



CONNECTICUT GREEN BANK

ctgreenbank.com

ABOUT THIS PROJECT

This investment will allow the Green Bank to install resilient power systems that combine solar panels and battery storage on roughly 13-18 affordable housing and community buildings in low-income neighborhoods. These combined systems reduce electricity bills and carbon emissions while ensuring that low-income communities have access to electricity during disruptions to the power grid. This approach is directly aligned with the Environment Program’s strategy to strengthen climate resilience in low-income communities. The deployment of resilient power systems in low-income communities is an area that the Environment team has identified as a top priority for grant and program-related investment (PRI).



WHY WAS THIS NEEDED?

CHALLENGE: Low-income communities do not typically have access to advanced innovations in clean, renewable energy or energy storage solutions. And climate change impacts hit these communities harder. The climate change field also needs proof points that show these types of capital projects are financeable.

RESPONSE: The Green Bank will work with stakeholders — such as local contractors who are active or eager to enter the battery storage space, property owners and other capital providers — to develop a financing model to support the deployment of resilient and clean energy solutions. The Green Bank will identify potential properties through its existing channels, work with storage providers and leverage other funding sources to conduct a feasibility analysis of the technology and economics at potential sites. It will then provide financing to property owners for a combined solar and storage solution, using Kresge’s PRI dollars for the storage portion of the project.

IMPACTED LOCATION



CONNECTICUT

YEAR APPROVED

2016

TYPE OF TRANSACTION

PRI LOAN

KRESGE PROGRAM

ENVIRONMENT PROGRAM

AMOUNT OF INVESTMENT

\$3 MILLION

GRANT SUPPORT

\$150,000

TERM OF INVESTMENT

10 YEARS



ABOUT THE BORROWER

The Governor and the State of Connecticut's General Assembly established the Green Bank in 2011 as a quasi-public agency. Its vision is to lead the green bank movement by accelerating private investment in clean energy deployment for Connecticut to achieve economic prosperity, create jobs, promote energy security, and address climate change. The Green Bank develops programs to finance and otherwise support clean energy investment in residential, municipal, small business and larger commercial projects. It also supports financing or other expenditures that promote investment in clean energy sources to foster the growth, development and commercialization of clean energy resources and related enterprises. Finally, it stimulates demand for clean energy and the deployment of clean energy sources that serve end-use customers in the State. The Green Bank leverages scarce public dollars to attract private capital to clean energy deployment. It is capitalized through systems-benefit fees on utility bills, proceeds from the Regional Greenhouse Gas Initiative, and other public sources. Since its founding, the Green Bank has deployed nearly \$165 million in clean energy finance, leveraging nearly five times that amount of private investment for almost \$1 billion in total project finance.

Key Considerations



Kim Dempsey
Deputy Director
Social
Investment
Practice

- » In 2016, Kresge launched an initiative called Kresge Community Finance to invest millions through a standard loan offering in Community Development Finance Institutions (CDFIs) and Development Finance Agencies (DFAs) working in ways aligned with Kresge program strategies.
- » CDFIs and DFAs responded with requests for more than \$280 million in investment. Ultimately, 14 organizations received financing totaling \$30 million through PRIs – including the Green Bank.
- » In these early days of deployment of resilient power in low-income communities, proof points help demonstrate the viability and wide-ranging benefits of this strategy. The importance of making “market proving” investments like this was an explicit recommendation made in a capital scan Kresge commissioned with the Surdna and JPB Foundations.
- » This investment allows us to cultivate a relationship with a particularly strong DFA, entities which we believe have the potential to play significant roles in financing climate resilience strategies.
- » The organization's strong reputation increases the likelihood of success and will bring added attention to these projects.