NATIONAL CLEAN INVESTMENT FUND

Post-Award Primer

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Blended & Inclusive Finance Team (GFED)
01 Overview of GGRF and NCIF
$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.
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.
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.
NCIF OVERVIEW

EPA announced awardees of this program in April 2024

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
Notice of Selection

July 2024
Program Start Date

July 2031
End of Performance Period
### Financial Assistance
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

### Predevelopment Activities
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

### Market-Building Activities
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)

### Program Administration Activities
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

National Nonprofit (direct awardees)

Subgrantees

Financial Assistance, Predevelopment and Market-Building Activities

Financial Assistance, Predevelopment and Market-Building Activities

Qualified Projects

Financial Assistance and Market-Building Activities

Financial Assistance and Market-Building Activities

Community Lenders

Qualified Projects

Qualified Projects
QUALIFIED AND PRIORITY PROJECTS

### QUALIFIED PROJECT

Meets the below 6 requirements

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**

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

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

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

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

**Leverage:** Would mobilize private capital.

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

About NCIF Awardees
## AWARDEES AND COALITIONS

<table>
<thead>
<tr>
<th>CLIMATE UNITED</th>
<th>$6.97 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calvert Impact Capital™</td>
<td>Global nonprofit investment firm with a 28-year track record driving financial, social, and environmental returns</td>
</tr>
<tr>
<td>Self-Help Credit Union</td>
<td>The nation's leading nonprofit affordable housing and community revitalization finance company founded in 1974</td>
</tr>
<tr>
<td>CPC Community Preservation Corporation</td>
<td>National nonprofit leader providing financing, support, consumer financial services, and advocacy for those left out of the economic mainstream since 1980</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>CGC Coalition for Green Capital</th>
<th>$5 billion</th>
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<tbody>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
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### Example Named Subawardees

- IBank
- Michigan Saves
- DC Green Bank
- NYCEEC
- City First Enterprises
- Elemental Excalerator

<table>
<thead>
<tr>
<th>POWER FORWARD</th>
<th>$2 billion</th>
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<tbody>
<tr>
<td>Enterprise LISC</td>
<td>United Way is an international network of over 1,800 local nonprofit fundraising affiliate</td>
</tr>
<tr>
<td>Enterprise</td>
<td>The leading electrification nonprofit focused on electrifying homes, businesses, and communities</td>
</tr>
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</table>

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

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

Diverse Communities Benefited (as % of portfolio)

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Rural Communities</th>
<th>Tribal Communities</th>
<th>LIDAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Zero Buildings</td>
<td>67%</td>
<td>41%</td>
<td>10%</td>
</tr>
<tr>
<td>Distributed Energy</td>
<td>18%</td>
<td>26%</td>
<td>60%</td>
</tr>
<tr>
<td>ZET</td>
<td>15%</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

01 Standardized Financial Products Ready for Deployment

02 Decarbonize Residential Buildings

03 Transform and Green Markets

CLIMATE UNITED

$6.97BN
PORTFOLIO Based on application, but likely to change with grant agreement to EPA

Diverse Communities Benefited (as % of portfolio)

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<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Communities</td>
<td>20%</td>
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<tr>
<td>Tribal Communities</td>
<td>2%</td>
</tr>
<tr>
<td>LIDAC</td>
<td>55%</td>
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</tbody>
</table>

Sectors

- Net Zero Buildings: 37%
- Distributed Energy: 25%
- ZET: 13%
- Other: 25%

Market

- Commercial: 60%
- Affordable Housing: 17%
- Small Business: 14%
- Consumer: 9%

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
01 Prioritizing LIDAC in Investments/Engagement

02 Focusing on Building Affordable, Resilient Homes

03 Customizable Loan Products

POWER FORWARD COMMUNITIES

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

Diverse Communities Benefited (as % of portfolio)

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<tr>
<th>Sector</th>
<th>Percentage</th>
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<tr>
<td>Rural Communities</td>
<td>14.5%</td>
</tr>
<tr>
<td>Tribal Communities</td>
<td>2%</td>
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<tr>
<td>LIDAC</td>
<td>81.3%</td>
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</tbody>
</table>

Sectors

- Net Zero Buildings: 77.6%
- Distributed Energy: 7.4%
- ZET: 1.3%
- Other: 13.7%

Market

- MF Developers + Owners: 54.4%
- SF Homeowners: 24.2%
- Nonprofit Builders of SF Homes: 6.9%
- Small Business Contractors: 6.1%
- Owners of SF Rental Properties: 4.5%
- Community Facility Devs: 3.9%
03
Implementation Guide
WHAT NOW?

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.

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.

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

• 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)
WHAT NOW?

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).

Long-Term and Ongoing Actions

- 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.

- 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.
WHAT NOW?

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.

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.

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.

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

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?

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

Government

(1/2)
WHAT NOW?

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?**

**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](#)).
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Other Resources
<table>
<thead>
<tr>
<th>Official Program Websites</th>
<th>NCIF Awardee Websites</th>
<th>Webinars</th>
<th>Other</th>
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<tbody>
<tr>
<td>EPA GGRF Website</td>
<td>Climate United</td>
<td>EPA Webinar Recordings</td>
<td>Best Practices for Equity and Governance Guide</td>
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<tr>
<td>EPA NCIF Website</td>
<td>Coalition for Green Capital</td>
<td>Just Solutions GGRF Webinar</td>
<td>State Support Center GGRG Memo</td>
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<td>EPA CCIA Website</td>
<td>Power Forward Communities</td>
<td></td>
<td>Cities and the IRA’s Green Banks: Strategies for Engagement</td>
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<td>EPA SFA Website</td>
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