



## **Performance Targets**

March 2021

## Table of Contents

<b>Introduction.....</b>	<b>3</b>
<b>Performance Targets.....</b>	<b>4</b>
<b>Summary of Terms .....</b>	<b>8</b>

## Introduction

The mission of DC Green Bank is to provide access to capital, growing the clean economy to develop a more equitable, resilient, and sustainable DC.

DC Green Bank (DCGB) envisions a thriving clean economy that contributes to economic growth and prosperity for all DC. DC Green Bank also aligns its investment strategy with DC's climate plans, including the Sustainable DC 2.0 Plan and the goal to be carbon free by 2050. Each December, DC Green Bank will publish its annual progress on the Performance Targets adopted by the Board of Directors. The proposed Performance Targets are organized around DC Green Bank's core values of Clean Economy, Sustainability, and Inclusive Prosperity, as well as around financial stewardship and progress, including its contribution to DC's market acceleration for clean energy and sustainability.

Acting as a catalyst for a more equitable and vibrant city, DC Green Bank seeks to create pathways for sustainable finance solutions that prioritize making the clean economy inclusive and affordable for the DC community. DC Green Bank integrates and coordinates its financing with District initiatives, leading the way for DC to transition to a green city that runs on 100% renewable energy, for a healthier, more resilient, and sustainable community.

## Performance Targets

## Abbreviation Key

CE: Clean Economy

IP: Inclusive Prosperity

SU: Sustainability

FI: Financial

NO.	PERFORMANCE TARGET	TARGET MEASUREMENTS
<b>CLEAN ECONOMY</b>		
CE-1	Fund projects to expand green job opportunities that increase employability and earning potential for District residents.	.01 Measure permanent, contingent and contract green jobs across all skill levels created by DCGB investments.  .02 Measure new green job/business entrants as well as green job/business expansions and transitions in connection with DCGB investments.  .03 Measure median and average pay rates associated with DCGB investments.
CE-2	Build capacity among stakeholders to participate in the green finance market.	.01 Assess capacity needs of stakeholders associated with potential investments and facilitate their readiness for private capital. [See also IP-2.02]  .02 Identify green finance gaps and develop strategies that expand access to for private capital. [See also IP-2.03]
CE-3	Expand access of District residents to the clean economy.	.01 Support workforce development programs in the District to train residents to be successful in green jobs.  .02 Increase knowledge of District youth and young adults about clean energy, sustainability, and the clean economy. [See also IP-2.04]  .03 Ensure green job growth opportunities along all categories of businesses and professions and promote equal access through pipeline programs. [See also IP-2.05]  .04 Maximize access of District residents to electrification and affordable energy. [See also SU-2.03, IP-1.03]

NO.	PERFORMANCE TARGET	TARGET MEASUREMENTS
<b>SUSTAINABILITY</b>		
<b>SU-1</b>	Fund sustainable projects and programs that support decarbonization in the District, improve public health, and conserve natural resources.	<p>.01 Measure greenhouse gas (GHG) emission reduction and climate impact through estimated carbon equivalents of annual and cumulative emissions avoided through 2032. [See also SU-2.01]</p> <p>.02 Measure quantifiable changes in air, water, and other pollution (e.g., air quality, stormwater retention) in connection with DCGB investments.</p>
<b>SU-2</b>	Accelerate the growth of the clean economy and electrification in the District.	<p>.01 Measure clean energy produced and avoided energy use.</p> <p>.02 Measure the deployment and growth of clean energy and sustainability technologies.</p> <p>.03. Maximize access of District residents to electrification and affordable energy. [See also CE-3.04, IP-1.03]</p>
<b>SU-3</b>	Strengthen the climate resiliency of District residents and businesses.	<p>.01 Make critical infrastructure investments that support climate resiliency and adaptation.</p> <p>.02 Identify sound and proven strategies to maximize climate resiliency, climate adaptation, and disaster risk reduction.</p>
<b>INCLUSIVE PROSPERITY</b>		
<b>IP-1</b>	Prioritize inclusive prosperity in DC Green Bank investments.	<p>.01 Allocate an equitable distribution of investment resources, including support for equal access in business development, application processing, loan processing and asset management.</p> <p>.02 Identify equity and access gaps for the clean economy by District Ward, Advisory Neighborhood Commission, Business Improvement District, and Census Tract and expand access to green finance where gaps exist.</p> <p>.03. Maximize access of District residents to electrification and affordable energy. [See also CE-3.04, SU-2.03]</p>

NO.	PERFORMANCE TARGET	TARGET MEASUREMENTS
IP-2	Empower stakeholders to promote wellness, prosperity, and equal access to sustainable investment and remove barriers to inclusive prosperity.	<p>.01 Work with community leaders and stakeholders to share sustainability and clean economy knowledge, practices and resources with District residents that promote green lifestyle choices and energy savings.</p> <p>.02 Assess capacity needs of stakeholders associated with potential investments and facilitate their readiness for private capital. [See also CE-2.01]</p> <p>.03 Identify green finance gaps and develop strategies that expand access to for private capital. [See also CE-2.02]</p> <p>.04 Increase knowledge of District youth and young adults about clean energy, sustainability, and the clean economy. [See also CE-3.02]</p>
IP-3	Prioritize a just transition to the clean economy in the supply chain.	<p>.01 Include requirements for mission alignment with DCGB core values (Clean Economy, Inclusive Prosperity, and Sustainability) in the supply chain in connection with DCGB’s programmatic investment and use of its operational funds.</p> <p>.02 Ensure external stakeholders set and measure goals aligned with DCGB core values and report to DCGB on progress towards same.</p> <p>.03 Develop strategic partnerships to promote inclusive prosperity priorities in green banking.</p>
<b>FINANCIAL</b>		
FI-1	Ensure the long-term financial stability and viability of DC Green Bank.	<p>.01 Design, evaluate, and continually improve cash management strategy and capital strategy to advance financial self-sufficiency and resilient operations.</p> <p>.02 Measure operating margin (revenues less expenses as a function of revenues).</p> <p>.03 Measure revenue growth.</p>
FI-2	Optimize social impact and efficiency of investments.	<p>.01 Measure return on investment with respect to mission, profitability, and overall market acceleration.</p>

NO.	PERFORMANCE TARGET	TARGET MEASUREMENTS
<p><b>FI-3</b></p>	<p>Commercialize green finance investment.</p>	<p>.01 Pilot and model bankable investment strategies.                      .02 Accelerate DCGB pilot-to-product conversion, lender adoption of commercial finance products using DCGB funds or credit enhancement, and broader market adoption without DCGB participation.</p>

## Summary of Terms

**Clean economy:** The “green” or “clean” or low-carbon economy is defined as the sector of the economy that prioritizes sustainability, utilizes sustainable technologies, or produces goods and services with an environmental benefit, as a source of economic renewal and potential job creation.<sup>1</sup>

**Clean energy:** means energy produced by solar photovoltaic panels, solar thermal sources, geothermal sources, wind, ocean thermal sources, wave or tidal sources, fuel cells, landfill gas, hydropower, or hydrogen production and conversion technologies.<sup>2</sup>

**Climate adaptation:** refers to adjustments in ecological, social, or economic systems in response to actual or expected climatic stimuli and their effects or impacts. It refers to changes in processes, practices, and structures to moderate potential damages or to benefit from opportunities associated with climate change.<sup>3</sup>

**Climate resilience:** Climate resilience is the ability to anticipate, prepare for, and respond to hazardous events, trends, or disturbances related to climate. Improving climate resilience involves assessing how climate change will create new, or alter current, climate-related risks, and taking steps to better cope with these risks.<sup>4</sup>

**DC Green Bank Core Values:** Clean Economy, Sustainability, and Inclusive Prosperity.

**Decarbonization:** The sustainable process of reducing or removing emissions of carbon dioxide (CO<sub>2</sub>) from the atmosphere.

**Energy efficiency:** means minimizing the amount of energy needed to accomplish a function, task, or result.<sup>5</sup>

**Green:** To pursue environmentally friendly practices to help in sustaining natural resources and protecting the environment.

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<sup>1</sup> <https://www.brookings.edu/research/sizing-the-clean-economy-a-national-and-regional-green-jobs-assessment/#:~:text=The%20E2%80%9Cgreen%E2%80%9D%20or%20E2%80%9Cclean,compelling%20aspiration%20and%20an%20enigma>

<sup>2</sup> Section 101 (7): <https://code.dccouncil.us/dc/council/laws/22-155.html>

<sup>3</sup> <https://unfccc.int/topics/adaptation-and-resilience/the-big-picture/what-do-adaptation-to-climate-change-and-climate-resilience-mean>

<sup>4</sup> <https://www.c2es.org/content/climate-resilience-overview/#:~:text=Climate%20resilience%20is%20the%20ability,or%20disturbances%20related%20to%20climate.&text=As%20greenhouse%20gas%20emissions%20continue,change%20will%20continue%20to%20accelerate>

<sup>5</sup> Section 101 (11): <https://code.dccouncil.us/dc/council/laws/22-155.html>



**Green jobs:** Green jobs are jobs in any economic sector that benefit the environment or conserve natural resources, or otherwise promote the transition to a clean economy including in connection with sustainability and sustainable technologies.

**Green finance:** is any investment activity that finances sustainable technologies, prioritizes sustainability, and focuses on achieving better environmental outcomes.<sup>6</sup>

**Inclusive prosperity:** The creation of opportunities and equal access that allows for all parties involved to gain benefits that include but are not limited to; economic/financial benefits, clean economy benefits, and overall quality of life benefits, with proactive focus on equitable participation in the prosperity and benefits by communities that have been traditionally marginalized, underrepresented, or underserved.

**Renewable energy:** uses energy sources that are continually replenished by nature—the sun, the wind, water, the Earth’s heat, and plants. Renewable energy technologies turn these fuels into usable forms of energy—most often electricity, but also heat, chemicals, or mechanical power.<sup>7</sup>

**Sustainability:** In the context of environmental sustainability, sustainability is based on a simple principle: Everything that we need for our survival and well-being depends, either directly or indirectly, on our natural environment. To pursue sustainability is to create and maintain the conditions under which humans and nature can exist in productive harmony to support present and future generations.<sup>8</sup> For DC Green Bank, sustainability includes but is not limited to clean energy, sustainable technologies, climate adaptation, climate change mitigation, climate resilience, decarbonization, energy efficiency, natural resources conservation, pollution reduction and removal including waste recovery and reduction, and greenhouse gas reduction.

**Sustainable projects and programs:** Sustainable projects and programs mean clean energy, clean infrastructure, clean transportation, stormwater best management practices, energy efficiency, water efficiency, or green infrastructure projects and programs. DC Green Bank’s sustainable projects and programs will not include biomass, biofuel, nuclear, or waste-to-energy projects and programs.<sup>9</sup>

**Sustainable technologies:** Technologies that reduces the environmental impacts or the climate change impacts on communities.

**Workforce development:** Providing training services to incumbent workers and developing on-the-job and workplace training<sup>10</sup> focused on building a workforce centered around sustainable technology.

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<sup>6</sup> <https://www.weforum.org/agenda/2020/11/what-is-green-finance/>

<sup>7</sup> <https://www.nrel.gov/docs/fy01osti/27955.pdf>

<sup>8</sup> <https://www.epa.gov/sustainability/learn-about-sustainability#what>

<sup>9</sup> Section 101 (18): <https://code.dccouncil.us/dc/council/laws/22-155.html>

<sup>10</sup> <https://www.dol.gov/agencies/eta/employers/workforce-development-solutions>