NATIONAL CLEAN INVESTMENT FUND
PROGRAM WORK PLAN OF COALITION FOR GREEN CAPITAL

Program Title: The Coalition for Green Capital Fund

Applicant Name: Coalition for Green Capital

Coalition Members:

- California Infrastructure Bank
- City First Enterprises, Inc.
- Colorado Clean Energy Fund
- Connecticut Green Bank
- Community Development Venture Capital Alliance
- DC Green Finance Authority
- Efficiency Maine Trust
- Elemental Excelerator, Inc.
- Illinois Finance Authority/Climate Bank
- Michigan Saves, Inc.
- Minnesota Climate Innovation Finance Authority
- Montgomery County Green Bank Corporation
- New Jersey Economic Development Authority
- New York City Energy Efficiency Corporation
- NY Green Bank
- Ohio Air Quality Development Authority
- Solar and Energy Loan Fund
- State Environmental Improvement and Energy Resources Authority (Missouri)

Period of Performance: April 1, 2024 to June 30, 2027.

Top-Line Outputs and Outcomes: Figures are estimates based on an award of $5 billion and the methodological assumptions described below and throughout this work plan. These figures may vary to the extent EPA implements alternative assumptions.

	By Year 2 *(By June 30, 2026)*	**By Year 4** *(By June 30, 2028)*	**By Year 6** *(By June 30, 2030)*	**By Year 7** *(By June 30, 2031)*
1. Financial Assistance to Qualified Projects	$4.8B	$6.2–7.4B	$7.6–10B	$8.3–11.3B
2. GHGs Reduced/Avoided (Mt CO2e)	21.9	47.1–51.9	84.1–92.5	106.8–117.2
3. Financial Assistance in Low-Income and Disadvantaged Communities	>$2.4B	>$3.1–3.7B	>$3.8–5B	>$4.1–5.6B
4. Private Capital Mobilized	~$16.1B	~$26–35B	~$38–58B	~$45–69B

Methodological Assumptions

1. *Financial Assistance to Qualified Projects*: These figures assume full deployment of NCIF grant funds in Year One. CGC expects overhead costs of approximately $187M to be funded out of the NCIF grant funds for the first three years, after which CGC expects to fund its operations from income generated by investments. The remaining NCIF grant funds would then be utilized to provide financial assistance to qualified projects in the form of subawards, participant support costs and acquisitions of intangible property—including related market-building and predevelopment activities. The ranges included in the table above are driven by varying the recycling rate assumption between ~15% and ~30%, which impacts how much capital is deployed after Year Two.

2. *GHGs Reduced or Avoided*: The emission reduction computation involves two key steps. First, this analysis assesses how much deployment could be achieved through the CGC investment pipeline, based on projected technology costs. This draws on cost data from the National Renewable Energy Laboratory Annual Technology Baseline 2022, supplemented by other sources (such as the IEA World Energy Outlook reports) where needed. For this analysis, CGC assumes the NCIF grant funds are fully deployed in Year One with capital recycling starting in Year Three, and a capital recycling rate of 25% thereafter. Following the assessment of expected technology deployment, the analysis considers the GHG emissions reduction potential of a projected portfolio of investment opportunities in

qualified projects based upon CGC's pipeline of investment opportunities as of the time of CGC's NCIF application. This is assessed at the technology (e.g., heat pumps, EV chargers) level based on avoided or abated emissions of GHGs resulting from renewable-power generation, fuel-switching through low-carbon appliances and vehicles, and energy efficiency savings. The analysis relies on eGRID emissions intensities, which are used to assess the Scope 2 GHG emissions associated with end-use electrical equipment (e.g., EV fleets, heat pumps) as well as the GHG emissions abated or avoided by deploying new renewable electric generation capacity (e.g., distributed energy generation and offshore wind). For enabling technologies (e.g., electric transmission and distribution facilities, microgrids, and EV chargers), CGC estimates the overall emissions abatement achieved by considering the enabled technologies brought online.

3. *Financial Assistance in LIDACs*: This assumes at least 50% of capital is deployed through investments in qualified projects in and with LIDACs. This assumption is supported because at least 55% of CGC's pipeline of investment opportunities as of the time of CGC's NCIF application were in LIDACs. Also, CGC's investment process is designed to ensure at least 50% of capital is deployed through investments in qualified projects in and with LIDACs, but it encourages significantly higher percentages. Investments in qualified projects will be driven by CGC's investment screening tools, which will provide bonus screen scoring measures for investments in qualified projects in LIDACs and rural and Tribal communities. Moreover, CGC will provide additional bonus screen scoring for investments in qualified projects in LIDACs that are "energy communities" or are the locus for higher emissions of GHGs or other air pollutants. CGC's regional, Tribal, and national advisory boards will also make recommendations regarding allocations of investment capital to ensure that regional and local community voices are directly involved in governance and investment allocation. The ranges included in the table above are driven by varying the recycling rate assumption between ~15% and ~30%, which impacts how much capital is deployed after Year Two.

4. *Private Capital Mobilized*: The private capital mobilized included here is defined as direct and indirect private capital investment in qualified projects made possible by CGC's direct and indirect investments in qualified projects. Indirect private capital investment in qualified projects includes private capital investments in CGC (e.g., balance sheet leveraged financing, green bonds, collateralized loan obligations) that enable greater private capital investment in qualified projects. The calculation excludes the NCIF grant award itself but does include the recycling of that capital over time. The private capital mobilization rate is driven by two factors: (1) Project Mobilization Potential—the private capital mobilization potential for investments in each individual qualified project; and (2) Recycling—the ability to recycle NCIF grant fund-sourced capital invested in qualified projects.

    a. Project Mobilization Potential: CGC estimates lower private capital mobilization rates at the qualified project level for the initial years of operation, slowly increasing over time (e.g., 3–4x in Year One, increasing to 5–6x in Year Seven). These aggregate private capital mobilization rates are based on a review of the private capital mobilization potential of CGC's initial investment pipeline (as of the time of CGC's NCIF application) and vary by qualified project category. For example, CGC expects investments in the "Other" category of qualified projects, including financial instruments such as credit enhancement, equity, or insurance products, to have a relatively high private capital mobilization rate potential (up to 20x), especially when such products are made available at the national level.

b. Recycling: For the ability to recycle using CGC's NCIF grant fund-sourced capital of $5 billion, CGC assumes recycling will begin in Year Three. The ranges included in the table above are driven by varying the recycling rate assumption between ~15% and ~30%, which impacts how much capital is deployed after Year Two, with uncertainty driven by the evolving terms and conditions particularly with respect to the purchase of intangible property and ability to leverage the full grant amount.

PROJECT NARRATIVE

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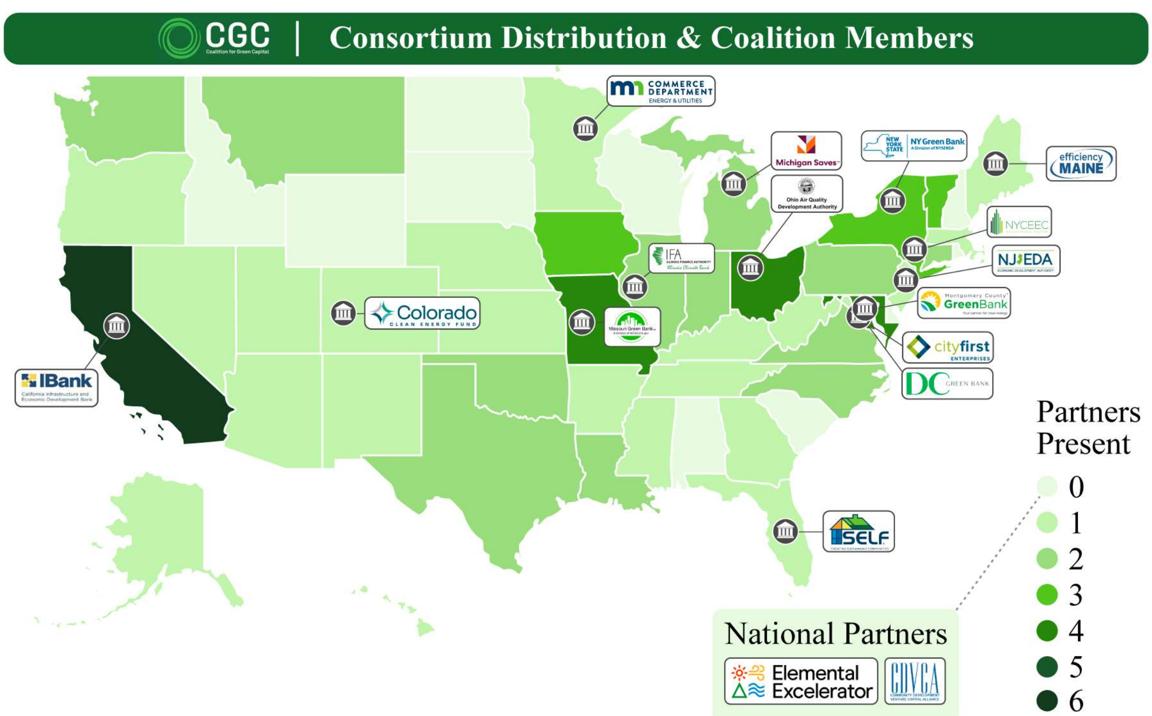
1. PROGRAM PLAN

1.1. Program Vision

To accomplish a rapid and just transition to a clean economy, America needs a massive mobilization of capital investment catalyzed by innovative public-private financing in every community. Through the Greenhouse Gas Reduction Fund ("GGRF"), the Environmental Protection Agency ("EPA") will be able to lay the foundation for a just and equitable transition to a clean economy by working in and with communities and the public and private sectors. With GGRF funding, the Coalition for Green Capital ("CGC") plans to become a national green bank with the scale necessary to mobilize capital investment and transform markets nationwide. With the program laid out in this workplan, CGC will accelerate the transition to clean, reliable energy and ensure that the benefits of this transition reach all Americans, especially those in low-income and disadvantaged communities ("LIDACs"). By creating a national green bank, CGC will not only directly invest in qualified projects, as defined in Section 134(b)(1) of the Clean Air Act, but also partner with and expand an economically self-sufficient ecosystem of green banks and community partners. By providing co-investment opportunities and other services as a national green bank, CGC will accelerate the recycling of capital to maximize benefits.

For more than a decade, CGC has led the green bank movement by supporting the creation of more than twenty state and local green banks—mission-driven community lenders that use innovative financing to accelerate the transition to a clean energy economy. To expand and accelerate this work, CGC created the American Green Bank Consortium (the "Consortium"), which consists of over 40 green banks and other financing entities located across all ten EPA regions (shown in the map below), each sharing a similar mission.



Since 2011, Consortium Members have catalyzed more than $20 billion of combined public and private investment in qualified projects, a majority of which EPA identifies as its three Priority

Project Categories: (1) distributed energy generation and storage; (2) net-zero emissions buildings; and (3) zero-emissions technologies (collectively, "Priority Projects"). In 2022 alone, green banks caused $4.6 billion of combined investments in qualified projects, with more than $1.2 billion of these investments in qualified projects located in LIDACs.

CGC is ready to use its expertise to establish the first national green bank in the United States with its $5 billion National Clean Investment Fund ("NCIF") grant award. Through a one-time, $5 billion balance sheet capitalization using NCIF grant funds, CGC will create the Coalition for Green Capital Fund ("CGC Fund"), which will allow CGC to both invest directly in qualified projects and foster an ecosystem of green banks, community lenders, and community partners by providing them with capital, co-investment opportunities, and other services. CGC will invest in regional- and national-level qualified projects that span across multiple states and provide significant GGRF Program Objectives benefits that can be unlocked by a national entity. It will also provide financial and support services to facilitate the use of standardized financial products, accelerate recycling of capital sourced from GGRF grant funds, and expand private capital investment in qualified projects in LIDACs and rural and Tribal communities. Through these contributions and through efforts to access and deploy non-NCIF grant funds, CGC will make efforts to support the creation of a self-sustaining nationwide network of state and local green banks and to drive the deployment of qualified projects in or directly benefitting every LIDAC across the United States.

To realize this vision, CGC has built a coalition of 18 named subrecipients ("Coalition Members" and together with CGC, the "CGC Coalition") that includes 16 well-established state and local green banks and two national nonprofit organizations. CGC's green bank Coalition Members have extensive track records of catalyzing private capital investments in Priority Projects and billions of dollars in financial assets under management. These green banks have a history of driving impact through community engagement, innovating financial products, and mobilizing private capital. They will help deploy NCIF grant funds quickly to maximize the benefits of those public dollars. Consistent with CGC's program described herein, these green banks will generate these benefits through direct investing in qualified projects and conducting market-building and predevelopment activities within their respective geographic regions. This will allow transformative action in the communities in which they operate, consistent with both state policies and EPA's three GGRF Program Objectives: (1) reducing emissions of greenhouse gases ("GHG") and other air pollutants; (2) delivering benefits of GHG- and air pollution-reducing projects to American communities, particularly LIDACs; and (3) mobilizing financing and private capital investment to stimulate additional deployment of qualified projects.

CGC's Coalition Members also include two national nonprofit organizations: (1) Elemental Excelerator, Inc. ("Elemental"), a nonprofit investor in climate technologies and projects with a focus on deep community impact; and (2) Community Development Venture Capital Alliance ("CDVCA"), the network for the field of community development venture capital investing whose funds provide equity capital to businesses in underinvested markets. Of CGC's 18 Coalition Members, three are also Certified Financial Development Institutions ("CDFIs")—Solar and Energy Loan Fund in Florida ("SELF"), City First Enterprises, Inc., and CDVCA. In addition to the Coalition Members, CGC has, for years, been building an ecosystem of other early-stage green banks, community lenders, community-based organizations ("CBO") and more that share a common vision and that have provided letters of support or commitment (collectively with CGC and the Coalition Members, the "Network").

Barriers to Tackling the Climate Crisis and Achieving America's Climate Goals

Climate change, and its disruptive effects on all aspects of society, has rapidly evolved from a future threat to an immediate crisis. As described in the Long-Term Strategy of the United States, addressing this crisis requires "immediate and sustained investment" to eliminate GHG emissions and transition the country's transportation and power generation sectors to clean, renewable energy. But this transition cannot focus solely on reducing emissions. Climate change has and will continue to disproportionately impact the most vulnerable, including LIDACs, geographically dispersed communities, and Tribal communities. And as the Inflation Reduction Act—the single largest investment in climate action in the history of the United States—envisions, it is critical that a large portion of these investments and their benefits are directed to these communities.

Through executive action and engagement with state, local, territorial, and Tribal government partners, the Biden Administration has established a robust set of climate goals and economic and social priorities. These goals include: meeting the country's Nationally Determined Contribution of achieving a 50–52% reduction from 2005 levels in economy-wide net GHG pollution in 2030; ensuring that the energy transition creates high-quality jobs, particularly in LIDACs; advancing environmental and climate justice through an all-of-government approach; and committing to the Justice40 Initiative, a mandate that 40% of the overall benefits of certain Federal investments flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution.

Many barriers must be addressed to achieve the Administration's climate and social equity objectives. Key among these barriers is the inability of households and businesses in LIDACs to access private capital at reasonable terms to invest in Priority Projects. These barriers create a vicious cycle because there is no effective demand for private capital investment, as it is not available at reasonable terms.

Prior clean energy financing and deployment initiatives, such as federal tax credits for renewable energy generation, have largely overlooked communities that lack access to the private capital needed to invest in and deploy qualified projects. Market barriers and gaps, such as the lack of risk transfer mechanisms to address counterparty credit risks, have excluded households and businesses in those communities. And the transformation of market dynamics and facilitation of private capital investment in Priority Projects in LIDACs greatly lags developments in other communities where households and businesses can already access private capital at reasonable terms to invest in and deploy Priority Projects. This lag necessitates a concerted and holistic effort to increase the funding and effective demand for Priority Projects and instigate a comprehensive market transformation in LIDACs.

The GGRF represents a critical opportunity to overcome these barriers.

CGC's Contribution: Filling the Gap in the Current Financing Ecosystem

CGC has the people, the immediate and longer-term pipelines of investment opportunities in qualified projects, and the programs to overcome these obstacles and establish a national green bank capable of contributing to the GGRF Program Objectives and the nation's climate goals.

People. CGC has a multitalented, diverse, and experienced team to execute the GGRF Program Objectives set forth by EPA. They include a **management team** with a breadth of experience with green banks, project financing, and community engagement, and a distinguished **Board of Directors** with extensive expertise and track records of driving financial innovation and transformation. CGC has also established a comprehensive and inclusive governance system of ten Regional Advisory Councils organized to geographically match the ten EPA regions, a Tribal Advisory Council, and an Environmental Justice Advisory Committee. Further, CGC's **Coalition Members** consist of sixteen well-established state and local green banks and two national nonprofit organizations, all with extensive track records of leveraging billions of public dollars to increase private capital investment in Priority Projects. CGC's many partnerships that comprise the CGC **Network** will ensure that CGC can transform markets and drive adoption of Priority Projects in every LIDAC in the country, as well as rural and Tribal communities.

CGC's management team also includes talent, workforce, and people development experts who are ready to execute the staffing plan and provide recruiting assistance and training for the Network of partners. CGC has commenced hiring, has completed the required certain competitive procurement process to obtain certain key services from outside contractors and is launching that competitive process to obtain additional goods and services from outside contractors that will be essential for executing this vision, such as law firms, underwriters, accountants, and other service providers.

Pipelines of Qualified Projects. CGC and its Network have already generated a pipeline of investment opportunities in qualified projects across all ten EPA regions with a demand for $29 billion of investment capital in fiscal year one alone as of the time when CGC submitted its NCIF application. More than 55% of these qualified projects are located in LIDACs, and more than half of the total pipeline was originated by CGC. CGC's projected pipeline for the second half of 2024 alone includes more than $14 billion of demand for investment capital for qualified projects, again with more than 55% of the qualified projects in LIDACs.

CGC developed this investment opportunity pipeline using three primary methods: (1) direct outreach to partners by CGC's experienced management team and Board of Directors; (2) a Request for Information ("RFI") CGC conducted in June 2023 that generated more than sixty substantive concept papers and proposals from both for-profit commercial entities and a variety of nonprofit entities; and (3) incorporating the work of CGC's Network of partners, including those green banks that CGC has helped develop over the last ten years.

CGC's impact analysis, described in Section 1.2.2, demonstrates that the rapid deployment of investment capital sourced from the NCIF grant award, compared to deployment over a longer period of time, significantly increases beneficial outcomes aligned with the GGRF Program Objectives. This is why a robust investment opportunity pipeline is so important. To generate the maximum beneficial impact, CGC plans to deploy investment capital sourced from the NCIF grant award as quickly as possible while being consistent with prudent underwriting standards and EPA programmatic guidance. Based on its investment opportunity pipeline from the time of CGC's NCFI application, CGC and its Coalition Members expect to be able to invest the majority of the $5 billion NCIF grant award in qualified projects and related activities within one year and intend to completely expend and disburse the entire award within the proposed three-year period of performance.

Once the NCIF grant fund-sourced investment capital is on its balance sheet, CGC will be able to earn income ("Program Income"), leverage that capital and income, attract additional capital and qualified projects, and, most importantly, expedite and maximize the climate, equity and community benefits that can result from the use of these funds. CGC proposes a three-year period of performance because it is confident it can invest the entire $5 billion grant award within that period, including time for any unforeseen delays in transactions for CGC or its Coalition

Members beyond the planned initial one year. The recycling and redeployment of Program Income can increase the beneficial outcomes through greater and faster investments in qualified projects. Transparency and accountability with respect to an NCIF grant award are of paramount importance, and so CGC will report on its activities as agreed with EPA.

Program and Financing Solutions. CGC and its Coalition Members will use proven financial products, described in Section 1.2.4.1, to mobilize additional private investment in the clean energy transition. Using these financial products and as shown in the diagram on the following page, CGC expects a $5 billion NCIF grant award to mobilize ~$16.1 billion of private capital investment by year two, and by the end of year seven to have mobilized between $45 and $69 billion of private capital investment. CGC's direct investment could also drive an additional amount of indirect investment, meaning investments in qualified projects that result from market transformations caused by CGC even though CGC is not directly investing in those qualified projects.

Based on the updates to the workplan taking into account the current draft terms and conditions and expected improvements, CGC anticipates being able to achieve an overall capital mobilization ratio of between approximately 9:1 and 14:1 after seven years. This means that for every dollar of NCIF grant funds invested by CGC, approximately $9–$14 of total private capital that would not have otherwise been deployed in qualified projects will be invested in those qualified projects (see Section 1.2.2.3).

Ultimately, the purpose of these investments is to create beneficial outcomes for Americans, consistent with the first two GGRF Program Objectives. CGC's impact analysis (described in detail in Sections 1.2.2.1 and 1.2.2.2) shows that by 2030 its portfolio allocation across its investment opportunities would result in the abatement or avoidance of 95 million metric tons of GHG emissions, and by 2035, CGC's investments would result in: (1) the abatement or avoidance of 241 million metric tons of GHG emissions; (2) the creation of approximately 1.5 million new jobs; and (3) the saving of more than $59 billion in energy costs for Americans.

Coordination

CGC's NCIF grant award will capitalize the CGC Fund so that CGC can make direct investments and provide capital and financing and co-investment opportunities and other services for its Network and for all GGRF grant recipients. CGC has also been selected for a Solar for All ("SFA") grant award to help establish green banks in North Dakota and South Dakota. Grant awards from both of these programs will strengthen the Network to carry out the GGRF Program Objectives. GGRF grant funding will also unlock access to a variety of other forms of financial assistance from EPA and other federal agencies and philanthropic sources that will more fully realize the vision of a national green bank that makes direct investments and supports state and local green banks. Members of CGC's Network also deploy capital sourced from a wide variety of public and private sources. CGC's GGRF grant-funded investments, technical assistance, and technical assistance services will complement those resources by expanding their operations and impact.

Conclusion

CGC is excited to have the opportunity with the capital sourced from NCIF grant funds to capitalize the first-ever national green bank in the United States. With this initial capitalization from the NCIF grant award, CGC will strive to create a clean energy finance ecosystem that will continuously deliver on the GGRF Program Objectives and the nation's climate goals for many years to come.

1.2. Investment Strategy

1.2.1. Community Engagement and Accountability Strategy

1.2.1.1. Community Engagement Plan

Throughout CGC's long history of successfully developing local green banks and financial products, CGC has worked closely with a broad range of communities, including LIDACs and rural and Tribal communities. CGC designed its community engagement plan in collaboration with its Environmental Justice Advisory Board ("EJAB"), Coalition Members, and a diverse group of CBOs that make up the Community Investment Working Group. CGC convened the Community Investment Working Group with Dream.org after the passage of the Inflation Reduction Act ("IRA"), to create a space for national community, education, and environmental justice organizations to identify benefits and priorities important to low-income, critically impacted and geographically diverse communities.

As part of its process, CGC also integrated best practices and expertise from the WE ACT for Environmental Justice, the U.S. Department of Energy ("DOE"), the National Renewable Energy Laboratory, and the GGRF Equity and Best Practices Alliance.

The resulting four-pronged plan responds to community needs by both addressing environmental injustice and fostering wealth creation in communities from owning, installing, maintaining, and using qualified projects. CGC and the Community Investment Working Group focused the plan on being responsive to the needs of communities and creating opportunities for their development of long-term wealth. CGC also targeted rapidly lowering emissions of GHGs for everyone while specifically reducing emissions of other air pollutants that have disproportionate adverse impacts in LIDACs. CGC then incorporated the plan throughout its organization and deployment strategy. The following description is a short summary of the four prongs of CGC's community engagement plan.

1. **Outreach and Education:** Working together with partners and communities, CGC and its Network will launch a targeted multi-tiered education campaign to increase public knowledge around green financing and solutions. By engaging existing local partners and identifying new local partners, including in the relevant supply chains, CGC can be responsive to community-specific needs and enable rapid adoption of clean products, services, and technologies.

2. **Predevelopment Assistance:** CGC will create a website that developers, lenders, and community partners can use to learn about qualified projects and related forms of financial and technical assistance, obtaining financing, and building capacity. CGC will provide funding to technical and community-based partners that provide on the ground pre-development assistance and the technical services needed to deploy qualified projects. To the extent that such assistance efforts cannot be fully funded from the $5 billion NCIF grant award, CGC will make efforts to access and deploy funds from other public, private, and philanthropic sources.

3. **Workforce Development:** To encourage equitable economic growth, CGC will seek to support targeted workforce training efforts to increase access to quality employment opportunities working to deploy qualified projects that provide GGRF Program Objectives benefits. In partnership with its CBO partners and North America's Building Trade Unions ("NABTU"), CGC will make efforts to: (1) help launch apprenticeship and pre-apprenticeship

certification programs; (2) develop a "Guide to Green'" primer for community-led businesses and entrepreneurs; and (3) implement CGC's Equity Agreement (described in Section 1.2.1.2). To the extent such efforts cannot be fully funded from the $5 billion NCIF grant award, CGC will make efforts to access and deploy funds from other public, private, and philanthropic sources.

4. **Qualified Project Selection and Deployment:** CGC will fill equity gaps by embedding community engagement strategies from the onset. CGC will use its Equitable Investment Framework described in Section 1.2.1.2 to create positive feedback loops that will help the sponsors and developers of qualified projects shape their qualified projects to avoid project delays, decrease costs and resistance to implementation, and provide communities with more direct input and access to clean energy benefits.

Engagement Efforts

CGC's partnership with communities is reflected by the more than 300 letters of support provided as part of CGC's NCIF application, including letters of support from the Governors of eleven states. And CGC's efforts to engage communities will only grow from there. CGC, together with its Network, will be responsive to the changing needs of communities and develop the virtuous cycle necessary to deploy capital to be invested in qualified projects across rural and Tribal communities and LIDACs.

Tribal Community Engagement Efforts**.** CGC's Coalition is committed to ensuring that qualified projects are developed and deployed with and by Tribal communities. CGC has built strong relationships with organizations like Tribal Infrastructure Alliance ("TIA"), Blue Lake Rancheria, and Spruce Root, each of which provided letters of support. These organizations provide the foundation from which CGC will continue to expand its engagement with Tribal communities. For example, CGC and TIA are developing a national Tribal green bank that will enable Tribes to leverage their leadership and resources into financing for qualified projects with Tribal ownership, as described in TIA's Community Engagement and Accountability Letter of Support. CGC's Coalition Members, including Colorado Clean Energy Fund ("CCEF"), have also worked with sovereign indigenous communities to fill gaps in commercial lending practices and support critical community-led initiatives. Last year, CCEF financed an agricultural irrigation project to deploy state-of-the-art micro-hydro technology that can minimize the Tribe's operating costs in periods of constrained water supply. In assisting Tribal communities, CGC and its Network will embrace the principles of Free, Prior, and Informed Consent. These engagement efforts will be guided by both DOE's and California's guides to Tribal engagement.

Rural Community Engagement Efforts**.** CGC has collaborated with rural communities to create state financing institutions in states with large rural populations, including Colorado, Minnesota, and Texas. Two of these state financing institutions are Coalition Members—CCEF and the Minnesota Climate Innovation Finance Authority, which is supported by the Minnesota Commerce Department. As evidence of this engagement, CCEF recently partnered with a rural electric cooperative to win funding from a U.S. Department of Agriculture grant program supporting on-bill financing for clean energy upgrades. Michigan Saves, another Coalition Member, makes nearly 50% of its investments in qualified projects in rural communities. Michigan Saves has developed deep relationships with rural municipal utilities and rural electric cooperatives, helping run their on-bill programs.

CGC also takes a whole-community approach and constantly works to identify market gaps for clean energy products, technologies, and services in states with large rural populations. For example, CGC has been selected by EPA to implement the SFA program in North Dakota and South Dakota. CGC is also working to establish green banks in states with large rural hubs, such as Alabama, Arizona, Georgia, Iowa, Kentucky, Louisiana, Mississippi, North Carolina, New Mexico, Tennessee, Utah, and West Virginia, but CGC's ability to do this work will depend on funds raised from other public, private, and philanthropic sources.

LIDAC Engagement Efforts. Working together with households, businesses, and others in LIDACs is fundamental to CGC and its Coalition Members. For example, the majority of the Ohio Air Quality Development Authority's ("OAQDA") projects in the last five years have been in Ohio's Priority Investment Areas, cities, or counties the state recognizes as distressed. Sixty-five percent of the capital deployed by the Illinois Finance Authority went to finance public water quality and clean energy projects that have been targeted to benefit disadvantaged communities. And since its inception, 84% of New York City Energy Efficiency Corporation's ("NYCEEC") projects have been in or supporting low- to moderate-income ("LMI") communities.

In 2022 alone, the Consortium's community lenders invested $1.2 billion in LIDACs, resulting in solar and energy efficiency upgrades for households and schools. In that same year, CGC launched the EJAB, which is comprised of a diverse set of experts across many energy fields, to reinforce CGC's commitments to environmental justice and community engagement throughout the green bank network. By working with community focused experts, CGC developed a series of new strategic partnerships with groups such as the Southeast Climate and Energy Network, Dream.Org, the Bullard Center for Environmental Justice, and Deep South Center for Environmental Justice (each of which submitted an attached letter of support). In collaboration with the EJAB, CGC then developed its 3-5-7 Framework—a set of performance indicators that represent the goals, strategies, and metrics needed to help gauge whether investments in qualified projects are responsive to community needs (discussed further in Section 1.2.1.2). In 2023, CGC convened the Community Investment Working Group described above and elevated the EJAB to become the Environmental Justice Advisory Committee, which is an advisory committee to CGC's Board of Directors. CGC is continuing to build and support the ecosystem of environmental justice advocates and CBOs to better inform its community engagement strategies and investment approaches throughout LIDACs.

1.2.1.2. Community Accountability Plan

CGC's community accountability plan employs three key tactics to drive transparency, accountability, and participation: (1) implementing a community benefits agreement—the Equitable Investment Commitment Agreement ("Equity Agreement")—to ensure accountability and transparency; (2) using an Equitable Investment Framework and publishing data to ensure accountability in its investment policies and transparency through reporting; and (3) establishing advisory committees and other internal and external governance processes to ensure participation and communication from, with, and across communities.

CGC developed its community accountability plan with the intention to create a robust and transparent governance structure that will build trust with communities and encourage their essential participation in meaningfully reducing emissions of GHGs and other air pollutants. CGC developed this approach by maintaining a strong focus on transparency and participatory governance, seeking input from the EJAB, Coalition Members with experience deploying and tracking community benefits agreements like Elemental, and the Community Investment Working

Group described in Section 1.2.1.1. As with its community engagement plan, CGC also incorporated best practices from other government agencies and organizations.

The Equity Agreement

To ensure that CGC and its Network remain committed to core justice principles, CGC will work with its growing network of community lenders and CBO partners to implement Equity Agreements based on EPA- and DOE-recognized examples. To increase visibility and incorporate community voices throughout investment-making structures, CGC and its Network will implement Equity Agreements to:

- enumerate and detail CGC and its relevant partners' commitments to the core justice principles as guided by CBO experts;
- detail the community benefits CGC's Network intends to provide to communities through their financing activities;
- establish clear expectations between the owners and developers of the project to be deployed and the community it intends to benefit, and require the compilation of best practices and strategies for community engagement; and
- establish a best practice process for community lenders to identify as Justice40 Local Community Accelerators—trusted, local community-based organizations to anchor state and local community engagement efforts.

The Equitable Investment Framework

CGC will employ an Equitable Investment Framework throughout its investment activities. Equitable development prioritizes the needs of underserved communities through policies and programs that reduce disparities while fostering places that are healthy and vibrant. CGC's 3-5-7 Framework depicted on the following page will complement its commitment to equitable development by identifying benefits and priorities directly from communities, including low-income communities, environmental justice communities, and geographically diverse communities. The 3-5-7 Framework represents the goals, strategies, and metrics identified by these communities to be responsive to their needs.

The 3-5-7 Framework informs CGC's Equitable Investment Framework, which has three major components: (1) an investment screening framework to ensure that equitable investments are surfaced and prioritized; (2) a component to ensure that investments that have prioritized benefits are valued in CGC's underwriting process; and (3) a portfolio management component to ensure that benefits and goals in accordance with the GGRF Program Objectives are achieved through CGC's investments and, where possible, exceeded. This is reflected in CGC's Investment Screening Level Scoring System ("ISLSS"), which is detailed in Section 1.2.6 and ensures that investments at the screening stage do not just reduce emissions of GHGs and provide financial returns but also advance environmental equity and community empowerment.

CGC will also implement transparency and accountability through publicly available reporting as specified by EPA in the agency's Greenhouse Gas Reduction Fund Accomplishment Reporting program. CGC will seek to ensure that community priorities are always reflected, both before and after investments are made in qualified projects. For example, pre-investment, CGC will evaluate equity and community priorities throughout the screening, underwriting and portfolio management processes. Post-investment, CGC will analyze investing and impact data across its investment portfolio to track community benefits. CGC will then compile this data for periodic public reporting to EPA. By providing communities with the resources needed, CGC and its Network will support communities holding CGC accountable for the outcomes and the benefits that all qualified projects must create.

3 Goals

1. **Support targeted, affordable financing** to households & businesses in disadvantaged communities for the adoption of clean energy solutions in a form that leads to high adoption & market penetration & results in lower energy bills that are more affordable in proportion to income.
2. **Deliver clean energy financing to & through businesses** located in & owned by residents of those targeted disadvantaged communities, which may require financial assistance for the formation & growth of those businesses themselves, while creating a clear pathway for residents in those communities to get good paying jobs working in those businesses.
3. **Work with communities to develop innovative new models for energy development & ownership.** These models will allow community members to both have more decision-making over their energy future & enjoy the long-term financial benefits that come.

5 Strategies

1. **Advance energy equity,** by increasing access to clean technology & workforce opportunities for communities of color & low-income neighborhoods.
2. **Lead the development of green product offerings** that are responsive to the unique needs of disadvantaged communities & are accessible at a small enough scale that they can assist in the development & implementation of smaller community-based projects.
3. **Employ a robust community engagement** & participatory strategy with each project deployment.
4. **Create opportunities** to ensure that households & businesses in disadvantaged communities have ownership of clean energy assets.
5. **Identify & work with community-based partners** as local accelerators to facilitate project deployment & maximize co-benefits for communities.

7 Metrics

1. **Reduce energy cost** for communities.
2. **Lower** GHG emissions.
3. **Leverage targeted programs** to increase access to clean energy for communities.
4. **Boost climate resiliency** & enable communities to adapt to the impacts of climate change.
5. **Capitalize** women & BIPOC-owned community businesses.
6. **Lead** community-based ownership of clean energy assets.
7. **Facilitate** community input in a just transition

Committees and Community Participation

CGC will implement an open and transparent governance structure that facilitates community stakeholder input and inclusive decision-making. CGC has implemented a governance structure where communities have representation on Regional Advisory Councils and a process to nominate candidates for CGC's Board of Directors. CGC will strive to hire staff from within each region and from LIDACs and Tribal and rural communities so that their perspectives are represented within the organization as well, provided that such costs and costs related to the establishment and operation of the Regional Advisory Councils are recoverable under the NCIF award.

CGC has two Board-appointed standing and advisory committees and a National Advisory Board with Regional Advisory Councils. These groups will deepen transparency, elevate community voices and expertise, and increase opportunities for community input into the investment policies, procedures, and strategies of CGC and its Network. CGC's committees and advisory boards include the following:

- **Environmental Justice Advisory Committee,** to provide guidance and recommendations to the Chair and CEO to ensure integration of environmental justice considerations into CGC's programs, policies, and activities and give local communities a voice with the Board of Directors.
- **Diversity, Equity, Inclusion, and Accessibility Committee,** to research, develop, and lead efforts that improve diversity, equity, and inclusion within CGC and across its Network of partners, which will be integrated through employee training opportunities. This standing committee will also work to achieve a broad representation of diverse communities within CGC's team and the staff of the larger Network.
- **National Advisory Board and Regional Advisory Councils,** to ensure the equitable deployment of direct and indirect investment in states, territories, and Tribal lands within and across all ten EPA regions. CGC created its National Advisory Board to facilitate dialogue amongst local communities and its Network so that the interests and goals of each are reconciled and direct community benefits are achieved.

1.2.2. Investment Objectives

1.2.2.1. Climate and Air Pollution Benefits

CGC analyzed the potential impact of its investments in qualified projects across the following five key outcomes: (1) reductions in emissions of GHGs; (2) reductions in emissions of non-GHG air pollutants; (3) new jobs created; (4) energy cost savings; and (5) public health benefits. The first two of these outcomes directly align with GGRF Program Objective 1, while the next three directly align with GGRF Program Objective 2 and are discussed in Section 1.2.2.2 below.

The analysis is based on the methodology described in McKinsey's Sustainability Green Bank White Paper, which assessed the impacts of financial assistance using GGRF grant funds for investments in categories of qualified projects.[1] The emissions reduction calculation considers the cumulative amount of total investment by year, and for all key categories of qualified projects considered how much deployment could be achieved based on projected technology costs. The emissions reduction potential is then calculated at the technology level based on avoided and

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[1] *See* Kevin Buehler et al., *Delivering impact from US green bank financing*, MCKINSEY SUSTAINABILITY (April 20, 2023), https://www.mckinsey.com/capabilities/sustainability/our-insights/delivering-impact-from-us-green-bank-financing.

reduced emissions resulting from renewable energy generation, fuel-switching through low-carbon appliances and vehicles, and energy efficiency savings.

	3 years	To 2030	7 years (2031)	To 2035
Emissions reduced (Mt CO2e)	~ 33–36	~ 95–104	~ 106–117	~ 241–264
Non-GHG emissions reduced (tons of SOX, NOX, PM2.5, NH3, VO2)	21,420 cumulative tons	58,977 cumulative tons	65,666 cumulative tons	156,553 cumulative tons

The results of the first two outcomes CGC modeled—reductions in emissions of GHGs and reductions in emissions of non-GHG air pollutants—are summarized in the chart above and demonstrate significant reductions in emissions that will further GGRF Program Objective 1. This analysis included timelines that reflect the three-year proposed period of performance and the seven-year maximum period of performance identified by EPA, as well as the 2030 and 2035 timelines associated with the Administration's climate and clean energy goals. This modeling demonstrates that with its $5 billion award, CGC's investment program could account for approximately 1.75% of the reduction in emissions of GHGs necessary to achieve the Administration's goal to reduce U.S. emissions of GHGs by 50-52% below 2005 levels by 2030.

CGC plans to report the reductions of emissions realized from its program as described in Section 1.3. Results may vary from these targets provided in Section 1.2.2 if, among other things, EPA's methodology differs from the methodology used to calculate these targets.

These targets are achievable if the CGC Fund is fully capitalized and investments in qualified projects are made with adequate speed and at the necessary scale to drive GHG emission reductions, and if total aggregate investment is multiplied through capital recycling.

The Speed of Investments Made in Qualified Projects Matters

Investments that are made within the first year in products, technologies, and services that reduce emissions of GHGs have a much larger impact than similar investments made later in time. Qualified projects that begin operating sooner will result in greater reductions or avoidance of GHG emissions, which are cumulative in nature and remain in the atmosphere over time. Similarly, investments that enable the displacement of fossil-fuel electric generation more rapidly will increase the emissions reductions associated with electrification, thereby improving the efficacy of many Priority Projects such as heat pumps, EVs, and batteries that are only as clean as their electricity supply.

CGC has built a six-month pipeline of investment opportunities in qualified projects (Section 1.2.4.2) with demand for more than $14 billion of NCIF capital as of the time of CGC's NCIF application. CGC will execute definitive agreements and invest capital in qualified projects as quickly as possible while adhering to prudent due diligence and underwriting standards (Section 1.2.6), risk management policies, and EPA regulations and program guidance.

The Scale of Qualified Projects Matters

Investments in electricity generation and infrastructure, both utility-scale and distributed, result in the largest reductions in emissions of GHGs per dollar invested. Larger-scale qualified projects are usually less expensive to deploy per unit of their capacity and output such as the cost per megawatt to deploy solar or wind generation because of economies of scale. Moreover, technologies exist that enable the deployment of renewable generation at scale, such as high-voltage transmission (including both interregional projects and intraregional network upgrades) and energy storage, and that result in large reductions of GHG emissions per dollar of investment. Their combined impact on reducing new GHG emissions makes investment in utility-, community-, and commercial-scale renewable generation and critical enabling technologies an important part of CGC's investment opportunity pipeline. At the same time, in each category of qualified projects CGC will focus its investments on technologies and segments with greater potential to abate or avoid emissions of GHGs or higher potential to transform supply chains, provide community benefits (e.g., reduce energy costs, increase energy reliability, develop clean water infrastructure), and increase community engagement to cause accelerated adoption of smaller-scale qualified projects, such as EV charging infrastructure, distributed community and commercial solar projects, or community resiliency centers.

Balancing these considerations, CGC has developed (as of the time of application) a diversified portfolio of investment opportunities in qualified projects that include Priority Projects, qualified projects in the "Other" category that deliver significant impact with respect to GGRF Program Objectives 1 and 3, and qualified projects that deliver significant equity and community benefits, particularly to residents in LIDACs, consistent with GGRF Program Objective 2. CGC's portfolio of investment opportunities in qualified projects (as of the time of application) is described in Sections 1.2.3.1 and 1.2.4.2.

The Speed of Capital Recycling Matters

CGC will also optimize emission-reduction benefits by quickly recycling capital to maximize the total aggregate investment available for qualified projects. Capital recycling over time will be the primary driver of aggregate investment. CGC anticipates being able to recycle approximately $1.2 billion of deployed capital a year starting in the third fiscal year (2026-2027) through a combination of balance sheet leverage and off-balance sheet investment vehicles. Financial products with relatively higher returns can be recycled both more rapidly and with larger amounts paid for them than is possible for financial products with relatively lower returns. Moreover, qualified projects with higher expected returns typically can attract more private capital investment once the investment has been sufficiently de-risked through the use of public financial support. Therefore, to maximize capital mobilization for investments in qualified projects (GGRF Program Objective 3) and their beneficial impacts (GGRF Program Objectives 1 and 2), CGC will balance prioritizing investments in qualified projects with higher returns and greater private capital mobilization potential without sacrificing its focus on Priority Projects and their deployment across important market segments and geographies, including LIDACs.

1.2.2.2. Equity and Community Benefits

As discussed above in Section 1.2.2.1, CGC also modeled equity and community benefits aligned with GGRF Program Objective 2, including new created, energy cost savings, and public health benefits, such as fewer deaths, hospital admissions, asthma incidences and lost days of work. Below is a summary of these impacts:

	3 years	To 2030	7 years (2031)	To 2035
Creation of new jobs (# of FTEs)	348,800	784,800	851,900	1,505,500
Cost savings	$5B	$18.1B	$20.7B	$59.7B
Health benefits (reduction in instances of mortality, heart attacks, hospital admissions, asthma, lost work days)	N/A*	183,500	203,700	472,900

*Dataset is too limited to draw conclusions at the three-year mark for health benefits

All the impact models are based on CGCs cumulative investment totals by each given year, assuming full deployment of NCIF grant funds in Year One and a 25% recycling rate beginning in Year Three. Job creation impacts are assessed through technology-specific analysis for both direct manufacturing, installation, construction and maintenance jobs and indirect supply chain jobs, using capital and operating expenditures and employment multipliers. Employment multipliers are drawn from ranges provided by the US Bureau of Labor Statistics.

Cost savings impacts are assessed based on comparisons of lifetime costs for low-carbon technologies versus incumbent technologies based on the levelized cost of technologies and fuel prices, and include the impact of IRA financial incentives where applicable. The cost saving analysis is performed at a national level, and does not include enabling products, such as transmission infrastructure and EV chargers.

Health benefits are assessed through state-level reductions in key non-GHG air pollutants including NOx, SO2, PM2.5. The analysis is performed for electricity generation technologies and for EV vehicles. For Distributed Energy Generation + Storage and for offshore wind, the GHG analysis relies on state-level eGRID air pollutant emissions factors to assess the decrease in pollutants from induced retired capacity. For vehicles, pollutants reduction is computed based on vehicle-level tailpipe emissions intensities for NOx, SO2, PM2.5, NH3, VOC, provided by EPA.

CGC has a goal of deploying at least 50% of the financial assistance from its NCIF grant award to qualified projects within LIDACs. Combined with the community engagement and accountability plans described in Section 1.2.1, CGC will work to ensure that the economic, public health, and other benefits associated with its investments are concentrated in these communities. Moreover, as discussed in both Sections 1.2.1.2 and 1.3, CGC will provide transparent public reporting on its investments to ensure accountability to the communities in which CGC invests.

1.2.2.3. Market Transformation Benefits

For more than a decade, CGC has mobilized private investment to combine with public capital and invest in clean energy projects, activities, and technologies that have been implemented by green banks across the country. That mission was and is the primary objective of CGC from inception. CGC's Coalition Members demonstrate a proven track record of mobilizing private capital to stimulate additional investment in qualified projects, consistent with GGRF Program Objective 3. For example, in just four years, the DC Green Bank (or "DC Green Finance Authority" as it is officially known) increased its capital mobilization ratio to 5:1, meaning that each dollar of investment by DC Green Bank drives $5 of total capital investment that would not have otherwise gone into qualified projects. Other examples of Coalition Members with strong track records of private capital mobilization include Missouri State Environmental Improvement and Energy Resources Authority ("EIERA") (6:1 ratio), SELF (8:1 ratio), NYCEEC (12:1 ratio), and CCEF (14:1 ratio). Between 2011 and 2024, green bank members of the Consortium achieved an average capital mobilization ratio of 3.54:1.

Private capital mobilization is not only GGRF Program Objective 3 it is key to delivering maximum impact in furtherance of GGRF Program Objectives 1 and 2. CGC expects to achieve an overall private capital mobilization ratio of between 9:1 and 14:1 by the end of seven years, meaning that for every $1 of NCIF grant funds invested by CGC, $9–$14 of total public-private investment will have been mobilized over that time period.[2]

In year one, CGC anticipates that direct investments by CGC and its Network members will have a private capital mobilization ratio of 3:1 to 4:1 as private capital-sourced debt and equity investments will on average make up at least three-quarters of the capital stack for a given qualified project. Achieving this ratio will require a focus on credit enhancements and investments in qualified projects in the "Other" category. By the end of year three, the private capital mobilization ratio will increase to 4:1 to 5:1 by partnering with financial institutions to provide overall financing packages where CGC provides various forms of subordinated capital (e.g., junior debt) and credit enhancements that allow for greater private capital investment in qualified projects. By year seven, CGC forecasts a total private capital mobilization ratio of 9:1 to 14:1 as a result of blending broader forms of portfolio leverage and recycling with robust project level private capital mobilization as envisioned. These private capital mobilization ratio projections represent estimates as of the time of this work plan and rely on CGC both receiving the full $5 billion NCIF grant award as soon as possible, developing viable equity and loan purchase processes that are acceptable to the EPA and the capital markets, and being able to access and deploy program income seamlessly when the full initial capitalization is drawn down, among other factors and considerations that may be affected by market conditions over time.

CGC will primarily achieve these targeted capital mobilization ratios, and thus drive financial market transformation, in three ways: (1) targeting higher rates of private capital mobilization on any individual qualified project by increasing the proportion of private investment to public investment in each project and allocating capital for investments in qualified projects with the highest expected private capital mobilization potential; (2) borrowing on its balance sheet; and (3) recycling financial assets (e.g., loans, credit enhancements). CGC will aim to securitize or otherwise recycle its own financial assets and financial assets originated or otherwise made in

[2] Capital mobilization ratios provided herein reflect the estimated total capital mobilized by year 7, divided by CGC's full NCIF grant amount of $5 billion. The calculation excludes the grant award itself but does include the recycling of that capital over time.

qualified projects to then allow those financial assets to be packaged and sold in secondary markets. This will return capital to the original financial asset owner so that they can originate new financial assets associated with investments in new qualified projects. Over time, CGC will also make efforts to work with other GGRF grant fund awardees and others to standardize financial products, enabling further capital mobilization through credit warehouse facilities and financial asset securitizations.

CGC will also implement strategies to accelerate capital mobilization, which is critical to achieving economies of scale and scope for the deployment and recycling of capital investments. Slower deployment will make it harder to achieve economies of scale and scope because financing facilities will take longer to structure and implement, be undersized at first, and diminish the interest of and ultimate participation by private capital investors. CGC's goal with respect to its Coalition Member, Elemental, is to establish a robust co-investing strategy to support cross-coalition transparency, centralization, and coordination that will in turn promote private capital mobilization. Elemental will help craft bespoke partnerships with green banks, CDFIs and credit unions to provide deal flow, create efficiencies in accessing outside capital, and provide programmatic support throughout project deployments.

CGC anticipates that much higher levels of private capital mobilization—including ratios of 20:1 or more—are possible through credit enhancement platforms and pooled investment vehicles. For example, CGC will consider investing in a nonprofit credit enhancement platform described in Energetic Insurance's Transaction Partnership Letter of Commitment called GreenieRE that aims to reduce financing risks such as counterparty credit risk, collateral value risk, performance risk, and other risks that prevent or delay private capital investments in qualified projects. GreenieRE would use CGC's investment in it as capital reserves to support the large-scale issuance of credit enhancements and other insurance-like products for qualified projects, especially Priority Projects in LIDACs.

1.2.3. Portfolio Allocation

1.2.3.1. Project Categories

CGC's portfolio of investment opportunities includes projects in each of the Priority Project categories, as well as other qualified projects that will produce significant reductions in emissions of GHGs and other air pollutants and deliver benefits to American communities, particularly LIDACs. To maximize the impact over time of each NCIF grant award dollar, especially GHG emissions avoided or abated per dollar of NCIF grant award, CGC will aim to maximize both the impact and the private and public capital mobilization potential of investments. By selecting investments in qualified projects that are high impact, highly recyclable, and have a high capital mobilization ratio, CGC will be able to invest in substantially more qualified projects, that, in turn, will result in greater amounts of emissions of GHGs and other air pollutants being abated or avoided.

As described in Sections 1.2.2.1 and 1.2.2.2, CGC's impact analysis supports the inclusion of the "Other" category of qualified projects beyond Priority Projects because they represent the best opportunities to maximize emissions reductions and other beneficial outcomes per dollar of an NCIF grant award. For example, investments of public dollars in energy transformation technologies, such as high-voltage transmission facilities, frequently make compelling economic sense. Indeed, a large part of the intended reductions in emissions of GHGs under the IRA are unlikely to occur without large-scale investments in high-voltage transmission facilities, including both interregional projects and intraregional transmission upgrades. In turn, investments in the Distributed Energy Generation and Storage category of qualified projects are unlikely to occur without larger-scale investments in enabling distribution facilities.

These larger-scale qualified projects are also intended to overcome economic coordination problems and incentivize private capital investment in catalytic and transformative investments, such as credit enhancements to de-risk private capital investments in transmission and distribution facilities necessary to interconnect new clean energy resources at scale (e.g., utility-scale renewable generation, distribution-level energy storage and EV fleet charging facilities). CGC's management team has deep expertise in this area. Although transmission and distribution facilities can be capital-intensive, CGC will explore capital structures and specialized financial products that attract additional private investment to transmission facilities without sacrificing a balanced and diversified overall portfolio of investments.

The technologies, products, services, industries, and market dynamics underpinning the sustainable investment ecosystem are highly dynamic. As CGC invests, recycles, and reinvests its capital sourced from the NCIF grant award, CGC will continually reassess investment opportunities across the range of qualified projects and their demand for capital, their emission impacts and other GGRF Program Objectives benefits, and private capital mobilization potential, and may re-weight its portfolio in response to changes to those factors.

Taking all of this into consideration, CGC's expected portfolio allocation across these categories, which is supported by its pipeline of investment opportunities in qualified projects (as of the time of CGC's NCIF application), is expected to be within the ranges listed in the table below. These ranges should be considered indicative, as the size and exact timing of investments may vary across qualified project category and year. The actual portfolio allocation of CGC's investments in qualified projects may therefore differ from these ranges in any given year.

The target allocation across CGC's investment opportunity pipeline reflects the overall portfolio composition across the two other NCIF grant award recipients (as reflected in their October 2023 NCIF applications). The two other NCIF grant awardees' portfolio allocations (as of the time of their applications) are very heavily weighted to investments in one of the Priority Project Categories, Net-Zero Emissions Buildings, and their strong demonstrated capabilities with regards to investments in buildings and housing indicate that they can and should focus on this Priority Project Category. CGC sees its unique position in the sustainable finance ecosystem as being able to catalyze transformation of the energy system by investing in larger-scale qualified projects or aggregations of smaller-scale qualified projects outside of Net-Zero Emission Buildings or other types of individual smaller-scale qualified projects. Accordingly, CGC will focus our investments on larger-scale or aggregations of qualified projects in the Priority Project Category of Distributed Energy Generation & Storage (e.g., community and commercial solar generation projects) as well as the high impact projects identified in the "Other" category. This re-allocation of the portfolio is also driven by the nature of a partial award of $5 billion. Less upfront capitalization from a partial award of NCIF grant funds to invest affects CGC's ability to recycle and mobilize private capital, making it imperative that CGC focuses on investments with the highest impact, capital mobilization, and recyclability, which the updated target portfolio reflects.

Qualified Project Category	Expected Share of Deployment
Distributed Energy Generation & Storage	30–40%
Net-Zero Emissions Buildings	10–20%
Zero-Emissions Transportation	10-20%
Other	30–40%

1.2.3.2. Market Segments

CGC segments the market into four main categories: (1) consumer; (2) commercial; (3) small business/nonprofits ("SMBs"); and (4) affordable housing developers ("AHDs").[3]

The commercial segment will account for the largest share of CGC's portfolio (>60%), as CGC is uniquely positioned among the GGRF grant awardees to make catalytic investments at larger scales that aim to transform the energy system. This allocation reflects CGC's investment thesis to maximize impact through maximizing capital mobilization and recyclability. CGC's strategy for the commercial segment is to be a catalytic lender and investor encouraging commercial partners to accelerate, expand and deploy private capital in qualified projects where they might not have otherwise, especially qualified projects in LIDACs. CGC expects the majority of the investments deployed directly by CGC to target this segment. Thus far CGC's discussions with organizations ranging from Fortune 500 companies to smaller regional players have been well-received. As a result, CGC is confident that it can deploy the majority of its NCIF grant fund-sourced capital for investments in the Priority Project categories, while still targeting investments to qualified projects in the "Other" category that will deliver the greatest GGRF Program Objectives benefits.

The consumer, SMB, and AHD segments will comprise the remaining share of CGC's portfolio (<40%) and will be delivered in close partnership with organizations in its Network. At the same time, as discussed above, because the two other NCIF grant awardees' portfolio allocations (as of the time of their applications) are very heavily weighted toward investments in Net-Zero Emission Buildings and direct consumer lending, and because they have strong demonstrated capabilities with regards to investments in buildings and housing and direct consumer lending, CGC's investments will be more focused on the SMB segment than the consumer and AHD segments.

Of these segments, SMBs and AHDs work specifically with LIDACs, and CGC has cultivated relationships with organizations that serve SMBs and AHDs in LIDACs, who have participated in CGC's network and are committed to delivering smaller-scale qualified projects, such as EV charging infrastructure, or distributed community and commercial solar projects, or community resiliency centers. CGC will leave room for its advisory committees and community engagement efforts to help us identify community-supported projects in each of the EPA regions.

[3] CGC defines SMBs as organizations other than affordable housing developers that focus on directly serving households and businesses in LIDACs. AHDs are developers of affordable housing, and CGC's commercial segment covers all other conduits through which CGC will deploy capital in qualified projects.

To serve the consumer segment, CGC plans to partner with organizations in its Network that work directly with consumers, including its Coalition Members. As such, a higher share of investments in qualified projects in these segments will be made by CGC's Coalition Members and Network partners. CGC will collaborate with organizations, including other GGRF recipients, that have attractive consumer offerings that involve qualified projects but that have had barriers to offering them to LIDACs due to financing concerns by private capital providers. CGC will also help develop these offerings where they do not currently exist. The experience of many of CGC's Coalition Members and Network partners indicates CGC will work to find opportunities to step in where other private capital providers (such as commercial lenders) have not by, for example, using underwriting standards that consider credit criteria such as the estimated ability to pay as opposed to FICO scores. By continuing to demonstrate how this segment can be served without taking on excessive or undue risk, CGC expects to catalyze private capital investment that will displace the future need for public at-risk capital. Already on the consumer side, CGC is in discussions with several organizations where CGC capital would help backstop private capital investments in rooftop solar and energy storage, home energy efficiency, or community solar and energy storage for consumers with low or no FICO scores.

1.2.3.3. Geographies

CGC plans to invest in a portfolio of qualified projects in the categories described in Section 1.2.3.1 across all ten EPA regions and in geographically diverse communities, including LIDACs and rural and Tribal communities. CGC's goal is to make investments in qualified projects across the ten EPA regions in proportion to the U.S. population in that region. But in some EPA regions, more market development and pre-development activities may be required to achieve CGC's target mix. Therefore, CGC's investment opportunity pipeline does not yet reflect the share of population by EPA region.

Within each region, the selection of investments in qualified projects will be driven by CGC's investment screening tools discussed in Section 1.2.6 that will provide bonus screen scoring measures for investments in qualified projects in LIDACs and rural and Tribal communities. Moreover, CGC will provide additional bonus screen scoring for investments in qualified projects in LIDACs that are "energy communities" or are the locus for higher emissions of GHGs or other air pollutants. CGC's Environmental Justice Advisory Board, regional, Tribal, and national advisory boards will also make recommendations regarding allocations to ensure that regional and local community voices are directly involved in governance and investment allocation.

The portfolio allocation across geographies will change over time in response to ongoing engagement with communities and community lenders as well as financial intermediaries and the developers of qualified projects. This will ensure that the portfolio is best positioned to achieve the goals and objectives of the GGRF program.

CGC will focus much of its predevelopment, market-building and labor and equitable workforce development plans (as described in Sections 1.2.5.1, 1.2.5.2, and 1.2.5.3, respectively) on the development, origination, and finance ecosystem for Priority Projects in LIDACs and rural and Tribal communities. This effort, which will include a focus on developers, contractors, and workers, is important to achieve the market transformation benefits in these communities described in Section 1.2.2.3.

The examples below illustrate some ways in which CGC will partner with LIDACs and rural and Tribal communities to ensure that Priority Projects will be deployed in these communities.

Tribal Communities. CGC will help its partner, TIA (i.e., Tribal Infrastructure Alliance), develop a Tribal national green bank, as described in TIA's Community Engagement and Accountability Letter of Support. This national Tribal effort will complement and grow CGC's current pipeline of Tribal and native Alaskan projects, which includes projects with Blue Lake Rancheria Tribe and Spruce Root, a native Alaskan-led CDFI. CGC is committed to developing a Tribal-owned and led green financing ecosystem. CGC has also instituted a Tribal Advisory Council to ensure that Tribal leaders and communities are represented within CGC's operations across local, regional, and national efforts. Moreover, CGC will set a target that 2% of its investments will flow to Tribal communities, which is greater than the Tribal communities' percentage of total U.S. population.

Rural Communities. CGC and its Coalition Members have long worked to support geographically diverse communities, particularly rural communities, in advancing sustainable finance projects. As just one example, USDA recently provided CCEF, a Coalition Member, a loan to capitalize an on-bill repayment program with rural electric cooperative Tri-State Generation and Transmission. To ensure that rural states and regions are receiving their fair share, CGC will target 20% of its investments for qualified projects in rural communities (see Section 1.2.6) and provide national offerings that will aim to backfill investments into any rural areas of the country that are not currently served by a local green lender.

LIDACs. More than 55% of CGC's pipeline of investment opportunities for the first year are in LIDACs as of the time of its NCIF application. CGC's investment process, as described in Section 1.2.6, includes a target of more than 50% of investments in qualified projects in LIDACs and will drive further increases in that percentage as funds are deployed and recycled. CGC is also working closely with Elemental to adopt long-held practices such as incorporating structured community input during diligence, and compensating community members for their time and expertise during both diligence and in more extensive partnerships for project deployment.

1.2.4. Financial Products and Transactions

1.2.4.1. Financial Products

Description of Financial Products

CGC and its Coalition Members have been at the forefront of developing financial products to mobilize private capital and catalyze demand for clean economy products, technologies, and services for over a decade. CGC has convened the Consortium regularly for the last five years to discuss financial products and share learnings. This forum for shared knowledge encourages the innovation and scale of financial products—when one works in one community, it can be deployed elsewhere. For example, SELF has created a "plug and play" financial product for other green banks out of its Green Home Loan product, which provides LMI homeowners with accessible capital for energy efficiency, storm resilience, and other improvements. Its proprietary underwriting is based on the ability to repay, instead of traditional FICO scores. Meanwhile, Michigan Saves' residential loan program served as inspiration for Colorado RENU's residential loan product and the Connecticut Green Bank's Smart-E residential loan program. The Smart-E program has in turn been packaged for adoption by other green banks. Moreover, each of CGC's green bank Coalition Members currently offers specific financial products for Priority Projects that can be expanded with funds from the NCIF grant award.

CGC has also conducted substantive working groups with Consortium members, community lenders, and experts in the field that have resulted in a detailed encyclopedia of financial products.

In addition to Consortium meetings and GGRF-focused working groups, CGC ran an RFI in June 2023 to solicit actionable investment opportunities in qualified projects and information on the financial products that would need to be provided directly or indirectly by a national green bank to deploy these qualified projects. This process netted over sixty substantive responses and concept papers from a variety of for-profit companies, not-for-profit organizations, community organizations, academic organizations, and governmental related entities, creating an additional $4.4 billion in potential investment opportunities in qualified projects for CGC's pipeline across all of CGC's proposed product categories.

Beyond a general need for low-cost capital, many of these responses identified the need for more specific types of financial products, especially credit enhancements and insurance-like products across the clean energy ecosystem and working capital needs for community-based businesses such as contractors. In addition to the many financial products identified by the working group and the RFI, below is a non-exhaustive list of financial product categories and financing structures that CGC and its Network will look to implement and its currently expected terms, which are subject to change depending on market conditions:

Financial Product	Risk Assessment	Indicative Term Bands (as of filing)	Notes
Equity	High risk	Investment terms tailor-made to needs and financial position of project or business. Typically participating preferred stock with identified path to exit. Can provide capital to high-impact projects or businesses when collateral and other requirements of lenders are not present.	Highly catalytic capital to foster rapid growth and leverage debt capital, but a relatively small portion of the overall portfolio because of risk. Preferably used sparingly and when it unlocks other benefits.
Loan Loss Reserves and Credit Enhancements	Low to high risk	Highly dependent on the counterparties, CGC's internal risk assessment, and the investment.	Inherently catalytic capital, priced to encourage private capital investment.
Junior Debt	Medium to low risk – medium to minimal collateral	6-15% fully loaded interest rate, can be partially or wholly payment-in-kind, can be non-amortizing, can be pre-payable. Preferable current term is 3-7 years.	Catalyzes bank loans or other private sector senior debt in a project or business. Higher risk than senior debt, but less risky than equity.

Senior Debt	Low risk – high collateral	4-10% cash coupon, can be non-amortizing, can be pre-payable. The preferred current term is 2–10 years with some loans needing to go longer. Can be in the form of a revolver or working capital facility.	These loans need to be able to be standardized and securitized or otherwise recycled to allow for CGC's balance sheet and off-balance sheet leverage. These need to be safe, highly securitized loans.

CGC's partner green banks and community lenders have experience in developing and deploying financial products within these bands. For some of the non-standard financial products such as credit enhancements in the form of loan loss reserves and counterparty credit insurance, CGC has conducted market outreach, education, and research to ensure these financial products can scale up quickly, be truly catalytic in terms of driving private capital to communities that have not historically benefitted from it, and generate positive net financial returns if supported by a creditworthy national green bank.

For example, CGC is in discussions with Energetic Insurance (now Energetic Capital) concerning the use of GreenieRE as a nonprofit credit enhancement platform with reserves supported by CGC's super subordinated capital investment that will enable CGC's Network of partners and others to provide the necessary public-private financing of qualified projects. The sponsors of GreenieRE have engaged in extensive market research and outreach efforts with credit enhancement providers, as well as developers and financial intermediaries, to better understand market gaps for credit enhancements and other insurance-like products and begin to develop financial products to address those gaps. For example, GreenieRE's capital reserves could support the issuance of credit enhancements that enable the securitization of financial assets for qualified projects serving customers with low or no FICO credit scores.

The financial product categories listed above enable financial intermediaries of all types, including community lenders, to directly finance or support qualified projects and simultaneously attract additional private capital by addressing or mitigating specific risks and barriers to private capital mobilization that remain even after market development efforts.

Portfolio Allocations

Given CGC's impact and capital mobilization goals, the proposed portfolio allocation across the categories of qualified projects, the investment opportunity pipeline (as of the time of its NCIF application filing), and the management team's investment experience, CGC anticipates the use of financial instruments to roughly fall into the ranges indicated in the table below, although these ranges may change over time as CGC responds to changing macro-economic environment, market dynamics, and investment demand. These ranges reflect a shift away from Senior Loans and toward Junior Loans and Loan Loss Reserves and Credit Enhancements ("LLCEs") compared to CGC's October 2023 application. That shift is driven by the partial NCIF award received in two ways: 1) a partial award means CGC's investments in many qualified projects will represent a relatively small part of the capital stack for these projects and will require it to take a relatively junior and more subordinated positions in those capital stacks (e.g., commercial lenders will not provide debt capital representing relatively larger part of capital stack unless they are senior to us); and 2) Junior Loans and LLCEs will drive higher private capital mobilization by attracting more private capital investments in qualified projects than Senior Loans will. To ensure CGC can meet its capital mobilization targets in light of the partial award of $5 billion, CGC will decrease the share of Senior Loans made and increase its use of Junior Loans and LLCEs.

Financial Instrument	Estimated share of portfolio
Equity	<10%
LLCE	~20–30%
Junior Loans	~40–50%
Senior Loans	~20–30%

CGC will make investments in qualified projects in all ten EPA regions. CGC will make these investments through its direct investing platform as well as through green banks, community lenders, and commercial partners (i.e., Coalition Members and program participants) and will provide its Coalition Members and program participants with capital to originate, recycle, and grow their investments in their portfolio of qualified projects. Specifically, CGC expects to deploy 37% of the NCIF award in collaboration with the 18 sub-recipients named in CGC's original application. Sixteen of these sub-recipients operate regionally or locally and will primarily invest in qualified projects at the state and local level. Two sub-recipients operate exclusively at the national level, but have investment opportunity pipelines that reach across several EPA regions. CGC will also provide its partners with assistance regarding their market-building and predevelopment activities, knowledge sharing, and support in accessing additional sources of capital, and offer them the opportunity to co-invest with CGC in their regions of operation.

CGC also plans to invest in national- and regional-level investments, which may be originated by CGC or by its partners and can be executed in collaboration between CGC and the sub-recipients and program participants. Given the overlap in investment strategy between CGC and its partners, it may be a natural fit in many cases for CGC's sub-recipients and program participants to participate in national- and regional-level investments that have impact in the partners' geography, such as through co-investments or syndication. As a result, the national/regional share of the portfolio may have a substantial component of investments from CGC's partner network.

CGC will deploy this funding through various instruments which will include: (1) financial products that enable community lenders to recycle and grow their balance sheets; (2) bespoke financial products such as credit enhancements and insurance products that can only be facilitated at the national or regional level; and (3) direct investing in qualified projects by CGC beyond its national and regional projects. Products to support recycling may include mechanisms to provide warehouse credit facilities and financial product purchase programs that community lenders can access to better manage their portfolio level risks and recycle their capital. Indeed, as part of CGC's investment screening process discussed in Section 1.2.6, CGC will provide bonus screening credit and capital incentives for proposed investments that can be more easily recycled such as equity equivalent investment in a community lender that will use its balance sheet to provide easily aggregable and securitizable financial products. CGC's proposed financial products specifically include credit enhancements that can facilitate private capital mobilization, especially in LIDACs, on Tribal lands, and other underserved communities.

1.2.4.2. *Current Transaction Pipeline*

CGC has an initial six-month pipeline of investment opportunities in qualified projects as of the time of its NCIF application that demonstrates the opportunity for possible investments of over $14 billion. This pipeline, more than half of which was originated by CGC itself, is primarily the result of three key actions: (1) CGC recruited an experienced management team that has been working to develop partnerships across the clean energy development and finance ecosystem since the passage of the IRA; (2) CGC ran the June 2023 RFI described in Section 1.2.4.1; and (3) CGC incorporated the work of CGC's Network of partners, including those green banks that CGC has helped develop over the last ten years. These qualified projects are distributed across EPA's categories of qualified projects, across the country in each of the ten EPA Regions, and a majority of them are located in LIDACs.

Potential investments include catalytic financial products to unlock tax equity financing for qualified projects at the construction stage, debt financing for EV charging stations in LIDACs, and investments in distributed solar and storage projects, as well as virtual power plants, on Tribal lands.

CGC has also identified investment opportunities in qualified projects that require direct or indirect bridge financing to commence final development (e.g., working capital facilities, loans to purchase equipment, and tax credit or bridge loans for various types of grants). These investment opportunities are already identified for each EPA region, are ready for consideration under CGC's investment processes, and can quickly move forward if CGC provides the necessary direct or indirect bridge financing.

Beyond CGC's pipeline of investment opportunities in qualified projects (as of the time of its NCIF application filing) for the second half of 2024, CGC has already developed a potential pipeline of investment opportunities in excess of $29 billion for the first year of funding, $85 billion over three years, and over $200 billion over the course of seven years.

Because of the volume of investment opportunities in qualified projects CGC has already identified, CGC aims to deploy the full $5 billion NCIF grant award within one year and no later than within three years (i.e., CGC's proposed period of performance). The speed at which NCIF grant funds are invested has a significant impact on the overall beneficial outcomes for communities, including greater and faster reductions in emissions of GHGs, so it is of paramount importance to move quickly to make investments in qualified projects (see Sections 1.2.2.1 and 1.2.2.2). A three-year period of performance provides CGC and its Coalition Members flexibility to conduct the screening, due diligence, and underwriting mandated under the investment policies discussed in Section 1.2.6 while also meeting some of the tremendous demand for capital in qualified projects to make an immediate impact.

CGC is continuously refreshing, expanding, and deepening its pipeline of investment opportunities in qualified projects and will repeatedly launch Requests for Proposals ("RFP") for actionable investment opportunities in qualified projects.

Through these efforts and the market development described in Section 1.2.5, CGC and its Network partners will identify new partners, particularly in LIDACs, that might otherwise be unaware of these opportunities.

1.2.4.3. Transaction Partnerships Plan

CGC has extensive experience partnering with green banks, community lenders, and project sponsors to finance and deploy qualified projects. This experience is reflected in CGC's robust pipeline of investment opportunities in qualified projects (as of the time of application) and the more than 100 Transaction Partnership Letters CGC received in support of its NCIF competition application. These letters provide details regarding potential partnerships CGC may pursue with an NCIF grant award pursuant to its investment policies described in Section 1.2.6. Broadly, these partnerships generally follow one of two models: (1) an expansion of CGC's Network of green banks and other community lenders; or (2) partnerships with national commercial companies that are on the forefront of greening the U.S. economy.

Green Banks and Other Community Lenders. CGC plans to provide selected established and emerging green banks and other community lenders with capital to build up their balance sheets so that they, in turn, can provide financial products for community-focused Priority Projects. This capital will largely take the form of loans and equity equivalent investments such as "EQ2" investments in CDFIs. Because many of these community lenders and emerging green banks may be new to investing in clean energy technologies, CGC will assist them in originating investments in community-focused Priority Projects. It is CGC's ambition to develop at least one economically self-sufficient green bank in every state over a period that may extend beyond the period of performance, meaning that they would have at least $50 million of assets under management or otherwise have operating income that makes them financially sustainable. With a $5 billion NCIF grant award CGC will focus on providing knowledge sharing and co-investment opportunities, and will seek additional funding support from public, private, and philanthropic sources to provide technical support, and possibly capitalization grants (including assisting them in accessing additional funds, including from CCIA and SFA grant funds). CGC will also support these entities by developing and deploying financial products that they can easily recycle to increase their new operating income and by providing credit enhancement platforms (both directly and through credit enhancement platforms). CGC will work with its sub-recipients and program participants to ensure that investments not directly executed by CGC nonetheless target similarly high capital mobilization and recyclability outcomes to ensure maximum impact over time. At the same time CGC will invite green banks and other community lenders to participate in the provision of financial products to larger-scale qualified projects at the regional and national scales such as co-investments in a portfolio of community solar projects serving LIDACs across the country.

National Commercial Partners. In addition to its relationships with green banks and community lenders, CGC has forged partnerships and engaged in significant discussions regarding potential qualified project pipelines with many large commercial companies. CGC considers these partnerships crucial to scaling clean energy investments and institutionalizing new financing markets that directly target LIDACs. Moreover, CGC intends to work with businesses in every link of the supply chain of qualified projects to transform not only the financial markets but also the private sector by partnering with original equipment manufacturers, distributors, retailers and more. In addition to partnerships with renewable energy providers, CGC will seek agreements with some of the largest asset managers for clean energy projects on increasing clean energy investments, especially in Priority Projects in LIDACs, through risk sharing tools.

Between these potential partnerships and CGC's intent to conduct an RFP as described in Section 1.2.4.2, CGC anticipates being able to sustain a pipeline of investment opportunities in qualified projects significantly larger than its NCIF grant award of $5 billion. This will allow CGC to be highly selective and prioritize investments in qualified projects in LIDACs, rural and Tribal communities, and qualified projects with relatively higher impacts and financial returns that support a sustainable business model and further the GGRF Program Objectives.

1.2.5. Market Development Plan

1.2.5.1. Predevelopment Plan

CGC's predevelopment activities focus on addressing market and technical risks by deepening knowledge of the risks and rewards of private capital investments in qualified projects in the market segments in which CGC invests. These activities drive project formation and maximize eventual private sector participation, especially in LIDACs, so CGC plans to select partners to assist with deployment in these areas. These activities can be categorized as follows:

Community Outreach and Feedback. CGC will provide community lenders, developers, contractors, and potential end-users or customers critical feedback and analyses of market and technical trends and the overarching needs and concerns of communities through its multi-pronged community engagement plan (Section 1.2.1). Such feedback and analyses will be especially critical in providing a voice of the community for larger-scale community-focused projects, such as the deployment of community solar generation projects and community EV charging facilities, where there may be a relatively large number of community members that might be affected by the deployment of a proposed project. As referenced in Section 1.2.1.1, the Coalition, via Elemental, will also provide a suite of community-engagement tools to embed community input into market development surrounding project deployments.

Commercial and Financial Feasibility Studies. These studies will evaluate the economic viability of community-focused qualified projects and provide a financial profile of proposed projects, including their projected costs, revenue streams, and project-related financial risks. This will, for example, assist project developers, contractors, project offtakers, customers, community lenders and other financial intermediaries, to better understand how to employ efficient risk mitigation measures, such as counterparty credit risk insurance products. The studies will also help these parties understand how to access special revenue streams, such as tax credits and the sale of electric energy attributes in local or regional power markets, or risk mitigation measures that they could apply to reduce the overall costs or risks associated with financing and deploying qualified projects.

Site and Building Assessments. Energy audits and other types of building assessments identify energy system inefficiencies and potential areas for beneficial investments in building retrofits and clean energy infrastructure, such as air-source heat pumps, distributed solar, and energy storage. These audits and assessments will reveal the potential for obtaining better products and services, such as HVAC services and lighting, at a lower delivered cost.

Technology and Resource Studies. These studies support community lenders and other local partners (e.g., contractors), as well as developers and financial intermediaries, in understanding the technical aspects of emerging, commercially available technologies, products, and services, such as air source heat pumps and virtual power plants. In turn, they reduce perceived and priced-in risks in the financing of specific qualified projects in LIDACs. These studies will also analyze the resource potential for qualified projects in LIDACs and will consider factors such as resource availability and intensity, end-use needs or demand, and the economic availability and relative costs of complements, and substitutes.

Design, Engineering, Permitting, and Regulatory Assistance. CGC will coordinate the activities of its Network to develop and leverage their experience with community-focused qualified projects, especially Priority Projects. This coordination will help CGC share best practices, with the goal of implementing projects that are well-designed technically and with regard to relevant regulatory requirements. Effectively navigating regulatory requirements such as requirements associated with federal financial assistance (e.g., federal bonus tax credits for community-focused solar projects), local permitting, and interconnection to the local grid will both minimize projects' soft costs and maximize net revenues. By learning and sharing best practices, the Network can develop more routinized and replicable models for the different types of community-focused qualified projects, especially Priority Projects, and thereby facilitate the standardization, aggregation, and securitization of the associated financial products. This will enable the deployment of qualified projects at scale in LIDACs.

1.2.5.2. Market-Building Plan

Non-Financial Market-Building

To address the most pressing non-financial barriers to adoption of clean energy technologies, products, and services in LIDACs, CGC will launch marketing, community engagement and outreach efforts with stakeholders. Market development strategies may include: (1) offering a bridge financing program for recipients of federal climate grants across the country that need bridge funding to accelerate the deployment of qualified projects; (2) launching a national initiative to incentivize local and regional governments to partner with CGC on pre-development and market building for municipal scale qualified projects; and (3) training green banks on incorporating equity considerations into their investment process, including workforce development, project identification and selection, public education campaigns, and the development of innovative financial products.

Financial Market-Building

For more than a decade, CGC has shown that when green banks demonstrate that a particular type of clean energy technology, product, or service is commercially viable, then the private market adopts it. NY Green Bank demonstrated this for community solar in New York State and now private capital investors finance almost all community solar projects in New York. Building on the success of CGC's Coalition Members and partnering with collaborative efforts like DOE's National Community Solar Partnership, CGC plans to demonstrate that Priority Projects in LIDACs can generate sufficient returns to private capital investors to mobilize their financial participation. CGC will partner with private sector partners to help build familiarity with the products, technologies, and services comprising Priority Projects, applicable financial products and financing structures, communities, and geographies that the GGRF program is designed to benefit. Where necessary, CGC may take subordinate capital positions, or provide credit enhancements, to specifically address risks that prevent or hinder private capital investment. Financing innovations, demonstrated success, and community engagement will eventually attract private capital at scale into transforming energy generation and consumption in all LIDACs.

CGC will structure these financial products to be assets that can be easily recycled by CGC, community lenders and other financial intermediaries in the large public capital markets through their aggregation and sale to private capital investors. The development, deployment, and recycling of these financial assets will drive the financing ecosystem for qualified projects as CGC, community lenders, and other financial intermediaries will be ready to originate and sell new financial assets. Indeed, existing green banks including CGC's Coalition Members already have a great deal of experience in tapping the larger public capital markets to recycle their financial assets, such as the Connecticut Green Liberty Bonds (and Notes) and the Illinois conduit bonds backed by Community Property Assessed Clean Energy ("C-PACE") programs. CGC will demonstrate successful deployment, transfer the business to the private sector as it matures, and then innovate and develop new sustainable markets where positive impacts are aligned with positive returns.

1.2.5.3. Labor and Equitable Workforce Development Plan

CGC is working with labor, community groups and businesses to address the obvious shortage in skill sets and inequitable allocation of such job opportunities as demonstrated by the letters of support from the AFL-CIO and others provided as part of CGC's NCIF application. According to DOE's U.S. Energy & Employment Report 2023, there were 3.1 million jobs in net-zero energy products, technologies, and services, an increase of 3.9% from 2021. But given the rate of deployment of qualified projects needed to achieve the Administration's climate and clean energy goals, the workforce must grow faster. Where possible, CGC intends to build a bridge between opportunity and people through its Workforce and Talent team and its alliance with labor, as illustrated by the presence of an AFL-CIO representative on CGC's Board of Directors and the NABTU Memorandum of Understanding.

Below is a summary of CGC's labor and equitable workforce development plan. This plan prioritizes investments in clean energy products, technologies, and services to grow the new clean energy economy "from the middle out and bottom up" and empower the American workforce.

CGC's approach to addressing these challenges and achieving these objectives is founded on three principles: (1) creating quality jobs; (2) supporting local workforce development; and (3) prioritizing the employment of a diverse workforce that shares equitably in the benefits of the clean energy transition. To ensure CGC's projects will generate high-quality jobs that align with the U.S. Department of Labor's eight Good Jobs Principles, CGC will work with EPA and other relevant government agencies, as appropriate, to ensure its compliance with the Build America, Buy America Act, the Davis-Bacon Act, and any other related federal laws and policies, as applicable. Compliance with these laws reinforces CGC's belief that, whenever possible, the jobs created by these projects should provide wages that meet or exceed the local prevailing wage, provide family-sustaining benefits such as paid leave and caregiving support, and promote workforce security and mobility. As discussed in Section 1.2.1.2, CGC will also use Equity Agreements that will include considerations for the creation of quality local jobs. The Equitable Investment Framework will also evaluate qualified projects for their contributions to quality labor. Additionally, CGC will work with its partners and EPA to develop and apply a national-level Project Labor Agreement

(“PLA”) to be executed with NABTU and employ a workforce development evaluation tool to assess the effectiveness of its Labor and Equitable Workforce efforts.

Internal policies. CGC is committed to upholding internal policies and activities that will enable it to successfully impact labor and equitable workforce development. Specifically, CGC will set policies and procedures to ensure that workers who reside in LIDACs are eligible and encouraged to apply for open positions and strive for a workforce that is representative of the communities it serves. Furthermore, CGC’s Board of Directors includes organized labor representation to guide its strategy at the national level. CGC will seek opportunities, when possible and appropriate, to directly fund or otherwise support workforce development programs, such as training and upskilling, certifications, job placement assistance, mentorship programs, on-the-job training, workplace safety, and legally compliant diversity, equity, inclusion, and accessibility (“DEIA”) hiring.

Project Labor Agreements. CGC will establish a national-level PLA with NABTU that implements labor and GGRF-specific guidance from EPA. CGC has already entered into an MOU with NABTU that outlines a PLA. This national-level agreement will flow down to projects by CGC and require the community lenders to whom it distributes funding to require or have a significant priority for projects that have a PLA with a labor organization that includes equitable workforce development provisions. Such provisions will be evaluated on how they support hiring from Justice40 communities to promote a diverse workforce that equitably shares in the benefits of that project.

The PLA with NABTU will help ensure compliance with the Build America, Buy America Act, the Davis-Bacon Act, and any other related federal laws and policies, including guidance from EPA or other agencies relevant to GGRF recipients. Crucially, the PLA will also highlight strategies that can be deployed to support diverse and equitable workforce development at the project level, such as non-discriminatory hiring practices, workplace safety, strategies for recruiting from the target population into workforce programs, mechanisms to connect individuals with wraparound services during trainings through CBOs and government agencies, and associated monitoring and evaluation of individuals’ success. The PLA will also include strategies to recruit minority, women, and veteran-owned businesses seeking access to contracts related to projects.

Equitable Workforce Development. CGC will include equitable workforce development in its evaluation of its lending partners. Compliance with the Build America, Buy America Act, the Davis-Bacon Act, and any other related federal laws and policies, as applicable and consistent with any guidance from EPA or another government agency, will be a screening criterion for CGC’s investments in qualified projects, both direct and indirect. CGC will also evaluate the tracking and reporting compliance methods used by the developers and sponsors of these qualified projects. The evaluation will center on equitable workforce development strategies, including a workforce assessment, workforce partnerships, and having a legally compliant DEIA plan.

Potential lending partners will also describe their strategy for partnering with training programs, including registered apprenticeship programs, direct entry pre-apprenticeship programs, and nonprofit, for-profit, community college, and other higher education workforce development programs. If programs cannot demonstrate that they are meeting graduation goals, the potential lending partner can describe who they will partner with to improve successful implementation. Such activities may include improving recruitment strategies, providing wraparound services, such as childcare, transportation, public benefits support, or funding stipends to cover living expenses during training activities.

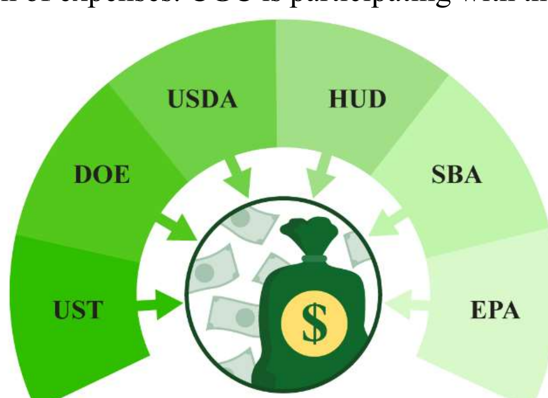
Manufacturers and Supply Chain. To ensure that permanent jobs associated with the clean energy transition are encouraged to use union workers and catalyze equitable workforce development, CGC will have preferred evaluation criteria for projects that pay prevailing wages to manufacturing, operations, and maintenance workers. CGC will require community lenders that receive funding from CGC to have a stated preference for potential program participants that commit to Labor Peace Agreements with a labor organization to ensure workers have a fair and free chance to organize.

Training, Best Practices, and Resources for Partners. CGC will serve as a role model to its partners interested in adopting best practices for equitable workforce development and supporting organized labor. When possible, CGC will seek out opportunities to support a variety of trainings and resources. CGC will join or host workshops among members to share best practices for PLAs, Community Workforce Agreements, Community Benefit Agreements, and other ways to address barriers to achieving an equitable workforce. Further, CGC will encourage partners to engage stakeholders around the equitable workforce development provisions of the national PLA and the policies applicable to smaller projects. For example, CGC's partnership with Elemental will provide hands-on coaching with project deployments as well as a detailed community engagement plan for project deployment, which will include a concerted focus on workforce development. In turn, this coaching and scoping work will be incorporated into best practices and tools that can be shared with Coalition Members. With Elemental as a Coalition Member, CGC will continue to explore opportunities and expand this approach.

Monitoring and Evaluation. CGC will encourage adoption of its core standards across its Network and require its partners to confirm regulatory compliance with the updated terms and conditions. CGC will allocate sufficient internal resources to implement these provisions and to enable monitoring at the national level.

1.2.5.4. Coordination Plan

The NCIF, CCIA, and SFA components of the GGRF program are designed to work together. By partnering with other GGRF grant fund recipients, CGC can help deliver maximum impact per dollar of GGRF grant funds, including those not awarded to CGC and its Coalition Members. CGC is, as directed by EPA, cooperating and coordinating with successful and unsuccessful applicants under the NCIF, CCIA, and SFA competitions, as appropriate, on co-investment opportunities and issues such as standardization and reducing duplication of expenses. CGC is participating with the other awardees in multiple convenings that EPA staff are also attending, along with private capital bankers, foundations, and other federal agencies. These convenings address the potential for coordination on reporting, standards, training, geographic support, and support for particular communities, and will grow increasingly detailed as the terms and conditions are finalized and progress is made towards finalizing an award. CGC will also leverage other available resources from the federal, state, and local governments including financial assistance and incentive programs, as well



We plan to leverage existing financial resources from federal government agencies as partnerships with corporates and nonprofits that can help maximize the benefits laid out in Section 1.2.2.

CGC proposes a coordination plan with three main components: (1) coordination of GGRF activities; (2) coordination of resources; and (3) external coordination.

Coordination of GGRF Activities

This pillar of CGC's coordination plan aims to enhance the effectiveness of information sharing and collaboration across GGRF grant award recipients to further the GGRF Program Objectives. In light of the partial grant award amounts for all NCIF grant award recipients, CGC acknowledges the increased importance of transparency and complementarity of work plans and activities to ensure that each grant awardee is leveraging its key strengths, allowing the overall GGRF program to maximize its coverage and impact.

In CGC's view, transparency is a critical principle to unlock this level of collaboration, and the CGC team has already begun discussions with other NCIF grant awardees on how to develop this element of the coordination model. CGC is discussing with the EPA and other NCIF grant awardees the potential to build out a shared communication and reporting system that allows for timely and comprehensive updates to create the necessary transparency to reduce any friction or duplications of work, enable the development of a national capital recycling ecosystem, and to increase collaboration and complementarity between coalitions.

EPA can help facilitate the maximization of the value of GGRF grant awards in terms of furthering the GGRF Program Objectives by requiring grantees to give serious consideration to investment proposals received from other GGRF grant awardees. Especially in the case of partial funding, no grant awardee will be able to invest in every qualified project and each grant awardee will need to focus their investment strategies to achieve important efficiencies. GGRF grant awardees should be encouraged to share information on qualified projects that may fall outside of their area of investment focus or time horizon but that would significantly advance the GGRF Program Objectives. Through collaboration, grant awardees can expand the network of community lenders in the clean energy finance ecosystem and deliver the benefits of the GGRF Program into more communities than would be reached if each grant awardee acted alone.

With a significant pipeline of investment opportunities in qualified projects, and in pursuit of the goal of complementarity and maximum overall impact, CGC is well positioned to lead in areas where other NCIF grant awardees have a comparatively lower focus (e.g., Distributed Energy Generation & Storage, the "Other" category). CGC has proactively reviewed its investment opportunity portfolio allocation in consideration of the other coalition applications' emphasis on Net-Zero Emission Buildings and allocated more of its funding towards other priority project areas and enabling technologies (e.g., transmission and distribution facilities) that could unlock greater abatement of avoidance of emissions of GHGs and other air pollutants across all qualified projects supported by GGRF grant funds.

Coordination of Resources

As presented in CGC's October 2023 application, there is significant potential to catalyze greater impact by increasing the number and scale of investments in qualified projects, recycling and mobilizing capital, and through well-targeted market building activities. In this vein, CGC can play a meaningful role in:

Offering attractive co-investment opportunities. CGC is well positioned to offer attractive co-investment opportunities to GGRF and non-GGRF development and green finance partners. Given CGC's distinctive strategy, this is especially true in larger scale deals with significant benefits and high private capitalization ratios (e.g., distributed storage, grid interconnection) that link directly to LIDAC social and economic wellbeing. This in turn would reduce the origination and development costs for community lenders, CDFIs, and other clean energy funders, as well as crowd-in a higher ratio of private capital not only for CGC, but for other GGRF grant awardees as well.

Generating pipeline for the broader GGRF network. With an extensive pipeline of investment opportunities in qualified projects as of the time of its NCIF application that exceeds CGC's GGRF grant awards, CGC can connect other grant awardees with meaningful investment opportunities in their core areas of focus. With 18 sub-awardees, including green banks that possess deep networks at the state and local level, CGC could help other GGRF program participants tap into the range of opportunities within that network that meet their investment profile. For example, CGC has reoriented its portfolio to reduce direct investment in Net-Zero Emission Buildings as a result of its partial NCIF grant award, however, CGC may be able to extend some of the high-impact opportunities in that space to community lenders and other potential investors. This would also reinforce knowledge sharing about effective deal structuring and scalability.

Capital recycling opportunities. By developing, sharing, and relying on standardized financial products, underwriting, and data standards CGC will drive broader development of easily recycled financial products across the NCIF, CCIA, and SFA programs, and across GGRF grant recipients and program beneficiaries. CGC and its Coalition Members can leverage their experience with financial mechanisms (e.g., warehousing, green bond issuance, private debt and equity placements and securitizations) that can rapidly free up GGRF grant funds to mobilize additional private capital investments in qualified projects, creating additional beneficial outcomes for communities.

Public goods and knowledge building. Multiple GGRF applicants including CGC have identified the need for capacity building, training, knowledge development, and workforce development as an important enabler for their programs. CGC is open to collaborating with other interested partners on common market building and predevelopment activities, such as training for community lenders or building out a one-stop online platform to help stakeholders understand financing options, tax credits, potential cost savings, accredited contractors, and other areas to incentivize project deployment.

External Coordination

Beyond the GGRF, CGC will also strive to leverage other available resources from the federal government through the many federal financial assistance and incentive programs administered by the U.S. Treasury ("UST"), DOE, the U.S. Department of Agriculture, the Department of Housing and Urban Development, the Small Business Administration, the U.S. Department of Transportation, and EPA. Below are planned efforts to coordinate with and leverage large-scale programs administered by UST and DOE as examples of potential coordination opportunities.

- UST administers a wide range of tax credit programs aimed at the deployment of qualified projects, including programs augmented under the IRA that provide production and investment tax credits and associated bonus credits for qualified projects such as Tax Code

Sections 45, 45Y, 48, and 48E, especially in LIDACs, as well as cross-cutting provisions in the Tax Code that provide for elective or direct pay and transferability of tax credits. CGC will seek opportunities to assist both tax exempt and commercial entities in accessing federal tax credits for qualified projects made available under the IRA.

- CGC intends to explore ways that it, either directly or by supporting a partner organization, can assist nonprofit entities with monetizing the value of these tax credits for qualified projects, especially those to be deployed in LIDACs, through direct pay as well as monetization opportunities using the new tax credit transferability option, and CGC may help coordinate the creation of a clearinghouse or platform that allows for more efficient transfers
- For both tax exempt and taxable entities, CGC may also provide or support the third-party provision of bridge financing to allow them to monetize tax credits before they are funded by the UST.
- CGC has also been in discussions with DOE regarding various programs it administers. For example, DOE manages an approximately $8.5 billion Home Efficiency and Home Electrification and Appliance Rebate Program administered in partnership with state and local governments, as well as its loan guarantee programs under Title XVII of the Energy Policy Act (the "Title XVII Program") administered by the Loan Programs Office. The Title XVII Program has approximately $290 billion in loan guarantee authority for qualified projects under its State Energy Finance Institutions ("SEFI") and Energy Infrastructure Reinvestment ("EIR") financing components. DOE may be able to provide up to $40 billion in loan guarantees for qualified projects that receive financial support or credit enhancement from a SEFI, which include, but are not limited to, state green banks, economic development, infrastructure finance, housing finance agencies, and state energy offices, a number of which are already part of CGC's Network. In addition, under the EIR program, DOE can provide up to $250 billion in loan guarantees to qualified projects that retool, repurpose, or replace energy infrastructure that has ceased operations or that enable operating energy infrastructure to avoid or reduce emissions of GHGs and other air pollutants. DOE staff have already engaged with CGC and several members of the Network regarding the SEFI program because they want to work with a national partner who can coordinate efforts with and across SEFIs, while also indicating that there may be opportunities to collaborate with regards to the EIR program. Such collaboration is important because the objectives and capabilities of a national green bank are complementary to the objectives and capabilities of the DOE under the SEFI and EIR programs and because the $290 billion in loan guarantee authority that DOE has under these programs expires in the fall of 2026.

State and local incentives. In addition, CGC will strategically coordinate with state and local governments to tap into existing incentive programs and maximize the impact of its NCIF grant award. Where applicable, CGC and its sub-awardees will leverage state and local initiatives such as the California Solar Initiative, the Solar Massachusetts Renewable Target Program, and New York State Energy Research and Development Authority programs such as NY-Sun and Charge NY that directly address Priority Project Categories in the CGC project pipeline. Coordination with these entities will occur at the Coalition level, as well as through CGC's extensive network of state and local green banks, with the goal of maximizing impact per dollar of GGRF funds invested.

Private charitable capital. CGC has a long track record of partnering with philanthropy and is working with private foundations to provide support for GGRF program objectives. This may include grants to CGC to supplement operating expenses, conduct some of the activities covered in CGC's CCIA application which may not be supported by the NCIF award, or facilitate co-investment and risk sharing particularly for novel financing structures and geographies or for facilities that particularly benefit LIDACs. CGC will continue to seek support that is aligned with the GGRF program objectives in order to further leverage its NCIF award.

1.2.6. Investment Policies

CGC's overall objective is to facilitate diverse investments in qualified projects throughout the ten EPA regions. Although only 40% of the investments are mandated to be located in and benefit LIDACs, CGC's goal is to make at least 50% of its investments in qualified projects in LIDACs. Furthermore, CGC is aiming to make at least 2% of its investments on Tribal lands and 20% in rural communities, both above their respective percentages of the U.S. population.

CGC plans to invest the entire $5 billion NCIF grant award in qualified projects and related activities within one year and intends to completely expend and disburse the entire grant award within the proposed three-year period of performance. CGC will select qualified projects from its investment opportunity pipeline that best meet the three GGRF Program Objectives. Through this initial deployment, leveraging the CGC balance sheet, creating collateralized loan obligations, and capital recycling from repayments, CGC will create additional capital for investments for the future where it will maintain its focus on the three GGRF Program Objectives.

For CGC's direct investments, the investment policy includes robust transactional-level screening and decision-making processes to ensure the broad portfolio aligns with the GGRF Program Objectives, EPA requirements, and core justice principles, and are made across all ten EPA regions, while maintaining appropriate governance and controls. For indirectly-sourced investments (i.e., investments sourced by Coalition Members and other program participants), CGC will ensure those parties comply with sourcing, screening, underwriting, portfolio management, and financial recycling standards that are consistent with what it will implement for directly-sourced investments.[4] Coalition Members and program participants will comply with the overall investment framework and policies on risk management, compliance, and reporting required by CGC to enable CGC to meet its overall investment aims and the GGRF Program Objectives, as well as to comply with all EPA requirements.

In summary, CGC's investment policy process includes the following stages:

[4] CGC will work with Coalition Members and program participants to review, and if necessary, update their existing investment policies to ensure this consistency across investments and compliance with the updated terms and conditions of the grant.

Stages of Investment Policy

Stage 1 Investment Sourcing	Stage 2 Investment Screening	Stage 3 Underwriting	Stage 4 Investment Committee Review /Approval	Stage 5 Portfolio Management
• Conduct preliminary assessment & risk review • Collect relevant data • Execute non-disclosure agreement (NDA), if needed	• CGC Investment Screening Level Scoring System (ISLSS) • Enter investment in pipeline database	• Conduct in-depth financial feasibility analysis • Conduct benefit assessment • Assess investment against full portfolio • Issue Letter of Intent	• Determine investment financial feasibility & mission alignment • Issue final Term Sheet • Close investment	• Conduct quarterly financial & operating review • Evaluate portfolio fit

Stage One: Investment Sourcing

Potential investments in qualified projects will be sourced both from CGCs Origination Team and Network partners. CGC's sourcing staff on the Origination Team will work with state and local green banks, developers, and CBOs in each of the ten EPA regions to develop a pipeline of investment opportunities in qualified projects. The Origination Team will conduct preliminary analysis to ensure potential investments meet EPA guidelines and are financially feasible. All potential investments must be in qualifying sustainable products, technologies, services, or related financial products that further GGRF Program Objective 1 while also meeting EPA's eligibility requirements for qualified projects.

CGC expects to make the following types of investments: privately held equity in companies, equity equivalent investments in companies and/or qualified projects, junior debt investments, senior debt investments, and investments in other financial vehicles (e.g., credit enhancements and other insurance-like financial products, pooled equity and debt vehicles) (see Section 1.2.4.1 for a discussion of financial products). CGC will place special emphasis on investing directly or indirectly in Priority Projects located in LIDACs that include at least one of the additional attributes described in EPA's NOFO—climate change, clean energy and energy efficiency, clean transportation, affordable and sustainable housing, training and workforce development, remediation, and reduction of legacy pollution, and/or development of critical clean water infrastructure.

CGC's Origination Team will also evaluate investments in the underlying qualified projects for important risk factors, including technological, reputational, deployment, and environmental risks. After the sourcing staff on the Origination Team decides the investment opportunity should move forward, and has assembled necessary project information and documents, they will enter the opportunity into CGC's qualified-project database. Once the sourcing staff completes an internal Origination Memo, they will forward it to the screening team. The Origination Memo is designed to ensure that the Origination and Underwriting Teams have the relevant data to determine whether to make an investment in a qualified project. The Portfolio Management ("PM") Team may instruct the Origination Team and its sourcing staff to emphasize originations in certain market segments and geographies or for certain project categories or financial products to ensure an appropriate investment balance.

Stage Two: Investment Screening

After the Origination Memo is complete and a qualified investment is in the qualified-project database, the screening staff is responsible for winnowing the pipeline of investment opportunities in qualified projects to investments and projects that are highly actionable, meet some minimum level of financial/commercial viability, and are expected to result in outputs and outcomes that further the GGRF Program Objectives, with a focus on direct and indirect investments in qualified projects in LIDACs. These investment opportunities are evaluated using CGC's ISLSS (i.e., Investment Screening Level Scoring System), which includes a basic financial analysis and an evaluation of expected outputs and outcomes, especially those benefiting LIDACs. The ISLSS will incorporate a criterion related to compliance with the Build America, Buy America Act, the Davis-Bacon Act, and any other related federal laws and policies. The basic financial analysis will evaluate if the potential investment meets CGC's required risk/return thresholds, if loan-to-value requirements are met, and whether and to what extent there may be some type of extreme or unusual downside risks that require special consideration.

The ISLSS also considers portfolio concentration and diversity within and across the ten EPA regions, as well as to what extent an investment is expected to result in outcomes that provide climate and air pollution benefits, equity and community benefits, and market transformation benefits. CGC intends to have at least 50% of its investments located in LIDACs. Based on the Board of Directors' desired investment portfolio mix in each fiscal year, the ISLSS will also incorporate specific weightings to ensure the desired targeting of market segments and geographies, project categories, and financial products. The ISLSS will also help ensure that the actionable investment opportunities evaluated by the Underwriting Team have already incorporated aspects of evaluating and managing investment risks (including, but not limited to, concentration, counterparty, financial asset type, capital impairment, and environmental risks). When a potential investment does not meet CGC's criteria for underwriting, the Origination Team will follow up with the project's developer or sponsor to explore alternative investment structures that may enable underwriting. The Origination Team may also offer technical assistance to assist with investment restructuring before an investment is made.

The Origination Team will use additional screening measures to assess qualified investment opportunities with a housing component. Qualified projects that increase or maintain affordable housing and reduce or eliminate displacement of low-income households will receive special consideration. If a project includes the development or rehabilitation of housing units, at least 20% of the aggregate housing units must be affordable for low-income households. CGC's scoring criteria will give credit to protection mechanisms in real estate development plans that maintain the existing stock of affordable housing and create additional units. CGC will measure affordability for low-income households using HUD's guidance, as follows: Extremely Low-Income – 30% of area median income, Very Low-Income – 50% of area median income, Low-Income – 60% of area median income and High Low-Income – 80% of area median income. Additional consideration will be given to qualified projects with a housing component that commit to enhanced benefits such as net zero/negative emissions or the higher levels of Passive House, LEED certification, National Green Building Standards, or Enterprise Green Community standards.

To minimize displacement of low-income households that might result from investments in qualified projects with a housing component, CGC's investment policies will require project developers/sponsors to comply with the Uniform Relocation Assistance and Real Property Acquisitions Policies Act. To the extent low-income households must relocate because of a project, CGC will require: temporary lease units in other buildings at same rent or the owner pays the differential, lease renewals before and during the rehabilitation, and the ability to return to the property under substantially same terms offered prior to the relocation. To prevent rapid cost increases for housing, CGC will institute a preference for making investments in qualified projects with a housing component that include rent restrictions tied to area median income and to fund improvements that have direct impact on utility cost burdens of renter households.

For both housing and non-housing investments, the screening staff will complete a screening memo and log a proposed investment in the qualified-project database. Afterwards, the project can move onto underwriting. The screening memo ensures the Origination Team appropriately identified the relevant risks and opportunities of any proposed investment in a qualified project.

Stage Three: Underwriting

The Underwriting Team conducts thorough due diligence, based on approved underwriting standards. The underwriting process considers several investment-specific financial factors, including risk/return, collateral or other forms of security, financial scenario analyses, and securitization and recycling potential. In addition to investment-specific financial factors the Underwriting Team will also consider broader financial factors, such as portfolio concentration risk, and the risks and opportunities of a proposed investment as related to the GGRF Program Objectives, including expected outputs and outcomes.

As part of the Underwriting Team's evaluation process, they may enter into indicative term sheets, MOUs, and/or preliminary framework agreements to allow for a more detailed negotiation on next steps as well as detailed due diligence needed to fully evaluate an investment and provide a recommendation to the Investment Committee. For an investment to be considered by the Investment Committee the Underwriting Team needs to complete an Underwriting Memo. The Underwriting Memo is a formal document that discusses, in detail, the financial aspects, the risks in making an investment, and the steps that the PM Team would potentially take should an investment be made. In addition, the Underwriting Memo includes both qualitative and quantitative analysis of expected outputs and outcomes, a risk management assessment, and an evaluation of the qualified project's impact on unique factors (if relevant), such as housing affordability for low-income households. The Underwriting Team will also work with the Portfolio Management Team ("PM Team") to understand the current state of the overall portfolio and how any investment will impact the portfolio to ensure that CGC is investing appropriately across market segments and geographies, project categories, and financial products in all ten EPA regions.

The financial aspects of a project that the Underwriting Team will consider and discuss in the Underwriting Memo will also necessitate building financial models. The type of financial product sought out (e.g., equity, equity equivalent, mezzanine debt, credit enhancement) will determine the relevant financial analysis and risk factors that require close attention.

Stage Four: Investment Committee Review and Approval

Once the Underwriting Team completes full due diligence, the project will be passed to the Investment Committee for final consideration. The Investment Committee will evaluate investments for financial feasibility and mission alignment, based on reports provided by the

Origination and Underwriting Teams. The Investment Committee will further consider financial viability, risk/return, recyclability, expected outputs and outcomes, benefits to LIDACs, and appropriate coverage and diversification across project categories, market segments and geographies, financial products, and investment counterparties. Before any investment in a qualified project, the Investment Committee must approve the project by a majority vote. If the investment is greater than a previously set threshold or a projected investment return is below a previously set financial threshold, the full Board of Directors must approve it.

The Investment Committee will endeavor to make decisions decisively and swiftly to ensure investments are made in all ten EPA regions within the 12-month timeline. Once approved by the Investment Committee, the Underwriting Team will work to prepare the appropriate financing documents (e.g., a loan agreement, a note purchase agreement for an equity equivalent investment) and move to a speedy closing alongside the Finance Team. The Legal and PM Teams and their outside financial advisors and legal counsel will provide additional support as needed. If not approved by the Investment Committee, the Origination Team may follow up with the project sponsor to determine if further assistance could lead to later approval of the investment.

The Investment Team as a whole, but also the PM Team and the Investment Committee members specifically, are focused on risk management. CGC's high-level risk management philosophy is: (1) Front End: to not take undue risk in making investments; (2) Portfolio: to diversify risk across the portfolio to avoid systematic challenges; and (3) Back End: to manage risk actively at the investment level through the PM Team. From a concentration and portfolio perspective, CGC's current thresholds are to not have more than 5% of net assets invested in any one investment (with possible exceptions for investments that are determined to be high impact or uniquely catalytic), no more than 10% of net assets invested with one counterparty, no more than 50% of net assets invested in any qualified project category, to not have more than 10% of private capital mobilized from one financial institution, and to have a blended approach to counterparties in terms of size, scale, and location at the Investment Committee's discretion.

Stage Five: Portfolio Management

Portfolio Management is not just a compliance and reporting function but also a critical part of CGC's planning and investment process. The PM Team is responsible for data collection, risk assessments, and ensuring all investments remain compliant with financial parameters and covenants established in the financing documents. The PM Team is also tasked with improving financial outcomes, outputs, and outcomes that further the GGRF Program Objectives and reducing financial and other risk through proactive management of CGC's investments and continuous dialogue with its investment counterparties.

The PM Team's responsibilities include working with all other teams to ensure attainment of portfolio level diversity targets, including diversity across market segments and geographies, project categories, financial products, and investment counterparties. The PM Team will also prepare quarterly reports about risk, asset allocation, and the status of all investments for CGC's Board of Directors. The PM Team will also focus on systemic risks that may affect the entire portfolio, including broader macroeconomic, political, and environmental/climate risks.

The PM Team will work externally with CGC's investment counterparties to minimize risk, maximize return on capital, and structure CGC's investments in qualified projects to produce outputs and outcomes that further the GGRF Program Objectives. This process involves the PM Team being in contact with investment counterparties to understand the status of investments and the challenges they may be facing as well as any actions CGC can take to assist the performance of its investments. The PM Team will conduct quarterly check-ins on performing assets, monthly check-ins on struggling assets, and more active contact on assets that are non-performing or at risk of impairment. These challenges, in turn, can be addressed as part of CGC's market development plans discussed in Section 1.2.5. This also involves the PM Team working with state and local partners to determine ways investments in qualified projects can provide significant and meaningful beneficial outcomes in communities across the country.

Investment Process Management

CGC will evaluate and update its investment policies annually to ensure that its investment portfolio is prudently constructed and managed and will result in outputs and outcomes that further the GGRF Program Objectives. In addition to meeting to consider individual investments, the Investment Committee will also meet at least quarterly to evaluate the investment portfolio and strategy and its progress towards meeting investment goals and objectives, as reported to it by the Portfolio Management, Finance, and Community and Environmental Justice Teams. CGC is focused on continuous improvement of its investment process and as such, the Investment Committee is tasked with quarterly consideration of and updates to the investment policies, the Investment Team dashboard, the investment origination, and underwriting tools, and/or various investment-related Teams' guidelines to ensure the investment goals and objectives are met. The Board of Directors and the full Investment Team will also meet annually to determine policy, provide direction, and implement any necessary changes to CGC's investment policies and process.

Other Considerations

Most of the investments CGC expects to make directly in qualified projects will be subordinated capital investments (e.g., junior debt and equity equivalent investments) in singular projects. However, CGC may also make investments in other broader financing structures aimed at directly or indirectly supporting multiple qualified projects, including, but not limited to, investments in credit enhancement platforms, private investment funds, operating companies and/or pooled risk vehicles (i.e., third-party investment funds). All the policies and criteria used for the evaluation and disposition of investments in singular qualified projects will also apply to these broader financing structures.

Examples of CGC Underwriting Standards

Listed below are key financial factors CGC would consider prior to making an investment when approaching a senior secured loan for a project, a junior unsecured loan, or an equity investment in a company. Before getting to this stage though, CGC will have confirmed whether the project is a qualified project and where it fits into CGC's portfolio from an LIDAC, sector, and risk perspective. The example below is not definitive or exhaustive but exemplifies how CGC looks at different risked products in relation to each other.

Financial Product	Philosophy	Relevant Metrics
Senior Secured Loan	Highly safe loans that CGC aims to securitize and package to quickly recycle – CGC aims to make the loans that private	Rate, term, collateral, amortization, counterparty creditworthiness, co-

	lenders will be making in 2–3 years when they understand the risks	investors, standardized documentation
Junior Subordinated Loan	Highly catalytic loans that CGC hopes to be able to hold on its balance sheet to leverage, but whose primary goal is to mobilize private capital – CGC aims to unlock private capital by being the missing piece of the capital stack, willing to take some risk that might be borne by equity but also being flexible to mobilize private debt	Rate, term, payment in kind vs. cash coupon, collateral (subordinated, if any), amortization, private capital mobilized (equity and other debt), counterparty creditworthiness, standardized documentation
Equity Investment	Highly catalytic capital that can finance rapid growth and leverage debt capital, but a small portion of the overall portfolio because of risk; can finance startup or growth of projects or businesses when collateral and other requirements of debt are not present; preferably unlocks other Network benefits for CGC's investment ecosystem	Growth potential, risk/return analysis, clear path to liquidity, ownership by LIDAC entrepreneurs, outsized impact on community and greenhouse gas, ecosystem benefits

Investment Policies with Respect to Coalition Members

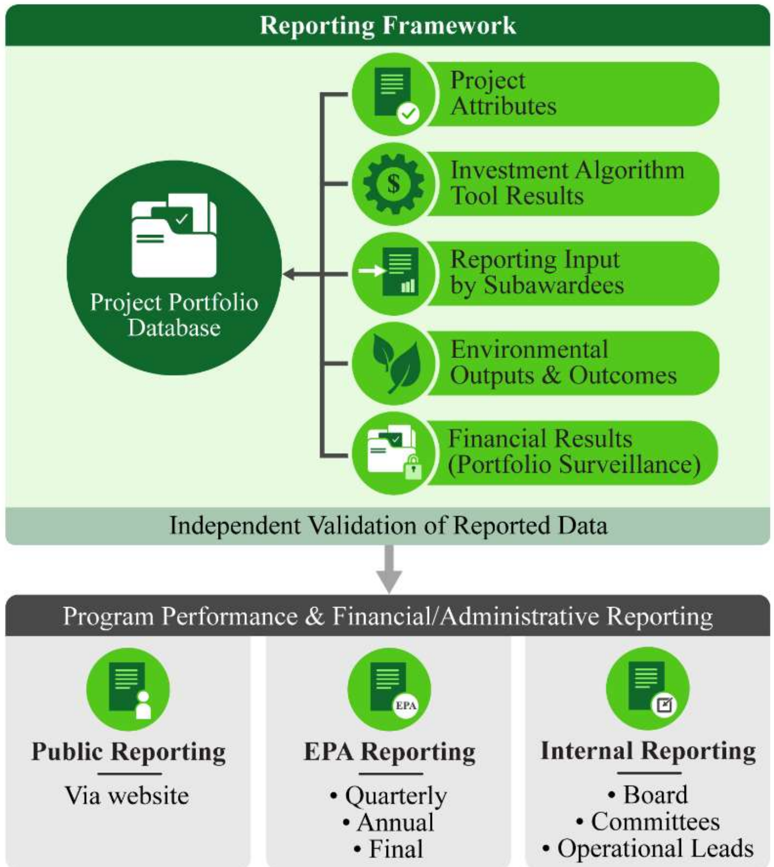
CGC's Coalition Members will conform their investments in qualified projects made with NCIF grant awards to the framework of the investment policies and processes described above, including, but not limited to, ensuring consistency of their origination, underwriting, risk management, compliance, and reporting processes with CGC underwriting standards. Coalition Members must also agree to shared risk screening and management tools, compliance and reporting tools, and standards to ensure overall system level accountability and best practices.

1.3. Program Reporting

1.3.1. Reporting Plan

CGC's reporting program will track and report the outputs and outcomes of activities funded by an NCIF grant award that further the GGRF Program Objectives accurately, efficiently, and transparently. This framework is depicted below and is intended to comply with all of the reporting requirements in EPA's Information Collection Request ("ICR") for the Greenhouse Gas Reduction Fund Accomplishment Reporting.

CGC will align its reporting program with the requirements ultimately promulgated by EPA following the ICR process. EPA indicated that it plans to require recipients to produce quarterly, semi-annual, and annual reports during the period of performance. While those specific requirements are still pending, CGC intends to track and report outputs and outcomes related to climate and air pollution benefits, equity and community benefits, and market transformation benefits across each of the different product categories described in Section 1.2.3.1.



Semi-annual Performance Reports, Annual Reports, and Final Narrative Reports

CGC will also report on outputs and outcomes to help measure progress on qualified projects to mitigate the effects of climate change, remediate and reduce legacy pollution, and develop critical clean water infrastructure in its regular performance reports. To do this, CGC will compile a written narrative of program performance from its subrecipients that includes information on key activities, plans for future key activities, program funds spent on those key activities, and other pertinent information. To ensure the efficacy of its investments in qualified projects, CGC will measure and track the reduction of emissions of GHGs and other air pollutants and their impacts using the standardized, uniform methodology that EPA identifies in the ICR process.

CGC is prepared to partner with EPA to develop a centralized software platform that all recipients and sub-recipients can use to input their data for quarterly reports. Then, to ensure transparency and accountability for all federal grant funding received, CGC will include a reporting condition in all subawards and all agreements for financial or technical assistance and will provide support to subrecipients to complete reporting. Each Coalition Member and program participant in the Network will be required to implement the standardized reporting plan.

Additionally, CGC will comply with EPA standards and industry standard frameworks, such as the International Sustainability Standards Board, Taskforce for Climate-related Financial Disclosures and the Government Finance and Officers Association of the United States and Canada. CGC will also work to competitively select both an independent third-party sustainability expert and a community equity expert to validate CGC's and the Network's data collection and reporting procedures with input from its community partners.

Form Reporting Requirements

CGC will also complete additional, required Forms to provide EPA with information on individual transactions, projects, and grant metrics. Once the metrics required for completing each Form are finalized, CGC will centralize the collection and storage of project and transaction data to prepare and complete a single, comprehensive Form.

1.3.2. Reporting Capacity

CGC will ensure capacity to implement the grant's reporting requirements by using four resources: people, technology, policies, and auditing.

People. CGC will expand its existing organizational reporting capacity by appointing an experienced and qualified official to serve as both the Chief Compliance Officer ("CCO") and Chief Operating Officer ("COO"). The CCO/COO will be responsible for creating, operating, and maintaining reporting systems and policies. The CCO/COO will lead a team of metrics and reporting experts and will be supported by both the Operations Department's data management and technology specialists and the Chief Financial Officer's ("CFO") financial reporting team.

Technology. CGC is prepared to partner with EPA to develop a software platform that can collect and report the required information under the ICR in a uniform, standardized way for all program participants. Once the platform is developed, CGC will also work on improving compatibility with other GGRF recipients and financial institution systems so that the uniform platform is easily available to each recipient. Before the software platform is developed, CGC will obtain necessary technology to compile and synthesize all required data from Coalition Members and sub-recipients to comply with EPA's reporting requirements.

Policy. In addition to implementing the reporting plan described in Section 1.3.1, CGC will ensure organizational reporting capacity through policies related to information security, information retention, data access, and transparency. As discussed in Section 1.3.1, CGC will also include a condition of all subawards and all agreements for financial or technical assistance that requires each Coalition Member and program participant to certify that the organization will either adopt CGC's reporting related policies or their equivalent for their operations that are funded by an NCIF grant award. CGC will provide technical assistance as needed for CGC's subrecipients.

Auditing. CGC will ensure organizational reporting capacity through use of internal and external auditing and oversight. CGC will design the auditing and oversight function based around a program evaluation plan consistent with EPA Order 1000.33: U.S. EPA Policy for Evaluations and Other Evidence-Building Activities, and the Foundations for Evidence-Based Policymaking Act of 2018. CGC will design the program evaluation plan to facilitate real-time, continuous program evaluation to ensure program effectiveness and results.

1.4. Program Budget

1.4.1. Expenditure and Disbursement of Awarded Funds

CGC's proposal for expending and disbursing awarded funds prioritizes timeliness and efficiency in fund deployment to maximize the impact of those funds when measured against EPA's three

GGRF Program Objectives. An important element of CGC's proposal is its plan to invest all NCIF grant funds within the first year after receiving an award.

As demonstrated throughout this workplan, CGC's proposal to deploy 100% of the portion of the award that is allocated to financial assistance within one year of receiving the award is supported by a detailed record, incorporates a comprehensive set of procedures and controls, and will avoid the detriments and reduced benefits of delaying the deployment of funds.

As discussed in Section 1.2.2.1, deploying funds over multiple years instead of over one year would significantly diminish the abatement or avoidance of GHG emissions (which must be viewed cumulatively in terms of their adverse impacts on the climate).

CGC's proposed approach for expending and disbursing awarded funds is grounded in the record associated with the $29 billion pipeline of investment opportunities in qualified projects (as of the time of CGC's NCIF application) described in Sections 1.2.4.2 and 1.2.4.3. With an initial pipeline of investment opportunities nearly six times the amount of CGC's $5 billion NCIF grant award, CGC and its Coalition Members will be able to quickly identify and prioritize actionable investments in qualified projects across the U.S., including Priority Projects in LIDACs, that have an existing need for capital investment by CGC and/or Coalition Members and will begin generating the program income that will support continued operability of CGC and the CGC Fund beyond the period of performance.

CGC proactively conducted outreach to the financial services and commercial banking sectors to identify the different capabilities and services that will be essential to CGC's ability to deploy the entire award that is allocated to financial assistance within one year of receiving the award. Through that outreach, CGC confirmed that the financial services and commercial banking sectors possess all capabilities necessary to assist CGC with the timely, efficient, and prudent expenditure and disbursement of funds as proposed in this application and regularly provide all necessary services to the entities the sectors support. The types of subawards and types of contracts included in the Budget are as follows:

Types of Subawards. In addition to the subawards to named Coalition Members listed on the first page of this work plan, and consistent with the definition of "Subrecipient" in the NCIF Terms & Conditions, CGC may make the following types of subawards during the period of performance:

Description	Subaward Type
Additional subawards to Coalition Members to provide additional financial assistance	Subgrant
Subawards to entities (e.g., state or local green banks and CDFIs) to enable financial assistance	Subgrant
Subawards for predevelopment activities	Subgrant
Subawards for market building activities	Subgrant
Subawards for program administration activities	Subgrant
Loans or other forms of financial assistance to entities (e.g., state or local green banks and CDFIs) to enable follow-on loans to qualified projects	Financial intermediary

Types of Contracts for Acquisition of Intangible Property. Some of the financial assistance that CGC provides will consist of acquisitions of intangible property. Where consistent with the NCIF Terms & Conditions, CGC will implement competitive processes to enable the following types of acquisitions of intangible property during the period of performance:

- **Loan Purchases:** CGC may purchase individual loans or portfolios of loans to support qualified projects. Such loans may be packaged together, securitized, and resold, with the proceeds recycled into the NCIF program.
- **Equity Investments:** CGC may engage in various types of corporate equity investments.

Types of Participant Support Costs. CGC will also offer various financial products that are appropriately classified as participant support costs under the terms and conditions of the grant agreement, as well as the governing regulations. In addition to the examples listed at 2 CFR 200.1 and 40 CFR 1500.1, these participant support costs may include: project-level loans; loan guarantees (i.e., funds drawn into an escrow account to provide the loan guarantee); credit enhancements and loan loss reserves; and other insurance products or risk mitigation instruments that will mobilize private capital investments in qualified projects consistent with the GGRF Program Objectives.

Types of Contracts for Procurement of Goods and Services. With respect to the procurement of goods and services necessary to support the deployment of financial assistance, CGC has undertaken or will undertake competitive processes that are consistent with the requirements of the NCIF Terms & Conditions and federal regulations. CGC intends to award at least the following types of contracts during the period of performance:

- Legal Services
- Consulting Services
- Technology & Software
- Enterprise Resource Planning
- Recruiting Services
- Accounting and Audit Services
- Treasury, Loan Management Services
- Impact Measurement and Management
- Tax Advisory Services
- Real Property (including Leasing)

- Human Resources Support
- Research and Analysis
- Community Engagement
- Media and Public Relations
- Office Supplies & Equipment
- Other services, supplies and equipment necessary for the workplan

The foregoing list is non-exhaustive, and CGC may be required to execute other contracts as may be necessary to execute the workplan. The Budget includes funding that is reasonable in light of the goods and services CGC intends to procure through these competitive procurement processes, and includes higher costs in the first year because of enterprise resource planning systems design and implementation, costs associated with hiring personnel, anticipated increased costs associated with training, costs associated with entering into subgrant agreements, costs for drafting of standardized legal documents, and other one-time costs associated with establishing the CGC Fund.

1.4.2. Budget Description and Table

CGC's Budget documents reasonable costs in support of the program proposed in the workplan. The Budget balances the requirements for granularity and thoroughness with the need to present the information in a clear and effective manner by including all major budget items on the first page and including itemized lists for many of the major budget lines in an Appendix specific to that item. Below is a summary table from the Budget.

Summary Budget Table	
Direct Costs	
Financial Assistance to Qualified Projects	$4,722,005,348
Acquisitions of Intangible Property	*$97,825,507*
Subawards to Subgrantees	*$1,793,020,000*
Particpant Support Costs	*$2,831,159,841*
Predevelopment Activities	$34,366,254
Market-building Activities	$56,504,320
Direct Cost, Subtotal	**$4,983,117,043**
Indirect Costs, Subtotal	**$16,882,957**
Total Budget	**$5,000,000,000**
% Share for Financial Assistance	**94.44%**

The Budget Includes Costs that are Reasonable to Accomplish the Proposed Program

As established in the program vision and explained in detail throughout the program plan (Sections 1.1 through 1.4.2), CGC proposes to achieve the GGRF Program Objectives through the creation of the CGC Fund, which will allow CGC to serve as a national green bank that both invests in qualified projects and provides financial and other assistance to a growing ecosystem of state and local green banks, community lenders and other community organizations. As demonstrated by the following examples, the costs included in the Budget are reasonable to enable CGC and its Coalition Members to execute the proposed program and are consistent with important statutory, regulatory, and administration requirements and priorities.

Funding for Program Activities is Reasonable for the Proposed Program

Consistent with direction in the NOFO, the Budget prioritizes the use of grant funds for providing financial assistance to qualified projects, allocating 94.44% of the requested award to financial assistance.

As specified in the NOFO, applications "must include a program budget that allocates at least 40% of grant funds for the purposes of providing financial assistance in low-income and disadvantaged communities." The Budget complies with this requirement through Appendix A to the Budget, which requires that 40% of each line item within the Direct Costs for Financial Assistance section be used for qualified projects within LIDACs. Consistent with CGC's target of deploying at least 50% of the financial assistance to qualified projects within LIDACs, the Budget specifies that the remaining 60% of each line item may be used in LIDACs or other communities. As described in Section 1.2.4.2, more than 55% of the qualified projects included in CGC's $29 billion year-one pipeline of investment opportunities in qualified projects (as of the time of CGC's NCIF application) are in LIDACs, and CGC's investment policies described in Section 1.2.6 will prioritize qualified projects from the submitted pipelines that are in LIDACs, enabling well over 40% of the financial assistance from the proposed program to be used for qualified projects in LIDACs.

The Budget allocates 96.26% of the entire award to costs associated with financial assistance, predevelopment and market-building activities incurred during the first year, which is reasonable considering CGC's strategy to deploy the entire award in the first year, but no later than the end of the third year.

The Budget calls for the deployment of 100% of the funds allocated for subgrants to named Coalition Members in the first year, which is consistent with the proposed program's strategy for deploying financial assistance and the anticipated one-year period of performance for the subgrants listed in the application.

The allocation of grant funds across the Budget will ensure the continued operability of CGC and the CGC Fund well beyond the period of performance. The Budget provides for up to $2.8 billion in loan originations, full loan guarantees, credit enhancements and loan loss reserves included as Participant Support Costs, which may, depending on the financial structure, counterparty and subject to agreement on the final NCIF Terms and Conditions, be classified as either Subawards to Program Participants or as Participant Support Costs. This will include financial assistance to program participants in the form of subordinated capital investments, such as loans, and credit enhancements, such as full or partial loan guarantees, which may or may not be subsidized depending on the potential impact of the project. These uses will generate sufficient program income to fund continued operations during the closeout period and after CGC and EPA reach an agreement closing out the award. The Budget does not rely on or suggest any use of program income during the period of performance, consistent with EPA's direction.

The significant amounts allocated in the Budget to subawards in the form of subgrants to named Coalition Members enables the successful execution of CGC's program; the strong experience of Coalition Members in providing financial assistance to qualified projects—and especially LIDACs—will enable the Coalition to cost-effectively meet the GGRF Program Objectives. Each named Coalition Member entered a Memorandum of Agreement with CGC that confirms the Coalition Member's participation in the Coalition and agreement to perform certain grant responsibilities on behalf of CGC within a period of performance of one year.

The amounts allocated for subgrants is evidence of CGC's strategy of building an ecosystem of at least one financially sustainable green bank in every state and that the amount of funds allocated in support of that strategy are reasonable for achieving the GGRF Program Outcomes.

Funding for Program Administration is Reasonable for the Proposed Program

The amounts allocated to program administration activities were developed based on CGC's nearly 15 years of experience in standing up other green banks, the experience of Coalition Members in operating green banks at the regional and state levels, and a review of other large organizations with analogous scopes of work.

The Budget allocates funding for Program Administration that aligns with the amounts reflected in the Financial Projections that CGC submitted with its application. Furthermore, CGC's expense ratio is on the low end of the average of for-profit investment fund management fees of 1%-2% of assets under management in year 1 and will reduce over time with recycling. CGC has assumed 2.7% annual inflation for all the items below unless otherwise mentioned.

Personnel. The Budget includes funding for 81 employees, which results in 78 full-time equivalents, or FTEs, for the establishment and operation of the CGC Fund. The CGC Fund will operate as a matrixed organization, and as the CGC Fund begins to on-board and hire staff the allocation of employees may shift between different organizational departments and verticals. For example, staff that are currently allocated to the Chief Administration & Development Office may instead be hired in the Chief Risk Office or the Chief Investment Office, or vice versa. However, in all cases the CGC Fund will maintain fidelity to the Pay Scale Table in Appendix I of the Detailed Budget Table, which provides the number of employees by pay-scale level, as well as example titles within each pay scale. As of the time of this workplan submission, CGC envisions utilizing personnel funding for the following employees per Office and 7 shared employees across the departments consisting of junior analysts and administrative support personnel:

- Executive Office: 2 employees, including the Chief Executive Officer;
- Administration & Development Office: 20 employees, including the positions of General Counsel and Chief Strategy Officer ("GC"), Chief People and Equity Officer ("CPO"), Chief Talent Officer ("CTO"), and the 7 shared employees referenced above;
- Financial Office: 15 employees, including the positions of Treasurer, Chief Reporting and Accounting Officer, Chief Audit Officer, Vice President of Financial Planning and Analysis, and Director of Tax;
- Risk Office: 6 employees;
- Investment Office: 7 employees;
- Operating and Compliance Office: 13 employees;
- Capital Office: 7 employees;
- Impact Office: 6 employees; and
- Network Office: 5 employees.

The Budget identifies the number of employees across each Office, the pay scale level and number of employees in each group, the percentage of time assigned to CGC Fund activities, and the total cost for the budget period. The positions listed are new positions within CGC (titles to existing positions may be changed for clarity, if needed). To determine the projected salaries associated with the positions, CGC first conducted a compensation survey, from which CCG developed a compensation policy and pay scale table. The compensation survey considered salaries for certain positions at comparable nonprofit and for-profit enterprises, and the compensation policy sets salary ranges based on average salaries across a range of nonprofit and for-profit financial institutions. CGC assumes a 4% annual merit and cost of living increase for personnel cost for the performance period. Notably, CGC's founder and CEO is voluntarily receiving a nominal salary of One Dollar ($1.00) per annum through the duration of his employment as CEO. This arrangement reflects the CEO's commitment to the mission of the organization, the GGRF Program Objectives, and the launch of the CGC Fund rather than personal financial gain. The Budget, however, includes an estimated salary for a future CEO if and when the current CEO no longer serves in that role.

Fringe Benefits. The Budget provides sufficient funding for Fringe Benefits at an amount equal to 31.1% of salary. As reflected in the Budget, the amounts included as Fringe Benefits are Insurance (life, health, dental, vision, short-term and long-term disability) (8.5% of salary), Paid Leave (10.4% of salary), Retirement Accounts (matching contribution to individual retirement accounts (6% of salary), and Legally Required Benefits (e.g., social security) (6.2% of salary). The amounts in the Budget for Fringe Benefits are aligned with the financial activities industry standard, as described by the Bureau of Labor Statistics.

Contractual. CGC will undertake competitive procurement processes in accordance with CGCs Federal Procurement Policy, which conforms with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published by the Office of Management and Budget and the Best Practice Guide for Procuring Services, Supplies and Equipment Under EPA Assistance Agreements, and consistent with all requirements applicable to the procurement of goods and services, including requirements related to the Build America, Buy America Act, prevailing wages, and EPA's Disadvantaged Business Enterprises Program to procure all goods and services. The Budget includes the estimated costs for contracted goods and services of the type described above in Section 1.4.1. that will be procured by CGC.

Travel. The budgeted amounts for travel are reasonable considering the projected travel necessary for implementation of the proposed program. The Budget includes detailed information on each projected travel cost, including per trip costs and costs associated with local travel. All projected travel costs were derived using the Office of Personnel Management's per diem and lodging rates and the Government Services Administration's city pairs and milage reimbursement rates for 2023 or 2024 (when available). Anticipated travel costs included in the Budget are necessary to achieve EPA's stated objectives and include, for example, travel for the purposes of evaluating potential investments in qualified projects, the negotiation and execution of definitive investments in qualified projects, subgrant monitoring and oversight, community engagement, and the monitoring of investments in qualified projects.

Equipment. CGC does not anticipate purchasing any items that have an estimated acquisition cost of $5,000 or more per unit and a useful life of more than one year for the proposed activities of the CGC Fund. All items with a unit cost of less than $5,000 are categorized as supplies in the Budget.

Supplies. The Budget includes amounts for supplies that are reasonable for the proposed activities of the CGC Fund, including consideration of the projected number of personnel, CGC policies pertaining to office space and remote work, and the type of work to be performed using NCIF grant funds. Budgeted amounts include costs for computers, printers, office furniture and other office supplies having value of less than $5,000 per item, as well as costs related to remote workspaces, where applicable and authorized under CGC's Employee Handbook. Projected costs for supplies were determined using market averages.

Other Direct Costs. The Budget includes a smaller amount of funds for Direct Costs not included in the other Direct Cost Categories, such as costs associated with certain types of insurance, employee training, meetings, employee development costs, office leases, and other office-related expenses. The conferences/workshops/meetings/outreach events referenced in CGC's workplan are detailed in Appendix V of the Budget. Appendix V includes the detailed expenditures for such events.

Substantially all the office space to be leased by CGC will be used to carry out grant activities and is essential for the performance of the project activities outlined in this workplan. Therefore, CGC decided to charge costs for leased office space as direct costs. CGC understands that the decision to charge costs for leased office space as direct costs requires CGC to calculate the percentage of leased office space costs that can be allocated to the NCIF grant award. CGC intends to do this by using the following formula for each office space:

Monthly Lease Direct Cost Charged to Grant = [Office "A" monthly lease cost] x [Total FTE Assigned to NCIF Grant Activities in Office "A"/Total FTE in Office "A"]

To ensure the budgeted amount will be sufficient, the figures included in the budget for leased office space represent the maximum percentage of those costs for each leased office space that could be allocated to the NCIF grant award based on this calculation. Because each anticipated leased office space could serve a workforce of employees that are 100% assigned to work on implementing the NCIF grant award, the budgeted amounts include 100% of leased office space costs. CGC understands that the amount of grant funds that may be drawn down from the NCIF award for leased office space must be limited to the percentage of those costs that are allocable to the NCIF award using the calculation described above.

Indirect Costs. Consistent with regulatory requirements for indirect costs, because CGC does not have an approved indirect cost rate, the Budget reflects indirect costs determined using the de minimis indirect cost rate of 10% of modified total direct costs, as defined in 2 CFR § 200.1. Appendix VI to the Budget provides the detailed calculation of CGC's indirect costs, including the subtraction of office space/rental costs from the modified total direct costs.

Efficient, Effective Deployment of Grant Funds

The Budget allocates funds consistent with CGC's strategy to invest 100% of its NCIF grant funds within one year of receiving an award. The success of this strategy depends on CGC investing grant funds in an efficient, effective, and prudent manner. The Budget reflects funding for program administration activities that are reasonable for the efficient, effective, and prudent investment and administration of NCIF grant funds.

CGC developed a robust plan to invest NCIF grant funds efficiently, effectively, and prudently in qualified projects in all ten EPA regions, which is discussed in detail in Section 1.2.4. CGC's overall objective is to facilitate diverse investments in qualified projects throughout the ten EPA regions.