



coalition for green capital

The State of Green Banks Nationwide

Coalition for Green Capital

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HGIA Stakeholder Convening

November 14, 2017

Green Bank is dedicated public or non-profit finance entity designed to drive private capital into market gaps



- Are **focused institutions**, created to **deploy clean & resilient energy technology**
- Use public money to de-risk & **leverage private investment** with innovative structures
- Use debt, warehousing, credit-enhancing and related instruments to **produce cost-effective energy** for end-users
- Seek to be **self-sustaining**, and produce dividends for taxpayers
- **Complement** existing actors and programs, bridging gaps in capital supply chain
- Are **market-oriented and flexible** adjusting offerings, products and partnership structures to suit the customer-need

Why Green Banks? Because of importance of dedicated local institutions focused on financing & market growth

Specific Focus

Local Capital
Formation

Prime the
Pump

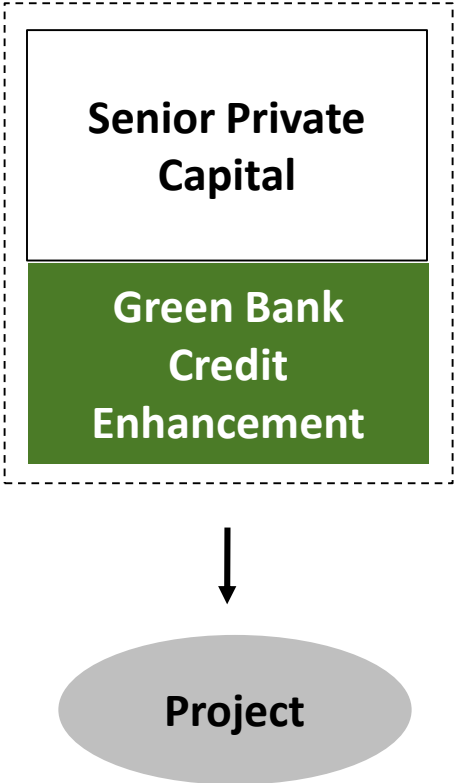
Take 1st or 2nd
Loss

Carry Market-
Making Costs

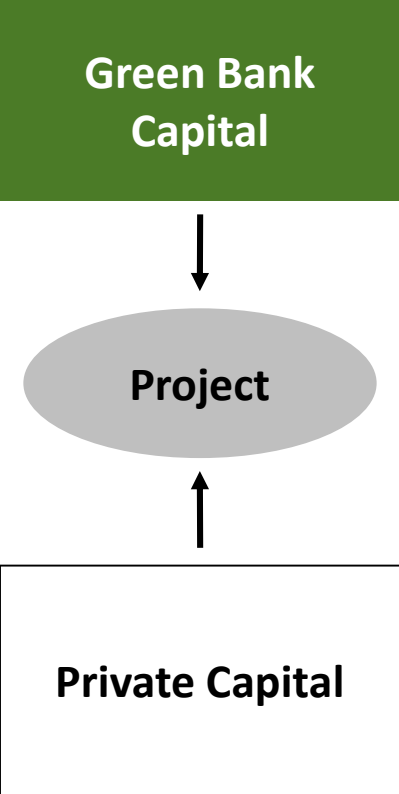
Convene &
Organize

Green Banks use multiple structures to draw in more investment capital at better financing terms

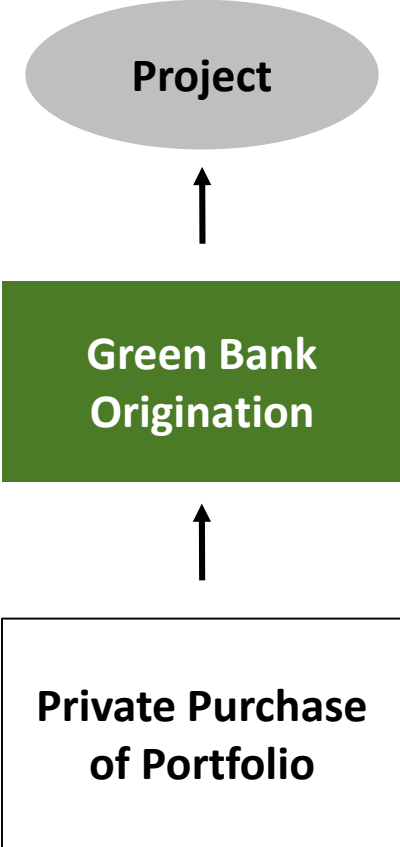
Credit Support



Co-Investment

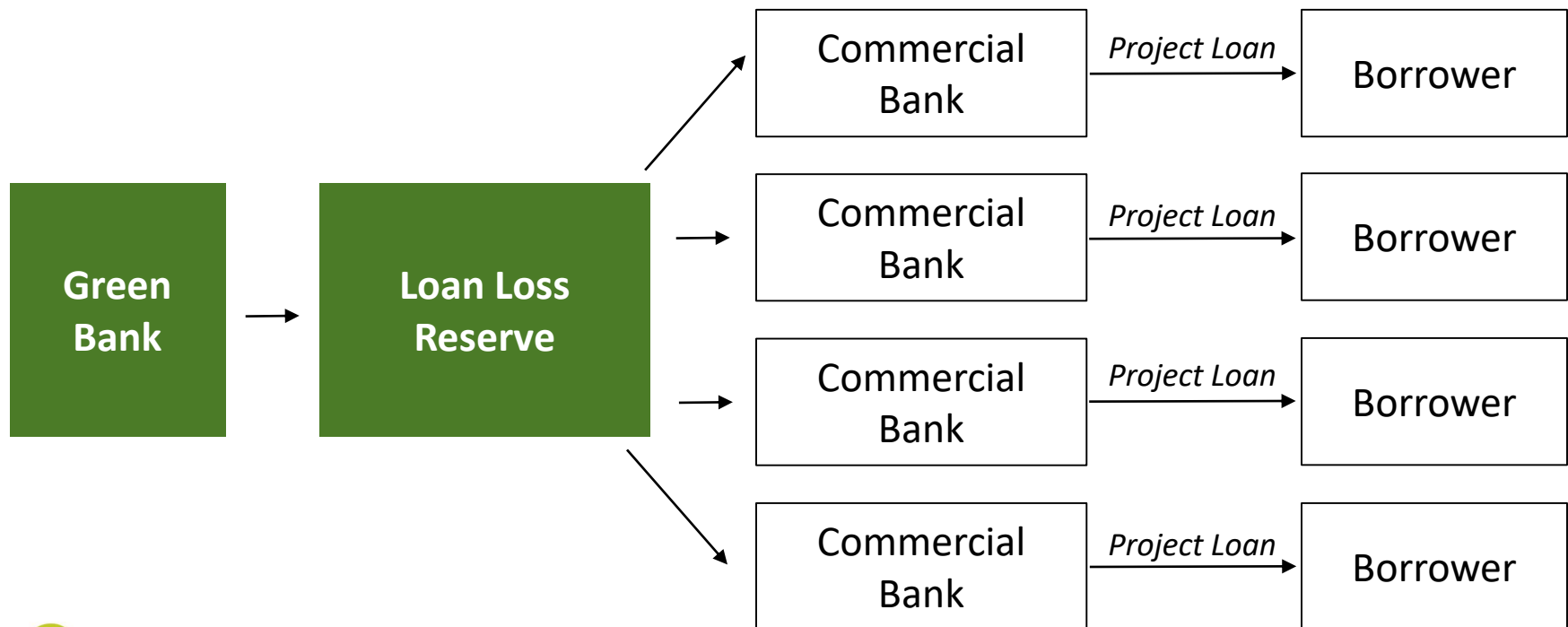


Warehousing



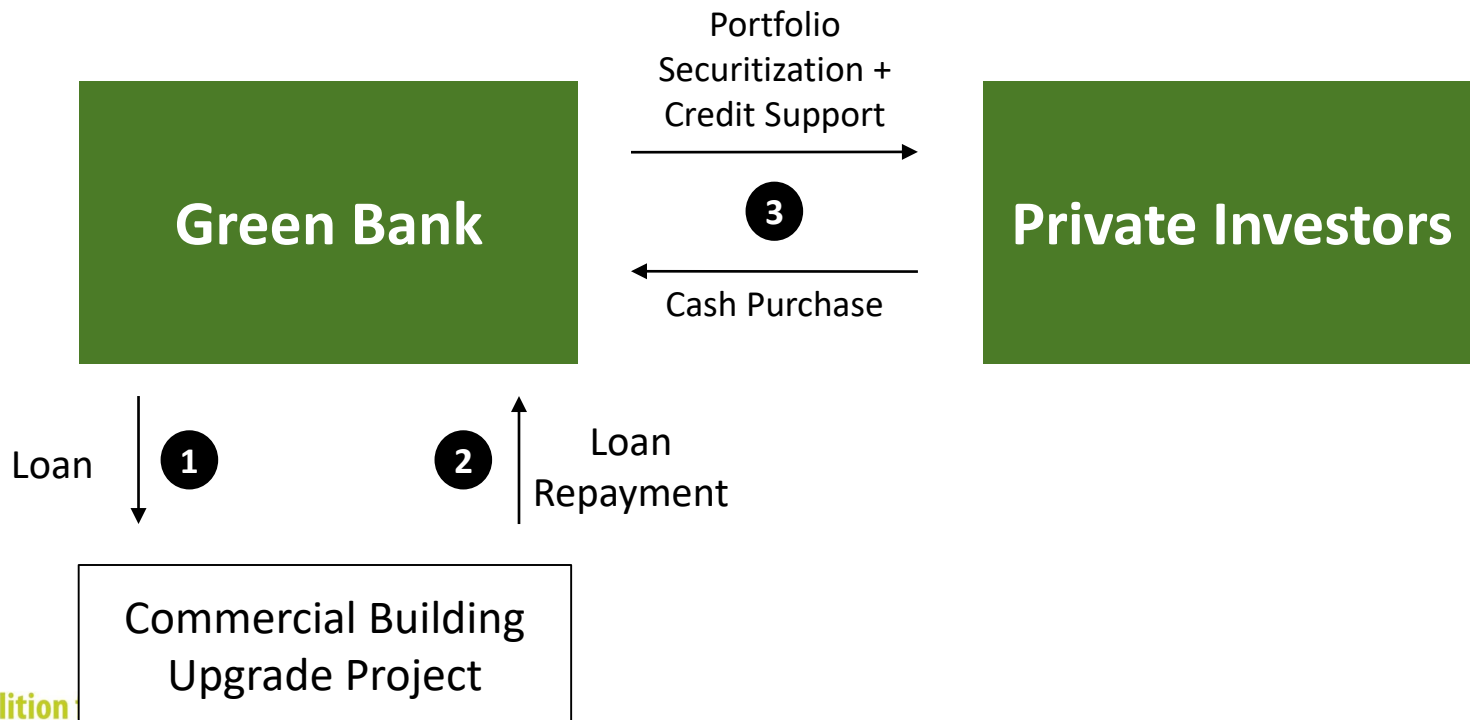
Example: Green Bank offers standard credit enhancement to retail lenders to serve the market

- Green bank defines terms of loan loss reserve and risk-mitigation mechanism for residential EE & RE loans
- Banks enter market with reduced risk and offer good terms



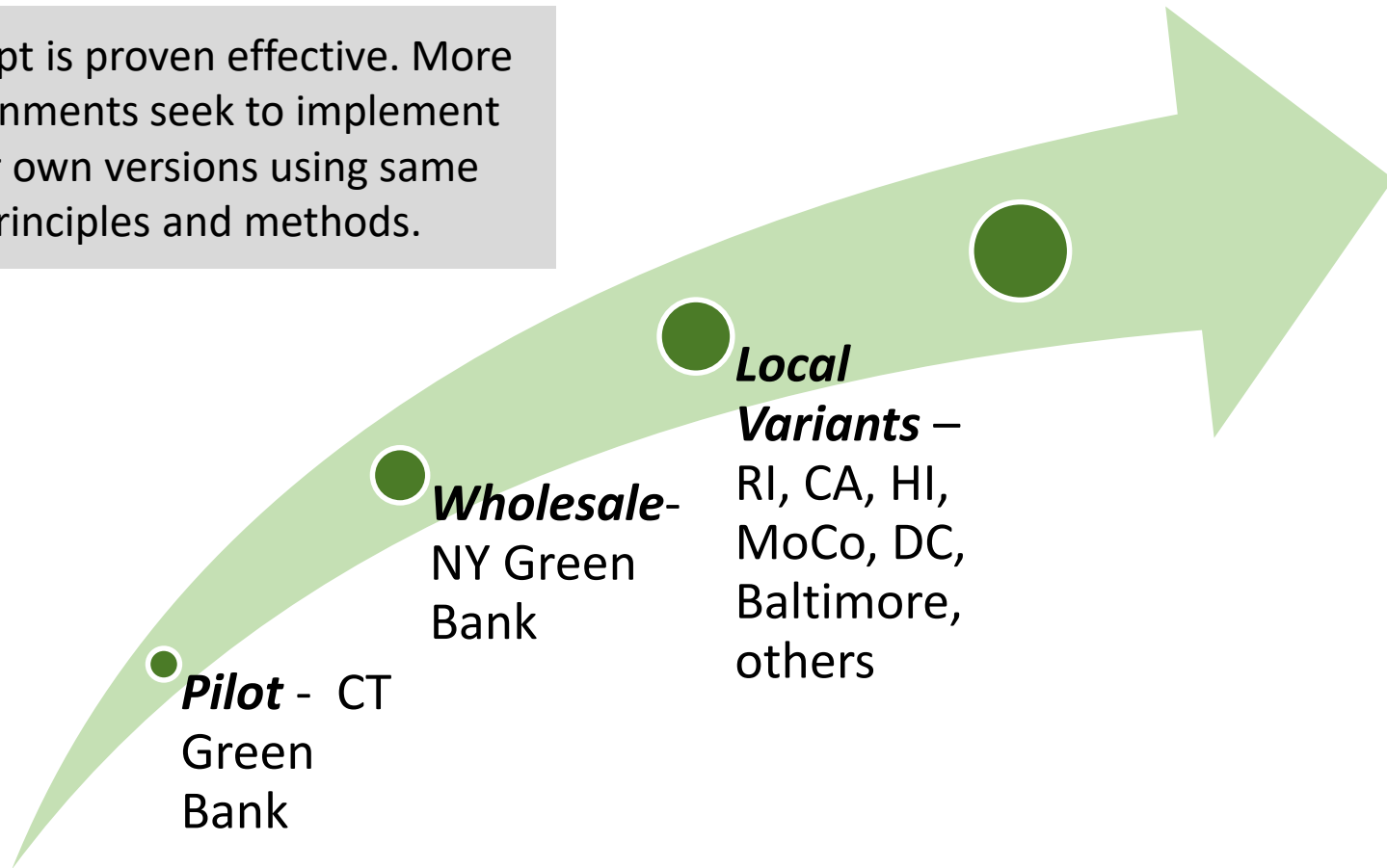
Example: Green bank loan warehouse for SMB building upgrades, following by private sale

- Green bank directly issues loans for project, and builds portfolio that has scale, diversified risk
- Then sells portfolio to private investor to recycle capital
- Good for projects too small for PACE (<\$100k)



Green Bank expansion to date driven by success of early adopters, and ability to vary to local conditions

Concept is proven effective. More governments seek to implement their own versions using same principles and methods.



Today, new Green Banks are being explored from largest market (India) to smallest (DC)

Operating GBs

National

Malaysia GTFS

Australia CEFC

Japan GFO

(UK GIG)

State/Local

NY Green Bank

CT Green Bank

RI Infrastructure Bank

CA CLEEN Center

HI Green Infrastructure Authority

Montgomery County, MD GB

In Development or Under Consideration

- India
- Southern Africa
- Canada
- Chile
- US: Washington, DC, Maryland
Nevada, Colorado, Missouri,
Pennsylvania, Massachusetts

Green Banks have mobilized more than **\$29 billion** in clean energy investments

GREEN BANK NETWORK IMPACT THROUGH JUNE 2017

CALCULATIONS BY THE GREEN BANK NETWORK BASED ON AVAILABLE DATA. \$ ARE US\$

CAPITAL

TOTAL INVESTED OR COMMITTED BY GBN

\$9 BILLION



TOTAL VALUE OF PROJECTS SUPPORTED

\$29 BILLION

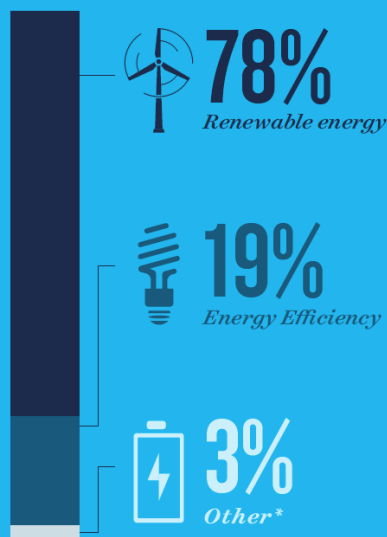
INSTITUTIONAL LEVERAGE RATIO RANGE

2:1 TO 10:1

(Non-GB \$ invested per GB \$ invested)

INVESTMENTS

BY TECHNOLOGY TYPE



*including Low-emissions vehicles, CHP, and energy storage

RESULTS

ANNUAL CO2EQ EMISSIONS AVOIDED*

12 MILLION METRIC TONS



Equivalent to taking

5.6 MILLION

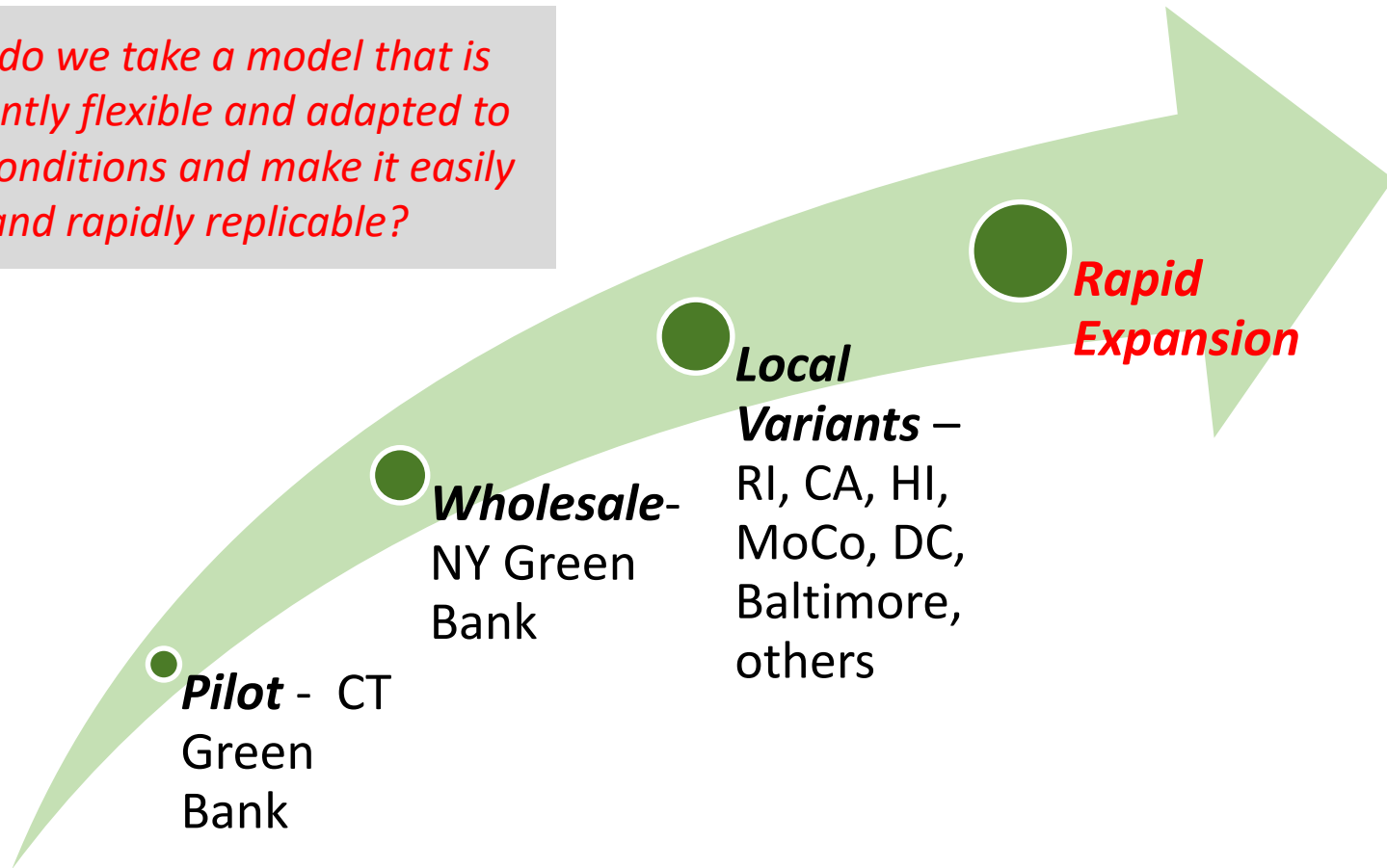
cars off the road



*GBN members do not claim that this abatement occurs independently of complementary policies.

But how do we build on success, maximize effectiveness of existing entities, raise more capital, and create new GBs?

How do we take a model that is inherently flexible and adapted to local conditions and make it easily and rapidly replicable?



Need to harness new opportunities and new capital sources, while leveraging scale of the movement

- **Must Tap New Capital Sources**

- Philanthropic capital, program related investments, impact investors, and private institutional capital increasingly available for GB investment
- No longer need to rely singularly on public funds
- *NYGB preparing to raise \$1B to finance clean energy projects in other states through state Green Banks!*

- **Need a Systemic Movement**

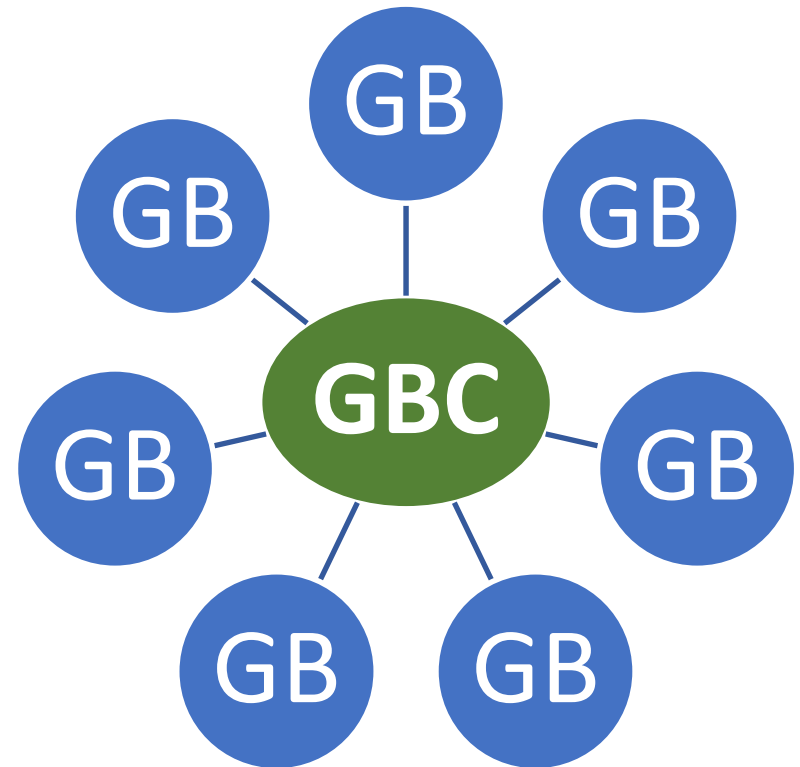
- Green Banks, partners, and policy supporters have scale and reach that requires more methodical approach to expansion

- **Need Greater Connective Tissue Among Green Banks**

- *New Green Bank Consortium* will be commercial platform connecting local Green Banks to each and third-party capital/service providers

New Green Bank Consortium will support the commercial operation and expansion of Green Banks

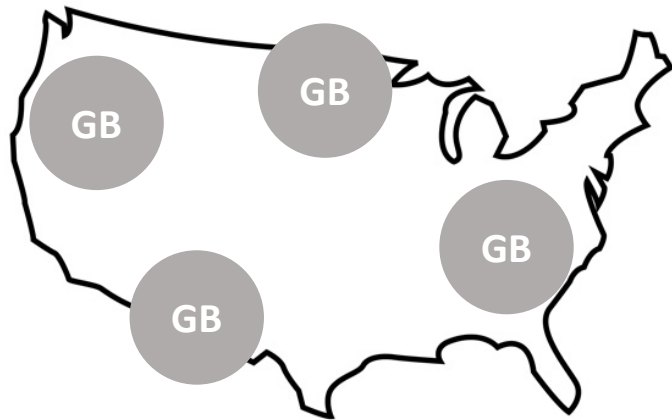
- **CGC is launching new Green Bank Consortium (GBC), made up of Green Banks & related clean energy finance entities**
- Individual Green Banks hold immense amount of data, expertise and experience
- Public and private capital wants to invest at bigger scale in Green Banks
- Project developers want to engage at a bigger scale with Green Banks
- Green Banks can capture more capital and expand their scale and scope by organizing themselves into a Consortium
- Green Bank Movement has unprecedented opportunity and momentum



Consortium will leverage the power of a networked, locally-based distribution system for clean energy finance

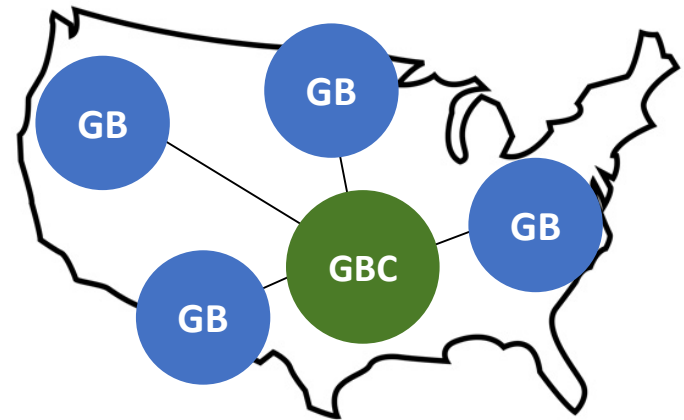
Currently, all Green Banks operate independently, seeking capital and developing products on their own

- No operational partnerships
- No shared products
- No pooled capital
- Exchange info on ad hoc basis



Consortium will enable independent Green Banks to tap shared resources, realize scale efficiencies

- Will raise wholesale capital to flow through Green Banks
- Develop innovative products that can be deployed by multiple orgs



Consortium will tap into range of capital sources that are eager to find avenues to invest in clean energy

Range of Capital Sources can be Tapped at Scale

Foundation Grants

Foundation PRI

Impact Investors

Commercial Lenders

Institutional Investors

State & Federal Funds

- Each Green Bank is financially & legally independent of each other and the Consortium, created to support local market needs & policy objectives
- Local funding (from govt, for example) can capitalize a Green Bank – can be for both operating & lending
- But Consortium can raise both start-up funds and lending capital to be used across multiple Green Banks
- Consortium will actively build relationships with multiple investors, where desired, in partnership with Members
- Will develop structures so capital can flow at scale into Members without bespoke arrangements



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Thank You

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