Green Banks are public finance authorities that use limited public dollars to leverage greater private investment in clean energy. Their goal is to accelerate clean energy market growth while making energy cheaper and cleaner for consumers, driving economic growth, and preserving taxpayer dollars.

The mission of a green bank is to make clean energy markets grow quickly. Green banks deploy public capital efficiently through financing to maximize private investment, and lower the costs of clean energy to spark consumer demand. Rather than rely strictly on grants that cannot bring markets to scale, green banks use limited public funds to offer financing that attracts private investment. This way each public dollar goes further and can be recycled.

The green bank concept is based on a simple premise: the fastest way to build the clean energy platform is by offering consumers energy that is cheaper and cleaner than fossil-based energy. The cost of clean energy technologies has declined, but barriers still prevent significant private investment and customer adoption. Green bank tools lower the cost of financing, draw more private investment, and engage consumers through new platforms and marketing methods.

Private capital for clean energy investment is often limited, inaccessible or unavailable to borrowers. Green banks address these barriers by using tools such as long-term loans and leases, credit enhancements for lenders, warehousing and securitization. Green banks partner with the private sector to fill financing gaps and let money flow into clean energy markets. Green banks can lower financing costs, which can reduce the price of clean electricity to the consumer by 15-30%.

In addition to more and better financing, green banks address the two greatest barriers to consumer adoption of clean energy: upfront cost and poor information. Green banks allow consumers to adopt clean energy with no out-of-pocket cost through 100% financing. And green banks use online platforms and innovative new tools to inform consumers about clean energy options, pricing and potential savings. Green banks work with contractors to give them information on all the financing options available so they can convert more leads into sales.

This produces a win-win-win situation: consumers save money by choosing clean energy; private investors earn profits on new investment opportunities; and governments can replace expensive grants with value-generating loans. Green banks unleash market forces, with consumers and private investors driving the transformation to a clean power platform.

Green bank momentum is building. Connecticut created the nation's first green bank in 2011 and has achieved tremendous results. It has a 5:1 private-to-public leverage ratio; it has reduced solar subsidies by 68% while increasing annual solar penetration by 15x; and it has completed the first commercial PACE securitization in the country, with a $100M deal pipeline. Total state clean energy investment is now over $300M.

New York followed suit in 2013 with its own $1 billion Green Bank, and recently announced $200 million of investments that leverage $600 million in private capital. Hawaii has its own Green Infrastructure Authority, Rhode Island has a new clean Infrastructure Bank and California's Infrastructure banks has a new CLEEN Center. And many other states are working on their own green banks. This includes Vermont, Nevada and Delaware and Maryland.

Creating a green bank often requires legislation, and it can be capitalized by a range of sources. By putting public funds into a green bank, a state can make each dollar of investment go further and build a clean energy market that empowers consumers and benefits private investors.

To learn more about green banks, please contact Jeffrey Schub at the Coalition for Green Capital, Jeff@coalitionforgreencapital.com.

Exhibit J - ENERGY
Document consists of 1 page.
Entire exhibit provided.
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