



## **Open Request for Proposals: DC Green Bank**

### **1. PURPOSE**

The District of Columbia Green Finance Authority (d/b/a “DC Green Bank” or “DCGB”) invites private sector capital providers, developers, contractors, and other clean and renewable energy industry participants to propose transactions involving collaboration with DCGB. Such transactions should be aimed at addressing financing market gaps and barriers and should ultimately support clean energy, clean transportation, clean water, stormwater management, energy efficiency, water efficiency, and/or green infrastructure projects in the District. This Request for Proposals (“RFP”) is specifically designed for larger projects or portfolios of projects, likely over \$250,000.

### **2. DC GREEN BANK BACKGROUND**

The DC Green Bank is an independent instrumentality of the District government created to increase the use of private funds for sustainable projects and programs by offering and promoting the use of loans, loan guarantees, credit enhancements, bonds, or other financing mechanisms for sustainable projects and programs. Specifically, the DC Green Bank aims to:

- Attract private capital by leveraging public investment;
- Use financial tools to increase capacity, accelerate lending, and recapitalize funds to support the Bank’s mission;
- Become a go-to resource for District residents, small business owners, and commercial developers interested in energy efficiency improvements, clean energy installations, and construction of green infrastructure; and
- Be a breakeven entity, where the revenues earned from financing activity cover its operating costs over the long term.

### 3. SCOPE

The DC Green Bank invites private sector capital providers and other clean energy industry participants to propose transactions involving DC Green Bank that facilitate the financing of clean energy projects in the District, consistent with the DC Green Banks core objectives listed below.

#### Green Bank Core Objectives

- Provide environmental benefit to the residents of DC<sup>1</sup>
- Provide a pathway to financial self-sustainability for the Green Bank<sup>2</sup>
- Attract private capital, while generating income for the Green Bank
- In order to not compete with lenders, either address an underserved need in the market or partner with a lender
- Have sufficient speed to market that will provide immediate benefits to DC residents
- Contribute to the Green Bank's overall diversity in markets and project sizes
- Serve the low-moderate income community including affordable housing projects
- Include support for the creation of new solar energy sources (if funded by the REDF)

Each submitted proposal must meet most, if not all, of the above core objectives. This RFP will remain open, and Proposals will be evaluated on a rolling basis, as received. Initial responses will be provided generally within 30 days. The purpose of an ongoing RFP process is to ensure that all potential proposers have an opportunity to propose transactions and financing arrangements, as market needs develop and change over time.

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<sup>1</sup> Per the authorizing statute, the Green Bank may support "sustainable projects and programs," defined as clean energy, clean infrastructure, clean transportation, stormwater best management practices, energy efficiency, water efficiency, or green infrastructure projects and programs. The term "sustainable projects and programs" shall not include biomass, biofuel, nuclear, or waste-to-energy projects and programs.

<sup>2</sup> The financial self-sustainability objective includes an analysis of the impact on short and long-term portfolio risk, and must be obtained at a reasonable level of risk to the DCGB.

#### 4. QUALIFICATIONS

a. *Project Eligibility Guidelines:* Proposers should already have a well-defined project proposal and should only respond to this RFP when the following decision-points have been resolved: 1) Project scope defined; 2) The specific financing gap (defined in terms of capital requirements, credit risk mitigation, liquidity, or other financing gap); and, 3) Type of financial participation desired of DCGB (subordinate, pari passu, etc.).

i. DCGB is open to funding projects that:

1. Demonstrate that the DCGB is adding value to a transaction that would not otherwise occur in the absence of DCGB's participation or would be accelerated by DCGB's participation. This could be defined in the following ways:
  - a. *Scale:* DCGB adds liquidity to a transaction (funding something that is otherwise too small for other investors).
  - b. *Credit:* DCGB takes on risk in the form of credit risk that would otherwise be unacceptable.
  - c. *Capital liquidity or reduction in cost of capital:* DCGB participation reduces interest rate to borrower or enables smaller projects or portfolios of projects to be funded that otherwise would not be possible.
2. Save energy or generate renewable energy primarily for use on-site or through community-based generation and/or distribution structures.
3. Have a nexus with solar:
4. Will not require DCGB to take on substantial origination or servicing roles.
5. Demonstrate financial leverage of private capital. Except in rare circumstances, DCGB will not be the sole capital provider.
6. Will generate a financial return to the DCGB.

7. Are scalable and replicable or demonstrate other positive impacts to the District, (i.e. provide other significant knowledge or demonstration to advance and expand clean energy in the District).

b. *Proposer Eligibility Guidelines*: DCGB will provide preference to (in no particular order):

1. Certified Business Enterprises (CBE's) and other DC-based entities including finance institutions and proposers/projects that generate a local benefit (i.e. produce green jobs/economic development).
2. Mission-based organizations, demonstrating a dedication to social and economic equity and inclusion, sustainability, and the environment, as well as those who seek to fund projects that benefit underserved populations, including affordable multi-family housing.

c. *Risk Considerations*

The DC Green Bank is unwilling to take on certain risks or functions including:

1. *Operations*: DCGB will not take on projects that involve substantial amounts of loan documentation or servicing, but will consider projects with identified loan service providers.
2. *Single Lender/Capital Provider*: Except in rare circumstances, DCGB will not undertake projects in which it is the sole capital provider.

d. *Eligible Financing Structures*:

The DCGB is open to a variety of structures for financing projects. These include but are not limited to the following.

1. *Participation*: DCGB is open to participation agreements in which DCGB is either:
  - a. A subordinate participant taking on:
    - i. Credit risk
    - ii. Delinquency risk

- b. A pari passu participant alongside the capital provider.
- 2. *Co-Lending*: DCGB is open to co-lending arrangements, in which DCGB is either:
  - a. A subordinate participant taking on:
    - i. Credit risk
    - ii. Delinquency risk
  - b. A pari passu participant alongside the capital provider
- 3. Other structures that meet the criteria laid out above.
- e. *Scale*: DCGB has funds available to support financing up to \$5M per transaction, \$20M in aggregate.
- f. *Term*: DCGB will fund transactions with a maximum term of 10 years, with a preference for shorter terms.

## 5. PROPOSAL CONTENTS

- a. *Summary*: Proposers should include a summary of the proposed financing arrangement including the parties involved, the role of each party – as well as the desired role for DCGB, the clean energy market segment of focus, the type(s) of project(s) to be financed, and the impact on the development of the private sector clean energy markets.
- b. *Transaction Credit, Financial, Technical, and Risk/Return Considerations*
  - i. *Financing Structure and Proposed terms*: Proposals must include a detailed description of the overall financing structure and describe DCGB's role and proposed terms, and, if appropriate, provide a transaction diagram along with a description of key risks and mitigants relating to the financial exposure proposed to be assumed by DCGB.
  - ii. *Comparable Transactions*: Proposals must include previous market transactions that are comparable. If there are no specific comparable transactions, proposers will provide a description of applicable precedents in other financial sectors. A summary of loss rates and loss experience on the

Proposer's (or Proposal Team's) prior comparable projects are also requested.

- iii. *Technical Considerations*: Proposals must provide a description of the technologies involved in the proposed transaction and any relevant information about previous applications, technical components of the proposed project, and a plan for any risks, quality control, warranties, etc. associated with the technology.
- c. *Project alignment with DCGB core objectives described in Section 3*: Proposers must demonstrate that their project meets the various objectives central to DCGB. As noted above, projects must meet most of the DC Green Bank core objectives in order to be considered for DCGB funding.
- d. *Expected Timeline*: Proposals must describe the expected timeline for completing the projects and/or deploying funds.
- e. *Expected Energy Savings/Generation/GHG Reduction*: This RFP seeks projects that support the mission of the DC Green Bank, which is to increase private investment in clean energy, clean transportation, clean water, stormwater management, energy efficiency, water efficiency, and green infrastructure projects in the District. Ultimately, the DCGB seeks to help the District achieve its Clean Energy DC and greenhouse gas reduction goals. This section will require proposers to provide estimated energy savings and/or clean energy generation resulting from new projects deployed in the District, and include documentation of expected savings, including modeling, projections, and other technical assessments and plans.
- f. *Ongoing Tracking and Reporting Capability*: This section will require a proposer to address the methodology that they (or designated third party) plan to employ to track, record, and monitor energy-related impacts (e.g., actual metered savings and/or generation), GHG emissions reductions delivered, customers served, financial products offered (e.g., PPAs, leases, loans, etc.), clean energy measures supported, and other metrics critical to measuring the success of the project.
- g. *Qualifications and Experience; Officers and Staffing*: Proposers should briefly summarize the Proposer's (or the Proposal Team's) institutional and individual qualifications and experience to undertake the implementation and financing of the project(s). Additionally, Proposers will specify their strategy for engaging the target market, when applicable, such as generating demand if a financing structure is designed to fund future yet-to-be-identified projects (e.g., warehousing/aggregation facilities). Examples and references to past projects will be requested.

- h. *Other Financial Support or Incentives and Sponsor Capital:* Proposers will identify and briefly describe any federal, District, utility-based or other incentive(s) that are expected in the proposed financing structure. Proposers should identify the amount of sponsor capital that is at risk (excluding identified grants and other private capital).

## **6. PROPOSAL EVALUATION:**

- a. Proposals that meet the minimum qualifications identified in Section 4 (above) and include all applicable Proposal contents in Section 5 will be evaluated by DCGB against the criteria set out below.
  - i. Evaluation of Overall Technical Feasibility of the Proposal **(5 Points Maximum)**
  - ii. Evaluation of Transaction Credit, Financial, and the Risk/Return Considerations **(20 Points Maximum)**
  - iii. Evaluation of Project alignment with DCGB core objectives described in Section 3 **(20 Points Maximum)**
  - iv. Evaluation of Expected Timeline **(5 Points Maximum)**
  - v. Evaluation and certainty of Expected Energy Savings/Generation/GHG Reduction **(10 Points Maximum)**
  - vi. Evaluation of Tracking/Reporting Capability **(5 Points Maximum)**
  - vii. Evaluation of Qualifications and Experience; Officers and Staffing **(5 Points Maximum)**
  - viii. Evaluation of Other Financial Support or Incentives and Sponsor Capital **(10 Points Maximum)**
  - ix. Evaluation of Overall Quality of Proposal **(20 Points Maximum)**
  - x. Other Considerations

## **7. OTHER PROPOSER CONSIDERATIONS**

- a. *Proprietary information:* Information submitted to DCGB that the Proposer wishes to have treated as proprietary and confidential trade secret information, should be

identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure.

## 8. HOW TO SUBMIT

Electronic submission of responses (a “Proposal”) to this RFP is required. Proposals shall be submitted via email to at the following email address:

**info@dcgreenbank.org**. The subject line should be identified as: “Proposal for Open RFP”. Each Proposal must be accompanied by the fee outlined in Section 12 below.

As an ongoing solicitation, proposers may resubmit a Proposal if circumstances change, or if the initial Proposal does not address this RFP in a complete manner. Any commonly used formats (e.g., Microsoft Word, PowerPoint, Excel, and Adobe PDF) in commercial submissions are welcome.

## 9. TIMING OF EVALUATION

This RFP will remain open, and Proposals will be evaluated on a rolling basis, as received. Proposers can expect the initial response following DCGB’s receipt of a Proposal generally within thirty days from the date of such receipt.

## 10. TECHNICAL RATING

The Technical Rating Scale is as follows:

Numeric Rating	Adjective	Description
0	Unacceptable	Fails to meet minimum requirements; e.g., no demonstrated capacity, major deficiencies which are not correctable; offeror did not address the factor.
1	Poor	Marginally meets minimum requirements; major deficiencies which may be correctable.
2	Minimally	Marginally meets minimum requirements;



	Acceptable	minor deficiencies which may be correctable.
3	Acceptable	Meets requirements; no deficiencies.
4	Good	Meets requirements and exceeds some requirements; no deficiencies.
5	Excellent	Exceeds most, if not all requirements; no deficiencies.

The technical rating is a weighting mechanism that will be applied to the point value for each evaluation factor to determine the offeror's score for each factor. The offeror's total technical score will be determined by adding the offeror's score in each evaluation factor. For example, if an evaluation factor has a point value range of zero (0) to forty (40) points, using the Technical Rating Scale above, if the District evaluates the offeror's response as "Good," then the score for that evaluation factor is 4/5 of 40 or 32.

## **11. PREFERENCES FOR CERTIFIED BUSINESS ENTERPRISES**

Under the provisions of the "Small and Certified Business Enterprise Development and Assistance Act of 2014", D.C. Official Code § 2-218.01 *et seq.*, as amended ("Act", as used in this section), the DC Green Bank shall apply preferences in evaluating proposals from businesses that are certified by the Department of Small and Local Business Development (DSLBD) pursuant to Part D of the Act.

## **12. NEGOTIATION**

The DC Green Bank may enter into good faith negotiations with one or more of the selected Proposers at such time and in such order as the DC Green Bank may determine in its discretion. The commencement of such negotiations does not signify a commitment to provide financial assistance or to enter into a contract with a Proposer. Either the Proposer or the DC Green Bank may terminate such negotiations at any time for any reason. The DC Green Bank reserves the right to

enter into negotiations with any other Proposer at any time. Such negotiations shall not be limited to the scope or terms of the proposal but may include such other matters or different terms as the DC Green Bank may determine to be in the best interests of the DC Green Bank.

### **13. AWARD**

Upon mutual agreement regarding the terms and conditions of the financial assistance, the DC Green Bank and the selected Proposer may enter into a contract which memorializes the agreed-upon terms and conditions subject to all necessary DC Green Bank approvals, including the Board or a duly authorized committee of the Board.

### **14. ANTI-DEFICIENCY**

Notwithstanding anything contained herein, any award pursuant to this RFP shall be subject to the provisions of (a) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341-1351 and 1511-1519 (2004), and D.C. Official Code §§ 1-206.03(e) and 47-105 (2012 Repl.); (b) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 et seq. (2012 Repl. and 2014 Supp.) ((a) and (b) collectively, the “**Anti-Deficiency Acts**”); and (c) § 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1-204.46 (2012 Repl.), as each may be amended from time to time and each to the extent applicable to this RFP.

### **15. FEES AND EXPENSES**

Each Proposal submitted for consideration must be accompanied by a **\$500.00** processing fee submitted by mail or ACH, please contact [info@dcgreenbank.org](mailto:info@dcgreenbank.org) for specific instructions.

The DC Green Bank may require, as a condition of negotiation with any selected proposer, that such proposer agree to pay costs incurred by the DC Green Bank, including fees and disbursements of the DC Green Bank’s consultants, lawyers and other professional advisors.