

**CLEAN ENERGY ADVISORY BOARD
GREEN BANK MARKET ASSESSMENT PRESENTATION
FINAL MEETING MINUTES**

November 5th, 2021 (Wednesday)

11:00AM – 12:00PM

****Meeting was held electronically and open to the Public ****

Meeting Recording Found [here](#)

CEAB website hosted at energy.virginia.gov, direct link [here](#)

Call to Order

Chair Hannah Coman called the meeting to order at 11:06AM.

Roll Call

KC Bleile, Taylor Brown, Janaka Casper, Hannah Coman, Kendyl Crawford, Will Greenleaf, and Sarah Nerrette were present.

Quorum was not met, but counsel advised that meeting may continue as long as the meeting is for informational purposes only and no votes will be taken. Pursuant to Enactment 17 of Chapter 1 of the 2021 Special Session II Acts of Assembly, the meeting was held by electronic communication means without a quorum of the Board physically assembled at one location for purposes of receiving presentations, updates, public comment, or conducting other forms of information gathering. The electronic meeting policy was explained at the beginning of the meeting with approval from counsel to the Board.

Aaron Berryhill, Al Christopher, and Bettina Bergoo from Virginia Energy were present.

Grant Kronenberg from the Office of the Attorney General was present.

Presentation on the Green Bank Market Assessment by Bettina Bergoo of Virginia Energy

Bettina Bergoo of Virginia Energy provided a presentation to the Clean Energy Advisory Board about an ongoing preliminary Green Bank market assessment to understand the viability of a statewide Green Bank program in Virginia. The focus of the presentation was to summarize the potential process for creating a statewide Green Bank and to obtain input from the Board on this process. The presentation considered the creation of a hypothetical Clean Energy Financing Authority (CEFA) to possibly implement a statewide Green Bank program.

The presentation reiterated that a Green Bank is an institution that helps to accelerate the deployment of clean energy using public dollars to support investment in clean energy projects that are underserved by the private financial sector. There are over 20 existing Green Banks across the country at both the state and local levels. Common market segments that Green Banks may be able to assist in additional renewable energy development include LMI

residential, small commercial and nonprofits, multifamily affordable housing, energy storage, community solar, and clean transport. Common assistance strategies include offering loan loss reserves, interest rate buydowns, extending financing to specific market segments, and standardizing financial products and contracts.

The three main questions included in gathering information from stakeholders during this market assessment are:

- What kinds of clean energy or climate resilience projects are underserved by the private financial sector in Virginia? Why?
- What existing programs might the Clean Energy Financing Authority be able to complement, and how might it do so?
- If a Clean Energy Financing Authority were to prioritize two objectives, what should they be, and what metrics should capture performance against those objectives?

The presenter requested the Board to consider and respond to the following questions listed above. The presentation concluded with an initial list of options for the Board to consider in terms of implementing a Green Bank and supporting a potential Clean Energy Financing Authority (CEFA). A report will be finalized in the coming months as an educational resource about a possible statewide green bank in Virginia.

Questions and Comments

Virginia does not currently have very much Community Solar. A Green Bank could have a critical role in providing credit enhancement for these types of projects since there is more risk in these types of projects since subscribers can drop from the projects at any time.

The DC Green Bank has worked to develop a Community Solar loan that was critical to the success of rolling out Community Solar in Washington, D.C.

One example of a favorable Green Bank was NY Green Bank situated within NYSERDA: is the NY green bank a fully public entity? What would be the restrictions of the funds within a fully public structure?

It is unclear if NY Green Bank has been limited based on their fully public structure. Some restriction has had to do with the need to achieve financial returns for financial sustainability, not necessarily because the program is situated within a public body. Bettina to follow up with additional details after checking with NY Green Bank staff.

The CEAB has found that there are many different energy focused funding resources, types, and amounts available to a variety of people and qualifications. Has there been a full audit/analysis of all the segments for funding clean energy federally and in Virginia specifically? And how would a Green Bank complement and avoid redundancy of other programs?

An important part of the market assessment has been conducting an existing landscape analysis. The first step of starting a statewide Green Bank would be to differentiate the appropriate market segment for financing assistance to avoid duplication with other programs. There would be some overlap necessary between programs when a Green Bank could help to

supplement other funding assistance such as when energy efficiency funds but solar funds are not available (e.g., HIEE).

In addition to gathering input from people in the field, who else are you soliciting information from on this point about other programs?

Government agency partners have been a major focus of the market assessment. The market assessment has included discussing with other agencies about what programs they offer, how they are successful, challenges, and any market gaps that they are not addressing. Outreach has also included localities such as sustainability and economic development staff.

Interest rate subsidies or interest rate buydowns are very valuable for solar developers and operators. It is an efficient way to funnel money through existing frameworks and groups that are already dispersing funds. It eliminates the administrative burden of a state authority or agency by using organizations to disperse the funds.

Is there any existing structure for Green Banks that you are looking to deploy? Or are you just assessing and understanding how others have been successful?

This process is still in an exploratory stage of looking at what has been successful so far. We have defaulted to the idea of using an authority to manage the funds because that has been a standard governance structure for most green banks, but there are other options available.

Reaction to the list of options for consideration to implement a Green Bank:

- *Number 1 would be a missed opportunity without any legal connection. The Green Bank should probably be a formal connection between CEAB and CEFA. It would help to simplify and streamline for gathering funds in the future*
- *Number 3 and 4 could work and there were no issues with those considerations. CEAB can mandate the creation of this fund for LMI customers in Virginia for solar. CEAB is positioned well within the purpose of the CEFA funds.*
- *It will be very important to define metrics and objectives to prioritize the customers with the program.*

One concern would be a possible loss of efficiency and talent by having CEFA outside of Virginia Energy. What would the role of Virginia Energy be?

CEFA would be within the government, but in an independent authority. Bettina to explore with existing green banks what their relationships are with state energy offices and how they leverage the existing expertise/agency infrastructure.

Is there an order of steps to continue this process?

There are lots of open questions when a green bank is established. The legal structure and governance structure are the most important components to determine upfront. The program must also outline any limitations to how the fund can support certain market segments. Generally, funding for renewables and energy efficiency would be a priority.

The Board asked to continue to think about how Virginia Energy would work with CEFA.

Public Comment

No public comments were given.

Meeting adjourned at 11:59 AM