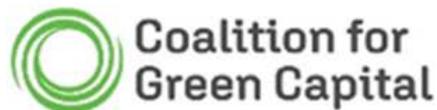




# Green Bank Working Group

## Exploring the Potential for a Green Bank in South Carolina

February 26, 2021



# Agenda

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- Welcome
- Introductions
- Green Bank Creation Process
- Working Group Discussion
- Next Steps

# GREEN BANK CREATION PROCESS

# Green Bank Creation Process

## Phase 1 – Understanding the market opportunity

1) Assess Current Financing Landscape

2) Engage Stakeholders & Market Participants

3) Engage Capital Providers

Phase 1 culminates in a detailed market opportunity report on financing gaps, and possible roles for the Green Bank

## Phase 2 – Designing and Incubating the Green Bank

4) Design Business Plan and Implementation Path

5) Incorporate Institution

6) Secure Operating Capital

7) Secure Financing Capital

8) Hire Executive Director

## Phase 3 – Launch

9) Put in Place Permanent Board

10) Develop First Financing Product

# Green Bank forms are unique, but the creations process is standard



DC followed the 3 phase process outlined, including a market analysis and stakeholder engagement process culminating in a published report which provided the foundation to launch the fund as a quasi-governmental entity. Phase three launched the fund's first project in renewable generation.



North Carolina Clean Energy Fund launched after a stakeholder engagement process, culminating in the launch of a private nonprofit. NCCEF is currently pursuing phase 2, securing operating and financing capital. North Carolina's process has been accelerated to track possible federal funding.

New Jersey  
Green Fund

New Jersey State-wide fund has performed a market analysis, and is in Phase 2, building on the structural analysis and product design. Funds have already been obtained through RGGI and the Green Fund will be launched in 2021 as a governmental entity.

# QUESTIONS FOR THE WORKING GROUP

# What are the most pressing funding needs in the South Carolina Market?

Some goals that Green Banks seek to solve:

- Reduce carbon emissions
- Create Jobs
- Address Environmental Justice and increase LMI lending
- Support climate change adaptation/ resiliency
- Accelerate adoption of new financial products
- Reduce reliance of government grants
- Crowd-in private capital

## Working Group Answers:

- Residential programs
- Low-income energy efficiency and weatherization – leverage LIHEAP and WAP funding, SC Housing (combine these) make them go further, use green bank because of lack of opportunity from other lending source
- Pre-development financing – a little money up front for a project, grants, loans for this
- EERL current loan with \$1.2 M available and will be taken fast when a project is completed.
- Narrowing down opportunities will be key – reducing carbon emissions, a lot of opportunity
- Agriculture, EV



# What kinds of projects are not receiving financing?

## Some goals that Green Banks seek to solve:

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- Create Jobs
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## Working Group Answers:

- Solar – residential, business
- EE roadmap recommendations
- Barrier to entry vs. long term payback – low income can't make the commitment based on the long-term payback, businesses have more of the ability
- Low income – reduce vulnerability (quality of life)
- Solar on new development – business incentives, SC Housing – more points for solar
- PACE – Property Assessed Clean Energy – Commercial, new interest
- Agriculture – EE and RE – Is the demand there?
- EV Access – tie into EV Stakeholder Initiative
- Expand Co-op on-bill



# Additional Discussion Notes

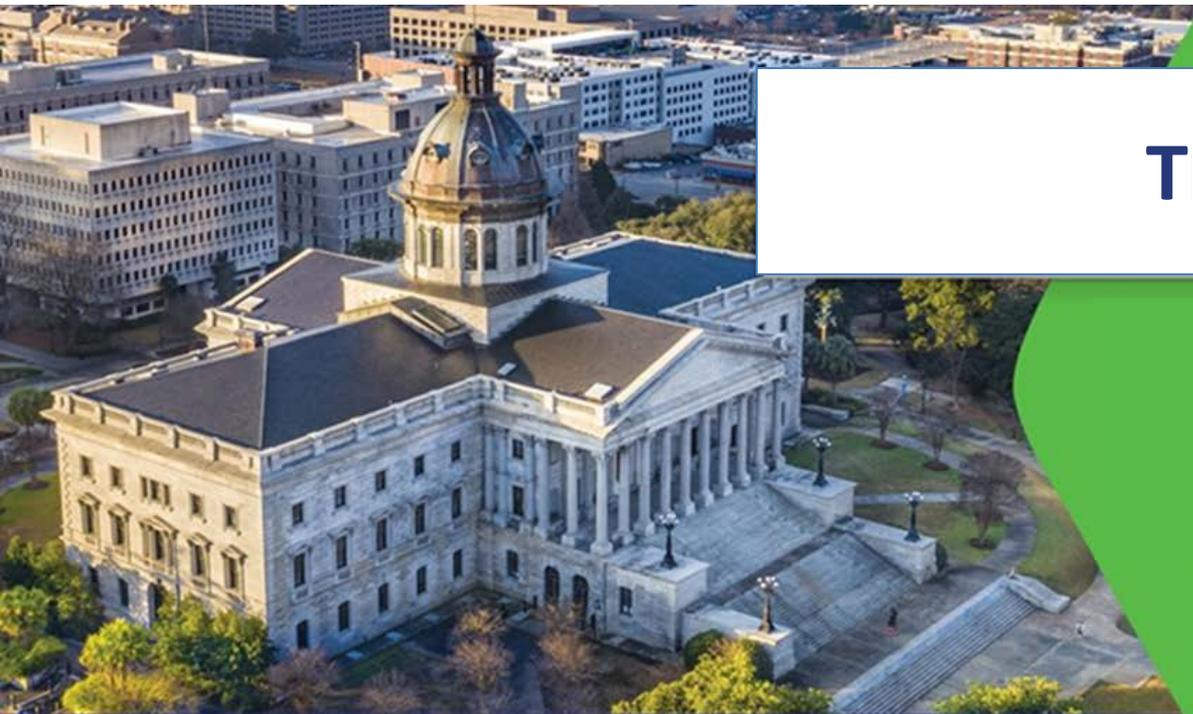
- Green bank gets money from different places – state, utility benefit charge, outside government (CO, NC), philanthropic funding, federal (Clean Energy Accelerator, seed capital, 40% to LMI)
- Need to determine structure, where will we start? That will help determine where you get capital. The market assessment will help with this.
- BDC would be capable of handling this.
- Whatever we do will need to involve A LOT of money. Attract attention to the issue. Can't nickel and dime. Philanthropy funds available for climate initiatives – large impact. Can happen along with the federal funds.
- Chart comparing the options and benefits/challenges for each?
- Look at cost to upgrade a home, how many families - this will give an idea of the amount of funding needed.
- Additional Stakeholders – Home Builders, SC Housing, Clemson IAC
- Low income makes decisions based on quality of life
- Solar legislation uncertainty is an issue

# NEXT STEPS

# What's Next?

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- Market Assessment
- Follow Up/Next Meeting?



**Thank you!**

