



April 9, 2019

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## Securing Equity & Accountability in the DC Green Bank

### What is the DC Green Bank?

The DC Council established the Green Financing Authority, or **DC Green Bank**, in 2018 to help D.C. achieve its 100% clean energy goals. The establishing act, the Green Finance Authority Establishment Act of 2017, passed the DC Council by a vote of **13-0**. The Green Bank is designed to leverage public funds to attract private investment in nascent clean energy and sustainability projects across the District through loans, bonds, and other financing mechanisms. By 2025, the Green Bank will have **\$105 million in public funds** at its disposal to deploy clean energy across all eight wards. (For more, check out [350 DC's legislative summary](#) and [DOEE's Green Bank website](#).)

### How Can DC Council Ensure Equity & Accountability?

DC has become a national leader of innovative initiatives to combat climate change and usher in a clean energy future. At the same time, DC faces a crisis of economic inequality and housing unaffordability. The Green Bank is well-positioned to effectively bolster DC's emerging clean energy markets while ensuring *all* DC residents reap the rewards of affordable clean energy and equitable and inclusive economic prosperity.

The DC Council has a critical role to play in **confirming the Green Bank governing board nominees and exercising oversight authority to ensure the Green Bank is implemented with social equity and public accountability as a priority.**

We recommend that you:

1. **Closely vet the Green Bank Board nominees.** The seven voting members will control much of the Green Bank's operations. The Council should carefully evaluate them to ensure they have the right experience and perspectives to govern an effective, equitable, and publicly accountable Green Bank. If the nominees meet Council and community standards, the Council should promptly confirm them. Below, we include sample questions to ask of nominees.
2. **Exercise oversight authority to ensure DOEE and the Green Bank Board incorporate meaningful community engagement and public accountability into the Green Bank design and implementation process.** We are concerned the Green Bank's clean energy and sustainability programs will be developed without adequate engagement from community members across all eight wards. The Council should ask DOEE and the Green Bank Board to transparently design and implement equitable programs that will serve *all* DC residents.
3. **Ensure the Green Bank is fully funded in FY2020.** Enacted law stipulates the Green Finance Authority Fund be capitalized with \$36 million through FY2020.

4. **Establish an expert working group to advise and coordinate with DOEE and DSLBD on workforce development program design.** DC's local residents and businesses should be first to benefit from new jobs and economic opportunities in the clean energy economy. A working group would help hold DC agencies accountable to DC residents, and ensure DC's workforce development programs follow proven best practices, continue to improve and succeed.

## Why Should the Green Bank Prioritize Equity?

DC is falling short in meeting the clean energy and affordability needs of long-time residents. The Green Bank must work to secure a 100% clean energy future for *all* DC residents, including low-income families and underserved communities across all eight wards. Low income residents in DC spend up to 12% of their income on energy bills, compared with the 3.5% median for all households in U.S. metro areas. Despite 27% of DC's population being income-eligible for energy bill assistance, the number of households receiving support has *declined* since 2016. In addition, DC's most disadvantaged communities in Ward 7 and 8 are among the most vulnerable to flooding and extreme heat impacts from climate change.

DC's Green Bank is well-equipped to deliver clean and affordable energy and sustainability projects for DC's most vulnerable residents. DC can look to peers across the country for proven models of financially self-sustaining clean energy programs that advance 100% clean energy while lowering energy bills and securing healthier homes and low-income and disadvantaged communities, including:

- Connecticut Green Bank's numerous programs serving low-to-moderate-income households.
- New York's NYCEEC, which offers pre-and post-development low-interest, variable term loans to support multifamily affordable housing property financing.

## Oversight & the DC Green Bank: DC Council's Role

The Green Finance Authority Establishment Act requires the Board to hold a 30-day public comment period while developing the Green Bank's performance targets, hold at least one public hearing per year, and publish an annual report to the Mayor and Council. In addition, for the Green Bank to win the public's trust and design the most effective programs to serve all DC residents, the Board should conduct further voluntary transparency and outreach activities, including meaningfully engaging with DC residents across all eight wards (e.g., through listening sessions or additional public comment periods). Furthermore, we are concerned DOEE may be undercutting the Board's authorities – and critical public engagement mechanisms – by developing governance structures and program offerings before the Board is in place.

**The DC Council should ensure DOEE and the Board operate with the public's trust by exercising oversight activities including:**

- Holding public hearings with DOEE and Green Bank Board and staff.
- Sending a letter to DOEE asking for an update on Green Bank implementation and DOEE's plans for meaningful engagement with DC residents.



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- Asking Board nominees how they plan to uphold transparency, public accountability, and community engagement.

## Sample Questions to Ask Green Bank Board Nominees

- **Commitment to Deep Carbon Reduction Solutions**
  - Last year, the IPCC issued a report finding we must act to reduce global greenhouse gas emissions more than 50 percent by 2030 to prevent catastrophic climate change. If confirmed, how would you use your position on the Board and programs offered by the Green Bank to implement solutions to decarbonize the District? What would you consider to be top priorities?
  - What role do you believe investments in new nuclear, hydropower, energy efficiency, end-use natural gas, biofuels, distributed storage and renewables, and utility-scale renewables fit into the District's energy future?
  - Communities in Wards 5, 7, and 8 are among the most vulnerable to climate change in the District, due in part to high rates of unemployment, poor health indicators, lower education rates, and risks of flooding and extreme heat. What opportunities do you see for the Green Bank to build resiliency and wealth for vulnerable communities while working to meet DC's climate mitigation goals?
  
- **Commitment to Building Community Wealth**
  - According to a 2019 [report](#) by Groundswell, minority and women-owned businesses are underrepresented at every level of the solar supply chain in the District. As a result, DC's solar industry is not fulfilling its potential to drive equitable economic growth. How should the Green Bank close the race and gender gap in DC's solar industry?
  - Roughly what proportion of Green Finance Authority loan products do you believe should be accessible to higher income residents and developers?
  - What is your understanding of the challenges District residents, low-to-moderate income communities and service providers, small business owners, and building operators face in trying to access clean energy projects? What financing tools and programs could the Green Bank deploy to help these populations overcome such barriers?
  - What financing tools and programs could the Green Bank deploy to support equitable economic development and good-paying job creation for underserved communities in the District? How would you coordinate these programs with DOEE and the Sustainable Energy Utility?
  
- **Commitment to Equity & Affordability**
  - How would you define "climate justice"? What role do you believe the Green Bank should play in advancing climate justice?
  - The Council recently passed the Clean Energy DC Act, which mandates the District to achieve a 100% clean energy by 2032. How do you envision the Green Finance Authority can help the District achieve this mandate in a way that is equitable and affordable for



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- low-income residents? What specific programs could the Green Bank implement to achieve these goals?
- The Clean Energy DC Act requires District agencies to dedicate funding for affordable housing providers to support them in implementing energy efficiency and clean energy projects. How do you envision the Green Bank helping the District achieve this mandate? What specific programs could the Green Bank implement to achieve this goals?
  - **Commitment to Supporting the DC Community**
    - The Green Finance Authority has potential to support local clean energy jobs and stabilize energy costs for energy-insecure households and businesses. What role do you believe the Green Finance Authority has to ensure this support is distributed to those that have historically been left out? What mechanisms and practices could the Green Bank employ to ensure barriers to access, such as lack of information and the split landlord-tenant incentive, are overcome?
    - The population of the District is incredibly diverse. What experience do you have working with DC communities, particularly communities of color? What understanding do you have of DC's history and demographics, and how will you factor this understanding into your work with the Green Bank?
    - Are you aware of Green Bank's requirements for public accountability and community engagement? Do you think they are sufficient? If not, what additional voluntary measures would you implement?
    - What mechanisms for engaging with community stakeholders and residents directly would you like to institute for the GFA in this early stage, as you and your colleagues work to develop the initial set of projects and programs?



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## Advancing Equitable Economic Opportunity

### What are the economic opportunities in the Clean Energy DC Act?

- The Clean Energy DC Act creates a clean energy economy in DC through funding existing and new workforce development initiatives and business capacity building programs
- It expands employment opportunities through allocating funding from SETF increases for workforce development initiatives for District residents in energy efficiency fields
- The Act establishes the Sustainable Energy Infrastructure Capacity Building and Pipeline Program to increase participation and capacity of certified business enterprises and/or eligible businesses in energy efficiency fields, including contracts necessary to meet the expanding renewable electricity requirement

### How Can DC Council Ensure Equity & Accountability?

The DC Council has a critical role to play in **ensuring full funding for implementing District departments and exercising oversight authority to ensure workforce development programs are implemented to improve employment equity in the District.**

We recommend that you:

1. **Establish an expert working group to advise and coordinate with DOEE and DSLBD on workforce development program design.** DC's local residents and businesses should be first to benefit from new jobs and economic opportunities in the clean energy economy. A working group would help hold DC agencies accountable to DC residents, and ensure DC's workforce development programs follow proven best practices, continue to improve and succeed.

We envision a clean energy future for DC where economic and racial justice are front and center – where communities across all eight wards have equitable access to the myriad benefits of clean energy and sustainability, from cost savings, to job creation, to healthier homes and climate resilience. DC's Green Bank can be a vital tool to realize this vision. *However, this future is not guaranteed.* The types of programs and financing tools the Green Bank offers – and as a result, the constituencies that stand to benefit most – will determine whether the DC Green Bank is designed to truly serve our communities. **not to big developers and corporate interests. And we invite you to partner with us.**