

GREEN BANK 101



WHAT IS A GREEN BANK?

Green Banks are new, innovative policy tools states and countries are using to create green jobs, expand solar power, lower energy costs, reduce greenhouse gas emissions, and meet their sustainability goals. Green Banks are quasi-public institutions that finance the deployment of renewable energy, energy efficiency, and other clean energy and green infrastructure projects, in partnership with private lenders.

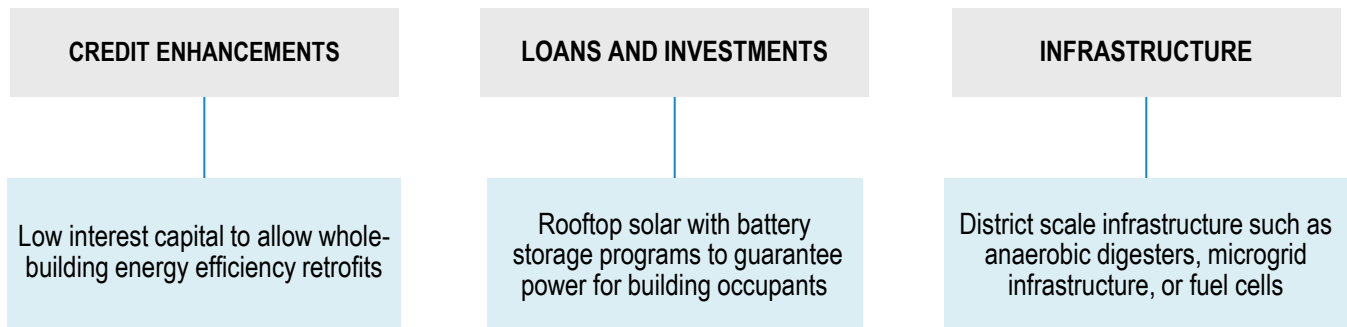
Green Banks are capitalized with public funds, which are then used to offer loans, leases, credit enhancements, and other financing services to close funding gaps for clean energy projects. The goal of a Green Bank is to increase investment and accelerate the deployment of clean energy by removing the upfront cost of adoption, leveraging private investment, and increasing the efficiency of public dollars.

IN WHAT TYPES OF PROJECTS DO GREEN BANKS INVEST?

Green Banks invest in mature clean energy projects, including commercially viable technologies, such as solar energy systems, energy efficiency measures, water management systems, and clean transportation infrastructure and equipment. Green Banks do not typically invest in early stage technology or in clean energy companies.

WHAT IS THE PURPOSE OF A GREEN BANK?

Green banks address financing gaps for economically viable, low-risk, public and private clean energy projects by attracting the capital needed to make projects possible. Green bank financing enables private capital to fill gaps by reducing real and perceived risk, absorbing transaction costs, and providing private investors the chance to learn about new market opportunities with the security of government partnership. Because a Green Bank's public dollars are generally used for financing, rather than grants, the funds are preserved through loan repayment.



HOW ARE GOVERNMENTS USING GREEN BANKS TO HELP MEET THEIR SUSTAINABILITY, CLIMATE, AND RESILIENCY GOALS?

Public capital is limited, so public-private partnerships, innovation, and flexibility – key features of a Green Bank – help increase private investment so governments can meet their climate change, resiliency, and sustainability goals.