THE CLIMATE ACCESS FUND
Social Equity through Clean Energy

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OVERVIEW

- The **Opportunity**
- **Mission and Goals** of the Climate Access Fund ("CAF")
- **Structure** of CAF
- **Financial Products Offered** by CAF
- CAF is Positioned to Finance Projects **Now**
The **Opportunity**

- While the solar market has successfully penetrated the non-low-income, owner-occupied residential market, it has yet to meaningfully reach low-income households.
- Maryland’s newly adopted community solar regulations require that at least 30% of the program’s solar power is reserved for projects serving low- and moderate- income (“LMI”) residents.

The **Challenge**

- Developers are hesitant to develop projects targeting low-income households because of a perceived high credit risk.
- Lenders and investors are reluctant to provide financial capital, because of low return expectations for projects targeting low-income households.

**CAF’s Solution**

- Provide credit guarantees and flexible financing capital to demonstrate creditworthiness and attractive returns of projects targeting low-income households.
MISSION AND GOALS OF THE CLIMATE ACCESS FUND

MISSION

To ensure that traditionally underserved communities meaningfully participate in the new clean energy economy

GOALS

- Reduce greenhouse gas emissions through solar energy generation
- Increase low-income household access to clean energy
  1. Maximize the number of Maryland’s low-income households connected to solar power
  2. Reduce low-income energy bills through Maryland’s Community Solar Pilot Program (see Appendix A for more detail on how the program works)
- Drive private investment capital into the low-income community solar market
  1. Provide attractive gap financing to kickstart private investment
  2. Demonstrate the creditworthiness of low-income households
  3. Establish a scalable investment model
CAF is a Baltimore-based nonprofit organization established in 2017

- The Coalition for Green Capital (“CGC”), an internationally-recognized green bank advocate, incubated CAF
- Lynn Heller founded and leads CAF, supported by consultants

CAF is a “Green Bank” focused on low-income household access to clean energy

- A Green Bank is a dedicated public/quasi-public or nonprofit finance entity designed to partner with private capital to fill clean energy capital gaps
- Green Banks exist or are in formation in 14 states and 4 countries, with the following cumulative impact to date:

- $11.3 Billion Green Bank Investment
- $41.1 Billion Total Investment (inc. private capital)
- 25 Million Metric Tons CO₂ Avoided Annually
- 11.6 Million Equivalent Cars Taken Off the Road
FINANCIAL PRODUCTS OFFERED BY THE CLIMATE ACCESS FUND

PROJECT CAPITALIZATION

EQUITY
- Tax Equity
- Sponsor Equity

DEBT
- Climate Access Fund debt for projects benefiting low-income households

CAF PRODUCT #1
$1M loss reserve/credit guarantee

CAF PRODUCT #2
Low cost debt with flexible terms
CAF Product #1: Loss Reserve/Credit Guarantee
- Guarantee fund will pay up to $1 million in case of payment delay or nonpayment by a low-income ratepayer
- No FICO requirements

CAF Product #2: Attractive Financing for Borrowers
- Seven-year term loan with principal based on portion of project targeting low-income subscribers
- Below-market interest rates and transaction fees
- Flexible underwriting and loan documentation requirements
  - Below-market debt service ratio coverage requirements
  - Flexible amortization schedule to enhance possibility of conventional refinancing at the end of the borrowing period
CAF IS POSITIONED TO FINANCE PROJECTS NOW

- CAF is raising capital and seeking host sites
  - CAF is raising capital
    - Low-cost debt, 7-year terms
    - Tax equity and sponsor equity investors
    - $4.4 million raised to date in grants, loans & guarantee capital
  - CAF is expanding its project pipeline
    - Project Type: Community Solar Projects targeting low-income households
    - Host Sites: Land and Commercial/Industrial rooftops in Maryland
    - Project Size: 80,000 square feet to 10 acres
    - System Size: 700 kW to 2 MW
CONTACT INFORMATION

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APPENDIX A: HOW COMMUNITY SOLAR WORKS

How Low-Income Community Solar works in Maryland:

- **Community Solar Project**
  - All Other Power Sources
  - The Grid
  - Utility (BGE)
  - BGE Bill: Supply, Admin Fee
  - BGE Bill: Admin Fee
  - Community Solar Bill: Supply at reduced rate

- Low-Income Households
  - BLACK = Status Quo
  - GREEN = Community Solar
Prior to launching the Climate Access Fund, Lynn Heller served as Vice President of the Abell Foundation, where she oversaw the foundation’s operations and managed the Foundation’s environmental grants portfolio.

She worked as a strategic planning and management consultant to nonprofit organizations in Maryland for ten years, and launched start-up political and economic development initiatives in Baltimore, California and Indonesia before becoming a consultant.

Ms. Heller served for nine years as a founding member of the Baltimore Sustainability Commission, is a former member of the Maryland Commission on Climate Change, and is a current board member of the Maryland League of Conservation Voters. Ms. Heller earned an M.A. in Public Policy from Harvard University’s Kennedy School of Government and a B.A. from Princeton University, cum laude.