

RESOLUTION NO. 24-16

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK ADOPTING A CLIMATE CATALYST FUND FINANCING PLAN – FEDERAL GREENHOUSE GAS REDUCTION FUND (GGRF) - NATIONAL CLEAN INVESTMENT FUND (NCIF)

WHEREAS, the California Infrastructure and Economic Development Bank (“IBank”) is established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.) (the “IBank Act”), for the purpose of providing financial assistance to eligible projects in the State of California through a variety of financing mechanisms;

WHEREAS, effective June 29, 2020, Article 6.7 of the IBank Act (California Government Code Sections 63048.91 through 63048.100) was added to the IBank Act establishing the Climate Catalyst Revolving Loan Fund and the Climate Catalyst Revolving Loan Fund Program for the purpose of providing financial assistance for eligible projects (a “Climate Catalyst Project”) intended to further California’s climate goals, activities that reduce climate risk, and the implementation of low-carbon technology and infrastructure;

WHEREAS, Government Code Section 63048.93 requires that the IBank Board of Directors (the “Board”) adopt a Climate Catalyst Financing Plan (a “Financing Plan”);

WHEREAS, Government Code Section 63048.92 defines a Financing Plan as a report “identifying potential categories and eligibility criteria of Climate Catalyst Projects that may receive financial assistance under this article;”

WHEREAS, a proposed Financing Plan for the Federal Greenhouse Gas Reduction Fund (GGRF) – National Clean Investment Fund (NCIF) is attached hereto as Exhibit A;

WHEREAS, Government Code Section 63048.93 further requires that the Financing Plan be based on IBank’s communication with certain “Consulting Agencies” and that the Consulting Agencies submit a letter to the Board discussing areas of support and disagreement for the Financing Plan under consideration;

WHEREAS, pursuant to Government Code Section 63048.93(f)(5)(A), the relevant Consulting Agencies for purposes of the Financing Plan attached hereto as Exhibit A are The Governor’s Office of Business and Economic Development (GO-Biz), Treasurer’s Office (STO), State Energy Resources Conservation and Development Commission (CEC), California Environmental Protection Agency (CEPA), State Air Resources Board (CARB), Public Utilities Commission (CPUC), Natural Resources Agency (CNRA), Department of Conservation (CDC), Department of Resources Recycling and Recovery (CalRecycle), and IBank has met and conferred with GO-Biz, STO, CPUC, CEPA (also on behalf of CARB), and CNRA (also on behalf of CDC, CalRecycle, and CEC) as required under Government Code Section 63048.93; and

WHEREAS, attached hereto as Exhibits B are letters from GO-Biz, STO, CPUC, CEPA (on behalf of CARB), and CNRA (on behalf of CDC, CalRecycle, and CEC) satisfying the requirements of Government Code Section 63048.93;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The Board hereby finds that the above recitals are true and correct.

Section 2. All actions heretofore taken by the officers and employees of IBank with respect to the subject matter of this Resolution are hereby approved, confirmed and ratified.

Section 3. The Board hereby approves and adopts the Financing Plan attached hereto as Exhibit A.

Section 4. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on September 25, 2024, by the following vote:

AYES: Dombrowski, Sheldon, Jarvis, Quant, Steinorth

NOES:

ABSENT:

ABSTAIN:

By **scott wu** Digitally signed by scott
wu
Date: 2024.09.25
15:25:39 -07'00'

Scott Wu, Executive Director

Attest:
By 

Stefan Spich
Secretary of the Board of Directors

Exhibit A

Climate Catalyst Fund Financing Plan – Federal Greenhouse Gas Reduction Fund (GGRF) -
National Clean Investment Fund (NCIF)

[See Attached]

Climate Catalyst Financing Plan

Date: August 22nd, 2024

Climate Catalyst Financing Plan (the “Financing Plan”) Name: Federal Greenhouse Reduction Fund (“US GGRF”), National Clean Investment Fund (“NCIF”) Financing Plan

Consulting Agencies: Governor’s Office of Business and Economic Development; the State Treasurer’s Office; Public Utilities Commission; Natural Resources Agency (with oversight of the Department of Conservation and the State Energy Resources and Conservation Commission); and California Environmental Protection Agency (with oversight of the State Air Resources Board and the Department of Resources Recycling and Recovery)

Financing Plan Process

[Government Code §§ 63048.92-63048.93](#) details the process that enables IBank to finance specified climate activities. For each new financing category under the Climate Catalyst Revolving Loan Fund Program (the “Climate Catalyst Program”), IBank must prepare a Financing Plan that identifies “potential categories and eligibility criteria of climate catalyst projects that may receive financial assistance”.

In preparing a Financing Plan, IBank must engage with specified “Consulting Agencies.” Consulting Agencies are intended to have the appropriate climate-related knowledge to approve and adjust the statutorily specified climate activities to be financed under the Climate Catalyst Program. With the initial submission of a Financing Plan, each Consulting Agency (or jointly) must submit a letter to the IBank Board discussing any areas of support and any areas of disagreement with the Financing Plan under consideration.

All Financing Plans must be posted to IBank’s website at least 30 days before the IBank Board meeting at which the plan will be considered for approval. Following IBank Board approval, the Financing Plan must be posted on IBank’s website.

Commencing in the first fiscal year following adoption of the initial Climate Catalyst Financing Plan, and in each fiscal year thereafter, IBank must engage each Consulting Agency to discuss potential revisions to the Financing Plan last approved by the IBank Board.

Any material modifications to a Financing Plan require IBank Board approval. A Financing Plan remains in effect until superseded by a revised Plan approved by the IBank Board.

Background

This document serves as a Financing Plan, as specified in [Government Code § 63048.93\(f\)\(5\)](#), “... for climate catalyst projects to leverage federal funding available under the United States Environmental Protection Agency’s Greenhouse Gas Reduction Fund (Section 7434 of Title 42 of the United States Code) and related implementing statutes and regulations.” The law further requires that the Climate Catalyst Projects (“Projects”)

comply with the state's climate change scoping plan (Health and Safety Code Section 38561).

IBank is a named subrecipient to the Coalition For Green Capital's successful application for award under the US Environmental Protection Agency's ("US EPA") US GGRF's NCIF program. The federal program will capitalize multiple national green financing entities, which will provide capital to state green banks, community development financial institutions, credit unions, and other financing entities. The NCIF aims to create new permanent financing funds targeting specific climate sectors that can be continuously redeployed to meet the evolving needs in the market for climate solutions.

Financing Activity

The NCIF program allows for the financing of any project that meets following (Six-Factor Test) at the time of financing (as subject to change by US EPA):

1. The project, activity, or technology would reduce or avoid Greenhouse Gas Emissions, consistent with the climate goals of the United States to reduce Greenhouse Gas Emissions 50-52 percent below 2005 levels in 2030, reach 50 percent zero-emission vehicles share of all new passenger cars and light trucks sold in 2030, achieve a carbon pollution-free electricity sector by 2035, and achieve net-zero emissions by no later than 2050. The project, activity, or technology may reduce or avoid such emissions through its own performance or through assisting communities in their efforts to deploy projects, activities, or technologies that reduce or avoid such emissions.
2. The project, activity, or technology would reduce or avoid emissions of other Air Pollutants. The project, activity, or technology may reduce or avoid such emissions through its own performance or through assisting communities in their efforts to deploy projects, activities, or technologies that reduce or avoid such emissions.
3. The project, activity, or technology would deliver additional benefits (i.e., in addition to primarily reducing or avoiding emissions of greenhouse gases and other Air Pollutants) to communities within one or more of the following seven categories: climate change; clean energy and energy efficiency; clean transportation; affordable and sustainable housing; training and workforce development; remediation and reduction of legacy pollution; and development of critical clean water infrastructure.
4. The project, activity, or technology may not have otherwise been financed.
5. The project, activity, or technology would mobilize private capital.
6. The project, activity, or technology would support only commercial technologies, defined as technologies that have been deployed for commercial purposes at least three times for a period of at least five years each in the United States for the same general purpose as the project, activity, or technology.

In addition, the US EPA has established the following priority project categories ("Priority Sectors") within NCIF, as identified and subject to change by the US EPA:

- *Distributed Energy Generation and Storage*: Projects, activities, and technologies that deploy small-scale power generation and/or storage technologies (typically from 1 kW to 10,000 kW), plus enabling infrastructure necessary for deployment of such generation and/or storage technologies. Projects, activities, and technologies within this category must support *carbon pollution-free electricity*, which is electrical energy produced from resources that generate no carbon emissions, consistent with the definition specified in [Executive Order 14057](#) (Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability).
- *Net-Zero Emissions Buildings*: Projects, activities, and technologies that either (1) retrofit an existing building, making a substantial contribution to that building being a net-zero emissions building and as part of a plan for that building achieving net-zero emissions over time, or (2) construct a new net-zero emissions building in a Low-Income and Disadvantaged Community. A *net-zero emissions building* is a building that meets the requirements of Version 1 of the [National Definition for a Zero Emissions Building](#) (June 2024).
- *Zero-Emissions Transportation*: Projects, activities, and technologies that deploy zero-emissions transportation modes, plus enabling infrastructure necessary for zero-emissions transportation modes—especially in communities that are overburdened by existing diesel pollution, particulate matter concentration, and degraded air quality. Projects, activities, and technologies within this category must be consistent with the zero-emissions transportation decarbonization strategies in [The U.S. National Blueprint for Transportation Decarbonization](#).

IBank intends to focus its initial financing activity on the Priority Sectors. For projects beyond that the Priority Sectors that still meet the six-factor test, IBank will engage with the appropriate Consulting Agency to affirm alignment with relevant state climate policy goals.

Project and Portfolio Requirements

As the NCIF Financing Plan is subject to US EPA's terms and conditions under the US GGRF NCIF, projects must comply with federal requirements to be eligible for financing by the Climate Catalyst Program. These requirements include, but are not limited to: the Build America, Buy America Act ([P.L. 117-58, Secs §§ 70911 – 70917](#)), Davis-Bacon and Related Acts ([40 USC §§ 3141-3144](#)), the Uniform Relocation Assistance and Real Property Acquisitions Act ([49 CFR Part 24](#)), the National Historic Preservation Act and Archeological ([16 USC §§ 470 et seq.](#)) and Historic Preservation Act ([54 U.S.C. §§ 312501-312508](#)), the Endangered Species Act ([50 CFR Part 402](#)), the Farmland Protection Policy Act ([7 CFR Part 658](#)), and the Costal Zone Management Act ([P.L. 92-583](#)).

The Climate Catalyst Program's portfolio of financings under the NCIF Financing Plan must also align with the federal Justice40 Initiative, which requires that at least 40% of financing provided through the NCIF Financing Plan is made to a business or project in a Low-Income and Disadvantaged Community (LIDC). For purposes of the NCIF award, LIDC means at least one of the following:

- *CEJST-Identified Disadvantaged Communities:* All communities identified as disadvantaged through version 1.0 of the [Climate and Economic Justice Screening Tool](#) (CEJST), released on November 22, 2022, which includes census tracts that meet the thresholds for at least one of the tool's categories of burden and land within the boundaries of Federally Recognized Tribes.
- *EJScreen-Identified Disadvantaged Communities:* All communities within version 2.2 of [EJScreen](#) that fall within either (a) the limited supplemental set of census block groups that are at or above the 90th percentile for any of EJScreen's supplemental indexes when compared to the nation or state or (b) geographic areas within Tribal lands as included in EJScreen, which includes the following Tribal lands: Alaska Native Allotments, Alaska Native Villages, American Indian Reservations, American Indian Off-reservation Trust Lands, and Oklahoma Tribal Statistical Areas.
- *Geographically Dispersed Low-Income Households:* Low-income individuals and households living in Metropolitan Areas with incomes not more than 80% AMI or 200% FPL (whichever is higher), and low-income individuals and households living in Non-Metropolitan Areas with incomes not more than 80% AMI, 200% FPL, or 80% Statewide Non-Metropolitan Area AMI (whichever is highest). Federal Poverty Level (FPL) is defined using the latest publicly available figures from the U.S. Department of Health and Human Services. Area Median Income (AMI) is defined using the latest publicly available figures from the U.S. Department of Housing and Urban Development (HUD). Metropolitan Area and Non-Metropolitan Area are defined using the latest publicly available figures for county-level designations from the Office of Management and Budget. Statewide Non-Metropolitan Area AMI is defined using the latest publicly available figures from the U.S. Department of the Treasury's CDFI Fund, with an adjustment for household size using HUD's Family Size Adjustment factor.
- *Properties Providing Affordable Housing:* Properties providing affordable housing that fall within either of the following two categories: (a) multifamily housing with rents not exceeding 30% of 80% AMI for at least half of residential units and with an active affordability covenant from one of the following housing assistance programs: (1) [Low-Income Housing Tax Credit](#); (2) a housing assistance program administered by HUD, including Public Housing, Section 8 Project-Based Rental Assistance, Section 202 Housing for the Elderly, Section 811 Housing for Disabled, Housing Trust Fund, Home Investment Partnership Program Affordable Rental and Homeowner Units, Permanent Supportive Housing, and other programs focused on ending homelessness that are funded under HUD's Continuum of Care Program; (3) a housing assistance program administered by USDA under Title V of the [Housing Act of 1949](#), including under Sections 514 and 515; (4) a housing assistance program administered by a tribally designated

housing entity, as defined in Section 4(22) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 USC § 4103(22)); or (5) a housing assistance program administered by the Department of Hawaiian Homelands as defined in Title VIII of the Native American Housing Assistance and Self-Determination Act of 1996 (24 CFR 1006.10) or (b) naturally-occurring (unsubsidized) affordable housing with rents not exceeding 30% of 80% AMI for at least half of residential units.

- *Federally Recognized Tribal Entities:* All Federally Recognized Tribal entities, which are considered disadvantaged regardless of whether a Federally Recognized Tribe has land, consistent with [M-23-09](#) and CEJST.

Consistency with State Policy - Consulting Agency Input

IBank has determined that the projects, activities, or technologies specified above are consistent with the state's climate change Scoping Plan. Consulting agency support for this determination is affirmed through the associated letters, attached below.

EXHIBIT B

Letters from applicable Consulting Agencies regarding
Climate Catalyst Fund Financing Plan – Federal Greenhouse Gas Reduction Fund (GGRF) -
National Clean Investment Fund (NCIF)

[See Attached]



GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT

STATE OF CALIFORNIA • OFFICE OF GOVERNOR GAVIN NEWSOM

August 29, 2024

California Infrastructure and Economic Development Bank (IBank) Board
1325 J Street
Sacramento, CA 95814

Dear IBank Board,

This letter affirms the support of the California Governor's Office of Business and Economic Development (GO-Biz) for the Climate Catalyst Program's National Clean Investment Fund Financing Plan ("NCIF Financing Plan"), under the US Environmental Protection Agency's Greenhouse Gas Reduction Fund, dated August 7, 2024. The NCIF Financing Plan is consistent with California's climate goals, as articulated in the 2022 Scoping Plan for Achieving Neutrality by 2045, which outlines a path to achieve targets of carbon neutrality and reduce anthropogenic greenhouse gas emissions by 85 percent below 1990 levels no later than 2045.

The Climate Catalyst Program can play a crucial role in accelerating the deployment of clean technology solutions through accessible, affordable financing, while simultaneously mobilizing private capital at scale, growing public resources for the state's green banking approach, and enabling Californians in low-income and disadvantaged communities to benefit from climate solutions through energy bill savings, cleaner air, job creation, and more.

We look forward to working with IBank where appropriate in the implementation of projects that meet the NCIF's Eligible Projects Criteria, including but not limited to, Distributed Energy Generation and Storage, Zero-Emissions Transportation, and Net-Zero Emissions Buildings.

Sincerely,

A handwritten signature in black ink that reads "Dee Dee Myers".

Dee Dee Myers, Senior Advisor to the Governor and Director
Governor's Office of Business and Economic Development



September 11, 2024

California Infrastructure and Economic Development Bank (IBank) Board
1325 J Street
Sacramento, CA 95814

Dear IBank Board,

This letter affirms the support of the California State Treasurer's Office for the Climate Catalyst Program's National Clean Investment Fund Financing Plan ("NCIF Financing Plan"), under the US Environmental Protection Agency's Greenhouse Gas Reduction Fund, dated August 7, 2024. The NCIF Financing Plan is consistent with California's climate goals, as articulated in the 2022 Scoping Plan for Achieving Neutrality by 2045, which outlines a path to achieve targets of carbon neutrality and reduce anthropogenic greenhouse gas emissions by 85 percent below 1990 levels no longer than 2045.

The Climate Catalyst Program can play a crucial role in accelerating the deployment of clean technology solutions through accessible, affordable financing, while simultaneously mobilizing private capital at scale, growing public resources for the state's green banking approach, and enabling Californians in low-income and disadvantaged communities to benefit from climate solutions through energy bill savings, cleaner air, job creation, and more.

We look forward to working with IBank where appropriate in the implementation of projects that meet the NCIF's Eligible Projects Criteria, including, but not limited to, Distributed Energy Generation and Storage, Zero-Emissions Transportation, and Net-Zero Emissions Buildings.

In Peace and Friendship,

Fiona Ma, CPA
California State Treasurer



PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
505 VAN NESS AVENUE | SAN FRANCISCO, CALIFORNIA 94102

August 30, 2024

California Infrastructure and Economic Development Bank (IBank) Board
1325 J Street
Sacramento, CA 95814

Dear IBank Board,

This letter affirms the support of the California Public Utilities Commission (CPUC) for the Climate Catalyst Program's National Clean Investment Fund Financing Plan ("NCIF Financing Plan"), under the US Environmental Protection Agency's Greenhouse Gas Reduction Fund, dated August 7, 2024. The NCIF Financing Plan is consistent with California's climate goals, as articulated in the 2022 Scoping Plan for Achieving Neutrality by 2045, which outlines a path to achieve targets of carbon neutrality and reduce anthropogenic greenhouse gas emissions by 85 percent below 1990 levels no later than 2045.

The Climate Catalyst Program would accelerate electrification of the building and transportation sectors consistent with California's climate goals. The CPUC encourages the use of funding for utility upgrades to the distribution system as necessary to serve the new load from charging infrastructure for electric vehicles and buildings, especially those that are all electric. With this approach, the Program would play a critical role in California's clean energy future.

We look forward to working with IBank where appropriate in the implementation of projects that meet the NCIF's Eligible Projects Criteria, including, but not limited to, Distributed Energy Generation and Storage, Zero-Emissions Transportation, and Net-Zero Emissions Buildings.

Sincerely,

A handwritten signature in black ink that reads "Rachel Peterson". The signature is written in a cursive, flowing style.

Rachel Peterson, Executive Director
California Public Utilities Commission



Gavin Newsom
Governor

Yana Garcia
Secretary for Environmental Protection

September 4, 2024

California Infrastructure and Economic Development Bank (IBank) Board
1325 J Street
Sacramento, CA 95814

Dear IBank Board,

This letter affirms the support of the California Environmental Protection Agency (CalEPA) for the Climate Catalyst Program's National Clean Investment Fund Financing Plan ("NCIF Financing Plan"), under the US Environmental Protection Agency's Greenhouse Gas Reduction Fund, dated August 7, 2024. The NCIF Financing Plan is consistent with California's climate goals, including the State's science-based policy to achieve carbon neutrality no later than 2045 and reduce anthropogenic greenhouse gas emissions 85 percent below 1990 levels by 2045 (Assembly Bill 1279 (AB 1279) (Muratsuchi, Chapter 337, Statutes of 2022)). This transition will require a historic rate of clean technology production, deployment, rapid consumer adoption, and coordination across all levels of government, while ensuring affordability and maximizing myriad co-benefits. CARB's 2022 Scoping Plan Update lays out the sector-by-sector, technologically feasible, and cost-effective path for California to achieve the mandates in AB 1279. The 2022 Scoping Plan Update also highlights how increased climate ambition can address persistent air pollution and opportunity gaps faced by low-income communities and communities of color.

The Climate Catalyst Program can play a crucial role in accelerating the deployment of clean technology solutions through accessible, affordable financing, while simultaneously mobilizing private capital at scale, growing public resources for the state's green banking approach, and enabling Californians in low-income and disadvantaged communities to benefit from climate solutions through energy bill savings, cleaner air, job creation, and more.

We look forward to working with IBank where appropriate in the implementation of projects that meet the NCIF's Eligible Projects Criteria, including, but not limited to, Distributed Energy Generation and Storage, Zero-Emissions Transportation, and Net-Zero Emissions Buildings.

Sincerely,

Linda Lye
Deputy Secretary for Law Enforcement and General Counsel



September 18, 2024

California Infrastructure and Economic Development Bank (IBank) Board
1325 J Street
Sacramento, CA 95814

Dear IBank Board,

This letter affirms the support of the California Natural Resources Agency (CNRA) for the Climate Catalyst Program's National Clean Investment Fund Financing Plan ("NCIF Financing Plan"), under the US Environmental Protection Agency's Greenhouse Gas Reduction Fund, dated August 7, 2024. The NCIF Financing Plan is consistent with California's climate goals, as articulated in the 2022 Scoping Plan for Achieving Neutrality by 2045, which outlines a path to achieve targets of carbon neutrality and reduce anthropogenic greenhouse gas emissions by 85 percent below 1990 levels no longer than 2045.

The Climate Catalyst Program can play a crucial role in accelerating the deployment of clean technology solutions through accessible, affordable financing, while simultaneously mobilizing private capital at scale, growing public resources for the state's green banking approach, and enabling Californians in low-income and disadvantaged communities to benefit from climate solutions through energy bill savings, cleaner air, job creation, and more.

We look forward to working with IBank where appropriate in the implementation of projects that meet the NCIF's Eligible Projects Criteria, including, but not limited to, Distributed Energy Generation and Storage, Zero-Emissions Transportation, and Net-Zero Emissions Buildings.

Sincerely,

A handwritten signature in blue ink that reads "Wade Crowfoot".

Wade Crowfoot
Secretary, California Natural Resources Agency

715 P Street, 20th Floor, Sacramento, CA 95814 Ph. 916.653.5656 <http://resources.ca.gov>

