U.S. DEPARTMENT OF ENERGY

Press Release

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As First Global Green Bank Network Announced in Paris, Energy Secretary Ernest Moniz Releases Report on State Investment Bank Successes

Report examines eight states' Green Banks that mobilize public and private capital for low-carbon and resilient infrastructure

WASHINGTON, DC – As the first ever global Green Bank Network was announced today at the Paris climate talks, U.S. Energy Secretary Ernest Moniz released an Energy Department report that examines innovative financing mechanisms adopted by eight states -- California, Connecticut, Florida, Hawaii, New Jersey, New York, Ohio, and Oregon -- that spur investments in clean energy, energy efficiency, and resilient infrastructure.

Energy Investment Partnerships (EIPs)—sometimes called green banks—are newly emerging public-private partnerships with the authority to raise capital through a variety of means and can align clean energy finance initiatives and traditional development finance tools to maximize the impact of public funds in accelerating clean energy deployment and economic development. The report, "*Energy Investment Partnerships: How State and Local Governments* Are *Engaging Private Capital to Drive Clean Energy Investments*," illustrates how states and entities are driving clean energy deployment through leveraging private capital. The full report is available on the Energy Department's website HERE.

Innovative financing mechanisms like EIPs are critical for mobilizing the public and private capital necessary to transition to a low carbon economy. States, cities, and counties are beginning to deploy EIPs to help meet carbon emissions reductions goals and to fund more resilient infrastructure. By developing public-private partnerships and bringing the right mix of partners, authorities, and strategies to the table, each state, region, municipality, and market can create a unique—but effective—vehicle to support clean energy finance and deployment.

"By leveraging private dollars, states with EIPs can generate an impact well beyond what would be possible with public funds alone," said Energy Secretary Ernest Moniz. "To reduce carbon emissions and address the impacts of climate change and extreme weather, we need innovative financing solutions that will increase energy efficiency, bring more low carbon generation on line, and make our infrastructure more resilient."

The state EIPs profiled in the Energy Department report show how these lending programs can leverage public dollars to increase overall investment in clean energy.

Some examples from the report include;

--Through issuing bonds, authorities in **Connecticut** and **New York** have sold clean energy loan portfolios on the secondary market.

--**Florida**'s nonprofit Solar and Energy Loan Fund in St. Lucie County has leveraged private dollars into clean energy loans for low and moderate income individuals by working with private banks' Community Reinvestment Act divisions and the Community Development Finance Institution.

--Other EIPs have provided credit enhancements to private lenders, who in turn have financed clean energy projects directly. Finally, the issuance of securities has emerged as a mechanism through which EIPs can tap into private capital to support clean energy investments.

This trend is continuing to spread across the nation as additional state and local governments prioritize investments in clean energy. For example, in 2015, the State of Rhode Island passed legislation for the Rhode Island Infrastructure Bank, and Montgomery County, Maryland, also passed legislation for a "Green Bank"—both entities are now moving forward in their development. Other states and counties are following suit and are paving a path forward in the creation of EIPs. Due to the success and growth of these kinds of programs, there is much anticipation that additional EIPs will emerge at the state and local levels in the coming years.

These Green Bank efforts are also happening around the world, including the announcement today in Paris. Two of the founding members of the network, the Connecticut Green Bank and the New York Green Bank, are profiled in the new report.

Today's announcements build on actions the Administration has taken earlier this year to support EIPs. In June 2015, the White House hosted a Roundtable on Green and Clean Energy Banks. And in August 2015, President Obama announced that DOE's Loan Programs Office had issued new guidance clarifying that distributed energy projects could be eligible under the Title XVII Loan Guarantee Program, and that state-affiliated financial entities, including EIPs, could submit applications for such projects.

To continue this momentum, the Energy Department will provide a four-part educational webinar series and resources in the first four months of 2016 to further assist entities as they work to increase and accelerate investment in renewable energy and energy efficiency. This series will focus financing best practices for clean energy investments: how to get started, market assessment and product offerings, accessing capital and leveraging existing financing tools, and measuring impact and data collection. The schedule for these webinars, as well as additional technical assistance resources for local governments considering establishing EIPs, will be posted HERE as they become available.

Several states represented in the report voiced their support for these varied energy investment partnerships.

“With the ambitious mandate set by Governor Brown to reduce greenhouse gas emissions by 40 percent below 1990 levels by 2030, California applauds the U.S. Department of Energy’s efforts to highlight the state and local programs throughout California that advance clean energy by leveraging significant private capital.” said Panorea Avdis, Director of the Governor’s Office of Business and Economic Development. “California has over 2-dozen state and local clean energy investment programs that reflect the diversity of our state’s efforts, including investments in state and local government, residential, commercial and transportation sectors. The Report on Energy Investment Partnership vividly demonstrates the range of thoughtful and innovative approaches to financing the State's transition to low-carbon energy systems, which at the same time drive economic growth and create new jobs.”

“As the nation's first full-scale green bank, we are leading a movement to make clean energy more accessible and affordable to consumers. By leveraging public funds to attract more private investment in our state, we are scaling-up the deployment of renewable energy and energy efficiency, which is helping the state achieve its ambitious climate change goals,” states Bryan Garcia, President and CEO of the Connecticut Green Bank. “The ‘Energy Investment Partnership’ report released by the DOE helps illustrate how we have been able to structure transactions and accelerate the growth of clean energy deployment to create jobs and confront climate change head on.”

“Hawaii’s goal of achieving a 100 percent renewable portfolio standard in the electricity sector by 2045 will require significant amounts of capital to finance clean energy infrastructure,” said Luis Salaveria, director of the Hawaii Department of Business, Economic Development and Tourism. “Hawaii’s Green Energy Market Securitization program and other public-private initiatives outlined in this report illustrate the importance of developing new and innovative financing tools to drive clean energy investment.”

“Through strong collaboration with the U.S. Department of Energy, New Jersey has launched the Energy Resilience Bank, the first public infrastructure bank in the nation to focus on energy resilience,” said Terrence Brody, the Executive Director of the NJ Governor’s Office of Recovery and Rebuilding. “The Bank currently is working with critical facilities in the wastewater and healthcare sectors to support the development of microgrids that will enable them to remain operational during future outages, while also providing cleaner and more efficient power.”

“As more municipalities, states and nations are recognizing the inherent value in advancing clean energy and energy efficiency projects, Energy Investment Partnerships – such as Green Banks – will become increasingly critical,” said Alfred Griffin, NY Green Bank President. “This report is a valuable tool for any locality interested in learning more about successful models to date and will serve as a critical resource for ensuring entities like NY Green Bank can be more easily replicated.”

“The Greater Cincinnati Energy Alliance has been proud to partner with the Department of Energy and many other public and private stakeholders over the last 5 years to support the development of innovative financing solutions to drive investment in clean energy,” said Andy Holzhauser, Chief Executive Officer the Greater Cincinnati Energy Alliance. “This Report does an exceptional job capturing many of the best practices from around the country to increase access to clean energy capital, and challenges us further expand and evolve our programs to recognize the many market opportunities that exist."

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