



# **Creating a Fairfax County Green Bank**

Update

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# Green Bank

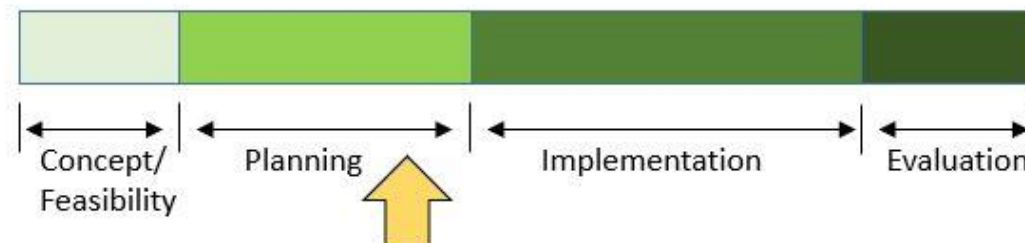


*A technical and financial resource to support a substantial increase in the use of clean energy technologies by all. Residents, businesses, and non-profit organizations will benefit from this economic development.*

CECAP Sector	Supported CECAP Strategy	Green Bank Role
 <b>Buildings and Energy Efficiency</b>	<b>Strategy 1:</b> Increase Energy Efficiency and Conservation in Existing Buildings <b>Strategy 2:</b> Electrify Existing Buildings  Provide <b>23.5%</b> of GHG reduction	<ul style="list-style-type: none"> <li>Information clearinghouse helping all understand the full breadth of opportunities</li> <li>Financing for energy efficiency upgrades across all kinds of buildings</li> </ul>
 <b>Energy Supply</b>	<b>Strategy 5:</b> Increase Production of Onsite Renewable Energy  Provides <b>4.4%</b> of GHG reduction	<ul style="list-style-type: none"> <li>Financial assistance for installation of renewable energy systems across all kinds of buildings.</li> <li>Emphasis on increasing access to renewable energy in historically disadvantaged communities</li> </ul>
 <b>Transportation</b>	<b>Strategy 7:</b> Increase Electric Vehicle (EV) Adoption  Provides <b>19.4%</b> of GHG reduction	<ul style="list-style-type: none"> <li>Technical and financial assistance supporting commercial fleet electrification</li> <li>Exploration of battery and smart grid applications</li> </ul>



# Green Bank, Cont'd



Calendar Time	Past and Current Activity
3 <sup>rd</sup> Q CY 2020	BOS Fairfax Green Initiatives 2 calls for exploration of green bank option
1 <sup>st</sup> Q CY 2021	General Assembly granted legislative authority to localities to establish green banks
3 <sup>rd</sup> Q CY 2021	OEEC hired ICF Consulting to prepare feasibility study / gap analysis
3 <sup>rd</sup> Q CY 2022	Feasibility study/gap analysis completed
3 <sup>rd</sup> Q CY 2022	Interagency committee created for internal stakeholder clarity and support
On-going	Engagement w/external stakeholders including lenders, community organizations, service providers, other green banks, and other potential partners and collaborators
1 <sup>st</sup> Q CY 2023	Complete organization's initial business plan; draft county support agreement; draft by-laws for organization

# Diverse Green Bank Funding Brings Community Benefits

Federal and State Government; plus  
other regional localities if they opt in

Fairfax County Government

Financial Institutions (banks,  
credit unions, CDFIs, etc.)

Business and individual donations

Investments  
in Projects



The projects cut pollution including greenhouse gases,  
save money, improve human health, and create jobs

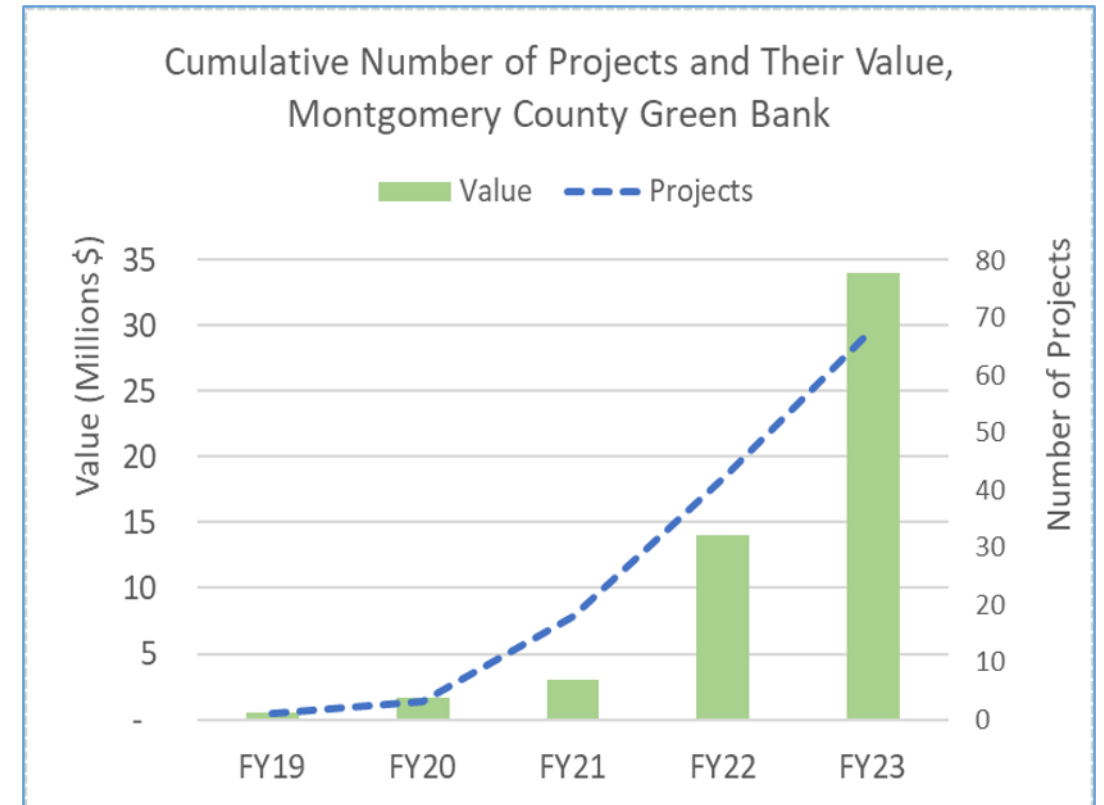
## Funding the Green Bank

- Energy Efficiency and Conservation Block Grant (EECBG), U.S. DOE
  - Fairfax County allocation is \$963,530, up to \$250,000 for green bank start-up
- Greenhouse Gas Reduction Fund (GHGRF), U.S. EPA
  - \$27 billion for clean energy investments for state & local green banks, emphasis on low- and moderate income (LMI) households and disadvantaged communities
  - Competitive grants; our work on green bank to date helps our application(s)
- County General Funds will be helpful, especially early
- Corporate and individual donations will be pursued
- Capital lenders work in collaboration; GB revenue comes from loan fees
- Partnerships with other localities will bring scale and additional capital



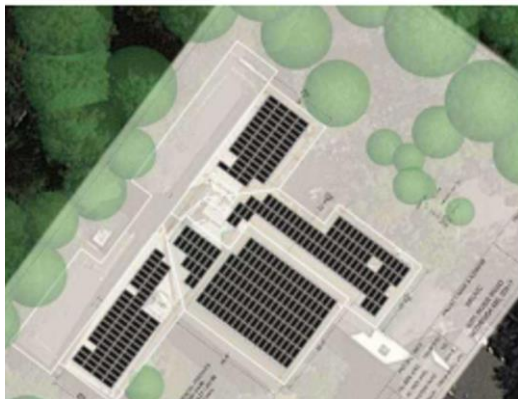
# Lessons from the Montgomery County Green Bank

- Clean energy financing is specialized, not ‘visible’ like real estate finance
- Takes time to build traction.  
“Give it time to work” – T. Deyo MCGB exec dir
- Funds on hand – a strong balance sheet – helps private lenders partner w/GB
- Building the market is critical. Outreach is a constant as end users (customers) need to be educated
- Montgomery County set up a dedicated funding source in FY23 (~\$18M/yr), making an enormous difference



## Highlights and two examples from the MCGB

- As of Dec 2022, annual reduction of 5,299 tons greenhouse gas emissions; 1,540 households benefitting (78% of them LMI); 3.8 MW solar installed
- Built 'pipeline' for solar projects on over 40 nonprofits (incl. faith groups and affordable housing) with specialty financing for power purchase agreements
- A bridge loan and backing a loan from a community bank led to energy efficiency investments of \$1.5M in a 212-unit affordable high-rise condo, saving \$100,000/yr in utility costs.



River Road Unitarian  
Universalist Congregation  
Installs 142 kW Rooftop  
Solar PV System

Published On: September 27, 2022



Takoma Park Condo  
Property Reduces Energy  
Consumption by 20%

Published On: October 17, 2020

# Moving Forward



Calendar Time	Future Milestones
2 <sup>nd</sup> Q CY 2023	Apply for Federal funding (EECBG) for green bank start-up
2 <sup>nd</sup> Q CY 2023	Public outreach sessions on green bank purpose and opportunities
2 <sup>nd</sup> Q CY 2023	Update BOSEC with draft green bank ordinance
2 <sup>nd</sup> Q CY 2023	Advertise public hearing for ordinance
3 <sup>rd</sup> Q CY 2023	Public hearing and adoption of ordinance; approval of by-laws Appointment of Green Bank Board of Directors; Establish 501c3 status and register incorporation with State Corporation Commission
3 <sup>rd</sup> Q CY 2023	Apply for Federal funding (Greenhouse Gas Reduction Fund) for broad support
3 <sup>rd</sup> Q CY 2023	Appropriate initial funds to green bank;
4 <sup>th</sup> Q CY 2023	Green Bank programming begins in earnest with hired staff

- Building upon lessons learned from others, developing a Green Bank will be a powerful catalyst for clean energy deployment in Northern Virginia.
- Funds available through the Inflation Reduction Act and other Federal programs offer a timely opportunity for Fairfax action.
- All of Fairfax – and the Northern Virginia region – can benefit from these investments.