

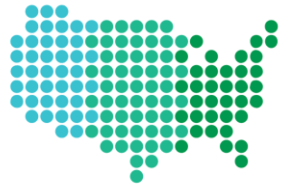
**CLIMATE
UNITED**

AGENDA

- WHO WE ARE
- THE GGRF
- REPORTING REQUIREMENTS
- COMPLIANCE REQUIREMENTS
- NEXT STEPS

The GGRF

Climate United is a collaboration of experienced mission-driven lenders and investors dedicated to bringing clean energy solutions to Justice40 communities across the country.



CLIMATE
UNITED

A PARTNERSHIP OF:



Calvert
Impact™



Community
Preservation
Corporation



Self-Help®

REQUIREMENTS AND GOALS

PROGRAM REQUIREMENTS

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

DEPLOYMENT GOALS

- **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 and storage (typically from 1 kW to 10,000 kW)
- ✓ Net-zero emissions buildings
- ✓ Zero-emissions transportation



CLIMATE UNITED

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

Reporting Requirements

INITIAL AREAS OF FOCUS

Direct lending and credit enhancement



Initial focus on standardized products and structured solutions in sectors or approaches where we have more clarity from current guidance

Loans to Community Lenders & Transaction Partners



Subject to federal flow-down requirements; more guidance to come on description of requirements

Loan purchases & participations



Must be competitively procured because of treatment as “contracts”; open RFPs for these programs

WHAT APPLIES?

Intermediary
(lender) level

Qualified
Project level

Flow-down
requirements



Compliance reporting



Project-level reporting



Davis-Bacon reporting

Yes, if triggered
(timing and purpose)

BABA verification

Yes, if triggered (public
infrastructure)

Other federal
crosscutters



GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS (CLEAN AIR ACT):

FLOW DOWN REQUIREMENTS

SUBAWARD DEFINITION

“...an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity”, including any subrecipient that **receives a subaward** to provide financial assistance (loan) to a Qualified Project

WHAT WE EXPECT

- Pre-award assessment for Subrecipients
- Performance and Financial Reporting
- Financial Statement and Single Audits
- Organizational Disclosures for subgrant awards over \$10M
- Compliance with Flow Downs

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS (CLEAN AIR ACT): FLOW DOWN REQUIREMENTS

CLIMATE UNITED WILL:

- Support Subrecipients throughout the process
- Provide additional resources on requirements and compliance
 - Webinars
 - Guidance documents
 - Technical assistance
- Provide oversight to ensure compliance

FEDERAL REQUIREMENTS

COMPLIANCE REPORTING

- Conflicts of Interest
 - Prior to receiving subaward, disclose any potential conflicts of interest
 - Must report any conflicts of interest immediately
- Fraud, Waste, and Abuse
 - Affecting the award or subaward must be reported to CUF and EPA
 - Whistleblowers must be protected from retaliation
- Executive Compensation
 - May need to be reported if subrecipient meets certain conditions and information is not otherwise publicly available

FEDERAL REQUIREMENTS

COMPLIANCE REPORTING

- Financial Statement and Single Audit
 - Required for subrecipients expending \$1M or more in federal funds during a fiscal year beginning on or after Oct 1, 2024
- Subrecipients receiving more than \$10M are required to submit annual:
 - Financial Health Metrics
 - Organizational Disclosures
 - Information subject to OMB approval
 - Ongoing Disclosures
 - Triggered by specific events

FEDERAL REQUIREMENTS

PROJECT AND TRANSACTION REPORTING

SUMMARY

WHAT WE KNOW TODAY

- Includes both quarterly project-level reporting and transaction-level data
- Intermediary Lenders will submit project and transaction level reporting to Climate United Coalition members through CSV files or on-line forms 45 days after close of the quarter
- Anticipate building a technology-enabled platform that allows for more integrated, up-to-date reporting over time
- Most data will be collected during the due-diligence or closing process and reported at origination. Any longitudinal elements or additional follow-up reporting requirements will be outlined in closing documents
- Partners will **not need** to calculate their own GHG Reduction (just gather underlying technical specs)

WHAT WE DON'T KNOW

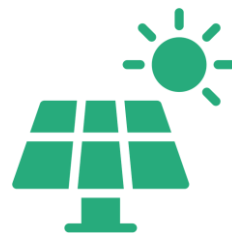
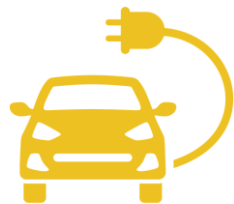
- Final data elements and definitions; expect to get the final reporting tools from EPA by year end

FEDERAL REQUIREMENTS

PROJECT AND TRANSACTION LEVEL REPORTING: REQUIRED PROJECT INFORMATION

- Project location data (once available), including census tract code
- Community benefits information
 - estimated jobs
 - estimated household savings
- Date of sign installation (when triggered; e.g., financing construction for projects over \$250K)
- Technical specs to allow us to calculate GHG reduction (examples follow)

TECHNICAL SPECS FOR GHG REDUCTION



Fields depend on if you're electrifying a personal vehicle, helping convert a fleet, or installing charging, but include metrics like:

- Vehicle type (VIN number)
- Any information available on existing vehicles in a fleet (what it is replacing)
- Number of charging ports

Fields depend on if you're doing efficiency and/or electrification; new construction or retrofit, but include metrics like:

- Square footage
- Type of appliances installed
- Building type and use

Fields depend on if you're doing generation, storage microgrid, etc, but include things like:

- Nameplate capacity
- Capacity factor
- Solar panel type
- Storage power and energy capacity

ORIGINATION

DEAL MONITORING

DIRECT LOAN

Go through due diligence + underwriting process

Work with CU to understand required project fields

Collect + report project data fields

Loan Closing: All reporting requirements will be in loan documents

CU reports project data to EPA and collects limited set of longitudinal fields over time

STANDARDIZED SECONDARY MARKET LOAN OR ASSET POOL

Get procured as lender through RFP process

Work with CU to understand needed project fields

Add any needed fields to software systems + collection processes

Sale of Asset: Provide project level data at time of sale

CU reports project data to EPA and collects limited set of longitudinal fields over time

SUBAWARD (“BALANCE SHEET LOAN”)

Go through due diligence + underwriting process

Work with Climate United to understand needed project fields

Add any needed fields to software systems + collection processes

Report new transactions, projects, + financial status (delinquencies) to CU quarterly

CU reports project data to EPA and collects limited set of longitudinal fields over time

FEDERAL REQUIREMENTS

PROJECT LEVEL AND TRANSACTION REPORTING: TRANSACTION REPORTING FOR SUB-AWARDEES

- Transaction date
- Low-income owned or controlled
- Transaction amount
- Interest rate
- Term
- Other financing sources
- Project sponsor stage
- Total project cost

FEDERAL REQUIREMENTS

PROJECT LEVEL AND TRANSACTION REPORTING: SECONDARY MARKET

WHAT WE KNOW TODAY

- Product-specific data will be collected at the time of purchase, which will be consistent with industry standards with some program specific fields such as demographic or environmental data. Required data fields will be outlined in lender agreements.
- Loan origination files and electronic data files will be submitted through existing CPC and Self-Help processes, as outlined in lender agreements.

WHAT WE DON'T KNOW

- Final metrics and definitions
- Supporting documents

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS (CLEAN AIR ACT):

DAVIS-BACON AND RELATED ACTS

WHAT WE KNOW TODAY

- Contractors must pay and document the payment of prevailing wage for laborers on **construction** contracts over \$2,000.
- When a project requires Davis-Bacon reporting, monthly payroll data would be required from contractors on the associated project and ultimately would need to flow back to Climate United.
- We are in the process of identifying technology and TA support for these reporting requirements

*To learn **DBRA** requirements and more about how we're hoping to support you around **DBRA** compliance, join our upcoming webinar on November 7th from 2pm-3pm ET!*

GREENHOUSE GAS REDUCTION FUND STATUTORY REQUIREMENTS (CLEAN AIR ACT): BUILD AMERICA BUY AMERICA (BABA)

WHAT WE KNOW TODAY

- BABA requires that all iron, steel, manufactured products, and construction materials used on projects deemed “public infrastructure” must be produced in the United States.
- When a project is required to be BABA compliant, certification and verifications from manufacturer would be required for project materials, and there is subsequently some associated reporting to ensure compliance.

For more on BABA, tune into our upcoming webinar on November 19 from 1pm-2pm ET!

Compliance Requirements

FEDERAL CROSSCUTTERS

HOW TO COMPLY

Most requirements that apply to Subrecipients and Transaction Partners need to flow down.

- Include terms in solicitations and executed contracts
- Specific language to include may be included in CUF solicitations, executed contracts or subawards, and guidance documents

FEDERAL CROSSCUTTERS

ELIGIBILITY

- Subrecipients are required to have an UEI number
- Eligibility, at all tiers, is restricted to organizations that are not:
 - suspended, debarred, or
 - foreign entities of concern
- Subrecipients and Transaction Partners can comply by:
 - collecting a signed certification from the entity,
 - including a similar term or condition in the subsequent lower tier agreement for the CUF-funded project (e.g., sub-loan agreements, subcontractor agreements), or
 - For suspension and debarment checking the government System for Award Management ([SAM](#)) exclusions list

FEDERAL CROSSCUTTERS

RESTRICTIONS ON LOBBYING

No federal funds can be used to lobby or pay any person for influencing or attempting to influence any officer or employee of an agency or Congress with respect to an award or related actions.

Subrecipients will be required to:

1. Complete certifications and disclosures and
2. include these requirements in subsequent contracts and subcontracts that exceed \$100,000 and obtain the same certifications from those entities.

This restriction should be included in bid advertisements and executed contracts.

FEDERAL CROSSCUTTERS

NONDISCRIMINATION LAWS AND SOCIAL POLICIES

Prohibits discrimination in the provision of services or benefits, on the basis of race, color, national origin, sex, handicap or age, in programs or activities receiving federal financial assistance.

Compliance with these laws is not limited to the project funded by CUF. These laws apply to transaction partners and their operations in its entirety.

Equal Opportunity (EO 11246) requirements apply to construction contracts which must include nondiscrimination and “affirmative action” provisions.

FEDERAL CROSSCUTTERS

PARTICIPATION BY DISADVANTAGED BUSINESS ENTERPRISES

The Disadvantaged Business Enterprise (DBE) Program is an EPA outreach, education, and goal program designed to increase and encourage the utilization and participation of DBEs in procurements funded by EPA assistance programs (73 FR 15904).

Subrecipients and Transaction Partners Must:

- seek out and are encouraged to use small, minority and women-owned businesses for their procurement needs using EPA's six good faith efforts when contracting
- ensure that its prime contractor(s) follow the same rules when subcontracting
- report on DBE procurements annually and maintain proper records demonstrating that the six good faith efforts were applied during contract procurement.

FEDERAL CROSSCUTTERS

PARTICIPATION BY DISADVANTAGED BUSINESS ENTERPRISES

Six Good Faith Efforts

1. Make DBEs aware of opportunities to the fullest extent practicable through outreach and recruitment.
2. Make information on forthcoming opportunities available to DBEs, including posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
3. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs.
4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance of the Small Business Administration (SBA) and the Minority Business Development Agency (MBDA) of the Department of Commerce.
6. If the prime contractor awards subcontracts, require the prime contractor to take each of these steps.

FEDERAL CROSSCUTTERS

PROHIBITION ON CERTAIN TELECOMMUNICATION AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT

NCIF funds cannot be used to purchase or renew “covered telecommunications equipment or services.”

Covered telecommunications equipment or services” (PL 115-232, Section 889(f)(3)) include:

- Telecommunications equipment produced by or services provided entities using Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
- Video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
- Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, reasonably believes to be an entity owned or controlled by the government of a covered foreign country.

FEDERAL CROSSCUTTERS

UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT (42 U.S.C. 61)

This authority applies to transaction partners (and their borrowers, grantees, and/or contractors) who have acquired or will acquire real property, whether temporary or permanent, for the CU-funded project. The acquisition itself does not need to be federally funded; if federal funds are used in any phase of the project, this statute applies.

Subrecipients and Transaction partners will be required to:

1. disclose to CU if land acquisition has occurred or will occur;
2. certify that the acquisition complies with or will comply with the URA;
3. flow down these requirements to their borrowers, grantees, and/or contractors; and
4. provide evidence that URA requirements are met, if requested, which may include initial notification to the landowner, appraisal and appraisal reviews, and offer of just compensation related to the acquisition.

FEDERAL REQUIREMENTS

ADDITIONAL APPLICABLE ENVIRONMENTAL AUTHORITIES

These typically apply when a project involves construction, remediation, or similar activities. We will work with you to understand which are relevant and confirm compliance if they are:

- National Historic Preservation Act, as amended (54 U.S.C. § 300101, *et seq.*)
- Archaeological and Historic Preservation Act, as amended (54 U.S.C. §§ 312501-312508)
- Floodplain Management, Executive Order 11988
- Farmland Protection Policy Act (7 U.S.C. §§ 4201-4209)
- Coastal Zone Management Act (16 U.S.C. §§ 1451-1466)
- Coastal Barriers Resources Act
- Wild and Scenic Rivers Act
- Endangered Species Act
- Magnuson-Stevens Fisheries Conservation and Management Act
- Clean Air Conformity Act
- Safe Drinking Water Act

NEXT STEPS

We will be hosting **specific webinars covering Davis-Bacon and Related Acts and Build America Buy America** in the coming weeks.

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

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

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SUBWARD (e.g., “balance sheet loan”)

Go through due diligence and underwriting process

Work with Climate United to understand needed project fields

Add any needed fields to your software systems and collection processes

Report new transactions, projects, and financial status (delinquencies) of existing transactions to CU quarterly

Climate United reports project data to the EPA and collects a limited set of longitudinal fields over time