

CGC Public Comments on the Vermont 2022 CEP

Although Vermont has made great progress in financing clean energy since the 2016 CEP, the current CEP identifies persistent market gaps in the state including weatherization and equity impact. These gaps can be addressed in part from increased access to financing, as demonstrated by the successes of other states using the green bank model.

To date, 22 green banks across 16 states (including the District of Columbia) have driven [over \\$7 billion](#) in clean energy investment using \$1.9 billion in green bank capital. The green bank model works in partnership with existing lenders, rather than in competition by implanting strategies that include credit enhancements, warehousing and aggregation and co-investment. For the past decade that green banks have been active in the US, every dollar of green bank investment has been able to support, on average, [\\$3.7 of private lending](#). These successes in other states can inform Vermont's strategy.

Activity should be centralized in a single institution

When creating a green bank, other states have realized immense value by concentrating clean energy lending activity into a central institution. Benefits from this approach have included increased efficiency in the administration of programs, increased clarity for lenders and other market partners, and improved coordination for clean energy initiatives. In Vermont's existing activity is currently spread out across multiple agencies. To most effectively deliver impact, each agency should coordinate with a centralized green bank.

Some states, including North Carolina, Colorado and Nevada have opted to create new, independent nonprofit institutions to serve as their state's green banks. Other states, like Rhode Island or Connecticut opted to repurpose an existing state entity to create a new, quasi-public institution to be their state's green bank. Most recently, Maine passed legislation in 2021 to expand the authorities of the Efficiency Maine Trust so it could operate as the state's green bank. In all of these cases, the green bank will be a single institution responsible for and dedicated to delivering clean energy finance solutions to its state.

Build Back Better Infrastructure Package includes \$29 billion for green bank activity

Following years of legislative success, the Build Back Better Act includes \$29 billion in funding for green bank activity across the country. The capital is currently envisioned to be delivered through the Clean Energy and Sustainability Accelerator, as proposed in President Biden's American Jobs Plan. The Accelerator will work with new and existing state green banks already standing by, including a potential green bank in Vermont, to deploy its capital and create over \$200B public + private investment in 10 years with recycling, borrowing & co-investment. \$15B of the Accelerator's investment goes to underserved, frontline, disadvantaged communities to create businesses and deliver savings. Given the envisioned structure for deploying federal funds, an entity in Vermont will need to reach an agreement with the Accelerator to secure loan funds and operating capital that supports the national vision.

The Coalition for Green Capital (CGC) is a 501c3 non-profit corporation with a mission to halt climate change by accelerating investment in clean energy technologies. CGC is the national leader in advocating for, creating and supporting green banks.