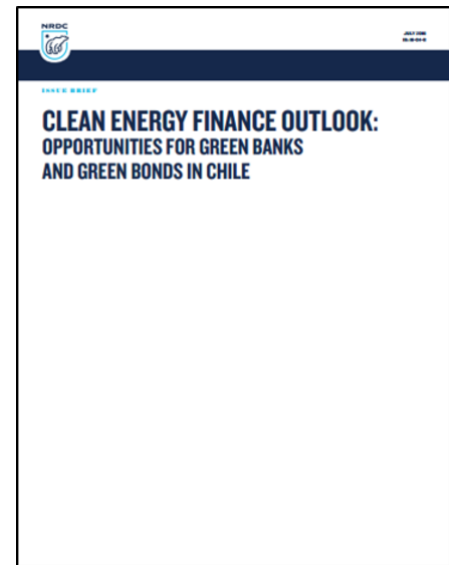
The Green Bank Act of 2016 [was introduced in the US Senate](#) on September 22, 2016 by Senators Murphy (CT), Blumenthal (CT), and Whitehouse (RI). The Act would create a \$50 billion national Green Bank that would provide capital to state and local Green Banks to finance clean energy projects that save money for consumers and businesses. The national Green Bank would enable the creation of locally-focused Green Banks to drive private investment, lower energy costs and create jobs. [Companion legislation](#) has been introduced in the House of Representatives.

### **Chile:**

A new issue brief authored by NRDC experts explores opportunities for innovative green finance tools to boost clean energy investment in Chile and proposes some recommendations for supporting their development, including:

- Educating relevant stakeholders about innovative financing tools such as green banks and bonds
- Analyzing legal or regulatory changes to facilitate the implementation of green finance solutions
- Collaborating with international networks to gain expertise

Spanish and English versions of the issue brief are available [here](#), as is a presentation given by NRDC experts to clean energy and green finance stakeholders in Santiago, Chile in April 2016.




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## Spotlight on a Green Banker

**Meet the Green Bank Congress 2016 host: Japan Green Finance Organisation and its CEO, Takejiro Sueyoshi**



The Green Finance Organisation (GFO) manages Japan's Green Fund, which commenced operations in July 2013 as part of the Ministry of the Environment's initiative to use private capital to tackle global warming. The Green Fund is capitalised by a portion of the proceeds from the national Climate Change Countermeasure Tax, a carbon tax established in 2012 on petroleum and coal consumption.

The GFO is headed by its CEO, Takejiro Sueyoshi, who is also currently Vice-Chair of the Executive Board of the Japan Renewable Energy Institute and is a Special Advisor to the UNEP Finance Initiative. Sueyoshi is a former member of the Council for Japan's Prime Ministers on Climate Change.

The Green Fund's objective is to solidify the business case of small to large-scale clean energy projects by making equity and mezzanine investments, directly or through a sub-fund, that attract further capital from private sources. Equity investments are limited to 50% of the total equity amount.

GFO invests in projects that not only reduce greenhouse gas emissions, but also stimulate local economies. This is achieved by working with locally-based companies and focusing particularly on the project development phase during which there is no revenue generation.

GFO's engagement with local communities goes beyond clean energy project deployment. Often, profits from projects are invested in environmental and social efforts. Sueyoshi-san explains:

***“GFO is committed to projects that not only have strong green impact, but also develop local communities, and you can see that in the projects that we finance.”***

Examples of such investments include:

- A solar project in Ibaraki installs solar systems on publicly owned sites, such as school rooftops (1.8MW total capacity). The schools are refuges of emergency power supply in case of power outages from natural disaster.
- A portion of the 7MW Aomori solar project’s profits is donated to the community’s fund for local environmental initiatives, and the project site is used as an education facility on clean energy.
- Investment in a 1.45MW solar project in Fukushima is going to support not only the promotion of clean energy, but also restoration from the Great East Japan Earthquake of 2011. Additionally, this project is a model of widely distributed smaller solar power generation designed for snow and ice regions.
- A small-scale hydropower project in Niigata donates some of its profits to a scholarship fund for local children.

***“We at GFO are very excited to welcome our friends and colleagues from around the world to join us on October 11, and we look forward to seeing you in Tokyo.”- Takejiro Sueyoshi***



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