

**CLIMATE
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DISCLAIMER:

The information contained in this presentation and the topics discussed today are based on our current knowledge of the program parameters. We are continually receiving updated guidance, so all information is subject to change. This presentation should not be taken as legal or regulatory advice and you should consult with your own counsel before entering into any transaction. Thank you for your patience as we digest, translate, and disseminate new information as it becomes available.

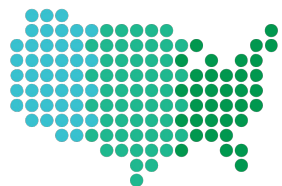


AGENDA

- **Who We Are**
- **The GGRF**
- **Build America Buy America Act**
- **How We're Helping**
- **Next steps**

Who We Are

A collaboration of experienced mission-driven lenders and investors removing financial barriers to clean energy solutions for American communities.



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A PARTNERSHIP OF:



Calvert
Impact™



Community
Preservation
Corporation



Self-Help®

Greenhouse Gas Reduction Fund

REQUIREMENTS AND GOALS

EPA PROGRAM REQUIREMENTS

- At least 40 percent of the award must be made in LIDAC communities
- All dollars must be used to support or finance Qualified Projects
- Financing can be direct to project or through or alongside a Community Lender

CU DEPLOYMENT GOALS

Of our funds deployed:

- **10%** Indigenous Communities
- **20%** Rural
- **60%** LIDAC

THE PROGRAM IS DESIGNED TO INVEST IN QUALIFIED PROJECTS ACROSS THREE PRIORITY CATEGORIES

QUALIFIED PROJECTS

- ✓ Reduces GHG emissions
- ✓ Reduces or avoids emissions of other air pollutants
- ✓ Delivers additional benefits to American communities
- ✓ Finances a project that may not otherwise have been financed
- ✓ Mobilizes private capital
- ✓ Supports only commercial technologies

PRIORITY CATEGORIES



Distributed energy generation & storage (typically 1 kW to 10,000 kW)



Net-zero emissions buildings



Zero-emission transportation



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Investing in people and communities to build a clean energy economy that works for every American

FOCUS AREAS



3 GREEN SECTORS

- Green Homes & Buildings
- Distributed Energy Generation & Storage
- Electric Vehicles



7 INITIAL MARKET SEGMENTS

- Consumer & single-family
- Multifamily housing
- Community facilities
- Small businesses and farms
- Schools
- Community & Community-based solar
- EVs and infrastructure



3 PRIMARY DEPLOYMENT APPROACHES

- Loan to community lenders
- Direct investments into Qualified Projects
- Standardized products

Build America Buy America Act

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS:

BUILD AMERICA BUY AMERICA ACT

PURPOSE

- BABA, included as part of the 2021 Infrastructure Investment and Jobs Act (also known as the Bipartisan Infrastructure Law), is meant to support domestic manufacturing and create more resilient supply chains.
- BABA applies to all Federal financial assistance for **infrastructure projects**, even if infrastructure is not the primary purpose of the project and if the project includes non-Federal funding.

An infrastructure project is any activity related to the construction, alteration, maintenance, or repair of infrastructure.

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS: BUILD AMERICA BUY AMERICA ACT

Overview

- BABA applies to any infrastructure that meets the “public function” test.
- BABA requires that all iron, steel, manufactured products, and construction materials used on projects deemed “public infrastructure” must be produced in the United States.
- BABA applies to entire project even if partially funded with federal funds.
- BABA applies to infrastructure projects not completed before the NCIF award date.

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BUILD AMERICA BUY AMERICA ACT

PUBLIC INFRASTRUCTURE

- Infrastructure, at a minimum, includes the structures, facilities, and equipment for:
 - Buildings and real property
 - Water systems
 - Dam, ports, harbors, and other maritime facilities
 - Roads, highways, and bridges
 - Public transportation
 - Intercity passenger and freight railroads
 - Electrical transmission facilities and systems
 - Utilities and broadband infrastructure
 - Energy generation, transport, and distribution (including EV charging)
- Public function includes whether the project is publicly owned and operated, privately operated on behalf of the public, or is a place of public accommodation

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS:

BUILD AMERICA BUY AMERICA ACT

PUBLIC ACCOMMODATION

- Public function test includes determining if there is public accommodation.
- EPA uses the Civil Rights Act definition of public accommodation to interpret the requirements.
- Public accommodation includes:
 - Any inn, hotel, motel, or other establishment which provides lodging to transient guests
 - Any restaurant or other facility principally engaged in selling food for consumption on premises
 - Gas station, or
 - Place of entertainment such as movie theater, theater, concert hall, sports arena, stadium, etc

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS:

BABA: PRODUCED IN THE U.S. CRITERIA

Iron & Steel



- Items predominately made of iron, steel, or a combination
- Predominately means the cost of the iron and steel content exceeds 50% of total cost
- All manufacturing processes occurred in the U.S.
- *Examples:* manhole covers, nails, bolts, rebar, sheet piling

Manufactured Products



- Items processed into a specific form or shape or combined with other items to create a product
- Must be produced in the U.S. and the cost of the product components that are mined, produced, or manufactured in the U.S. exceeds 55% of the total cost
- *Examples:* EV charge, solar panel, heat pump

Construction Materials



- All manufacturing processes occurred in the U.S.
- Construction Materials:
 - Non-ferrous metals,
 - Plastic & polymer-based products
 - Fiber optic cable
 - Lumber
 - Drywall
 - Engineered wood

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS: BUILD AMERICA BUY AMERICA ACT

PUBLIC INFRASTRUCTURE

- Residential-serving community solar
- Publicly accessible EV charging stations
- Publicly accessible community centers and roadways on multifamily properties;
- Publicly owned energy generation and/or storage transportation;
- Publicly owned transportation facilities;
- Privately-owned mixed-used use property that has a publicly accessible community center, or EV charging station.

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS: BUILD AMERICA BUY AMERICA ACT

NOT PUBLIC INFRASTRUCTURE

- Privately-owned vehicles for private use
- Single family homes (privately owned)
- Privately-owned multi-family homes that are not mixed use and have no publicly accessible retail or commercial facilities
- Privately owned manufacturing, industrial facilities, or office buildings;
- EV charging stations installed at private homes or privately-owned manufacturing or industrial facilities that have no public accessibility.

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS: BUILD AMERICA BUY AMERICA ACT

CASE SPECIFIC

Based on whether public accommodation or public function:

- privately-owned retail establishments,
- privately-owned energy generation and/or storage facilities,
- privately-owned transportation facilities,
- EV charging stations installed a privately-owned office buildings, and
- Privately-owned multi-family homes with a source of government subsidy.

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS: BUILD AMERICA BUY AMERICA ACT

WHAT WE KNOW TODAY

The Office of Management and Budget's Made in America Office (MIAO) is the lead office directing BABA implementation guidance across all federal agencies.

The Office issued implementation guidance (OMB Guidance M-24-02) to establish government-wide direction for BABA implementation.

EPA coordinates with MIAO on waiver requests.

Some waiver requests are initiated by EPA, and others are initiated by awardees or outside parties

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS:

BUILD AMERICA BUY AMERICA ACT

Transaction Partner Responsibilities

Include BABA requirements in solicitations

Communicate with CU if a waiver is needed

Procurement of BABA compliant products

Maintain BABA documents

Provide certs to CU

Allow audits

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS:

BUILD AMERICA BUY AMERICA ACT

Include BABA Requirements in Solicitations

BABA requirements should be communicated to contractors and subcontractors for all projects subject to the requirement.

- This can easily be achieved by including notification in advertised bids and executed contracts.
- Ensure contractors are aware of BABA requirements and are communicating the requirements to its subcontractors.
- It is important that bidders know the BABA requirements so that bids can reflect accurate estimates and timelines.

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS:

BUILD AMERICA BUY AMERICA ACT

Communicate with CUF if a Waiver is Needed

- Communicate to CUF when products cannot be procured domestically or if implementation of the BABA requirements results in project impacts for which a public interest waiver or cost waiver may be needed
- Work with CU to initiate the BABA waiver process and submit additional documentation to EPA, such as technical specifications and product information, to support the request process, as needed.
- There is a **high standard** for waivers and justification requires market research. Must first exhaust all efforts to find and use BABA compliant products.

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS:

BUILD AMERICA BUY AMERICA ACT

EPA-WIDE WAIVERS

- De Minimis (expires October 2027)
 - Projects may use non-domestic products up to 5% of project cost
 - Requires tracking cost of items under the de minimis waiver
- Minor Components (expires April 2028)
 - Applies to manufacturers, allows an otherwise iron or steel product to contain up to 5% non-domestic content
- Small Projects (expires September 2027)
 - Unlikely to apply to GGRF funds since it applies where the EPA award or subaward is under \$250,000

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BUILD AMERICA BUY AMERICA ACT

TYPES OF WAIVERS

Nonavailability

- Items needed are not produced in U.S. in sufficient quantities or quality

Unreasonable Cost

- U.S. produced materials would increase project cost by 25%

Public Interest

- Applying the U.S. produced requirement would be inconsistent with public interest

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS: BUILD AMERICA BUY AMERICA ACT

Waiver Request Documentation

- Summary of the project
- Description and explanation for why a waiver is needed
- Summary of due diligence/market research conducted to find compliant products
- Quantity and materials of the products requiring a waiver
- Relevant engineering specifications and product design considerations
- Approximate cost of items and overall project cost
- Date products are needed to avoid significant delays
- Other relevant information

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS: **BUILD AMERICA BUY AMERICA ACT**

Procurement of BABA Compliant Products

- Procure or ensure procurement of domestic products that will be permanently incorporated in the project.
- Collect BABA certifications from manufacturers.

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BUILD AMERICA BUY AMERICA ACT

Maintain BABA Documentation and Allow Audits

- Maintain up-to-date records on BABA certifications for products purchased and installed on the CUF-funded project. This can help Transaction Partners prevent non-compliant products from being permanently incorporated into the CUF-funded project and triggering a non-compliance event.
- **The key to Transaction Partner compliance is collecting adequate BABA documentation for installed products that are covered by the requirement.**
- CUF and EPA will conduct compliance oversight which may include audits and onsite inspections.

How We're Helping

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS:

BUILD AMERICA BUY AMERICA ACT

- Coordinating among all GGRF awardees for shared learning
- Procuring BABA expertise and support via a contractor
- Market and supply chain research
- “BABA in a box”, technical assistance, and guides for transaction partners
- BABA trainings and support for qualified projects
- Exploring market creation through aggregating demand (eg. solar modules, heavy-duty trucks)
- Liaising with EPA on public waiver process

NEXT STEPS

Thank you for joining our “Understanding” series! Please expect additional communication via follow-up webinars and FAQs as our shared work continues.

If you don't know where to start, submit intake form to join our newsletter and learn more:

<https://weareclimateunited.org/work-with-us>