Hon. Edward H. Chu,
Designated Federal Officer
Environmental Financial Advisory Board
U.S. Environmental Protection Agency

Hon. Kerry O'Neill,
Chair
Environmental Financial Advisory Board
U.S. Environmental Protection Agency
RE: Greenhouse Gas Reduction Fund

Dear Mr. Chu, Ms. O'Neill, and Members of the U.S. Environmental Protection Agency's Environmental Financial Advisory Board

The Coalition for Green Capital (the "Coalition") respectfully submits the following comments to the comments filed in response to the EPA's Environmental Financial Advisory Board ("EFAB") charge adopted by the Board in its October 18-19 meeting ("Charge"), and related comments filed in EPA's Request for Information ("RFI"): Greenhouse Gas Reduction Fund ("GHGRF") – Docket ID No. EPA-HQ-OA-2022-0859. The Coalition previously submitted comments on December 5, 2022, in response to the RFI (the "Coalition Comments"), and comments last week on the Charge. The purpose of these comments is to respond to assertions made by various commenters that disregard the purpose and express requirements of the new Section 134 of the Clean Air Act ("CAA") in Section 60103 of the Inflation Reduction Act, Public Law 117-169, 136 Stat. 1818 (August 16, 2022) regarding capitalization of a national green bank or similar independent, nonprofit national finance entity that must operate and make direct investments at the national, regional, State and local levels; while also making indirect investments in the form of funding and technical assistance to a broad and open access network of new and existing finance entities operating at subnational levels.

It is a general truth that people do not disagree much on ends, but differ instead on means. Thousands of pages of comments filed in response to the Charge and the RFI provide abundant confirmation of this observation. Almost no commenters, save one (and perhaps a few other skeptics)[1] of the GHGRF, disagree on the necessity of mobilizing massive new investment behind "any project, activity, or technology" that rapidly and efficiently "reduces or avoids greenhouse gas emissions or other forms of air pollution." CAA, Section 134(c)(3)(A). Ever increasing global emissions of GHGs, environmental injustice, and long-term economic

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[1] *See, e.g.,* RFI Comments of the American Enterprise Institute at 2 ("None of the dollars authorized…for the GHGRF should be spent…in that merely reducing GHG emissions is not a useful end in itself…. Carbon dioxide…is not 'carbon,' and it is not a 'pollutant'…."). We have reviewed hundreds but not all of the comments filed in response to the Charge and the RFI in an effort to provide meaningful comments in the relatively short period prior to the EFAB's deadline to provide recommendations to EPA; we cannot say if comments we did not review would affect the substance of our comments.

opportunity all call for the United States to lead the world in the "rapid deployment of low- and zero-emission products, technologies, and services." Section 134(c)(1)(A). Almost all agree as well that the United States should lead also in acutely, quickly and continuingly focusing that deployment on benefitting "low-income and disadvantaged communities," and assisting the "efforts of…. communities to reduce or avoid greenhouse gas emissions and other forms of air pollution." Sections 134(a)(3), (c)(3)(B).

That leadership road must be paved by "partnership with, and by leveraging investment from, the private sector." Section 134 (c)(3)(A). We doubt that anyone would challenge the assertion made in the Coalition Comments that <u>at least</u> a trillion dollars, of which almost all will have to come from the private sector, is needed to finance and deploy "qualified projects that would otherwise lack access to financing." Section 134(b)(1)(B). Nor do we think serious challenges can be made to the estimate that at the very least $200 billion of qualified projects that otherwise lack access to financing must occur in low-income and disadvantaged communities.[2] If anything, these estimates woefully undershoot the need for the grant funds for General Assistance under Section 134(a)(2) (the "GA Fund") and the grant funds for Low-Income and Disadvantaged Communities under Section 134(a)(3) (the "LIDC Fund") to capitalize fully as an "eligible recipient" as defined in Section 134(c)(1), at least one national green bank that uses its public funding to crowd in ten times and more investment in qualified projects from the private sector than the appropriated funds of approximately $20 billion into the "rapid deployment" of "qualified project[s]."

EPA should capitalize a national green bank with the approximately $20 billion available in the GA and LIDC Funds so that it can engage in an economically prudent balance of "direct investment," Section 134(b)(1) "at national, regional, State, and local levels," (b) (1(A), and "indirect investment," (b)(2), at the "State, local, territorial, or Tribal level or in the District of Columbia" through a purposely broad and wide-ranging network of both existing and new "public, quasi-public, not-for-profit, or nonprofit entities…, including community-and low-income-focused lenders and capital providers," (b)(2), as indirect recipients. The totality of such investment would "ensure continued operability" of the national green bank as required under Section 134(b)(1)(C). A growing, balanced portfolio of direct and indirect investments also would enable the national green bank to continue to operate over the time period necessary to fulfill the mandate in Section 134(b)(2) that it "provide funding and technical support to establish new or support existing" entities in a large and open network of indirect recipients operating at the State and local levels.

To be clear, the Coalition intends to compete for funding under the GA and LIDC Funds as the national green bank. A reasonable number of commenters support the need for and legal mandate in Section 134 for the capitalization of a national green bank using funds from the

[2] *See* Coalition Comments at 9.

GHGRF.[3] Those commenters opposed to such capitalization of a national green bank make four basic contentions. In summary, as set forth in more detail below, they are:

First, "[Community development financial institutions ("CDFIs")] and community finance organizations should be both eligible entities and/or indirect recipients under the GHGRF."[4] Commenters with this view make no reference to the contrary mandate for a national entity in Section 134(b)(1)(A) and apparently want EPA to make hundreds or even thousands of awards to purported "eligible recipients" that operate solely at the local and community levels. At the same time, others favor "minimizing" the number of purported "eligible recipients" to a membership-based pass-through entity whose members are credit unions and CDFIs,[5] none of whom operate at a national level or otherwise limiting the total of eligible recipients to "a small number" of such entities that operate at a State or local level.[6] But an eligible recipient must be controlled by an independent Board, instead of explicitly ineligible recipients. None of these commenters offers any legal or fact-based reason why a single national green bank supporting a broad and open network with up to hundreds or thousands of such entities as indirect recipients is not both the ideal way to fulfill the stated purpose and legal requirements of Section 134 and the optimal solution to the desire of the commentators to participate in fulfilling the purposes of the GHGRF.

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[3] *See, e.g.,* RFI Comments of Americans for an Energy Economy at ("We would support the creation of a national green bank. . ."); RFI Comments of Dream.org ("This is why we call for the EPA to use at least $20 billion in GGRF funding to create a National Green Bank."); Charge comments of the South Carolina Energy and Resilience Accelerator ("The EPA should consider designating significant funding from these sections to a National Green Bank"); RFI Comments of the Solar Energy Industries Association ("For the roughly 20 billion dollars allocated for financial assistance and technical assistance in the form of direct or indirect investment, SEIA supports the establishment of a national green bank").

[4] RFI Comments of the Opportunity Finance Network ("OFN Comments") at 20; *id.* at 3 ("[F] unding cannot be deployed to CDFIs and other mission lenders only as subrecipients."). *See also, e.g.,* RFI Comments of Inclusiv ("Inclusiv Comments") at 32 of 42 ("GHGRF investments can and should be designed and deployed by the local, community-based financial institutions…."). Interestingly, some commenters also assert that CDFIs and other community finance organizations in and of themselves are "qualified projects" under Section 134(c)(3), *see, e.g.,* OFN Comments at 14, ignoring that a "qualified project" is not defined with reference to an entity and instead refers to a "project, activity, or technology" that does the things specified in Sections 134(c)(3)(A) and (B).

[5] *See* RFI Comments of Ecority at 3-4 (to provide "lowest cost of capital…EPA must minimize the number of intermediaries between the EPA and the targeted households and community businesses") and 13 (EPA should "provide grants directly to organizations (such as Ecority) instead of going through an intermediary (such as a single national green bank.") Ecority is a membership-based consortium of credit unions and CDFIs. *See id.* at 1. That is, Ecority is a pass-through entity that acts solely on behalf of its member credit unions and CDFIs.

[6] *See* RFI Comments of Natural Resources Defense Council ("NRDC Comments") at 2 ("dozens if not hundreds of Nonprofit Lenders across several established industries must be coordinated by a small number of skillful, seasoned intermediaries in a networked fashion").

Second, some commenters argue that the local finance entities, should have "maximum flexibility" to "create the lending products to meet the objectives" set by the EPA.[7] Some commenters, on the other hand, while advocating against capitalization of a national green bank (again, without making legal or fact-based arguments as to why), recognize that "EPA should strongly vet each Eligible Recipient's strategy on how it plans to deploy GHGRF capital, and how the proposed form(s) of financial assistance address current financing gaps while minimizing intermediation cost markups."[8] The optimal solution is to capitalize a national green bank that sets objectives with EPA and encourages local flexibility in meeting those objectives through direct investments and indirect investments working with indirect recipients.

Third, many commenters contend that CDFIs and credit unions are ready and able to invest in "qualified projects."[9] However, these same commenters acknowledge that of these entities, currently only a few hundred at most, representing less than 5 percent of such entities, offer at least one green lending product.[10] Moreover, other commenters report that these same entities originate, on average, only about 2,500 loans each year across their stated business lines (none of which are specific to clean energy products, technologies, or services).[11] Moreover, some of these commenters assert that EPA should ignore the express definition of a "qualified project" to allow for grant funds to be used to capitalize local finance entity activities for purposes other than those expressly mandated under Section 134.[12] While we do not see textual justification for this interpretation of "qualified project" under Section 134(c)(3), funding of a national green bank would allow the bank to provide "funding and technical

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[7] *See, e.g.,* OFN Comments at 21.

[8] NRDC Comments at 44; *see also id.* at 51-55 (acknowledging that a national green bank is an eligible recipient, but asserting that local finance entities such as CDFIs are also "eligible recipients"). NRDC does correctly observe that under Section 134, a broad range of local finance entities, including CDFIs, credit unions, housing finance agencies, and public housing authorities can be indirect recipients. *See id.* at 51.

[9] *See, e.g.,* Inclusiv Comments at 33 ("The existing capillary banking system of over 11,000 community-based financial institutions can quickly transition to finance decarbonization projects in climate-impacted communities….").

[10] *See, e.g.,* OFN Comments at 15 (Less than 200 of the more than 390 CDFIs that are members of OFN's pass-through consortium "already offer at least one green lending product" in the "commercial building, residential, multi-family, community scale solar, flexible products, and transportation" sectors.); Inclusiv Comments at 22 of 42 (Inclusiv's market research shows that approximately 508 "credit unions, community banks, and CDFI loan funds currently offer dedicated green loan products…."). These roughly 510 community finance entities represent less than 5 percent of the over 11,000 of such entities.

[11] *See* NRDC Comments at 2, n.1. As further noted in the NRDC Comments, this lack of financing expertise and experience among community finance entities "presents both a real deployment challenge and a significant opportunity to positively impact large numbers of households and businesses across the country." *Id.*

[12] *See, e.g.,* RFI Comments of Local Support Initiatives Corporation ("LISC Comments") at 4 (EPA should "structure financial assistance as flexible capitalization grants to CDFIs, which will in turn blend these dollars at the enterprise…. level.").

assistance" to enable these same entities to invest in "qualified projects" as expressly defined in Section 134(C)(3).

Fourth, perhaps because some number of local finance entities lack the expertise and experience in financing clean energy, products, technologies, and services necessary to fulfill purposes of Section 134, some commenters urge delay on awarding grants from the GHGRF.[13] Sections 134(a)(1)-(3) require grant awards to be made "beginning not later than 180 calendar days" after the date of their enactment (*i.e.,* no later than mid-February 2023). Any delay in the awarding of grants that can be used to effectuate the purposes of the GHGRF in a timely manner will delay the reduction or avoidance of emissions of GHGs and other forms of air pollution (and the increasing cumulative warming impact of GHG emissions is what is making the climate crisis worse each day) and will delay and deny the environmental justice benefits that can be delivered using grant awards from the GHGRF. EPA should capitalize at least one national green bank as soon as its administrative process permits.

These four points are discussed in more detail below.

I. Section 134 requires funding of at least one national green bank

The CDFIs, CDCUs, and their controlled pass-through membership organizations are not "eligible recipients" as defined under Section 134(c)(1) and as directed to operate under Sections 134(b) and (c)(3), including providing financial assistance to qualified projects at the national, regional, State, and local levels as required under Section 134(b)(1)(A). Instead, these entities are explicitly listed in Section 134(b)(2) as part of the much broader category of indirect recipients that are the expressly intended beneficiaries of indirect investments made by an eligible recipient. Although we have not had time to review each and every comment filed in response to the RFI, we have yet to see comments that tried to demonstrate that an entity that does not operate at a national, regional, State, and local level meet the legal requirements imposed on an eligible recipient under Sections 134(b) and (c).

The question of the number of "eligible recipients" should be determined by considering the best ways to achieve the goals of Section 134 (especially the goals for the GA and LIDC Funds). As discussed above, some commenters (who otherwise oppose or do not support the capitalization of a national green bank), correctly observe that the provision of capital to deploy clean energy products, technologies, and services at the lowest cost requires fewer, not more, intermediaries and a small, not large, number of higher level entities with the requisite skill and experience to coordinate a large network of downstream community financing entities.

But no comment we have read so far explains cogently why a "small number" of higher level coordinating entities is superior to one national green bank (as the "eligible recipient")

[13] *See, e.g.,* NRDC Comments at 68 ("If EPA determines it must begin making awards by February 2023, it should consider making only a small pot of funds available for February awards.")

coordinating a large and broad network of downstream financing entities (as indirect recipients) that operate at a subnational level. This approach is not only expressly contemplated under Section 134, it is both in theory and will be in practice the most inclusive, the most likely to produce maximum investing by the private sector, and provide benefits to low-income and disadvantaged communities both rapidly and over time. This is why, for example, we have one Federal Reserve, one Corporation for Public Broadcasting – each with large, powerful underlying networks of regional, State and local entities.

One fears that, at bottom, the assertions proffered by some commenters who advocate that subnational finance entities should be treated as "eligible recipients" under Section 134 reveals preferred outcomes more than reasons grounded in the law or facts. For example, Inclusiv by its own self-description in its comments does not qualify as an "eligible recipient,"[14] but is (as the Coalition has been stating publicly for many months) an extraordinarily well-suited entity to serve as an indirect recipient (as is each of its members). However, Inclusiv asserts without reference to any law or facts that "Concentrating all resources into a single national green bank runs a high risk of excluding community development and racial-justice focused financial institutions and increases the risk that funds will not be deployed in a timely manner to the low-income and disadvantaged communities that the GHGRF is designed to serve."[15]

Inclusiv's assertion regarding a national green bank is contrary to the clear mandate for such an entity in Sections 134(b) and (c), and is not logical:

- First, resources are not concentrated for purposes of mandated direct and indirect investments under Section 134(b) if they are initially used to capitalize a national green bank and no subnational finance entity is excluded from receiving financial assistance and technical support from a national green bank as an indirect recipient, including Inclusiv and each of its members.
- Second, the focus on providing financial assistance and technical support for low-income and disadvantaged communities is an express requirement under Section 134 regardless of who receives a grant award as an eligible recipient; it is grievously inaccurate to suggest that an eligible recipient that obtains a grant award, regardless of whom it is, will not be competent or caring enough to meet its clear legal obligations under Section 134.
- Third, the Coalition or any other "eligible recipient" with a decade of experience, a diverse and independent multi-stakeholder board of directors, and a large identified

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[14] *See* Inclusiv Comments at 35 of 42 (describing itself as a "CDFI Intermediary" that "serves as the designed apex institution to channel resources" to its member finance entities that is governed by the leaders of its member finance entities). As such, Inclusiv is a pass-through membership organization without an independent board of directors.

[15] *Id.* at 1 of 42.

> backlog of “qualified projects” would be unable to deploy capital in a “timely manner,” especially if local finance entities that are members of Inclusiv, OFN, Ecority and other pass-through membership organizations for subnational finance entities are ready and able to take “funding and technical assistance” from an “eligible recipient.”

It appears that Inclusiv and similar commenters recognize that as a matter of law they are not “eligible recipients” but are concerned that they do not control an “eligible recipient.” No entity that is itself not an “eligible recipient” should be able to control an applicant; that would and should disqualify the applicant from being an “eligible recipient.” On the other hand, important stakeholders, such as Inclusiv, can be represented on the board of directors of a national green bank. In addition, an advisory board or separate board made up of indirect recipients governing some or all of the 11,000 subnational finance entities Inclusive states are ready to “quickly transition to finance decarbonization projects” could be established by the national green bank to address the concerns of Inclusiv and others regarding the governance of the national green bank.[16]

Contrary to the attitude and tone expressed in many of the comments, Section 134 does not envision a we-they or antithetical positioning of subnational finance entities that are not lawfully “eligible recipients” and a national green bank awarded grants from the GA and LIDC Funds. Rather, the two are intended to work together to meet the goals of Section 134. The words and structure of Section 134 clearly describe how one or more awards from the GA and LIDAC Funds must go to national entities, such as a national green bank, that in turn must operate without other funds on a continuing basis while investing directly and also coordinating a broad and open access network of indirect recipients in which any number of subnational finance entities (that by definition are not “eligible recipients” but are intended indirect recipients) participate nonetheless can further the purposes of Section 134. Subnational finance entities, such as CDFIs and credit unions, cannot use their manifold access to other capital (which itself is provided, insured or guaranteed by the federal government) to play this national role because of the restrictions on the use of grant awards from the GA and LIDF Funds under Sections 134(b)(1)(c) and (c)(1)(B). But such entities can use their federally provided, insured or guaranteed general purpose capital in their clean energy financing activities as indirect recipients.

[16] *See also* Charge Comments of Americans for Financial Reform Education Fund, et al; at 24 ("The EPA should require each direct recipient to establish a Community Accountability Board (CAB) to oversee the disbursement of its funds and ensure capital is flowing in a manner that meets local community need.”)

II. EPA should state detailed objectives and closely monitor, but embrace changes in market conditions

Some commenters urge EPA to pursue some but not all the goals of Section 134. For example, the NRDC Comments provide a summary of goals[17] that does not include the obligation of an "eligible recipient" that receives a grant award to deliver a positive return on its investments so it can "ensure continued operability," the imperative of making direct investing, the necessity of partnering with the private sector – and perhaps most importantly the critical importance of maximizing the total amount of capital directed at the goals of GHGRF over at least a ten-year period.

With this limited set of goals, NRDC then asserts that notwithstanding the purposely broad definition of "qualified projects" in Section 134(c)(3), EPA should predefine what products, technologies, and services are "qualified projects" that can be supported by grants from the GA and LIDAC Funds and prioritize the deployment of "*distributed* GHG reduction technologies."[18] At the same time, NRDC correctly asserts that such grants should "maximize greenhouse gas emission and air pollution reductions."[19] *id.* at 31. NRDC, however, does not demonstrate that the deployment of qualified projects limited to "distributed GHG reduction technologies" would be expected to maximize the avoidance or reduction of emissions of GHGs and other forms of air pollution per dollar of grant provided by the GA and LIDC Funds. An applicant asserting that it is an "eligible recipient" with regards to the GA and LIDC Funds should have to show it will meet all the requirements and goals of Section 134 when it provides EPA the business and financial plan that addresses all the sectors in which it proposes to commence direct and indirect investing as required under Section 134(b). EPA should not choose or otherwise prescribe strategies or tactics for applicants regarding their direct and indirect investments beyond what is expressly required under Section 134. Instead, it should state objectives in accordance with the stated purpose and requirements of Section 134. It should enshrine in the grant award in the contract requirements for the capitalized entity to meet its objectives in conformance with Section 134 and be accountable to EPA, indirect recipients and low-income and disadvantaged communities for any failure to do so.

An "eligible recipient" is not merely a pass-through entity to funnel grant award funds to indirect recipients, a bureaucratic coordinator, or an entity focused solely on providing technical assistance to its members. An "eligible recipient" that receives a grant award is the

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[17] *See* NRDC Comments at 4.

[18] NRDC Comments at 5 (emphasis in original); *see also id.* at 31-40 (describing technologies that should be prioritized or excluded).

[19] *Id.* at 31.

agent of the GHGRF, a legally-bound counterparty to a contract with EPA, an entity that makes direct investments at the national, regional, State and local levels with a probability of success that rises as its capital increases, and a maker of indirect investments comprised of "funding and technical assistance" to the vitally important "State, local, territorial, or Tribal" or District of Columbia entities that will invest along with the "eligible recipient" "in partnership with, and by leveraging investment from, the private sector." This role is perhaps new to some commenters but is not unlike other nonprofits funded by government to perform roles deemed best suited to non-governmental actors. The essential elements of oversight, reporting, checks, balances and remedies can be set forth in the RFP, but they must be enshrined in the grant award contract.

Moreover, EPA should firmly reject the suggestion that it not faithfully adhere to the definition of "qualified project" in Section 134(c)(3). For example, as noted above,[20] LISC assert that "EPA structure financial assistance as flexible capitalization grants to CDFIs, which will in turn blend these dollars at the enterprise…. level."[21] This suggestion runs counter to the express requirements of Section 134. Such asks for flexibility in the use of grant funds beyond what is permitted under Section 134 should ring a warning bell for EPA: stick to the stated purpose and express requirements of Section 134 in order to avoid the dissipation of grant funds used for purposes not expressly mandated under Section 134 to support the unrelated but otherwise laudable financing activities of local financing entities.

III. EPA should require fact-based presentations from any proposed "eligible recipient"

NRDC acknowledges and correctly describes how the Coalition Consortium shows at p 51 passim that CGC and its open access network of state and local green banks have far more experience and track record in investing in clean energy products, technologies, and services than all the other nonprofit finance entities.[22] Moreover, NRDC correctly acknowledges that already existing green banks have substantial experience working with a broad range of local finance entities, including both CDFIs and credit unions, who act as retail loan originators for loans, of which a large proportion are in low- and moderate-income communities and households.[23]

[20] *See* note 12, *supra*.
[21] LSIC Comments at 4.

[22] *See* NRDC Comments at 51.

[23] *See id.* at 57.

However, the thousands of local and community-focused finance entities, including CDFIs and credit unions, have all had far greater access to capitalization and guarantees and insurance for many years than green banks have had. The question begged is why these finance entities have done relatively little investing in "any project, activity, or technology…that reduces or avoids greenhouse gas emissions and other forms of air pollution."[24]

Moreover, in all the thousands of pages of comments we have read there is a paucity of evidence that CDFIs, credit unions and other local finance entities engage in public private partnership as required by Section 134(c)(3)(A). Instead, they make general consumer finance, small business and mortgage loans for the most part – these types of financing activities are laudable but not part of the stated purpose or within the express requirements of Section 134.[25] Both direct and indirect recipients must partner with the private sector. Any proposed "eligible recipient" must demonstrate the capability to do so.

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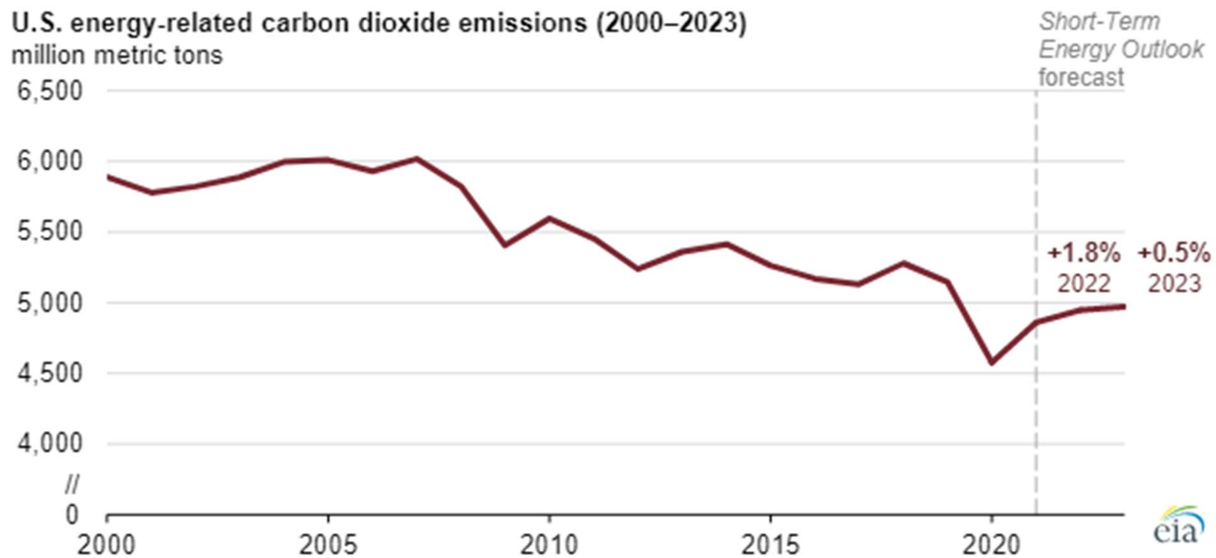
[24] It has to be recognized that CDFIs, perhaps like any public policy initiative, are not immune from criticism or doubt about their capacity to contribute to the stated mission of Section 134. *See* Mehrsa Baradaran, How the Other Half Banks: Exclusion, Exploitation, and the Threat to Democracy, Harvard University Press: 2015, at 167 ("At their peak, there were one thousand CDFIs…However, the majority of the funds went toward community development projects…allotted first to real estate development in low-income communities and second, to businesses operating in those areas.") CDFI Annual Certification and Data Collection Reports issued annually by the Treasury Department support this conclusion: nothing resembling a "qualified project" as defined under Section 134(c)(3) is even reported. Nevertheless, the Coalition will show in its application as an "eligible recipient" how if capitalized it will provide "funding and technical support' in support of the vision of a rapid "transition" in lending by a wide range of existing and new public, quasi-public, not-for-profit and nonprofit entities, including CDFIs and credit unions.

[25] With regards to the financing activities of CDFIs, the LISC Comments state that "According to the Treasury Department, CDFIs leverage grant investment 8:1 with private sector investment from banks, foundations, and other impact investors." LISC Comments at 2. This same statement is echoed in the Comments of Calvert Impact, Inc. ("Calvert Comments") and comments of others. *See, e.g.,* Calvert Comments at 7 ("Community finance organizations are adept at facilitating high private-sector leverage, with CDFIs typically generating an 8:1 leverage ratio on investment."). Interestingly, the Calvert Comments cite a weblink for a speech given in 2021 by Treasury Secretary Yellen as support for the reported 8:1 leverage ratio. *See id.,* n.5. In the speech (as provided in the aforementioned weblink) Secretary Yellen actually said: "By one measure, every dollar injected into a CDFI *catalyzes* eight more dollars in private-sector investment" (emphasis added). Virtually all public investment catalyzes private sector investment that can be direct (i.e., the direct result of the public investment, such as private sector investment in a community solar project with greater subscription participation by low-income households resulting from a loss reserve product provided by a state or local green bank) and indirect (i.e., proximately related to, but not the direct result of, the public investment, such as private investment in a restaurant spurred by increased demand resulting from public investment in a nearby highway). Given the language of Section 134(c)(3)(A) ("in partnership with, and by leveraging investment from, the private sector"), a leverage ratio based on directly resulting private sector investment is the ratio that should be used for investments in "qualified projects", and as properly recognized in the NRDC Comments at 16-17 consistent definitions of "leverage" are critical for accurate comparison. It is unclear from the comments if the reported 8:1 leverage ratio for CDFIs regards only directly resulting private sector investment or is instead a much broader "catalyzation" ratio that also includes indirectly resulting investments.

IV. It's time for action

Perhaps the single statement in all the comments read so far to which we reacted with the greatest dismay is this from NRDC: "If EPA determines it must begin making awards by February 2023, it should consider making only a small pot of funds available for February awards."[26] The climate crisis grows more serious every day as NRDC itself knows as well as any other.[27] Since the pandemic faded away, emissions are increasing.



After 14 years of practice and policy advocacy for a national green bank, the Coalition and its open access network of state and local green banks has backlogged investment, detailed plans in accord with the purpose and requirements of Section 134, and lacks only the capital to

[26] NRDC Comments at 68.

[27] "The single greatest fact in modern political history is the increase in the concentration of carbon dioxide in the Earth's atmosphere from 290 parts per million in 1850 to 418 parts per million in 2021." Richard J. Evans, Regius Professor Emeritus of History at the University of Cambridge. The Fence, Issue 13, Autumn 2022, page 15.

accelerate providing benefits to low-income and disadvantaged communities by driving adoption of “any project, activity, or technology…that reduces or avoids greenhouse gas emissions and other forms of air pollution.” If others are not ready to invest, EPA must not wait. If capitalized by GHGRF, the Coalition is ready to provide them the “funding and technical assistance” that will get them ready.

Thank you for the opportunity to provide comments as you consider your recommendations to EPA. We look forward to working with the EFAB, and with the various commenters to achieve the ends of successfully implementing the Greenhouse Gas Reduction Fund.

Sincerely,

Eli Hopson

Executive Director / Chief Operating Officer

Coalition for Green Capital