PROTECT *the* PUBLIC'S TRUST

“THESE NUMBERS DON’T MAKE SENSE”: *THE SHOCKING WEAKNESS OF EPA’S GGRF AWARD PROCESS.*

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Executive Summary

PROTECT the PUBLIC'S TRUST

In 2023, with the passage of the Biden Administration's Inflation Reduction Act (IRA), the U.S. Environmental Protection Agency (EPA) suddenly found itself a conduit for unimaginable sums of taxpayer money. In fiscal 2024, the EPA had a budget of $9.16 billion. [1] The IRA's Greenhouse Gas Reduction Fund (GGRF) alone gave the agency $27 billion to disperse by the end of 2024.

Ostensibly, these billions would be the foundation – or add to the foundation – of clean energy and other green industries and markets. This would cement the infrastructure needed for the transformative shift of the U.S. economy away from fossil fuels and toward net zero emissions.

This massive influx of taxpayer cash came without commensurate oversight resources to an agency with no experience granting that kind of money. This, combined with the speed at which funds were to be released, was a recipe for disaster.

To facilitate the giveaway, the EPA came up with plans to award the $27 billion through three separate components of the GGRF. State and local governments and Tribes were slated to receive $7 billion from the Solar for All component. The Clean Communities Investment Accelerator (CCIA) would give $6 billion to a total of five consortia of NGOs to "establish hubs that provide funding and technical assistance to community lenders working in low-income and disadvantaged communities." The other $14 billion, dubbed the National Clean Investment Fund (NCIF), was targeted for three consortia of "green banks" offering financial products to solar and wind energy providers, EV manufacturers, municipalities, community organizations, etc. Consortia would have to apply to compete for slots, and those with the best business plans, greatest resources, and properly dotted Is and crossed Ts would receive sums of money heretofore unknown to EPA grant recipients.

There were several problems, however, including the deep ties between the Biden EPA and NGOs at every level of the recipient consortiums. As we shall demonstrate, some of the very people responsible for planning the GGRF had previously worked for organizations getting the grants. In one case, a senior GGRF planner left the White House for the board of an eventual recipient. Congressional overseers expressed "concerns that the Biden administration is using this program to advance partisan interests and enrich political allies." [2]

And if some Is were undotted and Ts left uncrossed by the best-connected applicants? What if the business plans would never pass muster in the private sector? No sweat. The agency's mandate was to get the money out the door. The EPA just doesn't seem to have been interested in the almost inevitable waste and abuse that would follow. The $20 billion for the CCIA and NCIF was the subject of the infamous "throwing gold bars off the Titanic" [3] comment in which a former EPA official described the Biden administration's scheme to rush the funds out the door before the incoming Trump administration could turn off the spigot.

This sort of attitude was especially concerning because of the inherent nature of the program. Though EPA would select the entities to receive the initial grants, the funds were intended to be sub-granted to other organizations. These subgrantees would be the entities putting the money to use, whether funding projects, buying materials, or further granting to other organizations. In other words, the GGRF was designed to insulate the end users of the funds from direct oversight by EPA. These subgrants and the organizations that received them would not be subject to the same oversight and monitoring by officials at the EPA as would organizations receiving money directly from the agency. And the agency's oversight budget was infinitesimally small.

[1] Environmental Protection Agency, EPA's Budget and Spending, https://www.epa.gov/planandbudget/budget
[2] Excerpt from video of House Energy & Commerce Committee Oversight and Investigations Subcommittee Hearing: "Fighting the Misuse of Biden's Green Bank Giveaway", January 30, 2024, https://protectpubliestrust.org/wp-content/uploads/2024/02/E-and-C-clip-2024-01-30.mp4
[3] Administrator Lee Zeldin. [@epaleezeldin]. (Feb. 10, 2025). *"We're throwing gold bars off the titanic" - Former EPA Biden appointee (Dec '24). The "gold bars" are tax dollars and throwing them "off the titanic" means the Biden Admin knew they were wasting it. I've directed @EPA to put on their scuba gear and help me find the gold bars.* [Video attached] [Post]. X. https://x.com/epaleezeldin/status/1889038796873937348

Executive Summary

Protect the Public's Trust (PPT) first expressed concerns about the GGRF in May 2023 [4] and has been raising red flags about the process and results for more than two years. We recently examined the application and evaluation documents, including the reviewers' notes from the successful NCIF applicants. Certainly, the reviews and evaluations contain many comments that are complimentary or supportive of the applicants and their proposals. The evaluations of the successful applicants include some very high ratings. However, especially in consideration of the massive sums of money involved, the substance of the criticism, doubts, and misgivings expressed by reviewers left us even more fearful than ever before of the program's potential for waste and abuse.

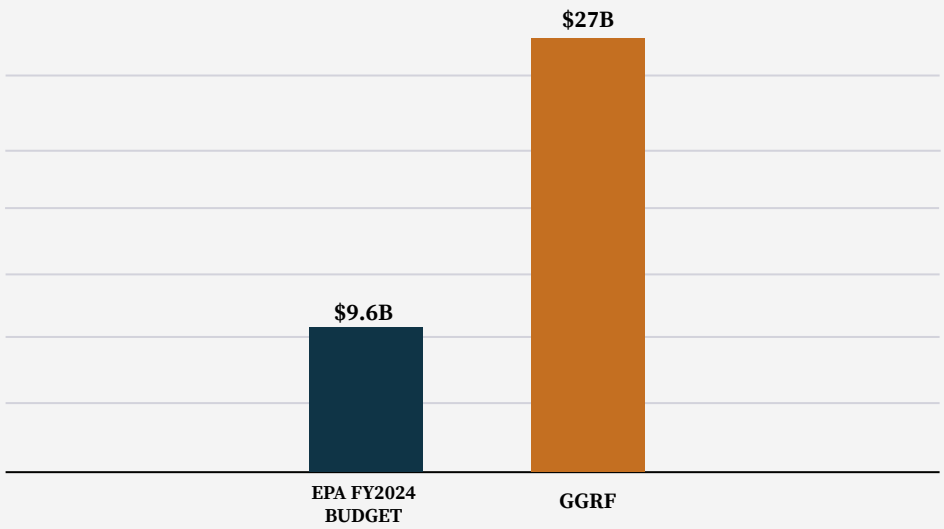
On criterion after criterion, reviewers note that required information is missing (in one case, financial statements). Many comments include some version of "not enough detail is offered." Processes are not described, goals are "not measurable," and technical and operational definitions are missing. Management teams have not been built; procedures have not been created. And, although the statutory language of the IRA said nothing about "climate justice," it seems to have been an agreed-upon priority. But reviewers note that even those plans are sorely lacking.

These reviews – of the three successful NCIF applications (imagine what the others were like) – show that applicants were not prepared or were not taking the program's implementation seriously. They show that reviewers were aware of the shortcomings but graded more than leniently. And they demonstrate that, just as the EPA only wanted to get the money out the door, the applicants just wanted to get it in.

When the entire evaluation process was completed, the grades hardly suggested these organizations were worthy of billions of dollars in taxpayer funds. In fact, the best score of any of the applicants was the equivalent of an A-minus, and a shaky one at that. Time and again during the process the philosophy exemplified by the "throwing gold bars off the Titanic" statement ruled the day at EPA. Despite having no experience handling amounts of money so large, the agency consistently chose to press harder on the accelerator instead of tapping the brakes. The waste and potential abuse these documents point to seems to be just the cost of doing business.

EPA FY2024 BUDGET VS. GREENHOUSE GAS REDUCTION FUND (GGRF)

Nearly 3x the agency's annual budget, with no added oversight or grant infrastructure.



[4] Protect the Public's Trust, "EPA Proposal to Distribute Funds from $20 Billion Program Raises Ethics Concerns", Protect the Public's Trust, May 5, 2023, https://protectpublicstrust.org/press-releases/epa-proposal-to-distribute-funds-from-20-billion-program-raises-ethics-concerns/

The Application Process and Demands for Oversight and Transparency

Following passage of the IRA and creation of the GGRF, watchdogs like PPT and congressional oversight committees [5] demanded greater transparency into the application process [6] and the agency's own Inspector General voiced serious concern about the lack of appropriate oversight controls or resources in place to protect against waste, fraud and abuse. "The rapid implementation of the program," then-Inspector General Sean O'Donnell warned, "combined with the relatively narrow window of availability for such a significant amount of funding, may lead the EPA to expend the funds without fully establishing the internal controls that mitigate the risk of fraud, waste, and abuse." [7] Prescient words, indeed.

A former EPA official who worked on the program dismissed its oversight funding as "decimal dust."

Even supporters of the GGRF were skeptical of EPA's ability to properly oversee such a large grant of funds. One outlet reported that EPA indicated "the program's budget is the smallest amount of money allotted to any federal agency for running any IRA program, as a percentage of the initiative's funding," about one-tenth what programs normally receive for administrative costs. A former EPA official who worked on the program and left to join an environmental nonprofit dismissed it as "decimal dust." The same former official stated of worries about the agency's oversight capabilities, "The concern is legitimate. EPA got more money than it could have ever imagined, and time lines – deadlines – that were as close to wildly unrealistic as you can get." [8]

PPT's multiple FOIA requests into the issue have yielded a hefty volume of application materials from those that received awards under the few major programs within the Greenhouse Gas Reduction Fund. Earlier requests and research by PPT and others had revealed meetings and other information about the creation of the program. All of which added to the suspicions about the potential for waste, fraud, and abuse.

Since it was the largest program with the fewest number of grantees, PPT chose the NCIF for our initial examination of the application evaluations from reviewers. The three organizations selected to receive NCIF funding were the Climate United Fund, Coalition for Green Capital, and Power Forward Communities. We discovered that, despite the enormous sums of money involved – again, the NCIF awarded more than the EPA has *ever* had in its annual budget – the EPA graded applicants on a steep curve.

After reviewing thousands of pages of application materials, this report details numerous red flags raised by reviewers that ultimately were dismissed or simply ignored. The analysis that follows in this report validates concerns prior to disbursement and those since the beginning of the Trump administration by Administrator Lee Zeldin.

On its face, the EPA developed and articulated a standard review and selection process for the unusually large program funds being outsourced. According to the EPA's website [9], application requirements included:

[5] House Energy & Commerce Committee, "E&C Republicans Expand Oversight of EPA's $27 Billion Green Bank", Energy & Commerce Committee, Aug. 19, 2024, https://energycommerce.house.gov/posts/e-and-c-republicans-expand-oversight-of-epa-s-27-billion-green-bank
[6] House Energy & Commerce Committee, "E&C Republicans Raise Alarm on Biden Admin's $27 Billion Green Slush Fund", Energy & Commerce Committee, Oct. 19, 2023, https://energycommerce.house.gov/posts/e-and-c-republicans-raise-alarm-on-biden-admin-s-27-billion-green-slush-fund
[7] "Follow the Money: Oversight of President Biden's Massive Spending Spree", Statement of Environmental Protection Agency Inspector General Sean O'Donnell, Submitted to the Subcommittee on Oversight and Investigations, House Committee on Energy and Commerce, Mar. 29, 2023, https://d1dth6e84htgma.cloudfront.net/O_Donnell_Testimony_OI_Spending_Hearing_3_29_23_c1d82efafa.pdf?updated_at=2023-03-27T20:07:19.729Z
[8] Jean Chemnick, "IRA's biggest climate program has 'decimal dust' for oversight", E&E News, July 17, 2024, https://www.eenews.net/articles/iras-biggest-climate-program-has-decimal-dust-for-oversight/
[9] Environmental Protection Agency, "Greenhouse Gas Reduction Fund: Review and Selection Process", United States Environmental Protection Agency, https://www.epa.gov/greenhouse-gas-reduction-fund/review-and-selection-process

- detailed project narratives
- organizational and governing documents
- resumes of board members and senior management
- legal and compliance risk management policies and procedures
- financial statements
- workplans for the first year of program implementations, and
- budget narratives.

EPA claimed that applications were reviewed and scored on these criteria with a process that was "robust, consistent, and ethical." It claimed to rely on 72 evaluation criteria for the NCIF program, dedicate a senior career official to serve as panel chair for all the review panels to drive consistency, and maintain the highest ethical standards for conflict-of-interest, ethics, and other checks, screening for real or perceived conflicts or ethics issues. (The superficial seriousness of this consideration may be best exemplified by the concerns raised around David Hayes' leadership role with one of the applicants – or rather the resounding absence of concern around this fact. Hayes was one of the highest-ranking government officials involved in crafting the climate-related portions of the Inflation Reduction Act and overseeing the administration's climate portfolio, presumably including the GGRF. Shortly after leaving government, he joined the board of one of the GGRF applicants, which was eventually awarded $5 billion!)

"The program's [administrative and oversight] budget is the smallest amount of money allotted to any federal agency for running any IRA program, as a percentage of the initiative's funding."

Records show that each of the awardees' applications were assessed by multiple reviewers on their fitness to expend, protect, and oversee a substantial amount of taxpayer funds. Considering that the GGRF, and NCIF in particular, is a very complex, partisan-driven, and first-of-its-kind program, the blunt and critical analysis by reviewers is unsurprising. What is surprising, given the breadth of the inadequacies and red flags noted throughout the process, is the Biden EPA's decision to proceed full speed ahead.

The NCIF Recipients

Climate United Fund (CU)

Climate United Fund is a coalition composed of Calvert Impact, the Community Preservation Corporation, and Self-Help Credit Union. The organization says it is focused on, "expanding residential solar power and battery storage, decarbonizing buildings and reducing emissions generated by travel."

In 2024, it was awarded $6.97 billion in GGRF funding and claims it will use the money to accelerate clean energy adoption and decarbonize residential buildings by influencing investment behavior in the mortgage market.

At the time of its approval for GGRF funding, the board of Climate United included several high-profile Democratic figures and political allies. Phil Angelides, former California State Treasurer and past chair of the state's Democratic Party, serves on the board, along with labor activist Dolores Huerta, co-founder of the United Farm Workers. Other members include Harold Pettigrew, appointed by President Biden to the Treasury Department's community development advisory board, and Patrice Willoughby, a former executive director of the Congressional Black Caucus and now a senior vice president at the NAACP. [10] Anthony Foxx, who led the Department of Transportation under President Obama, held a seat during the GGRF application process but has since left the CU board. [11]

Anthony Foxx

David Hayes

Coalition for Green Capital (CGC)

Founded in 2009, the Coalition for Green Capital (CGC) is a Washington, D.C.-based nonprofit organization that promotes "green banks" — government-backed financial institutions designed to direct taxpayer dollars into renewable energy projects. CGC claims to provide technical assistance and policy guidance to federal, state, and local governments seeking to establish these banks as tools to accelerate clean energy deployment.

CGC helped launch the first state-level green bank in Connecticut and has pushed for federal legislation like the Green Bank Act of 2016. CGC was awarded $5 billion from the EPA's Greenhouse Gas Reduction Fund to support a national green bank aimed at expanding clean energy financing, particularly in underserved communities.

CGC co-founder and former chairman and CEO Reed Hundt was FCC chairman during the Clinton administration and has been a donor and supporter of candidates and organizations allied with Democrats. [12]

[10] Nick Pope, "'The Swamp Is Getting Deeper': EPA Awards Billions From Biden's Landmark Climate Bill To Orgs Loaded With Dem Insiders", Daily Caller News Foundation, Apr. 4, 2024, https://dailycaller.com/2024/04/04/biden-epa-billions-grants-green-groups-democrat-ties/
[11] James Varney, "Overnight Success: Biden's Climate Splurge Gives Billions to Nonprofit Newbies", RealClear Investigations, Oct. 22, 2024, https://www.realclearinvestigations.com/articles/2024/10/22/overnight_success_bidens_climate_splurge_gives_billions_to_nonprofit_newbies_1066437.html
[12] Nick Pope, "Turns Out Top Execs Of Org Picked For Billions By Biden EPA Are Big Time Democrat Donors", Daily Caller News Foundation, Feb. 26, 2025, https://dailycaller.com/2025/02/26/biden-epa-cgc-top-execs-personal-donations-democrats/

Hundt was listed among the attendees of a "highly irregular" November 2022 meeting with allied groups, [13] described by EPA as "GHGRF Advocacy Groups and Think Tanks Discussion" [14] that was uncovered by a PPT FOIA request. He left CGC in January 2025. [15]

The organization's board includes long-time Democratic insiders and environmental advocates such as David Hayes, the former White House Special Assistant for Climate Policy. Hayes had served on CGC's board during the first Trump administration and left to join the Biden White House where he helped craft key climate provisions of the Inflation Reduction Act, presumably including the GGRF. Shortly after leaving government, he rejoined the board of the Coalition for Green Capital (CGC). The organization welcomed Hayes and three other board members in a press release stating these individuals "will play a critical role…in conjunction with our applications for funding under the Greenhouse Gas Reduction Fund." [16] Hayes' involvement with potentially crafting the GGRF, then being part of an organization receiving funds from the program was the subject of an ethics complaint by PPT. [17]

Other CGC board members include Cecilia Martinez, a former Biden official now with the Bezos Earth Fund, and Julie Greene Collier, chief of staff at the AFL-CIO.

Power Forward Communities

Power Forward Communities is a coalition comprising Rewiring America, Enterprise Community Partners (ECP), and the Local Initiatives Support Corporation (LISC). Rewiring America is an environmental group pushing for a full-scale societal mobilization to abandon fossil fuels and reshape the U.S. economy around green energy. LISC, founded with support from the Ford Foundation, focuses on community-level projects that promote progressive policy goals. Habitat for Humanity International and Untied Way Worldwide and Subsidiaries were listed as members of the PFC coalition when the organization submitted its GGRF proposal but have since withdrawn. [18]

PFC "does not specifically detail how compliance with applicable laws and regulations will be monitored and how risks will be identified."

PFC was formed specifically to secure GGRF funding and was awarded $2 billion from the Greenhouse Gas Reduction Fund to support replacing gas-powered appliances with more efficient—and often more expensive—alternatives, boost solar and battery storage deployment, and build out electric vehicle (EV) charging infrastructure.

The boards of PFC and its coalition members are packed with Democratic establishment figures. Shaun Donovan, the board chairman of ECP, served as Secretary of Housing and Urban Development and Director of the Office of Management and Budget under President Obama. PPT documents exposed additional connections between Enterprise Community Partners and the family of former House Speaker Nancy Pelosi. [19]

[13] Nick Pope, "'Highly Irregular': Biden EPA Invited Well-Connected Green Groups To Chat About $20 Billion Fund, Emails Show", Daily Caller News Foundation, Sept. 21, 2023, https://dailycaller.com/2023/09/21/biden-administration-epa-20-billion-grant-funding-connected-green-groups-emails/
[14] Pages from EPA-2023-003033-Final-production, Environmental Protection Agency, https://protectpublicstrust.org/wp-content/uploads/2023/09/EPA-2023-003033-Final-production.pdf
[15] Coalition for Green Capital, "Coalition for Green Capital Selects Richard Kauffman as its Next CEO", Coalition for Green Capital, Jan. 6, 2025, https://coalitionforgreencapital.com/coalition-for-green-capital-selects-richard-kauffman-as-its-next-ceo/
[16] Coalition for Green Capital, "Coalition for Green Capital Welcomes Four New Board Members Ahead of Greenhouse Gas Reduction Fund Application Submission", Coalition for Green Capital, https://coalitionforgreencapital.com/coalition-for-green-capital-welcomes-four-new-board-members-ahead-of-greenhouse-gas-reduction-fund-application-submission/
[17] Michael Chamberlain, "Former Special Assistant to the President for Climate Policy David Hayes's Apparent Ethics Breaches Related to the Greenhouse Gas Reduction Fund.", Protect the Public's Trust, June 27, 2024, http://protectpublicstrust.org/wp-content/uploads/2024/06/PPT_Ethics_Complaint_re_David_Hayes_and_GGRF_funding.pdf
[18] Zack Colman, "Climate groups could beat Trump in fight for $20B. It may be too late.", Politico, Mar. 23, 2025, https://www.politico.com/news/2025/03/23/trump-court-loss-could-still-gut-biden-green-agenda-00242974
[19] Robert Schmad, "EXCLUSIVE: Nancy Pelosi's Relative Snags Sweetheart Conflict Of Interest Waiver From Feds", Daily Caller News Foundation, Sept. 10, 2024, https://dailycaller.com/2024/09/10/nancy-pelosi-relative-snags-sweetheart-conflict-interest-waiver/

The NCIF Recipients

The two vice chairs, Phyllis Caldwell and Ari Matusiak, also have Obama administration ties — Caldwell worked at the Treasury Department, and Matusiak, who founded Rewiring America, served as a special assistant to Obama and directed private sector engagement.

"Rewiring America's leadership," as described by the then-chair of the Oversight Subcommittee of the House Energy and Commerce Committee Cathy McMorris Rodgers, "includes a former Obama White House appointee, a former employee of liberal political action committees, Democratic politician Stacey Abrams. Rewiring America is a project of the Windward Fund, which is controlled by Arabella Advisors. Arabella Advisors funnels donations to many various far-left-leaning nonprofits." [20] Abrams's contract with Rewiring America reportedly expired at the end of 2024. [21]

In comment after comment the reviewers suggested angles, factors and scenarios to all three awardees that they seem not to have considered.

GGRF's defenders have recently attempted to downplay Abrams' involvement with Rewiring America and, by extension, PFC, as well as her role in obtaining the GGRF award. However, "Abrams and her partner Ari Matusiak, CEO of Rewiring America, were the driving force behind winning the massive grant, something they revealed in their own words during a podcast last year. Matusiak said she helped 'put together' the Power Forward Communities coalition to apply for and win the $2 billion grant." [22]

Similarly to Hayes, Matusiak may have had a role in the creation of the GGRF from which his organization obtained $2 billion, though Matusiak did not work at the White House or EPA. According to a recent report, "By his own account, Matusiak also helped draft the 2022 Biden legislation that created the $27 billion green fund [GGRF] that Rewiring and its coalition were able to tap into two years later." [23]

Three NGOs with close government ties walked away with $14 billion:

COALITION FOR GREEN CAPITAL	CLIMATE UNITED	POWER FORWARD COMMUNITIES
$5 BILLION	**$6.97 BILLION**	**$2 BILLION**

[20] Excerpt from video of House Energy & Commerce Committee Oversight and Investigations Subcommittee Hearing: "Fighting the Misuse of Biden's Green Bank Giveaway", January 30, 2024, https://protectpublicstrust.org/wp-content/uploads/2024/02/E-and-C-clip-2024-01-30.mp4
[21] Zack Colman, "Recipient isn't giving in as Trump's EPA tries to revoke climate grants", Politico, Feb. 24, 2025, https://www.politico.com/news/2025/02/24/climate-grant-recipient-spending-trumps-epa-tries-claw-back-00205814
[22] Paul Sperry, "https://www.realclearinvestigations.com/articles/2025/04/16/epa_mega-grant_has_stacey_abrams_fingerprints_all_over_it_1104253.html", RealClear Investigations, Apr. 16, 2025, https://www.realclearinvestigations.com/articles/2025/04/16/epa_mega-grant_has_stacey_abrams_fingerprints_all_over_it_1104253.html
[23] *Ibid.*

Inside the EPA's Review and Selection Process

Any business trying to attract significant cash investment works hard to tell its story – where it's been and where it hopes to go. It spends hundreds or thousands of man-hours researching current and potential markets, anticipating roadblocks and formulating contingencies. It has looked at its business from every angle and rounded up the information investors need – paperwork, documents, financial statements, and management team resumes. It does the due diligence that potential investors are going to do.

According to the EPA, it expected all those things from applicants for the billions of tax dollars appropriated for the GGRF. It had more than 70 specific criteria by which applications would be judged.

Yet, in the end, the scores of those receiving billions of taxpayer dollars were hardly impressive. The best of the bunch earned what in other situations would qualify as (barely) an A-minus. Climate United Fund scored 946.5 out of a possible 1050, or 90.1 percent. The other recipients – CGC's 88.9 percent (933.5 out of 1050) and PFC's 81.3 percent (854 out of 1050) – would have earned a B-plus and a B-minus, respectively. [24] This was the best the EPA could do for U.S. taxpayers?

Certifying that a recipient will achieve construction metrics without accounting for materials costs or volatility of global supply chain volatility seems highly irresponsible.

The EPA demanded each applicant provide **detailed project narratives**, certainly a reasonable request of entities asking for *billions* of taxpayer dollars. According to the reviews PPT scrutinized, while the EPA received a lot of words, it did not appear to get the detailed narratives it asked for. For example, a reviewer said of CGC, the application "[d]oes not identify specific financing solutions beyond saying that private capital needs to flow to LIDACs [Low-Income and Disadvantaged Communities]- since that is already one of the calls to action by NCIF, this is not an adequate description for this part of the application." [25] Elsewhere, the application "[l]acks specificity on private sector partners," is "vague regarding leveraging other resources," and "does not identify any non-governmental sources of funding." It also "identifies the need to coordinate, but doesn't identify a clear plan to accomplish this coordination," and "lacks detail regarding a specific plan for coordination." [26]

CGC's "Leading argument here is that they have in the past grown the financial market with prior success - quantifying this success in this section would have been beneficial." [27]

Power Forward Communities' basic project numbers seem to have confused a reviewer: "They project to decarbonize 87,000 homes in the multifamily segment and 290,000 homes in the single-family segment. These numbers don't make sense and multifamily getting 50% of the allocation should impact at least twice as many homes as the single-family segment due to the home density on the footprint of a multifamily building. I would like to see the ratio of total dollar allocated to a segment divided by the number of decarbonized homes in that segment to show the best and use case for this allocation as rationale." [28]

CGC's "[g]oals are based on aggressive three-year capital deployment schedule, including utility-scale electricity generation and infrastructure projects that may be delayed by permitting, inflated construction cost, and supply chain issues." [29]

[24] Pages from 2025-EPA-00670, Environmental Protection Agency, https://protectpublicstrust.org/wp-content/uploads/2025/06/Pages-from-2025-EPA-00670.pdf ("Pages from 2025-EPA-00670") at 774
[25] *Id.* at 2.
[26] *Id.* at 6.
[27] *Ibid.*
[28] Id. at 218.
[29] Id. at 3.

Climate United's coordination with other entities seems to have been lacking. "I was a little disheartened to not see the HUD GRRP program listed in the potential program linkages by sector," wrote a reviewer. "Given that such a large portfolio will be residential, and there is such a strong Justice40 imperative, it is surprising that the bidder isn't familiar with HUD programming." CU's application "did not offer specific examples of how local, tribal, and nonprofit resources are leveraged." Worst of all, the reviewer wrote, "Given that the applicant plans to invest in solar, and in community solar in particular, it was SHOCKING to see no mention of [S]olar for [A]ll or coordination with state governments on solar." [30]

The dearth of information applied to standard business practices for financial institutions was stunning. Multiple reviewers expressed concern about CGC's financials: "The lead applicant's operating liquidity is not strong as expected, given the amount of balance sheet capital. This is driven by high operating expenses amounting to about 2x - 3x total assets. This is a pattern, not just a one-time expense required to prepare for the EPA funding opportunity." [31] These comments would give pause to someone looking at an organization asking for $1 million, let alone one that received $5 *billion*. In addition, CGC's description of its business "is a little light on information to evaluate the extent and quality by which the business aligns with the program plan." [32]

Major concerns were raised about PFC, such as, "[t]here is no discussion as to how climate risk is measured and used to inform investment portfolio construction." [33] Indeed this criticism strikes at the heart of the program – and by extension, the applicant's basis for receiving federal funds. If it is unable to measure climate risk, how can it work toward achieving the program's central purpose or assure agency officials that its taxpayer-backed investments are having any impact at all?

Reviewers were unsure that Power Forward had a "workable strategy to mitigate losses (or avoid significant loan forgiveness)," since "The significant range of expected provisions for loan losses (7%-40% depending on the coalition member) makes it difficult to assess the continued operability of program funds." [34]

Most importantly, the narratives raised doubt that the project would achieve the statutory directive for which the billions of dollars were made available. For instance, a review said CU's plan wasn't nearly ambitious enough: "The reduction of 134 million metric tons of greenhouse gases (CO2e) over a 15-year period (average of 9 million metric tons per year) is not sufficient. This amount is not annually. Need to at least 10 times for 15 years total. 67% of CU investment is intended to decarbonize building. It looks like it does not include building material or supply chain." [35] Unfortunately, this observation becomes even more serious when one looks past the underwhelming award promises. Submitting application materials certifying a recipient will achieve metrics related to construction, without accounting for the cost of building materials or the (then) constant volatility of global supply chains seems highly irresponsible.

The criteria were also concerned with the people who were going to receive and distribute the money, asking for **organizational and governing documents** and the **resumes of the board of directors and senior management**. Here too, the information provided was incomplete and left the reviewers with more questions.

CU's personnel and organizational descriptions troubled reviewers, with one noting, "Executives have comparatively less experience investing in emission reduction technology/clean tech. Execs lack tribal background/experience." Most executive experience "is focused on dealing with financial markets with only a few Sr. management members having experience in either clean tech, emissions reduction, or LIDAC communities." [36]

[30] Id. at 51.
[31] Id. at 21.
[32] Id. at 10
[33] Id. at 237.
[34] Id. at 231.
[35] Id. at 46.
[36] Id. at 56.

Governing boards also prompted reviewer questions. "The Regional Advisory Council chairs seem to be predominately executive leaders of financial institutions, and it is unclear who the members of the Environmental Justice Advisory Board are," a reviewer wrote of CGC, "so it is difficult to determine the degree to which these advisory bodies will provide for participatory governance mechanisms for LIDAC community representatives." [37] Presented with a potential board size of between nine and 19 members depending on the number of committees, several reviewers questioned whether it would be large enough, with one commenting, "Applicant is seeking $10B for a nationwide greenbank program. board of 9 (if at some point there are only 9 members) given complexity of program does not seem like enough to staff the committees and do appropriate monitoring." Another added that the "plan does not describe how the committees will be staffed." Multiple reviewers also expressed concerns that CGC requires only 51% of its board to be independent. [38]

The reviewers' concerns appear to have been validated shortly after the awards were handed out. As noted in a previous section, several high-profile board members, former administration officials, and well-known political figures departed their respective organizations after effectively vouching for their applicants' credibility before sympathetic EPA decision-makers. These included Anthony Foxx leaving CU, Reed Hundt leaving CGC, and Stacey Abrams departing PFC coalition member Rewiring America.

The EPA sought **legal and compliance risk management policies and procedures.** As with other topics, what it got was not reassuring.

Reviewers noted CGC's "program plans to procure a commercially available system and contractor expertise to implement financial risk management swiftly. This may take time. The section on operational risk looks to be lifted from the Basel Committee on Banking Supervision although it is likely adaptable when tailored to CGC." [39] This concern is magnified considering the expedited timetable in CGC's plan.

A reviewer suggested that Climate United introduced "some financial risk" by stipulating that "each Subawardee will maintain some independence when it comes to investment strategy and management," [40] That "independence" translates to insulation from direct EPA oversight, one of the concerns expressed by the EPA OIG more than two years ago.

CU's offering of "subordinated debt, equity, interest-only lending products, longer duration and balloon payments … could pose higher risk to the funds allocated. The entity being awarded the funds should feel incentive to pay back the loan. Usually, loan subordination, interest-only products or balloon payments are less recommended." [41] One would think the lessons of 2008 would still be fresh – offering risky loan products is a recipe for disaster. Elsewhere, discussing climate risk, the reviewer said, "although you can establish more flexible financial risk metrics, there should be a minimum capital requirement or liquidity policy established." It was "not clear that the moderate to aggressive climate risk posture serves the greater goal." [42]

Applications were often called out for making pro forma statements about their intent to develop governance controls, auditing capabilities, and oversight mechanisms to remedy the waste and inefficiency almost certain to infiltrate a new program of the scale being proposed. For example, PFC offered reviewers "no clear 'assessment' of legal and compliance risks posed by their proposed program. No clearly delineated 'procedures' as such, but policies do envision procedures. It does refer to mitigation practices e.g., risk assessments, audits, termination clauses. Plan is very conceptual only." [43] Taxpayers should expect more from an entity receiving $2 billion than "conceptual only."

[37] Id. at 19.
[38] Id. at 19.
[39] Id. at 15.
[40] Id. at 61.
[41] Id. at 63.
[42] Id. at 64.
[43] Id. at 238

Beyond that PFC "does not specifically detail how compliance with applicable laws and regulations will be monitored and how risks will be identified. For example, the applicant states that it is committed to periodic risk assessments to identify areas requiring additional attention but does not indicate a plan for conducting those risk assessments. In addition, the applicant states that it will take prompt action when instances of noncompliance are identified, but it does not indicate how it will do so, which makes it difficult to assess whether the application describes a 'robust' plan for mitigating risks." [44]

PFC offered "[n]o description of what applicant would be looking for in terms of compliance," and made "[n]o promise to conduct audits, simply 'reserve the right' to do so." The reviewer suggested PFC is heading into the project with rose-colored glasses: "Applicant does not appear to want to admit there are known problems with service providers and consumers." [45]

Further, among PFC's product offerings are "Charging Station Loans, [which] will provide construction and permanent financing for the installation of EV charging stations. This loan will be interest-only, with an interest rate of 3% to 5%, the option for interest to be deferred until loan maturity or repayment." [46] Against the promise of good stewardship of federal dollars, this virtual guarantee of no-cost loans for the life of the loan gives ample fodder for those concerned that the program was designed to waste funds in order to boost the electric vehicle market, arguably one of the largest pet projects pushed by the Biden administration.

During a hearing of the House Energy & Commerce Committee, the EPA stated that it was "including terms and conditions in the award agreements to reinforce that all grants are subject to Build-America Buy-America Act by statute," and that "EPA will hold selected applicants accountable to BABA requirements through the terms and conditions of the award agreements." [47] However, as reviews noted of PFC's application, "Generally the applicant did not provide sufficient detail about their plans to ensure DBRA [Davis Bacon] and BABA [Build-America Buy-America Act] compliance to provide confidence in their efficacy. The applicant indicated an expectation that single-family and small-multifamily projects that they intend to support will be exempted from DBRA by EPA" as well as "[n]o articulation of how (DBRA [Davis Bacon] and BABA [Build-America Buy-America Act]) compliance will be achieved." [48]

CGC "Does not identify specific financing solutions beyond saying that private capital needs to flow to LIDACs…]- since that is already one of the calls to action by NCIF, this is not an adequate description for this part of the application."

The applicants' risk management plans left a lot to be desired, but the risk the applicants themselves posed was, in two of the three cases, unknown. The EPA asked for **financial statements**.

A reviewer noted of PFC, although "two of the three major coalition members (representing 60% of the award) are well capitalized with sufficient liquidity," … "the lead applicant is a de novo entity with no financial statements." [49] Nor were there financial statements for two of its five coalition members. Rewiring America was one of the members lacking financial statements. As previously noted, two of the major coalitions listed in PFC's application, Habitat for Humanity International and Untied Way Worldwide and Subsidiaries, have withdrawn.

[44] Ibid.
[45] Id. at 241.
[46] Id. at 228.
[47] House Energy & Commerce Committee, "E&C Republicans Expand Oversight of EPA's $27 Billion Green Bank", Energy & Commerce Committee, Aug. 19, 2024, https://energycommerce.house.gov/posts/e-and-c-republicans-expand-oversight-of-epa-s-27-billion-green-bank
[48] 2025-EPA-00670 at 229.
[49] Id. at 230.

Climate United also did not have financials since it was "a new entity purpose-built for the execution of our program plan and does not have a robust reporting history." [50]

CGC had the strongest financial statements, yet its "FY2022 and 2021 financials show a net loss with declining fees for service income."Another reviewer noted, "For CGC - unsatisfactory Revenues/Operating Expenses): 79.78% (improved to 141.78% in Q3 Sep 30, 2023)." [51]

There was plenty else to question in the **budget narratives** of the three applicants. Despite being an organization with no financial track record, a reviewer noted that CU's "Exec comp seems high," and it had a "large budget and large number of contractual services and goods which can add risk to a federal award." [52] And the CU folks seem to have a travelling bone: "$4,515,467 over the 5-year period and accounts for over 173 different travelers. That's over $5,200/traveler/year! That's a lot! Use more teleconference to reduce travel budget." [53]

"Lacks specificity on private sector partners…vague regarding leveraging other resources…does not identify any non-governmental sources of funding…identifies the need to coordinate, but doesn't identify a clear plan to accomplish this coordination…lacks detail regarding a specific plan for coordination."

"High" may not even sufficiently describe CGC's proposed employee pay. "Of the 71 expected hires, more than 20% would be making salaries more than ~$450,000 (with 7 individuals, or 10%, earning more than $600,000 on average)," one reviewer noted. [54] Thus justifying the fears of government and outside oversight that the program could be abused to reward former colleagues and allies of the Biden administration.

Climate United dedicated 2.2 percent of its budget to "market predevelopment," but a reviewer wanted "additional clarity/granularity of use of funds." [55] The reviewer also questioned CU's loan loss provisions of 10 percent against expected losses of 8 percent: "The assumption implies there would be very few workouts or recoveries. While the expected losses are high for several members, the loss assumptions seem realistic to achieve the goal of lending to borrowers that are perceived to be more risky." [56] While the 2 percent difference may appear trivial, when one is assessing a plan to receive and distribute $2 billion, that otherwise small discrepancy can turn into tens of millions of dollars.

Many comments betrayed that reviewers sensed a lack of long-term vision among the applicants – the kind of vision needed to build not just a company, but an entire market. Perhaps this has to do with the pass-through model the organizations presented – and indeed that the EPA intended when deciding to outsource the entire GGRF program. They are simply intermediaries, as the independence CU gives coalition partners and subawardees demonstrates. And while the lowest tier subawardees are largely shielded from EPA oversight, they are also assuming most of the risk. Without much skin in the game, the awardees don't have much incentive to think past allocating the funds granted.

For example, a reviewer noted that CGC's "assumption of deploying $10B in the first fiscal year of performance seems unattainable while also maintaining the historical Green Bank default rate of 0.5%. The lead mentions that $3.7B would be subawarded to coalition members, but that still leaves a significant amount of capital to be deployed in a year." [57]

[50] Id. at 55.
[51] Id. at 21
[52] Id. at 55
[53] Id. at 57.
[54] Id. at 9
[55] Id. at 56.
[56] Id. at 69.
[57] Id. at 21.

One of the expressed purposes of the GGRF was to leverage these dollars to attract other public and private sector funding. In its press release announcing the award, EPA declared a goal of the program was to "[a]chieve a private capital mobilization ratio of nearly 7 times, with every dollar in grant funds leveraged for almost seven dollars in private funds over the next seven years—turning $20 billion of public funds into $150 billion of public and private investment to maximize the impact of public funds." [58] However, PPT noted a pattern of applicants having given little or no thought to intelligently growing the fledgling market they were entrusted with. There were no plans to find new lenders to work with, no specific recourse in defaults, no plans for disposition of physical assets – in short, many of the considerations essential to a healthy, resilient marketplace were absent. Where plans did exist, they appeared unrealistic and unsupported by details.

In the case of CU, it was left to the reviewer to suggest that over the long term, it might be advantageous to partner with other grantees or solar providers to "create the establishment of the maintenance, repair and recycle capacity for solar panels at large scale." That might not be easy, considering CU "did not discuss how they will coordinate with other NCIF grantees." Further, "If the reduction for energy, utility (water and sewer) bill for LIDAC occurs, the government subsidy can be reduced. The saving[s] for these government subsidy can be reinvested back to more projects." [59] In fact, CU didn't even have a plan to ensure "timely expenditure by those receiving financial assistance from the CUF partners." [60]

PFC did discuss the future, but one reviewer wasn't having it: "The $1.86B for market building is not clearly quantified, beyond a $125 million loan insurance product (covering about $1B in existing loans). It is unclear what sort of market building would require nearly $2B, and how using 20% of the grant would be a good use of funds." [61]

For its part, CGC's plan was extremely aggressive, yet lacking in detail or a clear realistic vison of how the organization planned to achieve it. Its "diagram on turning $10 billion into $157 billion is not very clear - would have been good to see some mention of assumptions that get to the final figure, and doesn't appear this is spelled out elsewhere in the narrative." [62] That is an ambitious – bordering on fanciful – rate of mobilization. It is reasonable to expect detail on how it would be realized. But none was forthcoming: "No information on private capital sources. Gives examples of coalition members capital mobilization rates, such as DC Green Bank (5:1), and EIERA (6:1), NYCEEC (12:1). And CCEF (14:1) but does not give a fully formed rationale of how the 15:1 target ratio will be achieved." [63] For such an aggressive roll-out plan, CGC's community engagement network appeared thin. "Existing green bank network is limited to certain states, with capacity to be developed for full national coverage," noted one reviewer. [64] Multiple others provided similar comments. "The engagement with rural communities describes relationships with State entities rather than with community-based organizations working in and based in rural communities." [65] Even more concerning, while one section indicated "Tribal partnerships and engagement to date appear to be primarily in Region 10 / Alaska," [66] another seemed to show the coalition "does not have members in regions 7,8,9 and 10." [67] Not having members in the only region they claim to primarily have tribal partnerships would seem to make their plans for tribal partnerships and engagement rather difficult.

In comment after comment the reviewers suggested angles, factors and scenarios to all three awardees that they seem not to have considered but arguably were fundamental to ensuring the very large federal awards they were seeking would offer a long-term and durable benefit to the targeted communities and American public.

[58] Environmental Protection Agency, "Biden-Harris Administration Announces $20 Billion in Grants to Mobilize Private Capital and Deliver Clean Energy and Climate Solutions to Communities Across America", EPA, Apr. 4, 2024, https://www.epa.gov/newsreleases/biden-harris-administration-announces-20-billion-grants-mobilize-private-capital-and
[59] 2025-EPA-00670 at 48.
[60] Id. at 55.
[61] Id. at 32.
[62] Id. at 2.
[63] Id. at 3.
[64] Id. at 5.
[65] Id. at 18.
[66] Ibid.
[67] Id. at 14.

Conclusion

The amount appropriated solely to implement the Greenhouse Gas Reduction Fund was nearly three-fold larger than the EPA's annual budget. Putting the wisdom of this decision by the IRA drafters to the side, officials at the EPA had a legal obligation to responsibly award and oversee these funds to prevent the occurrence of waste, fraud, and abuse. Legal disputes about whether EPA acted in an appropriate manner when awarding the GGRF, and specifically the NCIF funds, must consider these application materials. Protect the Public's Trust has spent the time to do so and our analysis provides a clear conclusion – they did not.

Time after time on each of the critical elements of the applications across the entities, reviewers' comments presented a stark picture for any agency leader willing to see it: the applications were riddled with incompleteness, conceptual plans, pro forma statements of intentions to comply with their obligations, questionable financing plans, and the undeniable reality that the applicants (and the EPA) were in unchartered territory.

Hindsight in 2025 leaves observers to choose between two unfortunate conclusions: 1) The EPA was so overwhelmed with the congressional mandate to execute a program bigger than its entire historical budget that its only goal was to expeditiously transfer the program, and all its clearly identified potential headaches, to its NGO friends – and hope for the best; or 2) EPA leadership made a conscious decision that whatever waste, fraud, and abuse occurred would be a better outcome than leaving the fate of the program to the Trump administration to implement responsibly, symbolized by the "throwing gold bars off the Titanic" attitude. The bottom line is that taxpayers are left with billions in potentially wasteful spending, a questionable award and selection process, rampant prospects for abuse, and miniscule resources for oversight.

Was the EPA a responsible steward of an unheard-of wave of taxpayer money? These documents say no. Were the well-connected grantees serious about the opportunity to create an almost entirely new economic sector, with all its demands and potential? It does not appear so. Both sides seem to have viewed the GGRF as a discreet transaction – a giant sop to the administration's friends and allies, and a show of concern for climate change. In short, exactly what skeptics' worst fears envisioned it could be.

Appendix A - Text of the Greenhouse Gas Reduction Fund (Inflation Reduction Act) [68]

(a) Appropriations

(1) Zero-emission technologies

In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $7,000,000,000, to remain available until September 30, 2024, to make grants, on a competitive basis and beginning not later than 180 calendar days after August 16, 2022, to States, municipalities, Tribal governments, and eligible recipients for the purposes of providing grants, loans, or other forms of financial assistance, as well as technical assistance, to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies, including distributed technologies on residential rooftops, and to carry out other greenhouse gas emission reduction activities, as determined appropriate by the Administrator in accordance with this section.

(2) General assistance

In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $11,970,000,000, to remain available until September 30, 2024, to make grants, on a competitive basis and beginning not later than 180 calendar days after August 16, 2022, to eligible recipients for the purposes of providing financial assistance and technical assistance in accordance with subsection (b).

(3) Low-income and disadvantaged communities

In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $8,000,000,000, to remain available until September 30, 2024, to make grants, on a competitive basis and beginning not later than 180 calendar days after August 16, 2022, to eligible recipients for the purposes of providing financial assistance and technical assistance in low-income and disadvantaged communities in accordance with subsection (b).

(4) Administrative costs

In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $30,000,000, to remain available until September 30, 2031, for the administrative costs necessary to carry out activities under this section.

(b) Use of funds

An eligible recipient that receives a grant pursuant to subsection (a) shall use the grant in accordance with the following:

(1) Direct investment

The eligible recipient shall—

(A) provide financial assistance to qualified projects at the national, regional, State, and local levels;

(B) prioritize investment in qualified projects that would otherwise lack access to financing; and

(C) retain, manage, recycle, and monetize all repayments and other revenue received from fees, interest, repaid loans, and all other types of financial assistance provided using grant funds under this section to ensure continued operability.

[68] Legal Information Institute, "42 U.S. Code § 7434 - Greenhouse gas reduction fund", Cornell Law School, https://www.law.cornell.edu/uscode/text/42/7434

(2) Indirect investment

The eligible recipient shall provide funding and technical assistance to establish new or support existing public, quasi-public, not-for-profit, or nonprofit entities that provide financial assistance to qualified projects at the State, local, territorial, or Tribal level or in the District of Columbia, including community- and low-income-focused lenders and capital providers.

(c) Definitions

In this section:

(1) Eligible recipient

The term "eligible recipient" means a nonprofit organization that—

(A) is designed to provide capital, leverage private capital, and provide other forms of financial assistance for the rapid deployment of low- and zero-emission products, technologies, and services;

(B) does not take deposits other than deposits from repayments and other revenue received from financial assistance provided using grant funds under this section;

(C) is funded by public or charitable contributions; and

(D) invests in or finances projects alone or in conjunction with other investors.

(2) Greenhouse gas

The term "greenhouse gas" means the air pollutants carbon dioxide, hydrofluorocarbons, methane, nitrous oxide, perfluorocarbons, and sulfur hexafluoride.

(3) Qualified project

The term "qualified project" includes any project, activity, or technology that—

(A) reduces or avoids greenhouse gas emissions and other forms of air pollution in partnership with, and by leveraging investment from, the private sector; or

(B) assists communities in the efforts of those communities to reduce or avoid greenhouse gas emissions and other forms of air pollution.

(4) Zero-emission technology

The term "zero-emission technology" means any technology that produces zero emissions of—

(A) any air pollutant that is listed pursuant to section 7408(a) of this title (or any precursor to such an air pollutant); and

(B) any greenhouse gas.

Appendix B - Compendium of Reviewers' Concerns: Climate United Fund

The mortgage market seems to be the main barrier identified and focused. Mortgage is tied with the buildings. Building decarbonization can achieve GHG emission reduction, but not extensive. Limited by the building roof area for solar panels. Should explore other renewable/clean energy sources or system integration or transformation.

The main technology is solar panel on roof tops and ground mounted. and subsequent energy storage. This may overlap/doubt count the "Solar for All" program.

The proposed program does not appear to deploy unique strategies, rather the applicant argues the aggregate of their experience and partnerships make them uniquely qualified to administer the grant. [69]

The reduction of 134 million metric tons of greenhouse gases (CO2e) over a 15-year period (average of 9 million metric tons per year) is not sufficient. This amount is not annually. Need to at least 10 times for 15 years total. 67% of CU investment is intended to decarbonize building. It looks like it does not include building material or supply chain. It only includes "onsite fossil fuels". Does this only refer to energy use? What about other "onsite indirect fossil fuel use"? Like treated water and wastewater, food, consumer products, etc. Also, is end-of-life disposal considered in the "onsite fossil fuels"? Will disposal of these materials generate GHG emissions? GU emphasizes the 18% investment on producing carbon-free electricity. Is biogas production considered as carbon-free or not?

Proposal provides annual average emission reductions but would be helpful to estimate how quickly the programs will ramp up emissions reductions

LIDAC, J40 communities, rural and tribal could be overlapping communities. How to avoid that and reach out to more communities and maximize GHG reductions? Need to have more specifics on how to measure GHG reduction and air pollutant benefits. By counting the solar panels installed and calculating from that is not sufficient. [70]

For full electrification, electrification does not necessarily mean GHG emission reduction or zero GHG if the electricity grid is heavily fossil fuel based. Need to consider supply chains of electricity production. Full decarbonization and electrification needs to consider service and end-of-life disposal/recycling of these battery or products of electrification. Consider economy of scale when plan to deploy energy storage units. The main priority idea is to deploy solar panels on small scale rooftop and ground mounted community scale. The question is that this is covered under "Solar For All" even though it is mentioned NCIF strategy was designed as a complement to the Solar for All program. The benefits are double-counting. It is expected to expand beyond just solar and have much more integrated and impactful outcomes. Ground mounted community solar takes land, which could be very expensive in urban areas. Why not do it on parking lot or roof top, etc. What's the rationale to have only 18% residential while 62% for community infrastructure. If solar is the renewable energy referred, the roof area for community buildings will be much less than residential building. If leveraging with Solar for All, much more solar should go onto residential roof to take advantage of the roof space needed for solar. Why energy storage on smaller buildings? The effects of economy of scale will make this expensive. Consider district scale micro grid storage so each building does not have to invest and sacrifice space for it. Should include renewable electricity and renewable natural gas from community wastewater and food waste codigestion. It is great to conduct standardizing impact and financial reporting, but may take into account the possible carbon price change. Building decarbonization seems to mainly focus on solar PV, energy storage and charging infrastructure. How about other GHG emission sources from buildings? Will this net-zero emission from buildings consider life cycle emission in building materials? The emissions in concrete and steel production? If only solar panel and solar generation are considered in Building Decarbonization, this is double counting as the first one (Distributed Energy Generation and Storage). How is "66 MMT CO22e" being calculated? in Table 17. In Buildings, how about water use? Does water supply and distribution be part of the building decarbonization? Would food waste composting be considered as decarbonization? [71]

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[69] Pages from 2025-EPA-00670 at page 45
[70] Id. at page 46
[71] Id. at page 47

Though multifamily housing will address housing challenges, too, the roof area for solar panels may be limited. The potential GHG emission reduction will be limited. How can the investment be reinvest and mobilize more funding to benefit not just 90,000 cars, but millions? Consider how to leverage and mobilize more private investment and recover the initial investment and reinvest and expand the program to broader areas. The profitability and liability should consider the rising carbon price and future market change. CU should develop more comprehensive analysis to make lenders aware of these upcoming changes in their calculation of profitability and liability of the future.

Connection to program objectives is not always discussed directly [72]

One of the focuses of added benefits is the school bus conversion. There is an EPA clean school bus program. Could leverage that.

The proposal may consider to partner and create the establishment of the maintenance, repair and recycle capacity for solar panels at large scale. So circular economy is incorporated in clean technology deployment. If the reduction for energy, utility (water and sewer) bill for LIDAC occurs, the government subsidy can be reduced. The saving for these government subsidy can be reinvested back to more projects. Also, do the calculation how much more GHG can be reduced [73]

[Predevelopment Plan] Playbook or guidance should give the guidance on priority, especially on GHG reduction and how to measure and track GHG emission

Did not speak specifically to low-income and disadvantaged communities. Little special consideration given to LIDAC [74]

Narrative did not have a strong focus on specific efforts to address capital demand-side barriers to financing in low-income and disadvantaged communities.

Activities are highly scalable, but did not seem to fully address some of the more specific barriers to low income communities. An online platform broadly accessible to stakeholders across market segments and navigational tools may or may not actually overcome barriers to LIDACs, like language barriers or limited technical/computer skills in the absence of greater support. It sounds like they will rely on local partners to disseminate consumer education, technical assistance information, and access to consumer loan products - but there wasn't a lot of specificity regarding what those activities might look like.

I was a little disheartened to not see the HUD GRRP program listed in the potential program linkages by sector. Given that such a large portfolio will be residential, and there is such a strong Justice40 imperative, it is surprising that the bidder isn't familiar with HUD programming.

The application reports that the applicant has "spoken to" local and tribal governments in the development of their strategy but did not offer specific examples of how local, tribal, and nonprofit resources are leveraged. [75]

Given that the applicant plans to invest in solar, and in community solar in particular, it was SHOCKING to see no mention of solar for all or coordination with state governments on solar.

The applicant did not discuss how they will coordinate with other NCIF grantees.

[72] Id. at page 48
[73] Id. at page 49
[74] Id. at page 50
[75] Id. at page 51

Applicant doesn't offer much detail regarding how they will work to minimize displacements.

What fundamental changes are needed to ensure long-term affordability even after this grant funding ends?

There was no concrete policy proposed for preventing displacement or addressing cost increases. Does the higher Community Impact Scorecard incentive maintain affordability? It's not clear. [76]

Good consideration of potential for displacement, "Climate United will also work with key stakeholders (developers, property managers, etc.) to minimize the displacement of existing residents while financing energy-related improvements to the property." But not clear specifically how that will occur.

Will the evaluation be done to determine if this housing affordability goal aligns with GHG reduction goal? Can the goal be achieved?

Application provides little detail beyond these targets and brief mentions of some affordable housing policies (e.g. long term affordability restrictions)

I am unable to locate the Investment Policy. This is surprising and I'm guessing I've missed it somehow. If I have missed it that would change my score significantly. Based on the rest of their application I'd imagine my score would be around a 7-9 depending on the quality. As it is I have to provide a negative score given the lack of any documentation on this item.

A more granular breakdown of expected outputs / outcomes could have been provided. Does not provide outputs / outcomes by PO. [77]

This 134 million tons for 15 years is not enough. With almost $14B investment, need much more ambitious. At least 10 times more.

It would be helpful to have outputs & targets at a more granular level (e.g. market segments and/or project categories)

Does not directly identify those characteristics Little description of measurement and methods for environmental results

Provides examples but not comprehensive list of resources needed for reporting requirements.
Not enough information on reporting capacity with respect to tracking the climate and air pollution benefits. [78]

CUF is a new entity purpose-built for the execution of our program plan and does not have a robust reporting history

Does not provide any detail regarding specific entity past reporting history, perhaps due to conflicting direction

Climate United Fund would be a new entity administering grant funds so does not have its own reporting history.

Controls and measures not detailed

Discusses controls in terms of eligible expenses and single audits but not necessarily for timely expenditure, other than a monthly review of financial statements by finance staff.

[76] Id. at page 52
[77] Id. at page 53
[78] Id. at page 54

Discussed what would happen if a CUF partner was struggling to spend down funds with examples of steps to be taken. Does not discuss how timely expenditure by those receiving financial assistance from the CUF partners will be handled.

Describes costs that are reasonable to accomplish the program plan through the budget description and table, including maximizing the share of funds used for financial assistance (both the direct costs of funds passed through for financial assistance as well as associated indirect costs).

Exec comp seems high.

Can reduce the admin overhead even more to below 2% by streamlining among different partners. 1% of $13B is a lot and can be used to deploy more projects and reduce more GHG emissions. [79]

Large budget and large number of contractual services and goods which can add risk to a federal award. References "participant support costs" in a "Other Direct Cost" category but does not specify what that entails.

Very large, though not large relative to total funding request, for travel budget to attend conferences, conference registration fees, and to put on a biannual conference.

"$4,515,467 over the 5-year period and accounts for over 173 different travelers." That's over $5,200/traveler/year! That's a lot! Use more teleconference to reduce travel budget.

I would have liked to see additional clarify, granularity of use of funds for the market predevelopment, which is 2.2% of the budget. [80]

The technical experience seems to be limited in solar panel deployment. What about other clean investment? Beyond energy sector? With the deployment of roof top solar, energy storage and electric vehicles, how much percent of GHG reduction goal can be achieved? With this level of funding, are we in a decade later going to put a dent in GHG reduction or net-zero?

No discussion of results that includes an estimation of any impacts to emissions.

This is a new coalition/organization, so it does not have past experience as its own entity.

CUF will have an organizational structure that includes 81 people (for a total of 78.95 FTEs) working more than half of their time on CU with experience across all core functions required for successful implementation.

How will these CU FTEs leverage their expertise with the partners? "If the leadership team includes representatives from Coalition Partners with the requisite expertise across functions and may be augmented or expanded as necessary should receive an award," will these FTEs be on the payrolls of CU or Coalition Partners or both? [81]

Executives have comparatively less experience investing in emission reduction technology / clean tech. Execs lack tribal background / experience.

Need to have someone who has the expertise to track GHG in supply chains and long-term operation.

Diversity of background of senior executives is unclear.

[79] Id. at page 55
[80] Id. at page 56
[81] Id. at page 57

Additionally, most experience is focused on dealing with financial markets with only a few Sr. management members having experience in either clean tech, emissions reduction, or LIDAC communities.

The narrative has a general description of management policies and procedures which essentially confirms they exist or will exist but does not go into great detail. [82]

Equity focus is overwhelmingly on low income and disadvantaged communities in a manner that may not speak to certain disadvantaged communities (e.g. women and girls, LGBTQI+, persons with disabilities)

This is not a centralized source of capital. "Each Subawardee will, subject to Section IV below, have sole responsibility over the management and administration of each of their subawards, including the development of their respective investment policies" (MOA, p4)Staff is not all full time on this work: "Staffing: We will have 81 staff at CUF in addition to support from staff at Coalition Partners who will work in coordination to share definitions, templates, and best practices." (42) [83]

Coalition partners will maintain their own investment policies with CUF ensuring they align with overall CUF policies. A few points were deducted for this as it is an important policy that will not be program-wide.

Market development plan (part of investment strategy) could be improved with more comprehensive consideration of LIDAC. Expected outcomes (program reporting section) could also have been more granular / specific. [84]

Governance / management: Senior management team does not have a lot of experience investing in emission reduction technology / clean tech; Execs also lack tribal background / experience.

Financial risk: Some financial risk introduced by the fact that each Subawardee will maintain some independence when it comes to investment strategy and management.

Separate panel of reviewers expressed some concern with negative operating cash flow and net losses reported in the financial statements. They also noted the consumer lending policy was not very specific. While the coalition partners have impressive performance histories separately, this is the first program the coalition will take on together, so there is no historical performance or reporting data for the actual applicant. [85]

CUF plans to provide flexibility by allowing greater leverage (LTV up to 120% in specific cases), subordinated debt, equity, interest-only lending products, longer duration and balloon payments. All those components could pose higher risk to the funds allocated. In view of that, aligning incentives would be important. The entity being awarded the funds should feel incentive to pay back the loan. Usually, loan subordination, interest-only products or balloon payments are less recommended. The asset-level credit enhancements are defined as guarantees. The coalition does not specify if the guarantee can go up to 100% of the project debt. In order to have incentives aligned, it would not be recommended guaranteeing 100% of the lending value. If structured this way, it would place no risk on the subrecipient lending to a specific project. All those components could pose higher risk to the funds allocated. Aligning incentives would be important. The entity awarded the funds should feel incentive to pay back the loan. The coalition and sub-recipients key financial metrics should be measured by EPA to ensure they have adequate core capital, net assets, capitalization cushion and liquidity. This control is not defined in the Project Narrative Attachment.

Not clear what rigor exists to guide underwriting criteria.

[82] Id. at page 58
[83] Id. at page 59
[84] Id. at page 60
[85] Id. at page 61

Although financial risk scores are assigned, there is no clear explanation as to how scores are tabulated. Reference to UC indicates that loan standards may employ higher LTV ratio but does not establish benchmarks for determining creditworthiness although it indicates that credit scores will be established. [86]

Coalition Partners (CPC Green and SHCC) will maintain their own Investment Policies containing specific criteria for their financial products. CUF's Investment Committee and Chief Compliance Officer will ensure that Sub awardee investment policies are in alignment with the overall CUF Investment Policies (page 37 - narrative). Not ideal for a strategy, implementation and control purposes. Although the application does describe that there will be a cybersecurity policy and procedure, it does not provide additional details on it. The policy allows derivatives execution by CUF to mitigate risk. It does not describe the types of derivatives products allowed. Considering the complexity of those products and potential payouts, it would be recommended to define the specific products, notional and tenors allowed. Also, it would need to be executed and assessed by professionals with knowledge of this market.

The Financial RMP [Risk Management Plan] highlighted in the body of the proposal (Section 2.4.2), makes appropriate reference to risk identification, assessment, response, control, monitoring and reporting, but the plan itself does not provide the details that explains how these processes are implemented and sustained as part of the RMP.

CUF indicates that the risk appetite for climate related risk exposures is moderate to high and indicates that the portfolio will have a focus on communities most vulnerable to and most impacted by climate change. These vulnerabilities are characterized as hazards such as coastal flooding, inland flooding, precipitation, temperature, wildfire, and wind. Also mentioned is resilience capacity. There will be a system tracing the portfolio and monitoring the climate risk. Unfortunately, no details on the system itself were provided. CUF also made the affirmation that LIDAC area will have a higher tolerance for climate risk. This should be defined in further detail. For example, although you can establish more flexible financial risk metrics, there should be a minimum capital requirement or liquidity policy established.
The scoring tool will need to utilize a third party climate data provider. They are honest about a high tolerance for climate risk given target geographies and demographics.

There needs to be a balance between the need to deploy GHGRF investments in vulnerable communities, specifically, LIDACs, and taking on greater climate risk exposure. To be successful, investment need to be deployed in areas and in housing stock that can be expected to serve the community over the life of the investment. To the extent that GHGRF investment rate deployed in assets that are subsequently damaged or destroyed the GHG mitigation benefits can be lost. Not clear that the moderate to aggressive climate risk posture serves the greater goal? [87]

Only less than 6% of the NCIF funds to go towards standardized products for Zero Emissions Transportation though its other customizable products boosts some of its work in this project priority category. Does not explain how JCF would incentivize projects based on climate/air pollution benefits and/or equity and community benefits nor geographical allocation. [88]

CUF held listening sessions with rural stakeholders, such as Partners for Rural Transformation and the Environmental Defense Fund-led Climate-Smart Agriculture Finance Coalition, to learn more about how products may need to be adapted and deployed to serve these geographies.

The application does not describe how engagement to rural communities would be tailored.

Application would be improved with more full plans to address accessibility including disability, the digital divide, and language.

[86] Id. at page 63
[87] Id. at page 64
[88] Id. at page 65

Appendix B - Compendium of Reviewers' Concerns: Climate United Fund

The application does not detail engagement mechanisms that are tailored to Tribal communities' priorities, and there appear to be only 1-2 letters of support from Tribal CDFI's or other Native organizations.

. . . Letters of support provided (over 50) are appropriate and include a variety of entities, with at least one serving each target group, as well as federal representatives including Rep. Alexandria Ocasio-Cortez. Relevant information continues on 10, geographic distribution and collaboration/engagement are discussed on 21 et seq.

CUF does not yet have a community engagement plan, it intends to create one with input from a variety of organizations [89]

Details as to what information will be included in CBAs [Community Benefits Agreement] appear to be part of an impermissible attachment not authorized by the NOFO which would constitute additional narrative beyond the page limit and as such must be disregarded. Application would be improved with more precise language on what mediums Applicant will use to disseminate reports to stakeholders and the public.

Application would be improved with further substantive detail describing decisionmaking power the committees referenced have. [90]

Green Community Capital Collaborative (aka "Climate United Fund") (CUF). The sole member of CUF is Calvert Impact, Inc. ("Calvert Impact" or "CI" and together with its subsidiaries and affiliates, the "CI Group"). The CI Group underwent a corporate restructuring in 2022, accordingly they submitted the unaudited financials from Calvert Impact, Inc., the current parent entity, as well as the 4 years audited financials for 2019-2022 and Q2 June 30, 2023 for Calvert Impact Capital, Inc (CIC)., the prior parent entity. CUF non-lead coali on members: - The Community Preservation Corporation (CPC) submitted 4 years audited FYE June 30, 2019 2022 and unaudited FYE June 30, 2023 statements. - Self-Help Ventures Fund (SHVF) submitted 4 years audited FYE Dec 31, 2019-2022.

The lead applicant, which would hold a third of the grant award, does not have a significant amount of capital. The lead held an average 9% capital to assets in the recent three fiscal years, which is much lower than the target 20% of CDFI lenders. The CPC coalition member - representing 35% of the grant award - also recorded capital levels below 20% in the most recent three quarters, and two years (1/2 of 2023) of negative income.
With capital levels below 20% for two of the three coalition members, there are some concerns about funding of assets and whether or not the members hold enough capital to cover potential loan losses.

The Community Preservation Corporation reported a net loss for FY2022, mostly due to the unrealized loss on unrestricted investments in securities and hedge funds (operating cash flows were not affected).

CPC: - Negative (-) Net Operating Cash Flow for past 3 FYE June 30, 2021-2023. - Persistent Net Losses for past 3 years FYE June 30, 2021-2023

Two of the coalition members expect loss rates of 8% on average through the performance period. The third member expects average losses around 2%, underscoring the potential concentration of risk within two members of the coalition.

While the average expected loss of the entire coalition is 5%, two members believe they will experience losses of 8% throughout the performance period. Annual loss rates of 8-10% for two coalition members could call into question the continued operability of 2/3 members.

Projections are provided by each coalition partner. Projections on a "consolidated," total organization level would have been more helpful to determine the overall operability of the program.

[89] Id. at page 67
[90] Id. at page 68

Loan loss provisions of 10% seem relatively low compared to expected losses of 8%. The assumption implies there would be very few workouts or recoveries. While the expected losses are high for several members, the loss assumptions seem realistic to achieve the goal of lending to borrowers that are perceived to be more risky.

While a thorough discussion around financial assumptions and risk mitigation were presented in the documents, the levels of risk (classification or otherwise) were not presented in any depth. [91]

"all Directors of CUF shall be appointed by the board of CI" which could raise dominance/control issues depending on facts and circumstances still looking for 3 board members. We don't know background of those.

compensation committee of senior management of CUF is overseen by Comp committee of CI, which could raise control issues or independence issues; low board size on low end of range

Plan does not indicate how many people will be on each board committee or how they will actually work.

Not sure if having non-independent members is a strength or weakness. Only 51% independent, which is relatively low; lacking board evaluation P&P [92]

No clear assessment of risks in this document. The way this is structured does not as clearly align with what the NOFO asks for. As a reviewer, I found it hard to discern whether the contents of the attachment encompassed all that the agency is seeking to address legal and compliance risks. So, despite the strengths I identified, it appears there is room for improvement. [93]

The consumer lending policy itself (provided as an attachment) is not very specific as to how various consumer protection laws apply. Minor weakness that the entity does discuss the specific lending activities to which particular laws will apply.

Service provider oversight section of the narrative is relatively sparse.
stronger plan here would be a process for requiring lenders to stop using a vendor if the vendor has too many consumer complaints (e.g. "home improvement vendor opened loan in my name with lender without my knowledge") [94]

[91] Id. at page 69
[92] Id. at page 70
[93] Id. at page 72
[94] Id. at page 73

Appendix C - Compendium of Reviewers' Concerns: Coalition for Green Capital

Application is vague on barriers; asserts "inhability (sic) of households and business...access to capital at reasonable terms."

Barriers are identified but is done somewhat generically, saying that the main barrier is access to private capital in LIDACs. It spells out some specificty (sic) by pointing to risk transfer mechanisms, but beyond that does not raise much specific barriers

Does not specifically link solutions to barriers in sections, speaks to solutions independent of barriers.

Does not identify specific financing solutions beyond saying that private capital needs to flow to LIDACs - since that is already one of the calls to action by NCIF, this is not an adequate description for this part of the application

Creation of national green bank - marginally sufficient explanation follows: To unlock benefits for local communities, CGC will also invest in regional and national projects and create at least one self sufficient green bank in every state. Plus for info on 3 year period of performance

Not clear from section 1.1 on what innovation or unique contributions will be provided. The application seems to focus on traditional programs and practices.

Does not specifically link unique contribution to solving those barriers in sections, speaks independently of barriers.

The diagram on turning $10 billion into $157 billion is not very clear - would have been good to see some mention of assumptions that get to the final figure, and doesn't appear this is spelled out elsewhere in the narrative [95]

Goals are based on aggressive three-year capital deployment schedule, including utility-scale electricity generation and infrastructure projects that may be delayed by permitting, inflated construction cost, and supply chain issues.

The application is less clear how the coalition will target disadvantaged communities, other than a stated commitment to have 50%+ of investment in those communities on page 15.

Goals are based on aggressive three-year capital deployment schedule, including utility-scale electricity generation and infrastructure projects that may be delayed by permitting, inflated construction cost, and supply chain issues. Alternative scenarios are also provided in CGC Impact Assessment

No information on private capital sources Gives examples of coalition members capital mobilization rates, such as DC Green Bank (5:1), and EIERA (6:1), NYCEEC (12:1). And CCEF (14:1) but does not give a fully formed rationale of how the 15:1 target ratio will be achieved. [96]

Could use more specific explanation of how the ratio moves from 6:1 To 15:1 as the current justification is high-level

The application is less clear on how the deployed project types align with the requirements of qualified projects to address things like decarbonization pathways. '- vagueness in discussing alignment with requirements for qualified projects. Limited discussion in 1.2.4.1

Does not spell out alignment with the requirements for qualified projects, though implied at high level

Did not see discussion of market segments that currently lack and/or have historically lacked capital access, such as Native American- owned businesses, women-owned businesses. [97]

[95] Id. at page 2
[96] Id. at page 3
[97] Id. at page 4

No discussion of Appendix B qualified project checklist applied at the project level but references to the requirements appear throughout, including funding for projects that would not otherwise be funded. ' "This means that for every dollar invested by CGC, $15 of total capital that would not have otherwise been deployed in qualified projects will be invested in those projects (see Section 1.2.2.3)." p5- "CGC's strategy with respect to the commercial segment is to be a catalytic lender and investor encouraging commercial partners to accelerate, expand and deploy private capital in LIDACs where they might not have otherwise." p19

Would like to have seen more specific callouts to how each segment aligns with qualified project requirements

Existing green bank network is limited to certain states, with capacity to be developed for full national coverage

Would like more detail on the national offerings that will aim to backfill investments into rural areas not served by local green lenders

2% goal of tribal investment, though higher than U.S. population proportion, could use more context on why that is an adequate commitment.

Project Narrative, pp 26-32 plan to ensure that parties know about the RFPs lacks specificity

The application is a little vague as to how these studies will be conducted. [98]

Comprehensive range of activities, would only benefit further from further explanation of how much these activities apply to the existing projects in the pipeline -- are these activities for all of those projects or just new ones that would be added to the pipeline and have any of these activities already begun?

Plans to addresss (sic) non-financial barriers lack specificity

Budget for these activities is included in the detailed budget table, but this section would have been a good opportunity to justify the projected spend for these activities

Lacks specificity on private sector partners

Leading argument here is that they have in the past grown the financial market with prior success - quantifying this success in this section would have been beneficial

The application identifies a goal of 50% of investments in disadvantaged communities on page 32, but does not clearly articulate how they will achieve that goal.

The application does not identify any non-governmental sources of funding.

does not reference tribal state, local gov.

vague regarding leveraging other resources
The application identifies the need to coordinate, but doesn't identify a clear plan to accomplish this coordination in section 1.2.5.4.

The application lacks detail regarding a specific plan for coordination. [99]

[98] Id. at page 5
[99] Id. at page 6

Discusses the role of recycled products in helping with this coordination, but does not directly address minimizing of duplicated efforts

The application proides (sic) limited detail regarding housing and affordability protection

Minor weakness, but does not explain what "special" or "additional" consideration mean when considering investments with these housing equities

The application identifies a goal of 50% of investments in disadvantaged communities on page 32, but does not clearly articulate how they will achieve that goal. [100]

Applicant did not describe inputs, just outputs, and provided a diagram.

The application indicates that a data collection & reporting system does not currently exist and will have to be procured once the project begins

Reporting capacity not yet in place. -"obtain state-of-the-art data systems and capabilities through one or more competitive procurements." (p40) [101]

Aggressive deployment schedule to meet planned expenditures may not be achievable.

Of the 71 expected hires, more than 20% would be making salaries more than ~$450,000 (with 7 individuals, or 10%, earning more than $600,000 on average)

'15 positions pay over $400,000 (of 70 FTEs) - based on compensation survey in comparable nonprofit and for-profit enterprises [102]

This section of the application is a little light on information to evaluate the extent and quality by which the business aligns with the program plan. General characteristics of the planned mechanism are described, but doesn't add much more detail.

nothing specific to LIDAC

Less certainty on their track record in establishing or executing federal programs or grants in their application materials.

Looks as if most staff are current CGC employees - would benefit from external hires

Unable to ascertain senior management expertise with diverse backgrounds (such as from geographically diverse communities, including rural communities; Tribal communities; and low-income and disadvantaged communities, including those that are communities with environmental justice concerns, energy communities, and persistent poverty counties).

Since not all staff are in place/selected, it's difficult to evaluate characteristics related to diversity [103]

Having a loan guarantee or subordinated loan is a concern if not properly structured, assessed and monitored.

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[100] Id. at page 7
[101] Id. at page 8
[102] Id. at page 9
[103] Id. at page 10

The concern is linked to the alignment of interests. Although the products should be designed to be subsidized, having a loan guaranteed by 100% or subordinated might generate

CGC has targeted full deployment of GHGRF capital within one -year. It further proposed that the full $10 billion requested be made available at the point of award. The objective is to jump start the investment cycle that if successful will accelerate the reduction of GHG and other air polluting emissions. CGC expects to achieve the accelerated role out be (sic) engaging existing green banks and standing up green banks in states where they do not yet exist. CGC claims that it has $29 billion in qualified projects that are ready for financing. We need to question how this can be achieved when green banks need to be created and launched to achieve this ambitious goal. Also we need to focus on how investment quality will be protected given the proposed speed of the investment deployment.

Regarding outreach and diversification, the coalition does have plans to deploy capital properly in all 10 EPA regions. Nevertheless, it does not have members in regions 7,8,9 and 10. The Coalition still needs to build up its partnerships in those regions in order to deliver its capital deployment plan. CGC is deploying a significant amount of capital to the commercial sector (60%). This is a high concentration of funds for one specific sector and not recommended.

The policy allows derivatives execution by CGC to mitigate risk. It does not describe the types of derivatives products allowed. Considering the complexity of those products and potential payouts, it would be recommended to define the specific products, notional and tenors allowed. [104]

It may be perceived as a minor weakness (pg 60) that the program plans to procure a commercially available system and contractor expertise to implement financial management swiftly.

This may take time. The section on operational risk looks to be lifted from the Basel Committee on Banking Supervision although it is likely adaptable when tailored to CGC. This does cover reputational risk but not specifically strategic risk.

In the body of 2.4.2 in the proposal, CGC discusses the value of conducting highly beneficial post- mortem analysis to learn from prior underwritings. However, I would have expected to see some detail as to how this exercise would be standardized into the risk management process but there is no mention of it.

Despite a well-defined policy in terms of what to monitor and actions to be taken, the Coalition does not specify the name of the technological system that will monitor each step defined in the policy.

Not much, slightly aspirational but well thought out [105]

Four basic products were presented. 15% rate on Sub debt seems high for medium to low risk collateral; this is noted because it is 1/3 of their allocation. Implied rate for equity will be more than 15% as it has higher risk than sub (junior) debt.

Strength/General
Pipeline is $29 Billion in year 1 - more than the grant request. They expect to use all grant money in three years. 55% in LIDACs. Potential investments in year 1 include catalytic financial products to unlock tax equity financing for new net-zero buildings, debt financing and EV charging stations in LIDACs, and investments in distributed and storage, as well as virtual power plants on tribal lands. Demand for capital is $29B year 1, $85 Billion over 3 years, and over $200 Billion over 7 years. There is a pipeline of tribal and native Alaskan projects including with an Alaskan CDFI.

Goal is to have a green bank in every state to allow for the rapid mobilization of funds. [106]

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[104] Id. at page 14
[105] Id. at page 15
[106] Id. at page 16

the engagement with rural communities describes relationships with State entities rather than with community-based organizations working in and based in rural communities.

The community engagement plan does not describe targeted/tailored engagement with rural communities, rather it describes actions to set up green banks in states with significant rural populations

Discussion of rural communities is limited, focused on governments/green banks rather than community entities.

Applicant does not address accessibility, including language, disability, and the digital divide in their application.

Tribal partnerships and engagement to date appear to be primarily in Region 10 / Alaska

Applicant does not address accessibility, including language, disability, and the digital divide in their application. [107]

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the "4 prong community engagement plan" is an outreach and education strategy to reach underserved communities with communications, but does not describe community engagement in shaping the project design or implementation, or that is tailored to the community's needs.

The Regional Advisory Council chairs seem to be predominately executive leaders of financial institutions, and it is unclear who the members of the Environmental Justice Advisory Board are, so it is difficult to determine the degree to which these advisory bodies will provide for participatory governance mechanisms for LIDAC community representatives.[108]

The applicant did not provide enough specific details regarding community monitoring of the program's activities. The applicant stated that they will publish data to ensure accountability in its investment policies and transparency through reporting; however, they did not discuss how often reports will be issued in the community accountability plan. [109]

The lead applicant's operating liquidity is not strong as expected, given the amount of balance sheet capital. This is driven by high operating expenses amounting to about 2x - 3x total assets. This is a pattern, not just a one-time expense required to prepare for the EPA funding opportunity.

FY2022 and 2021 financials show a net loss with declining fees for service income.

For CGC - unsatisfactory Revenues/Operating Expenses): 79.78% (improved to 141.78% in Q3 Sep 30, 2023)- Negative (-) NOCF for 2020 & 2021 (improved to positive (+) in 2022)For NYGBFnegative (-) $115 and (-) $108M Net Operating Cash Flow in 2021 & 2023 primarily due to:- a $128M and a $120.4M net increase in loans and financing receivables in 2021 & 2023 respectively.

The lead's plan to add $3B in balance sheet leverage through green bonds suggests higher expenses after year 2. This, combined with high operating costs, could make it difficult to maintain capital after $10 B is deployed year 1.

Projections on the applicant level are provided for the first 3 years of operations. General lack of detail for the projected balance sheet position and the income statement.

The lead applicant's assumption of deploying $10B in the first fiscal year of performance seems unattainable while also maintaining the historical Green Bank default rate of 0.5%. The lead mentions that $3.7B would be subawarded to coalition members, but that still leaves a significant amount of capital to be deployed in a year. [110]

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[107] Id. at page 18
[108] Id. at page 19
[109] Id. at page 20
[110] Id. at page 21

Appendix C - Compendium of Reviewers' Concerns: Coalition for Green Capital

Articles of incorporation are general and not specifically algined (sic) to GGRF mission -- e.g., "may invest and reinvest".

wide board range size (e.g., 9-19) relative to number of proposed committees

Applicant is seeking $10B for a nationwide greenbank program. board of 9 (if at some point there are only 9 members) given complexity of program does not seem like enough to staff the committees and do appropriate monitoring.

small (9 member) board at low end of range

plan does not describe how the committees will be staffed.

board independence is relatively low at 51% [111]

[111] Id. at page 23

They project to decarbonize 87,000 homes in the multifamily segment and 290,000 homes in the single-family segment. These numbers don't make sense and multifamily getting 50% of the allocation should impact at least twice as many homes as the single-family segment due to the home density on the footprint of a multifamily building. I would like to see the ratio of total dollar allocated to a segment divided by the number of decarbonized homes in that segment to show the best and use case for this allocation as rationale.

21% (~$2 billion) to be allocated to Non-Financial Assistance items (market building, pre development or administrative expense) is significant and should be less than 10%. Page 23 mentioned "Over 80% of grant funds support priority project categories in which..." is not the case per Page 15 that says 79% is allocated to financial assistance [112]

The letters of support appear to primarily be from local government. The application does not contain particular evidence of tailored or comprehensive engagement with rural communities or a sense of their particular priorities.

Other than 3 letters of support, the application does not demonstrate tailored, comprehensive engagement with Tribal communities. Tribal engagement plan appear to be primarily through United Way affiliates, which are not Tribal community organizations or a Tribal partner. [113]

Although the application states that environmental justice organizations, housing, and climate advocates will be engaged, none of these appear to be yet engaged and are not included among the letters of support. Given the focus on housing in the application, it is notable that the letters of support do not include low-income housing advocates, housing justice organizations, civil rights or tenant rights organizations.

The application describes LISC, Enterprise, and H4H's local affiliates and staff around the country but is not clear how this is an engagement mechanism (or accountability) as these are not membership organizations that represent low income community members, they are service based organizations.

The application includes very little specific information about transparency and accountability mechanisms. Reporting details do not explain what information will be publicly reported or what information beyond required disclosures will be published. [114]

The applicant did not provide enough specific details describing their intended transparency mechanisms that will promote meaningful accountability to the communities they will work with. They did not discuss in the accountability plan whether they intend to hold routine meetings with community members. Also, the applicant stated that they will publish annual budgets and reports; however, they should consider publishing reports more frequently to community members.

Participating Communities Council: While it appears that this council will have some advisory role and ability to provide feedback, the application does not describe how the members of this council will be selected, and the lack of involvement in the development of the proposal by community-based organizations and low-income housing advocates is evidence that these would be unlikely to be groups whose members would be engaged in decision-making or participatory governance. [115]

In the bidding package proposed, there is no specific description of the regions and strategy on how to deliver those financial products to the market.

[112] Id. at page 218
[113] Id. at page 221
[114] Id. at page 223
[115] Id. at page 224

The main focus is on construction and retrofit needs of net-zero emissions buildings. The portfolio concentration restrictions are a positive point in its investment policy. Nevertheless, the 25% maximum allocation in a single EPA region seems high considering there are 10 regions. There are also no criteria on which region is eligible to get up to 25%. There is a high risk in the products designed due to the subordination feature, interest only feature and delays in payments. Below are the types of loans described in the bidding package with their respective incentive features generating potential concerns: 1) Energy Efficiency Rehab Permanent Loans will provide financing for multifamily property. Borrowers can attain a subordinate position on the real estate with a loan-to-value (LTV) of up to 100%; 2) Net-Zero Rehab Permanent Loans will provide financing for multifamily property owners. Borrowers can attain a subordinate position on the real estate with an LTV of up to 100%; 3) Construction Loans will finance the construction of new net-zero emissions buildings. This product will take a senior or subordinate position on real estate collateral. It will be an interest only loan with a term of up to three years; 4) Construction to Permanent Loans will finance the construction of new net-zero emissions buildings and convert to permanent financing upon construction completion; 5) Solar Energy Loans will provide construction and permanent financing for solar energy improvements and/or installation of solar energy; 6) Charging Station Loans will provide construction and permanent financing for the installation of EV charging stations. This loan will be interest-only, with an interest rate of 3% to 5%,the option for interest to be deferred until loan maturity or repayment. [116]

The applicant does not describe how they will use funds or require partners to address barriers that individuals from LIDAC communities must navigate or historical barriers that have kept them from high-quality jobs. The applicant does not address plans to have unions, contractors or other partners to do specific recruitment and retention strategies for individuals from LIDAC. [117]

Generally the applicant did not provide sufficient detail about their plans to ensure DBRA [Davis Bacon] and BABA [Build-America Buy-America Act] compliance to provide confidence in their efficacy. The applicant indicated an expectation that single-family and small-multifamily projects that they intend to support will be exempted from DBRA by EPA.

No articulation of how (DBRA [Davis Bacon] and BABA [Build-America Buy-America Act]) compliance will be achieved.

While the grantee states that they will adhere to the requirements of DBRA, there is no detailed plans for how they will track and verify contractors. [118]

No stand-alone financial statements are available for the applicant.

No financial statements submitted for Rewiring America Community Investment Fund, Inc. RACI (one of 5 coalition, corporate & founding members of PFC)No consolidated financial statements submitted for PFC or CCIP, consolidating the financial statements of its five (5) corporate/coalition members. Hence, making it difficult to assess the combined financial strength / weakness of PFC.

The lead applicant is a de novo entity with no financial statements, but two of the three major coalition members (representing 60% of the award) are well capitalized with sufficient liquidity. Still, lack of recent financials (audited or unaudited) for Rewiring America makes the application materials incomplete.

The applicant's historical financial statements are not available since Power Forward Communities, Inc. has been recently established as a nonprofit corporation. This risk is mitigated by the track record and strength of its coalition partners, including United Way and Habitat for Humanity.

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[116] Id. at page 227
[117] Id. at page 228
[118] Id. at page 229

These entities, although highly dependent on the fundraising activities, show consistent ability to carry out various community-oriented activities and projects. [119]

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1. ECP:- Self Sufficiency Ratio (Earned Reveneus/Operating Expenses): 115.8% (declined from 121.6% in 2021)
2. HHI:- Self Sufficiency Ratio (Earned Reveneus/Operating Expenses): 100.1% (declined from 149.4% in 2022)
3. LISC:- Self Sufficiency Ratio (Earned Reveneus/Operating Expenses): 99.4% (declined from 120.9% in 2021)

The significant range of expected provisions for loan losses (7%-40% depending on the coalition member) makes it difficult to assess the continued operability of program funds.

. . . but large ranges in loss provision estimates call into question the strategy to mitigate losses (or avoid significant loan forgiveness).

Wide range of "Allowances for Uncollectible Loans" on the balance sheet of coalitions members raises concerns around the experience and capacity of the underlying members."

The applicant projects insufficient program income for the year 2-7 which will not fully cover its expenses. [120]

All coalition members:
Risks & Uncertainties:

The Organizations invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidating and consolidated statement of financial position.

The $1.86B for market building is not clearly quantified, beyond a $125 million loan insurance product (covering about $1B in existing loans). It is unclear what sort of market building would require nearly $2B, and how using 20% of the grant would be a good use of funds.

It is unclear how the projected $1.86B in market building would be allocated across coalition members. When dedicating 20% of the funds to projects that could receive no return, one would expect more detail on the allocation and the uses.
Applicant provided assumptions but was lacking in depth for levels of risk and mitigation strategies presented in the Project Narrative and supporting documents.

More data points are needed to fully under the assumptions and the risk profile of the applicant's proposal. [121]

100% board independence requirement not reflected in P&P or bylaws [122]

PFC is willing to liquidate Non-Grant fund assets in their portfolio if there is a need for additional capital for the Grant projects. Page 33 of the Financial Risk Management Policy and Procedures file does cover important aspects such as conflict of interest, equal credit requirements or unfair … [remainder of entry cut off]

[119] Id. at page 230
[120] Id. at page 231
[121] Id. at page 232
[122] Id. at page 235

The RMP does not actually identify KRIs, KPIs or KCIs that will be used. This is an underdeveloped aspect of the plan. [123]

The plan is broad and aspirational as stated in the policy document. It is limited by the focus on emissions data from the projects and accounting for that from an impact standpoint. It very minimally incorporates the risks into the credit risk and underwriting process.

There is no discussion as to how climate risk is measured and used to inform investment portfolio construction. [124]

The policies described in the legal and compliance risk attachment and section of project narrative do not go into much detail regarding how they will comply with 2 CFR 200, apart from repeating the regulatory requirements and saying that the policies will achieve those requirements. In other words, the policies do not contain the specific procedures by which the applicant will comply with these regulations. [125]

No clear "assessment" of legal and compliance risks posed by their proposed program. No clearly delineated "procedures" as such, but policies do envision procedures. It does refer to mitigation practices e.g., risk assessments, audits, termination clauses. Plan is very conceptual only.

Apart from identifying a risk management committee, the applicant does not specifically detail how compliance with applicable laws and regulations will be monitored and how risks will be identified. For example, the applicant states that it is committed to periodic risk assessments to identify areas requiring additional attention but does not indicate a plan for conducting those risk assessments. In addition, the applicant states that it will take prompt action when instances of noncompliance are identified, but it does not indicate how it will do so, which makes it difficult to assess whether the application describes a "robust" plan for mitigating risks. [126]

No description of what applicant would be looking for in terms of compliance.

No promise to conduct audits, simply "reserve the right" to do so.

Plan is general and says applicant will generally assess marketing and compliance for TILA and ECOA.

Does not say how it's assessing or what it's assessing for. [127]

Does not say how applicant would even know there was a service provider issue or acknowledge what exactly some of these issues might be.

Applicant does not appear to want to admit there are known problems with service providers and consumers. The plan for tracking complaints needs to be more specific and state how the complaints are feeding into, and where, who would be reviewing, and how complaints would be addressed. There also needs to a process for identifying and handling service providers. [128]

[123] Id. at page 236
[124] Id. at page 237
[125] Id. at page 238
[126] Id. at page 239
[127] Id. at page 240
[128] Id. at page 241

Appendix E - Glossary

CCIA: Clean Communities Investment Accelerator

IRA: Inflation Reduction Act

GHGRF or GGRF: Greenhouse Gas Reduction Fund

NCIF: National Clean Investment Fund

LIDAC: Low-Income and Disadvantaged Communities

HUD: Department of Housing and Urban Development

Justice40: A Biden administration program designed to “ensure that at least 40% of federal climate investments go directly to frontline communities most affected by poverty and pollution.”