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Understanding Eligible Projects for CCIA

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Session Speakers



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Agenda

- CCIA Funding Objectives
- Project Eligibility Requirements
- Understanding LIDAC Eligibility
- Project Examples
- Common Challenges



CCIA Funding Objectives

- The Greenhouse Gas Reduction Fund (GGRF) is focused on tackling the climate crisis by scaling existing technologies that reduce greenhouse gas emissions on a national scale
- The Clean Communities Investment Accelerator (CCIA) is specifically focused on scaling these technologies and promoting economic revitalization in communities that have been historically left behind
- These objectives are therefore reflected in the project eligibility requirements

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Project Eligibility Requirements

Three overarching questions to answer:

- 1 What is the project?**
- 2 What are the project's climate and social impacts?**
- 3 How is the project financed?**

What is the project?

The project must fit at least one of these three categories and use only commercial technologies

Distributed Energy Generation and Storage



Image source: National Geographic



Image source: Forbes

Net-Zero Emissions Buildings



Image source: Yahoo Finance



Image source: Powerpoint

Zero-Emissions Transportation



Image source: Department of Energy



Image source: USA Today

What is the project?

Priority Project Category 1



Image source: CNN

Distributed Energy Generation and Storage

A project that produces carbon-free electricity from small-scale power generation (1kW to 10,000 kW) and/or deploys energy storage, plus enabling infrastructure.

Examples

- Solar PV (rooftop, ground-mounted, canopy, etc.)
- Community wind or solar
- Solar + storage
- Stand-alone storage, including replacement of backup diesel generators with battery storage
- Geothermal heating and cooling
- Fuel cells
- Microgrids

What is the project?

Priority Project Category 2



Net-Zero Emissions Buildings

A project that either constructs a new all-electric, highly efficient building that is powered by clean energy **or** retrofits an existing building as part of a plan to achieve zero emissions over time. Any building type or ownership structure is eligible.

Examples

- Energy efficiency measures such as installation of heat pumps or all-electric EnergyStar appliances (if part of a building decarbonization plan)
- Renovations that meet Save-A-Ton, Clean Air, or other eligible green building standards
- New construction that meets the National Definition of a Zero Emissions Building
- *Oil-to-gas conversions and co-generation projects are not eligible*

What is the project?

Priority Project Category 3



Image source: EV Connect

Zero-Emissions Transportation

Projects, activities, and technologies that deploy **zero-emissions transportation or enable zero-emissions infrastructure**, especially in communities that are overburdened by existing pollution and degraded air quality.

Examples

- All Electric Vehicles (EVs)
- Electric scooters and bicycles
- Charging infrastructure for all EVs
- Fleet electrification
- Infrastructure to improve walkability and bikeability
- *Vehicles powered by gas combustion engines are not eligible*

What are the project's climate and social impacts?

- The project must reduce Greenhouse Gas (GHG) emissions
- The project must reduce emissions of other air pollutants
- The project must assist members of low-income and disadvantaged communities
- The project must provide at least one other additional benefit

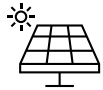
What are the project's climate and social impacts?

The project must deliver one or more benefits in addition to reducing GHG emissions in one of the below categories. The examples provided are a subset of possible qualifying benefits.



Affordable and sustainable housing

- Improved indoor air quality
- Increased access to cooling



Clean energy and energy efficiency

- Establishment of community microgrids
- Reduction of energy burden in communities



Clean transportation

- Access to affordable electric vehicles or charging stations
- Reduction of exposure to harmful transportation emissions



Climate change / climate resiliency

- Increased urban heat island effect mitigation
- Increased community engagement



Clean water infrastructure

- Replacement of lead service lines
- Reduction in waterborne illnesses



Remediation / reduction of legacy pollution

- Brownfield remediation and redevelopment
- Community engagement training



Workforce training and development

- Permanent jobs created/retained
- Registered apprenticeship programs created

How is the project financed?

- The financing must be additional, meaning that without the CCIA funding, the project wouldn't have been financed

- The project must mobilize private capital, for example:
 - A. Funding any portion of project cost or “capital stack” with private (i.e., non-governmental) sources of financing from banks, asset managers, borrower or developer equity, tax credit equity, private grants or incentives from utilities or philanthropic organizations.
 - B. Balance sheet capital from private sources applied by the CCIA lender towards its investment in the project.
 - C. Secondary market transactions including loan sales or participations, pooled financing transactions, and securitization.

*Compliance Requirements

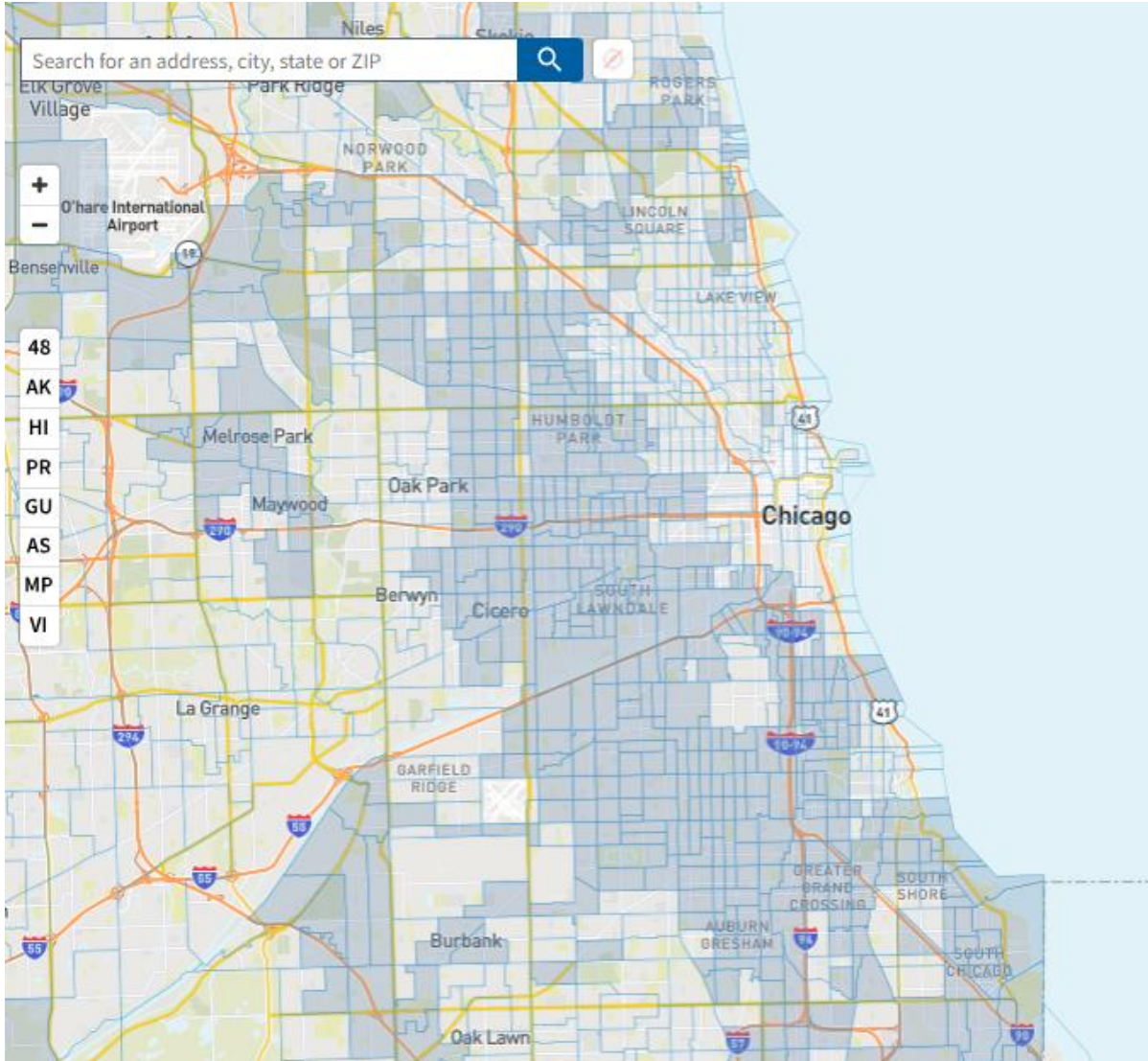
- There are various national policy requirements lenders should be aware of as they can impact project cost and feasibility.
- **Davis Bacon and Related Acts**
- **Build America Buy America**
- **Coastal Zone Management Act**
- **National Historical Preservation Act**
- **Endangered Species Act**

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Understanding LIDAC Eligibility

What is a LIDAC?



1. **Located in a disadvantaged census tract identified in the Climate and Economic Justice Screening Tool (CEJST) or EJScreen tool.**
 - CEJST map on the left
2. **Assists geographically dispersed low-income household**
 - **In a Metropolitan area** serving individuals/households with an income either **below 80% of AMI** or **200% of the Federal Poverty Level**
 - **In a Non-Metropolitan Area** serving individuals/households with incomes below any of the above or **80% of the Statewide Non-Metro AMI**
3. **Beneficially impacts properties providing affordable housing**
 - **At least half** of the units are federally assisted or serve $\leq 80\%$ AMI households)
4. **Assists a member of a Federally Recognized Tribal Entity**

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Project Examples

OFN's Project Eligibility Tool

WHAT IS THE PROJECT?		
1	Would the project fall within at least one of the three priority project categories?	Yes
2	Would the project use only commercial technologies?	Yes
WHAT ARE THE PROJECT'S CLIMATE AND SOCIAL IMPACTS?		
3	Would this project reduce or avoid greenhouse gas (GHG) emissions or be projected to produce or store renewable energy consistent with the US's climate goals?	Yes
4	Would this project reduce or avoid emissions of at least one other air pollutant?	Yes
5	Is the project in a low-income and disadvantaged community?	Yes
6	Would this project deliver one or more additional benefits to American communities within one or more of the identified seven categories?	Yes
HOW IS THE PROJECT FINANCED?		
7	Would the project not otherwise have been financed?	Yes
8	Would the project mobilize private capital?	Yes

Based on your answers, this project is:

Eligible

Project Example: La Paz Place, Chicago IL



- 44 units across 3 buildings, all affordable
- Primarily heated by natural gas, previously weatherized
- Full electrification, with installation of heat pumps, solar array, and air conditioning

Cost: \$1.6 million

Outcomes:

- Reduced GHGs by 44%
- Removed fossil fuel equipment, and did not install any new fossil fuel equipment
- Reduced other pollutants by eliminating fossil fuel combustion on-site
- Reduced utility bills for tenants and added air conditioning (important for health and safety in a warming climate)

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Addressing Common Issues

Common Issues and How to Address Them

- How to technically assess a project?
- How to measure and report energy & GHG reduction?
- How to build eligible project pipeline?

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