

OFN40

**MADE BY HISTORY.
MADE FOR THIS MOMENT.**

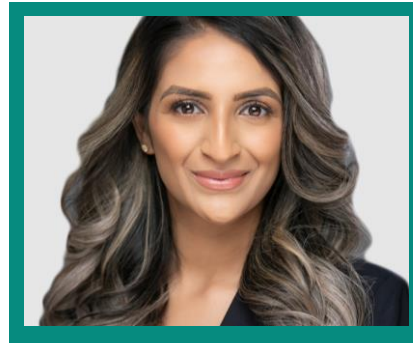
**Meet OFN's CCIA Program!
A 101 on OFN's Approach**

Tuesday, October 22, 2024

Session Speakers



Amber Bell
Executive Vice President,
Chief Strategy Officer



Jessel Amin
Executive Vice President,
Chief Investment Officer



Seth Julyan
Executive Vice President,
Chief Network Officer

AGENDA

1. Background on the Greenhouse Gas Reduction Fund (GGRF)
2. OFN's approach to the Clean Communities Investment Accelerator (CCIA)
3. Pilot Program Launch
4. Capacity Building
5. Support Resources
6. Additional Sessions at Conference

DISCLAIMER

The information provided in this webinar is provided as a courtesy. Applicants' legal obligations may be found in applicable laws and regulations and, for awardees, their written agreement(s) with OFN. Applicants are responsible for conducting their own analysis of CCIA program eligibility. This information should not be construed as legal advice or as a substitute for conducting your own eligibility and compliance analysis.



GGRF GOALS AND OUTCOMES

\$27 billion Greenhouse Gas Reduction Fund, authorized under the 2022 Inflation Reduction Act

GOALS

Mobilize financing and private capital to address the **climate crisis.**

Ensure our nation's **economic competitiveness.**

Promote **energy independence** while delivering benefits to communities that have historically been left behind.

OUTCOMES

- Lower energy costs
- Cleaner air
- Healthier communities
- Good quality jobs
- Economic revitalization

GGRF INTEGRATED PROGRAMS



CLEAN COMMUNITIES INVESTMENT ACCELERATOR

\$6 billion to drive affordable capital to low-income and disadvantaged communities through **community lenders** and build their capacity for climate lending.

\$2.29B OFN

\$1.87B	Inclusiv
\$940M	Justice Climate Fund
\$500M	Appalachian Community Capital
\$400M	Native CDFI Network

OFN will support our members to finance a just clean energy transition in the communities where they operate.

NATIONAL CLEAN INVESTMENT FUND

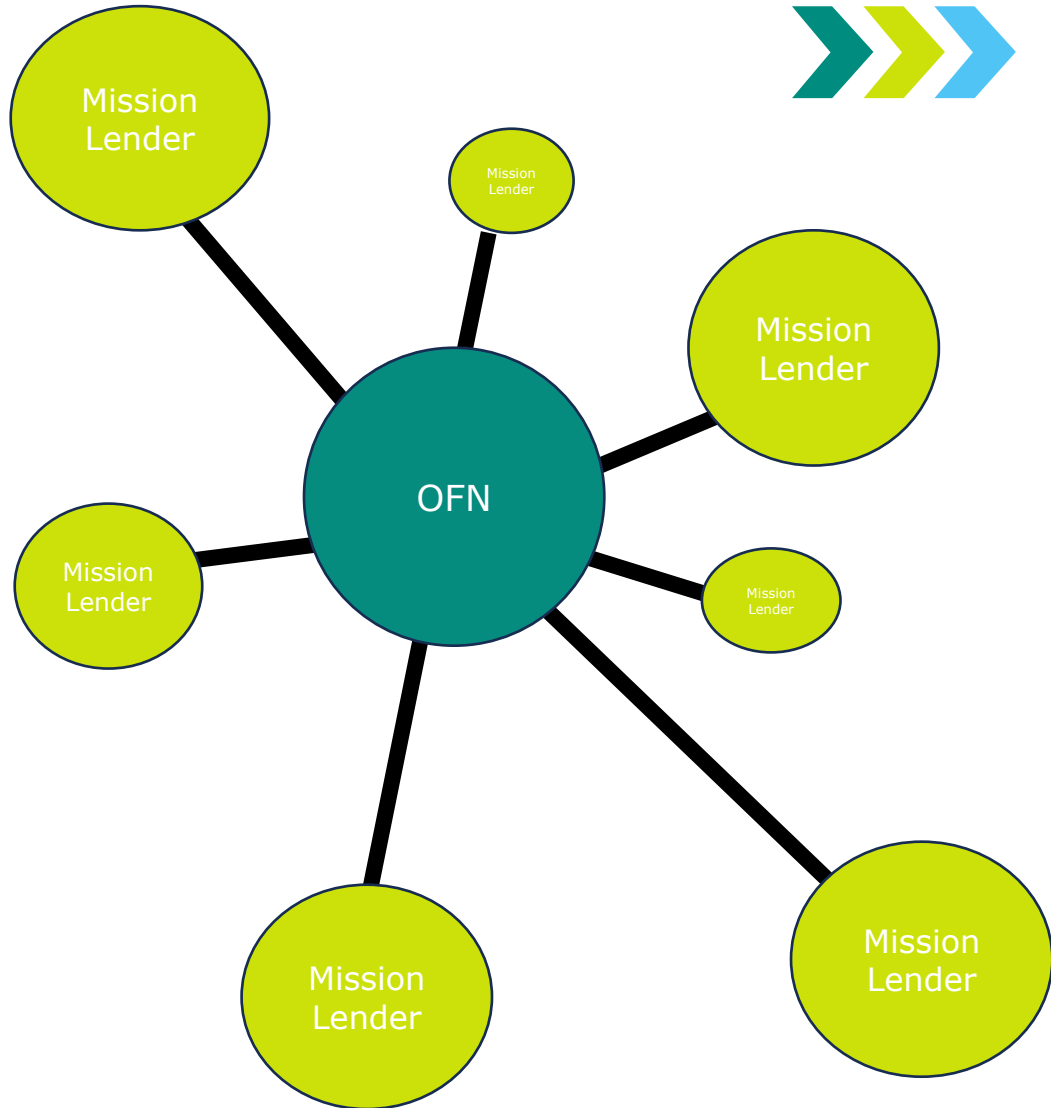
\$14 billion to provide clean energy financing at the project level, prioritizing scaled deployment

SOLAR FOR ALL

\$7 billion to fund solar access in disadvantaged communities (primarily through state government programs)



GRANTS TO COMMUNITY LENDERS

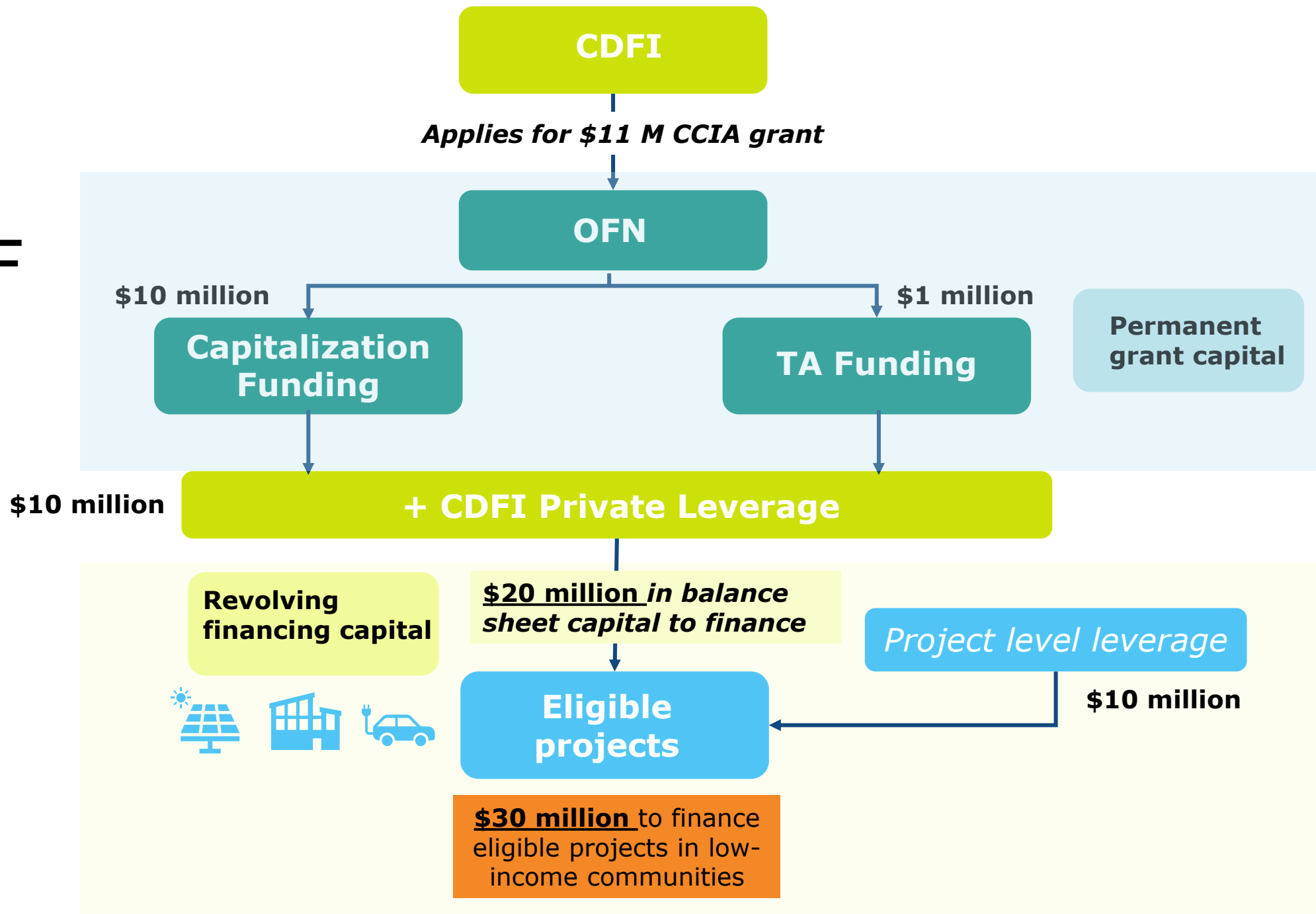


OFN will pass through more than 90% of its CCIA funding to community lenders as capitalization and technical assistance grants to support clean energy, clean buildings, and clean transportation projects.

> 90%



FLOW OF FUNDS



SIX-YEAR PROGRAM

- OFN's CCIA program will run through 2030, with multiple funding rounds and training opportunities over the six years.

300+ funding awards

200+ organizations trained
in climate finance

WHY IT MATTERS TO YOUR COMMUNITY

Some communities don't see themselves in the climate crisis, but here are some ways they benefit from clean energy solutions:



COST SAVINGS

Energy efficiency upgrades and solar and battery installations lower utility costs for homes and businesses and increase home values



RESILIENCE AGAINST EXTREME WEATHER EVENTS

Solar and battery installations help in weather-related power outages



HEALTHIER INDIVIDUALS AND COMMUNITIES

Reduced pollution and cleaner air leads to better health outcomes and reduces instances of asthma and other respiratory conditions



GOOD JOBS

Clean and renewable energy jobs are quality jobs, which could bring more investment into your community

WHY MISSION-DRIVEN COMMUNITY

LENDERS?

“The success of this initiative was placed on the shoulders of community lenders. This was the fullest recognition of the fact that in order for this \$27 billion to leave no community behind, we are needed to ensure its success.”

- OFN President and CEO Harold Pettigrew (October 2023 at OFN Conference)

Through CCIA, OFN will invest in mission-driven community lenders nationwide to deliver community benefits and **transform the market for clean energy finance.**

OFN will be a **resource hub** for community lenders, providing capital, technical assistance, and market-building support.

MEMBER-FORWARD

Our program puts members first and seeks to demystify the process.

GUIDANCE & SUPPORT

Application Preparation

- Webinars
- Checklists
- Tools and Templates
- Office Hours
- Help Desk

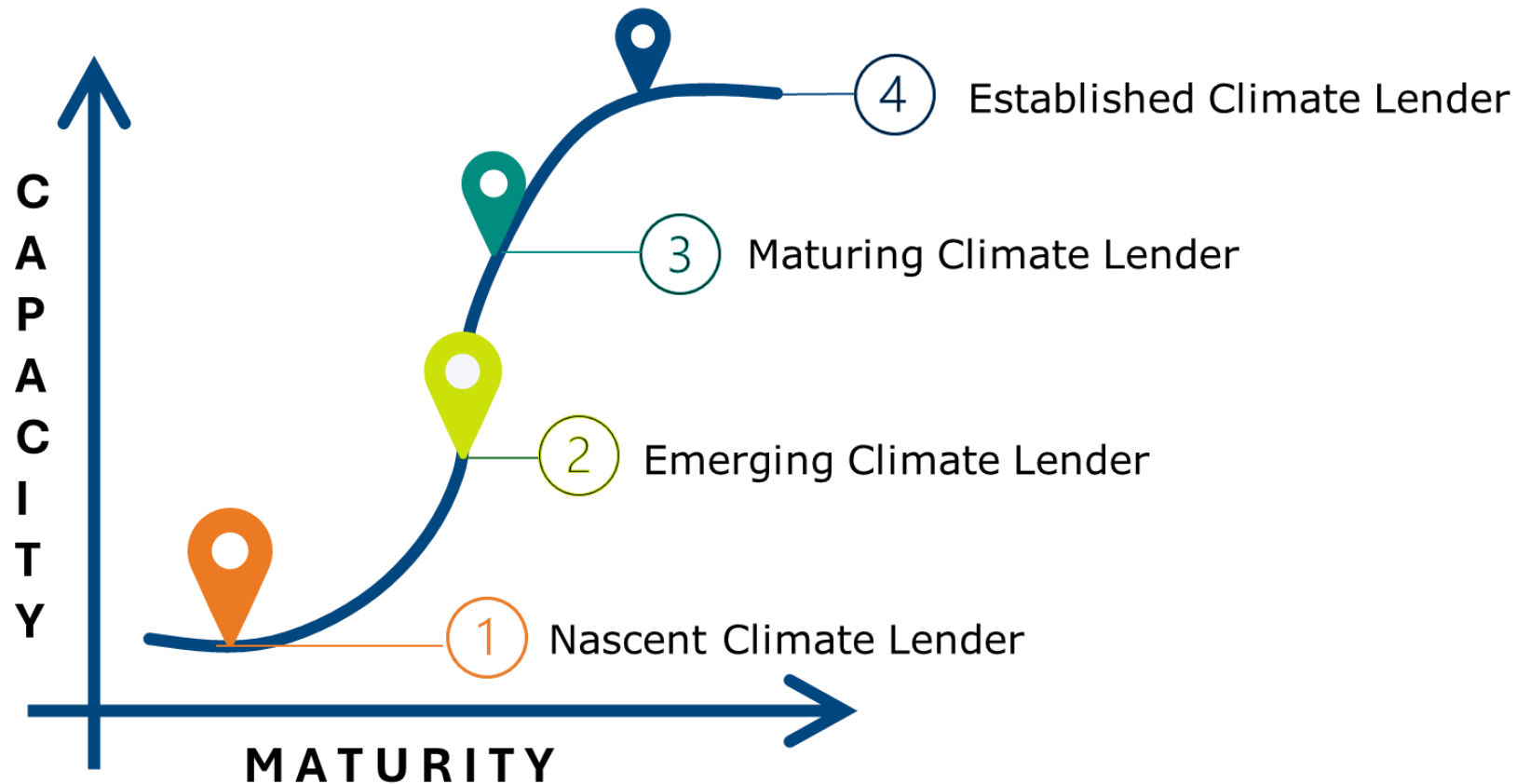
INFORMED BY MEMBERS

- **Application incorporates feedback** from Finance Justice Fund application
- **Listening Sessions** at regional meetings and Small Business Finance Forum
- **1:1 Calls** with members
- Newly formed **Industry Advisory Council**



MEET LENDERS WHERE THEY ARE

OFN will advance community lenders along the climate lending learning curve with a comprehensive set of tailored resources and programming.





CLIMAT FRAMEWORK

OFN's CLIMAT assesses the capacity and track record of a community lender to conduct climate lending, recognizing that different lenders are at different stages in their climate lending journeys.

THE FRAMEWORK USES SIX CRITERIA, GROUPED INTO THREE SETS RELATED TO CCIA OBJECTIVES AND COMPLIANCE

Capital deployment plan

- Climate lending strategy
- Quality of pipeline & availability of climate products

Capacity to execute plan

- Track record of climate lending
- Internal technical capacity to assess project feasibility, risks, and cost
- Ability to offer customer-facing technical assistance for climate projects

Program compliance and reporting

- Impact, compliance and financial tracking/reporting abilities

LENDER CHARACTERISTICS BY CATEGORY

Lending Category	Features
Nascent	<ul style="list-style-type: none">• Has not intentionally lent to projects that reduce greenhouse gas emissions• May have begun creating a climate lending strategy or conducted initial research
Emerging	<ul style="list-style-type: none">• Has a limited track record of climate lending or has recently launched a climate lending program backed by sufficient research and resources to produce a realistic pipeline• Climate lending program capacity, products, and/or procedures need additional development
Maturing	<ul style="list-style-type: none">• Has substantial track record of climate lending, with some need for additional capacity, products and procedures
Established	<ul style="list-style-type: none">• Has a robust track record and an active pipeline of projects that are expected to meet program eligibility requirements• Has well developed capacity, products and procedures

CCIA FUNDING STRATEGY

CAPITALIZATION FUNDING SUBAWARD

Permanently restricted grant for lending to CCIA-eligible projects

\$10 million maximum* in Capitalization Funding grants (from all CCIA pass-through entities).

TECHNICAL ASSISTANCE FUNDING SUBAWARD

Restricted grant to community lenders to build capacity to finance CCIA-eligible projects.**

\$1 million maximum TA subawards from all CCIA grantees.*

PAIRED SUBAWARD FUNDING

Members must be approved for Capitalization Funding to receive Technical Assistance funding.

OFN will provide capacity-building resources to help members find a path to access CCIA funding.

The deployment period for this funding is 3 years.

*There may be some exceptions to the maximum award size, with EPA approval.

** Activities may include training, market analysis, technical support, staffing, site and building assessments, feasibility studies, design, engineering, and permitting support

CCIA-ELIGIBLE PROJECTS

Projects financed through CCIA must meet requirements in ***all 3 areas***.

PROJECT CATEGORY

*At least **one** of these categories:*

- Distributed energy generation or storage
- Net-zero emissions buildings
- Zero-emissions transportation

CLIMATE AND SOCIAL IMPACT

The project has these impacts:

- Assists members of a LIDAC
- Reduces or avoids greenhouse gas emissions
- Reduces or avoids emissions of at least one other air pollutant
- Uses only commercial technologies
- Delivers at least one other community benefit in addition to GHG reduction, e.g., affordable housing, urban heat mitigation, clean water infrastructure

FINANCING APPROACH

The project meets both financing requirements:

- Financing is additional – project may not otherwise have been financed
- The project mobilizes private capital

CCIA PRIVATE CAPITAL MOBILIZATION

OFN's private capital mobilization methodology

- Sources of private capital include, but are not limited to:
 - Tax equity contributions
 - Tax credit transfers
 - Sponsor and/or borrower equity contributions
 - Subsidies and incentives from utilities and other non-government entities
 - Other non-public sources of debt capital from the community lender's balance sheet or other lenders
- Private capital mobilized includes:
 - Balance sheet funds (from non-public sources) lent out
 - Recycling and re-use of CCIA capital
 - Pre-development, take-out, and follow-on financing for construction projects
- Private capital **does not** include capital contributions from federal, state, territorial, Tribal, or local government entities
- Private capital mobilization is calculated cumulatively for the subaward
- Targets will be tailored according to lender's climate lending experience and financing sector (range: 0x-5.0x)

COMPLIANCE & REPORTING REQUIREMENTS

The following are selected requirements that apply to all CCIA recipients.

Authorizing Statute	Program Regulations	National Policy Requirements	Administrative Regulations	Reporting Requirements
<p>Section 60103 of the Inflation Reduction Act, which was codified as Section 134 of the Clean Air Act (42 U.S.C. § 7434).</p>	<p>All rules and regulations established by the CCIA program.</p>	<p>All national policy requirements:</p> <ul style="list-style-type: none">• Build America, Buy America• Davis-Bacon and Related Acts• Uniform Relocation Act• National Historic Preservation Act• Justice40 (Executive Order)	<p>All applicable regulations, rules, and policies found in 2 CFR 200 and 2 CFR 1500.</p>	<p>Semi-annual reporting, with some lag, including:</p> <ul style="list-style-type: none">• Project-level data• Transaction-level data

NOTE: This information is subject to change based on EPA guidance.

REPORTING & COMPLIANCE SUPPORT



OFN will offer support to members around EPA reporting and compliance requirements

As part of OFN's commitment to demystify CCIA, we will provide a range of support to help members be fully compliant:

- Templates
- Tools
- Webinars

Reporting and compliance support are integrated into our overall CCIA capacity-building framework.

Support will be ongoing and responsive to our members' needs.



Program Launch Update

OFN CCIA PROGRAM LAUNCH

Our vision for the next year: Test, Learn, Build, Scale, and Support

Oct. 10, 2024

Opened applications for CCIA Pilot Round of Capitalization Funding (CF) and TA subawards and Nascent Climate Lender Training Program

Early 2025

Pilot our Nascent Climate Lender Training Program

Throughout 2025

Open full funding application round(s), convene learning communities, and build capacity building and technical support services

INCLUSIVE APPROACH

Our program is designed to help mission-driven community lenders of all climate-related experience levels and all asset sizes grow their capacity for climate lending.

Our application...

...asks for information eligible organizations should already have.

...should not require the expertise of an outside consultant to complete.

Our program...

...has a target to make more than 300 awards to mission-driven community lenders.

...provides a path for less experienced climate lenders to develop the necessary skills through the Nascent Climate Lender Training Program.

Pilot Funding Round



ELIGIBILITY OVERVIEW

OFN members in good standing are eligible for CCIA funding from OFN, except for-profit members that are *not* certified CDFIs



Definition of Good Standing

- Membership dues paid
- Annual Member Survey (AMS) completed



Submitted document for OFN's CCIA Application

- Submitted Letter of Interest
- **OR** Letter of Support
- **OR** Climate Pipeline Form



Nascent Lender Self-Assessment

- Complete nascent lender screening

Members who screen as "nascent" are not eligible for the funding pilot but may apply for the pilot training.

PILOT APPLICATION COMPONENTS

PART 1 ALL ELIGIBLE APPLICANTS

- Requested amount of Capitalization Funding and Technical Assistance subawards
- Strategy and high-level projections for the deployment of subawards during the three-year deployment period
- List of closed loans to CCIA-eligible project categories
- Six-month pipeline for loans to CCIA-eligible projects
- Description of private capital mobilization strategy
- Audit, quarterly financials, loan portfolio, and climate loan portfolio reporting
- Acknowledgement of federal and CCIA program requirements

PART 2 SELECT APPLICANTS WILL BE INVITED TO COMPLETE

- Detailed climate lending strategy
- Climate lending policies and procedures
- Organizational climate-lending capacity and staffing
- Climate lending history and loan reporting
- Loan product term sheets and sample credit memos
- Climate-related technical assistance offered
- Climate impact data reporting

PILOT ROUND SELECTION PRIORITIES

Overview of selection criteria to advance to Application Part 2.
OFN will invite 15-20 applicants to complete Part 2.

1	2	3	4
Strength of CCIA Capitalization Funding subaward strategy	Strength of CCIA eligible project loan pipeline	Track record lending to CCIA eligible project categories	Level of projected private capital mobilization



HOW TO APPLY

- Go to **climate.ofn.org** to learn more and access the application
- Part 1 applications are due on **November 7, 11:59 pm ET**
- OFN anticipates making up to 20 awards in the CCIA Pilot Round. Grant award sizes will range from \$2-\$10 million in capitalization funding and up to \$1 million for technical assistance.
- OFN expects applicants to apply for multiple funding rounds as their climate lending capacity increases.

Capacity Building

CAPACITY BUILDING STRATEGY

OFN leverages our existing continuum of practitioner services to deliver capacity-building training, programming & resources designed to meet members where they are on the climate lending curve.

<p>Climate Lending Resource Library with product guides, compliance guides, and other resources and tools.</p>	<p>Nascent lender training program to help members establish a successful climate lending program.</p>	<p>Curated peer learning spaces, content & training bootcamps for experienced climate lending members.</p>	<p>A new climate forum, modeled on the Small Business Finance Forum, with plenaries, skill-building breakout sessions, networking, and training.</p>	<p>A help desk for application assistance, project-level technical assistance, and other support.</p>

NASCENT CLIMATE LENDER TRAINING PILOT PROGRAM

For member organizations that identify as **‘Nascent’ climate lenders**, OFN is offering deeper, targeted support designed to catalyze their journey to becoming emerging climate lenders qualified for OFN’s CCIA funding. Through the 6-month **Nascent Climate Lender Training Program**, participants will be positioned to evolve from lenders with no prior clean financing history into lenders with a climate lending strategy, product, and pipeline.

Interested organizations must apply and be selected to participate. The training program will be offered biannually from 2025 until 2028.

A “Nascent” climate lender:

- Has not intentionally lent to projects that reduce greenhouse gas emissions.
- May have begun creating a climate lending strategy or conducting initial research.



PROGRAM CONTENT



The training program includes six modules. Each module is focused on a critical element of developing a new climate lending program and includes an instructor-led training session, assignments, and activities to help you operationalize these concepts within the context of your organization.

1	2	3	4	5	6
Climate Lending Strategy Development	Customer Journey and Pipeline Development	Loan Product Options & Design	Impact Tracking & Reporting	Adapting Your Current Operating & Capital Model	Preparing for CCIA Application

PILOT PROGRAM DETAILS

OVERVIEW

- **Program Length:** Six-month training program; runs from January through June 2025.
- **Format:** Virtual
- **Cohort Size:** Approx. 35 lenders
- **Required Participation:** Two senior staff from each participating organization, including most senior lending employee.
- **Time Commitment:** 80-120 hours over six months.
- **Stipends:** Allocated on a sliding FTE scale.

TIMELINE & ELIGIBILITY

- Application opens **Oct. 10** to any organization that was an OFN member as of Sept. 30, is in good standing*, & assesses or is assessed as a "Nascent."
- **Application deadline is November 7, 2024** at 11:59pm ET.
- Participants will be selected by early December and will complete light pre-work prior to program start in January 2025.
- OFN will accept questions until Nov. 6 at 12:00 p.m. ET

PATHWAY TO FINANCING

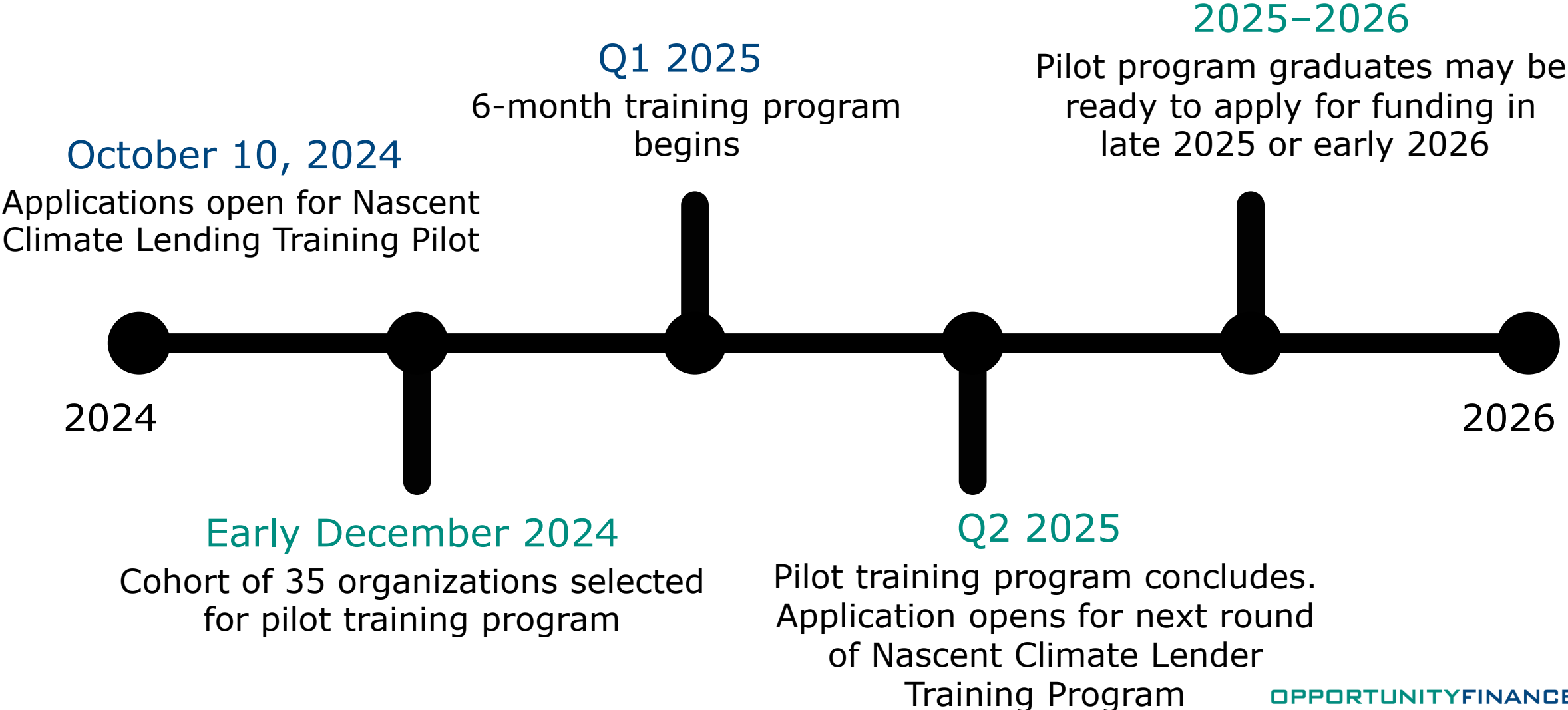
- Participants will gain tools, knowledge, and resources needed to become an emerging climate lender.
- **Completion of program does not guarantee access to CCIA subaward funding from OFN.**
- Must reapply for funding.
- Nascent Climate Lender Training Program will be offered biannually until 2028. Cohorts will run from January through June and July through December.

*Members in good standing have paid their annual dues and completed the Annual Membership Survey.

PILOT LAUNCH TIMELINE



Nascent Climate Lender Training Program





HOW TO APPLY

- Go to **climate.ofn.org** to learn more and access the application
- Applications for the pilot training are due on **November 7, 11:59 pm ET**

OFN IS HERE TO HELP! >>>

OFN puts our members first and wants to demystify the process for this exciting new program!

Get Help

- Start with climate.ofn.org.
- Visit our CCIA [How to Apply](#) page, which has a wealth of application resources.
- Check our regularly updated [Program FAQs](#) to see if your question is answered.
- Use IT-related support available directly in the application portal.
- For application questions not answered by any of our resources, please contact the [OFN Help Desk](#).
- OFN is also holding office hours for members during the application period.
 - Oct 25, 1-2 p.m. ET
 - Oct 29, 2-3:30 p.m. ET
 - Oct 31, 2-3:30 p.m. ET
 - Nov 4, 2-4 p.m. ET

For all other questions, email ggrf@ofn.org.
Please allow us two to three business days to respond.

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CCIA at Conference

Learn More!

- **Today: Climate Networking Session (12-1)**
- **Wednesday:** Mobilizing Private Capital for GGRF
- **Thursday:**
 - NCIF Info Session: Thurs, 7:30-8:30 am
 - Understanding Eligible Projects for CCIA: Thurs, 10:45-11:45 am
- **CCIA program booth for questions:** available all days during select hours
 - Today: 12-1 pm; 3:30-4 pm
 - Wed: 8-9 am; 10:30-11 am; 12-1 pm; 2-2:30 pm; 3:45-4:15 pm
 - Thurs: 8-9 am; 10:15-10:45 am

Stay Connected with OFN!

- Connect with 12,500+ practitioners on **CDFI Connect**, OFN's free, online community for knowledge sharing and networking.
 - Share insights and input from peers at www.cdficonnect.org in the dedicated **Climate Mitigation & Adaptation Community**.
 - Access OFN's growing **Climate Lending Resource Library**
- Visit climate.ofn.org to learn how you can be involved with **OFN's Clean Communities Investment Accelerator (CCIA) program**
- Join OFN at a regional meeting, training, or event near you! Check out our **training & events calendar** at: www.ofn.org/events

How do you think the session went?

We'd love to hear from you!

Follow these steps to complete the session evaluation:

- 1) Login to the **2024 OFN Conference App**
- 2) Tap the "Profile" icon at the bottom of the screen (fourth icon from left)
- 3) Tap on "Surveys", then select the session you'd like to evaluate

Don't forget to use #OFN40 to join the conversation on social media!

