

Good morning, and thank you for the opportunity to appear before the committee. My name is Jean Nelson-Houpert and I am the Interim-CEO and Chief Financial Officer of the Green Finance Authority, more commonly known as DC Green Bank. I want to thank Chair Allen, members of the committee, and the residents of the District for the chance to showcase the performance of the bank and to answer questions as stewards of precious public resources.

I am pleased to be able to share that the last year has been our most impactful to date. But before I dive into an overview of our performance, and on behalf of our hardworking team, I would be remiss if I didn't recognize some of the critical people that helped us to achieve this historic year. First, I want to thank the DC Green Bank Board of Directors for their tireless service and steadfast support. We would not be where we are today without their strategic guidance, encouragement, and expertise. In particular, I would like to highlight the leadership of our Board Chair, Brandi Colander. She has been outstanding in her efforts to guide the organization to an unprecedented year, and instrumental in helping our team navigate at this time of transition. Our all-volunteer Board makes the time to support our mission and help to deliver transformational change to communities across the District, and we are grateful for their commitment and service

And lastly, I want to thank Mayor Bowser and her administration for continuing to support our work and for creating opportunities for inter-agency collaboration to help the District prioritize sustainability, resilience, climate mitigation, and equity.

Although DC Green Bank was created by statute in 2018, our operations began in earnest in April of 2020 with the hiring of our inaugural staff. As we approach three-years of operations, we are proud of our growth, learning, and impact. Our mission is to provide access to capital, growing the clean economy to develop a more equitable, resilient, and sustainable DC. One of the things that makes DC Green Bank different than other banks is that we pursue our mission with our core values firmly embedded in our practices, procedures, and investments; namely, sustainability, support for the Clean Economy, and inclusive prosperity. As I turn to the highlights of our historic year, I hope it is evident to all how hard our team has worked to embed this mission and these values in the projects in which we invest.

In Fiscal Year 2022 we committed nearly ten times as much capital as the previous year, delivering \$26.7 million in financing and crowding in five times that much in private capital. To put it another way: DC Green Bank's deals in FY22 alone accounted for combined investment commitments of \$160.7 million in the District. These numbers demonstrate the magic of green finance – for every public dollar we receive, we leverage those resources to crowd-in private investment and unleash an unprecedented amount of investment into a cleaner, greener, and more inclusive future. A key piece of crowding in private capital is taking the time to build strong relationships with other mission-aligned, local financial institutions, including key partners for us like Amalgamated Bank, City First Enterprises, Virginia Community Capital, the Latino Economic Development Center, and the Local Initiatives Support Corporation (LISC), just to name a few.

How did we achieve this historic year? In order to deliver financing at this scale you need a strong and dedicated team that has the systems and tools at their disposal to be successful. In the last year, we

have spent a great deal of time building our team, strengthening our capacities, and bringing in talent to meet the challenges our city faces, and passing the tests every early-stage organization faces.

As we continued to build our team, we also worked diligently to build our project pipeline. I find that it is helpful to take a look behind the large-scale investment numbers and to provide some clear examples of the impact and transformation we have and will continue to create in communities across the city. I have talked about how much capital we have committed, and I have talked about our fantastic Board and team, and now I want to highlight five specific examples that demonstrate the success of the green banking model, and DC Green Bank in particular.

First, I want to share a project example that captures the numerous benefits of a clean energy future. DC Green Bank, Volt Energy, and Howard University have partnered on a groundbreaking large-scale solar installation on the HBCU campus. The project has delivered affordable financing from DC Green Bank to Volt Energy for the construction of up to 1.5 MW of solar capacity at the historically Black university. The installations are expected to generate nearly 35,000 MWh of renewable energy – which will avoid more than 23,000 metric tons of CO₂ equivalent – and save the university an estimated \$1.6 million on their utility bills over the lifetime of the systems. The project will also support the work of multiple local, minority-owned developers and create green jobs in the District throughout the construction and maintenance phases. In this one project we are able to see climate leadership, clean energy, green jobs, and financial savings for a flagship university, and we are looking forward to replicating this type of project in additional locations in the District. Construction is already underway and we anticipate hosting a ribbon-cutting ceremony in the coming months and we can't wait to invite members of this committee to join us in celebration.

Second, last week we celebrated the groundbreaking of an exciting project that incorporates all four core investment sectors of DC Green Bank – solar energy, green buildings, stormwater management, and clean transportation – and captures the full breadth of our investment values. The Faircliff, located in Ward 1, is on its way to being an all-electric affordable housing re-development project that expands the number of affordable units on site by more than 50%, delivers clean and renewable solar energy, incorporates stormwater and green infrastructure elements, promotes electric transportation, and meets the highest sustainability standards. This really is a landmark project that shows the power of creative and committed developers and the promise of green banking. DC Green Bank provided nearly \$2 million of pre-development funding to ensure that the development team was able to take the time and care needed to ensure that all of the co-benefits of green financing and healthy living were incorporated and to increase the number of affordable units as our city seeks to meet rising demand for housing for all. This development is a model for the nation and the world to follow and we would be happy to arrange a follow-up discussion with our team, the developers, and members of the Council and their staff to learn more about how we can replicate this type of project elsewhere in the District.

Third, we know that as our climate changes we must focus on our emissions, but we also must rapidly scale up our investments in resilience. Through a \$2,000,000 investment in our partners at Rainplan, we anticipate seeing more than 20 residential and commercial stormwater management projects, an estimated 100,000 gallons of stormwater captured and filtered per storm event, and the workforce of our clean economy deployed to deliver these projects. The projects are anticipated to include houses of

worship, local businesses, residential communities, and even a green mobility hub, with an emphasis on the delivery of projects in Wards 5, 7, and 8. A final key element of the approach through this project is that the Rainplan team has an innovative digital platform that not only supports residents and businesses to identify stormwater mitigation opportunities but also puts information at their fingertips in order to be able to benefit from existing city and federal incentive programs. This approach can save communities money and make existing government incentives and programs deliver on their goals.

Fourth, it is critical to highlight the power of an enduring relationship between borrower and lender and how that can support a strong foundation for the Clean Economy in the District. Flywheel Development was DC Green Bank's first customer, at the height of the pandemic in September of 2020. We stepped in to finance a community solar project benefitting low- and moderate- income Washingtonians when other banks were stepping back and reevaluating their investment portfolios. We are proud to say that we have funded a Flywheel project in each of our operational years, with each loan being paid back on schedule and in full, while crowding in private capital along the way. We are working with the Flywheel team to ensure that they are prepared to take on more, while considering bigger solar and stormwater and green infrastructure projects. The durability of our relationship is a testament to the power of local small businesses and local financial institutions sharing goals and working together. We are hard at work cultivating more relationships that have the longevity and impact of our relationship with Flywheel.

As a final example, in addition to the earlier examples of investing in solar energy on one of the flagship campuses in the District and in LMI communities, we also know that in order to meet our collective climate, energy, affordability, and equity goals that homes across the city must choose solar as well. We are proud of a deal we just announced this morning to bring renewable energy and lower utility bills to more than 530 affordable homes in the District. This investment, with our partners at Enterprise Community Loan Fund, demonstrates that we can make large-scale investment in solar energy that delivers reductions in greenhouse gas emissions and reductions in the cost of living at a time of rising bills for families, all while increasing our resilience to energy disruptions and climate change, and delivering good, clean jobs right here in DC. Projects like this illustrate the promise of green banks and a future where the District is a leader on clean energy and the Clean Economy.

Beyond this small sample of our exciting projects, we know that we cannot deliver a clean, sustainable, and equitable transformation for the District alone. We are fortunate to have incredible partners across the city government, and we are eager to work with the committee to strengthen our existing bonds and collaboration with DOEE and the DCSEU as well as each agency that has responsibility for transforming our city and building a clean and equitable future.

So, what does DC Green Bank need to build on the success to date and continue to be a strong partner? We need large-scale, predictable, flexible, and cheap capital to replicate projects like those previously mentioned and to reach deeper into communities that are all-too-often left behind and ensure an equitable transition to a clean future. We plan this year to prioritize these communities so that we can show measurable impact as we transform our economy and our built environment. We look forward to working with the Council, Mayor Bowser, and our federal colleagues to unlock resources to meet the challenges we face and deliver investments that yield benefits for generations to come.

In conclusion, we are proud of the work we have done in our nearly three years of operation, particularly our impact in 2022. I believe that the best of DC Green Bank is yet to come, and our team is committed to delivering even greater community and climate benefits in the years ahead, with partners whenever we can and alone if we must. We look forward to continuing our excellent relationship with this committee, the City Council, the Bowser Administration, and our community partners to ensure that DC remains a leader on climate action and is a place where people continue to move and expect a thriving, clean place to live and work. Thank you for the opportunity to address the committee and I look forward to your questions.