The Nonprofit Model for Green Bank Development in Pennsylvania

Coalition for Green Capital
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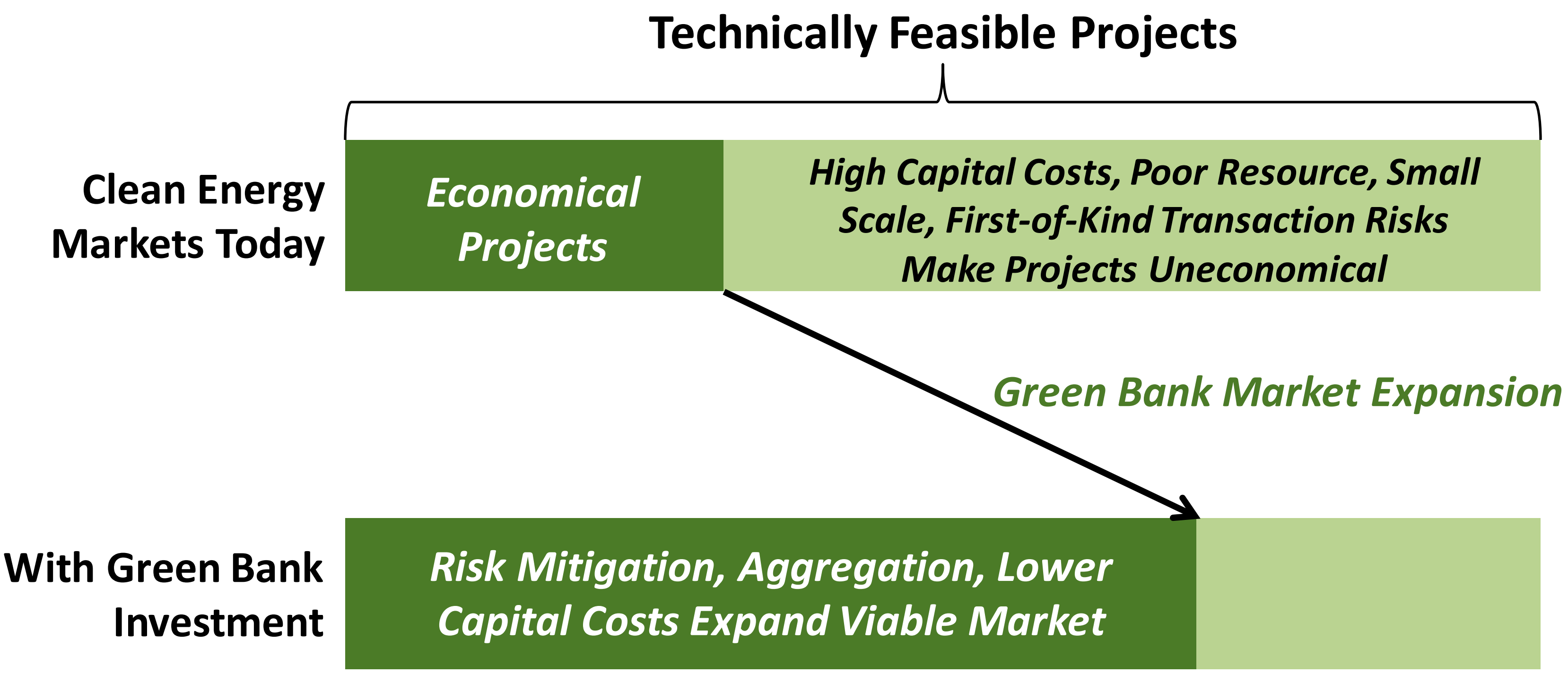
July 2019

Green Banks are purpose-built to connect capital with clean energy projects

- Green Banks are clean energy finance businesses whose mission is to **use financial tools** to increase sustainable investment
- Green Banks bring together **commercial, public, and mission-driven capital** to drive clean energy investment in local markets
- Green Banks develop local expertise to **break down barriers & connect projects with capital**
- Green Banks use methods that **catalyze greater overall investment** beyond the dollars they deploy

Green Banks help grow markets by increasing project viability



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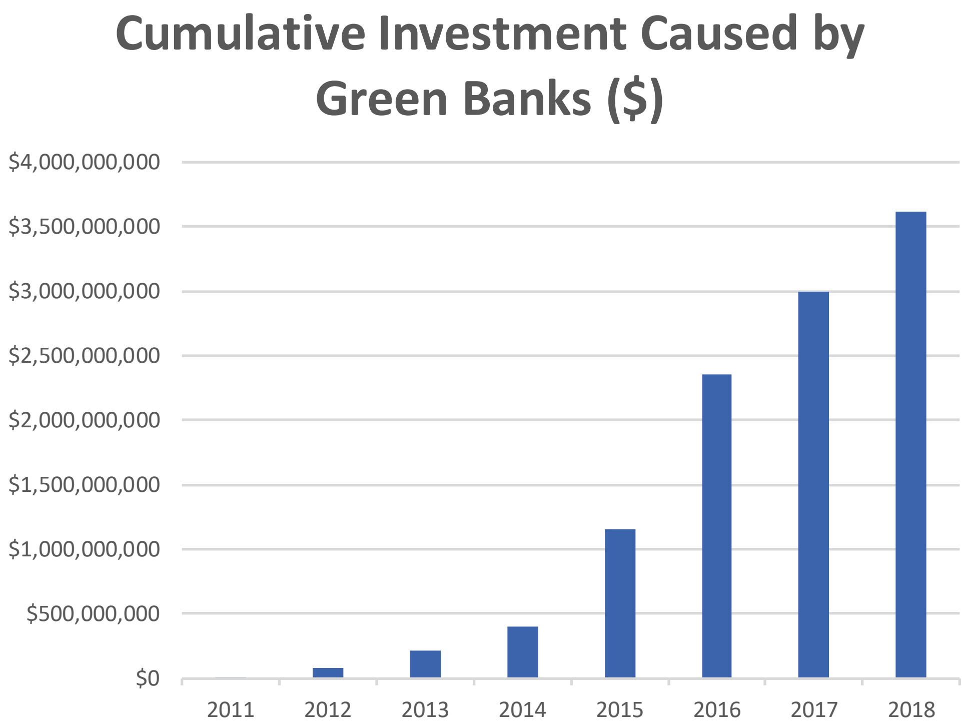
Green Banks are driving local climate investment

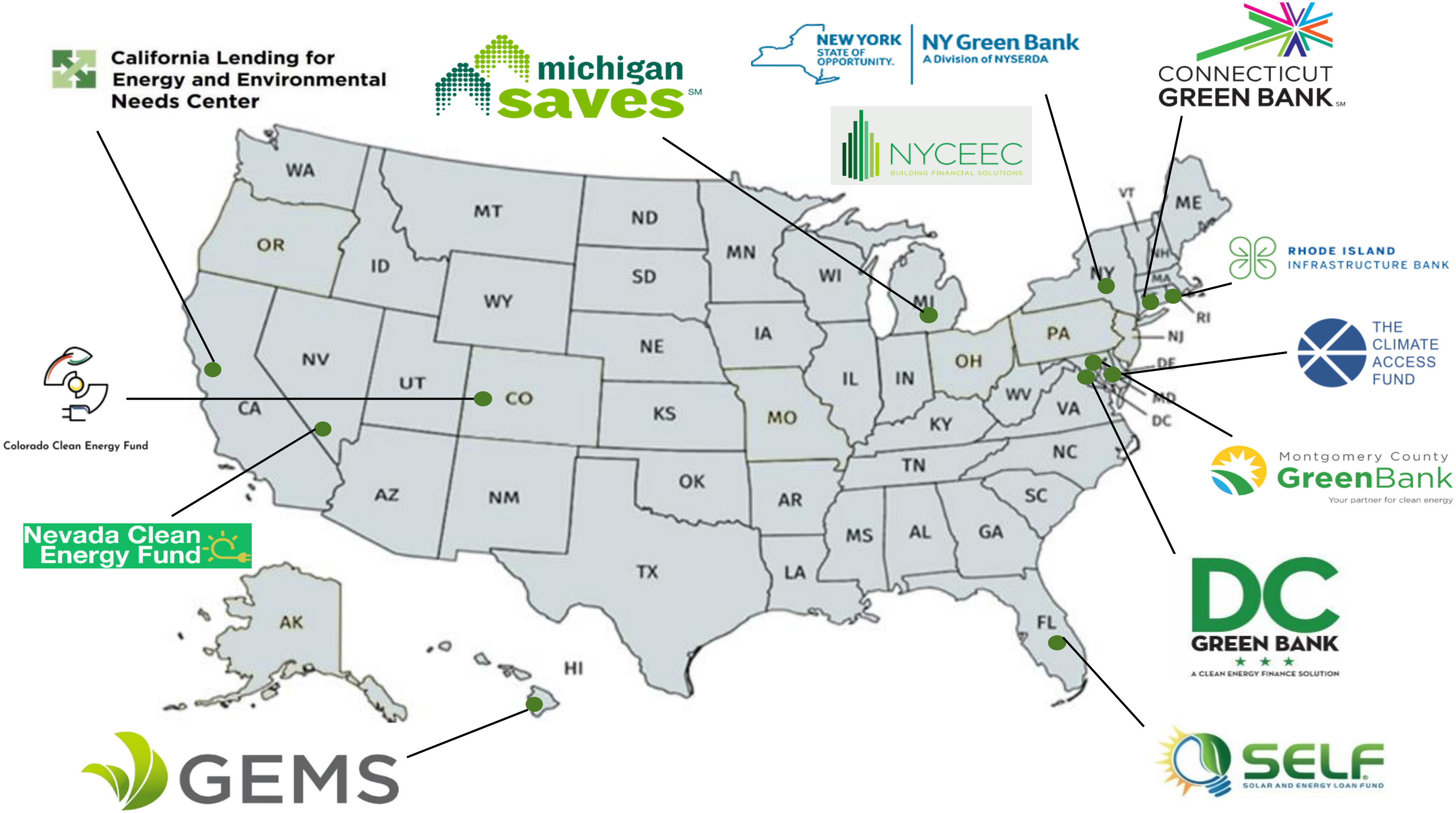


Through the nation's largest green bank…New York will continue to lead the fight against climate change

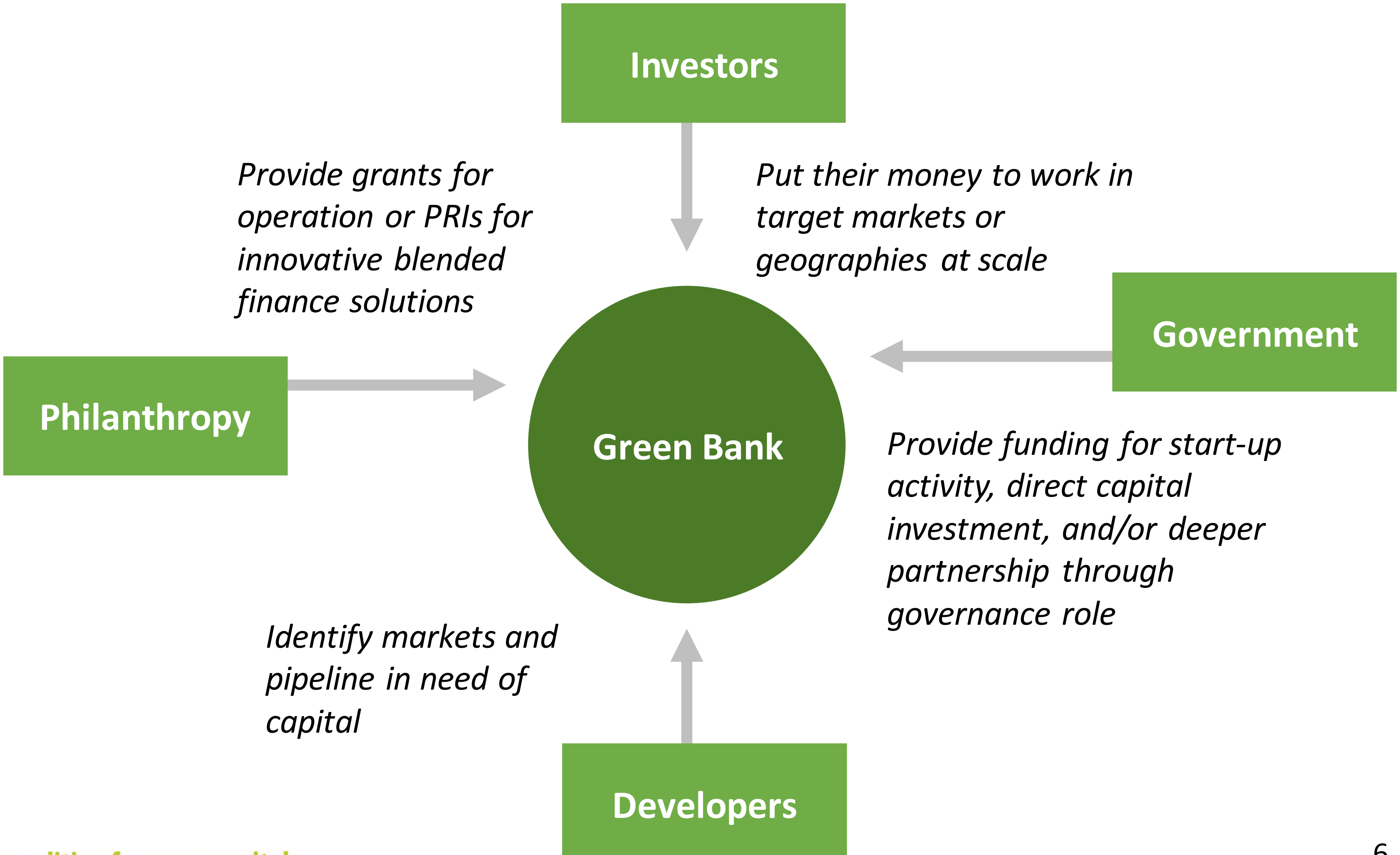
The Connecticut Green Bank demonstrates how mobilizing private investment into our clean energy economy can reduce the energy burden on households and businesses while creating jobs in our communities

US Green Banks have catalyzed over $3.5 billion in investment

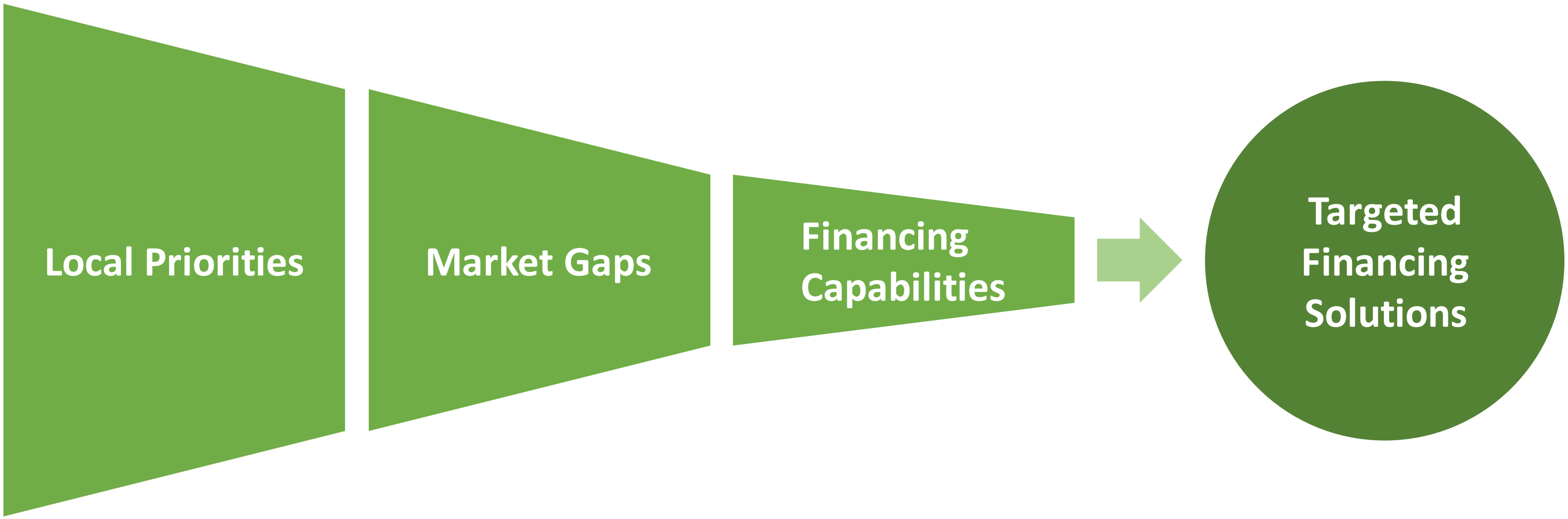
Green Banks in the US are active at the state, county, and city level



Green Banks work in an ecosystem to drive market growth



Local markets determine Green Bank solutions



- Political or market specific focus areas
- Market areas currently unaddressed by available finance
- The ability of capital providers to address market gaps

Green Banks use innovative finance tools to drive growth

Targeted Financing Solutions	Examples
Aggregation & securitization: pooling small investments for resale to larger capital providers	Rhode Island Infrastructure Bank's aggregation of municipal energy efficiency projects
Credit enhancement: improving customer credit to enable access to finance	Michigan Save's loan loss reserve for solar and efficiency upgrades
First-in-kind investments: proving the viability of clean energy projects for private investors	Connecticut Green Bank's market development of CPACE
Direct loans: direct financing for short term or difficult to finance projects	New York Green Bank's investment in bridge loans for solar

As number of Green Banks expand, traditional path to Green Bank formation not viable in many states

- Large upfront capital requirements present difficulty for budget constrained states
- Legislative approval can result in extended creation timeline or political gridlock
- Limited funding demands structure that can draw on a variety of capital sources

Nonprofit Green Banks provide alternative formation pathway

Pennsylvania identified as strong Green Bank opportunity

- In 2017, CGC published a report identifying $7-9 billion of economically viable clean energy projects in Pennsylvania
- Pennsylvania Clean Energy Finance Corporation incorporated to serve as an independent nonprofit Green Bank to help finance projects
- Next steps are to hire an executive director and finance a first transaction

Pennsylvania Energy Investment Partnership Report

Prepared by the Coalition for Green Capital

July 6, 2017

Prepared for The Nature Conservancy

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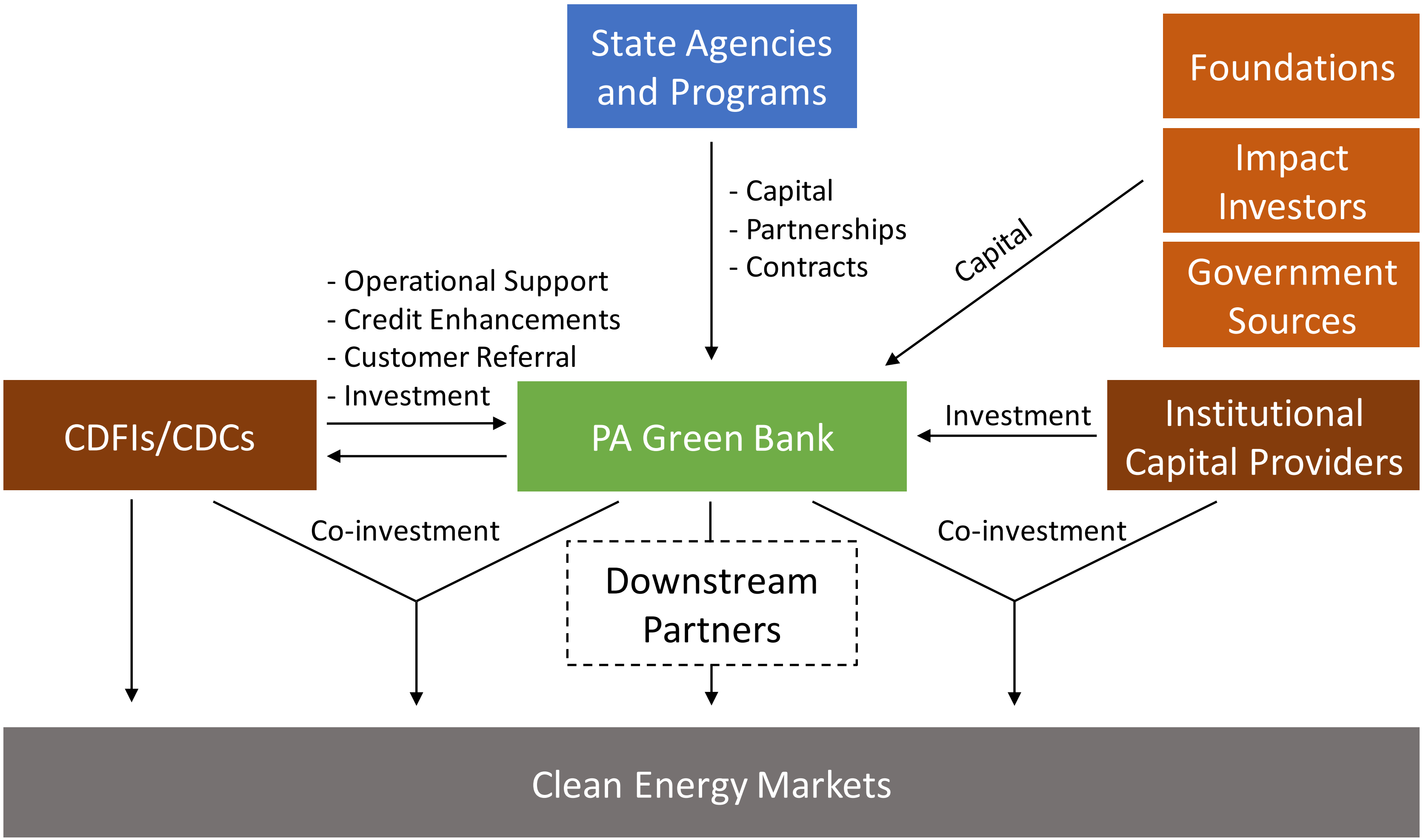
The Nature Conservancy

Protecting nature. Preserving life.

View the report

Potential Green Bank structure as independent nonprofit



Potential capital sources for a Green Bank

Foundations	• Foundation grants • Foundation program-related investments
Federal Sources	• Grants or financing from the Department of Energy • Grants or financing from the USDA, particularly the Rural Utility Service • Grants or financing from the treasury's CDFI fund
Private Sources	• Community banks • Credit unions • Money center banks • Mission-driven organizations • Impact investors • High net-worth individuals • Other financial institutions
State Sources	• Ratepayer Dollars • Legislative budget allocation • Investments from State Agency Programs
Bond Structures	• Private Activity Bonds • Nonprofit Conduit Bonds • Asset-backed Securities • GO Bonds of State/Local government

A national climate bank is becoming part of the national climate debate and could serve as major capital source

JAY INSLEE'S
EVERGREEN
ECON
PLAN

- ***Clean Energy Deployment Authority (CEDA or "Green Bank"):*** Governor Inslee's plan will charter a new federal financing authority to catalyze increased and swifter investment into clean energy projects and other initiatives that reduce climate pollution; put Americans to work; and ensure affordable energy. Green Bank financing can accelerate deployment of proven technology, and lower costs for ratepayers and families. The CEDA is modeled on the Clean Energy Deployment Administration first proposed in 2009 by then-Rep. Jay Inslee and the late Rep. John Dingell (D-MI).[11] It is also built on the proven

BENNET
FOR AMER

- Create a Climate Bank to catalyze $10 trillion in private sector investment in innovation and infrastructure that creates new markets for American businesses not just at home, but also around the world.

IN THE SENATE OF THE UNITED STATES

Mr. MURPHY (for himself, Mr. VAN HOLLEN, Mr. WHITEHOUSE, Mr. BLUMENTHAL, and Mr. MARKEY) introduced the following bill; which was

"(a) SHORT TITLE.—This section may be cited as the 'United States Green Bank Act of 2019'.

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Thank You

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