

COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE ON TRANSPORTATION AND THE ENVIRONMENT
PERFORMANCE OVERSIGHT HEARING
GREEN FINANCE AUTHORITY TESTIMONY BY CEO TRISHA MILLER
FEBRUARY 29, 2024

Good morning and thank you for the opportunity to appear before the committee. My name is Trisha Miller, and I serve as the Chief Executive Officer of the Green Finance Authority, more commonly known as DC Green Bank. I want to thank Chair Allen, members of the committee, and my fellow District residents for the opportunity to represent our fantastic team today and discuss the performance of the bank over the last year. I am also honored to appear alongside dedicated colleagues committing their careers to public service.

On behalf of the DC Green Bank Board of Directors and our staff, I want to begin my remarks by extending our deepest condolences to you, Chair Allen, your team, and the Council family for the recent loss of Chris Laskowski. The impact of his work to build a cleaner, greener, and more inclusive future for DC was evident to all of us, and we honor Chris' legacy. We had the chance to tour DC Green Bank projects with Councilmember Allen, Chris, and colleagues from the Department of Energy and Environment (DOEE) and witness the neighborhood transformation that dedicated community partners can achieve together. I know that at this difficult time we can come together and build on Chris' legacy and pursue shared District goals in a way that leaves no community behind.

I would like to take the opportunity today to look back on the bank's performance over the last year and to look forward to the exciting prospects we have for an even brighter future. I want to first highlight the incredible leadership of the bank's Board of Directors in providing steadfast guidance during recent transitions. As we moved from FY22 to FY23, the bank's inaugural CEO departed, the Board initiated a nationwide executive search, which led to me joining as the second full-time CEO last July. My career spans green finance, affordable housing, and equitable development – and I most recently served in the Biden-Harris Administration helping to lead building and industrial decarbonization policy. I hit the ground running to take DC Green Bank into its exciting next chapter. My top priorities have been to collaborate with our Board of Directors and dedicated staff, and to execute a vision for the maturation and growth of this still-young institution. This task was made easier by our dynamic and talented team, who continue to deploy innovative capital solutions that grow clean energy jobs and climate benefits across DC.

With the support of Mayor Bowser and the Council, DC Green Bank was created to catalyze investments in the future sustainability of the District. And, over the first three years of

operations, we have evolved as a more robust financial institution that understands the pivotal role green finance plays in 1) combating climate change, 2) providing access to affordable clean energy, and 3) bringing the benefits of a clean economy and jobs to every corner of the District. Over the last year, we leveraged partnerships with public and private stakeholders to unlock capital for a diverse array of green projects – from commercial solar hubs for small businesses to energy-efficient retrofits in underserved communities.

As I work with our Board and our staff to chart the course forward, I will continue to elevate operational excellence as the number one priority on the path to achieving our mission. When I arrived, the bank faced multiple vacancies on the Executive Team. In close collaboration with the Board, we now have a full leadership team to enhance DC Green Bank's operational capabilities and capital deployment. And, we are optimizing our programs, procedures, and financial offerings to achieve the scale needed to meet the challenges and opportunities ahead.

We are now poised to take the next step in our maturation and evolution. I know that because in FY23 alone we invested \$16 million of public resources and crowded in more than \$135 million in partner investment, for a total of over \$150 million in investment across the District. This means that for every \$1 dollar DC Green Bank invested, over \$8 dollars of additional resources poured into community projects. Furthermore, we increased this leverage ratio from 5-to-1 in FY22 to more than 8-to-1 in FY23. Each of our investments represents creativity, collaboration, and economic impact --- bringing us a step closer to the promise of a cleaner and greener future for all Washingtonians. To give you a sense of what I mean, I want to highlight four distinct projects, and the value that we can deliver together for District residents and businesses.

First, we know that part of DC's comeback must include sustainable, mixed-use development. An innovative example of what the future can look like is represented by our recent investment in Cycle House. Cycle House is on the road to becoming an all-electric, net-zero, mixed-use property in the Truxton Circle neighborhood. It will deliver deep affordable housing for Washingtonians, and the project is slated to produce at least as much energy from on-site solar power as it consumes each year. DC Green Bank invested \$2 million into this project, alongside more than \$15 million of investment from partners in the office of the Deputy Mayor for Planning and Economic Development (DMPED), the Department of Housing and Community Development (DHCD), and many more public and private partners, including LISC.

The second project I would like to highlight is one that demonstrates the power of green finance to preserve senior affordable housing. DC Green Bank invested \$2 million in high performance building improvements in the Lisner Home, which will result in lower energy costs for seniors and support the District's progress toward preserving places for our seniors to age in place gracefully. The combined investment of \$74 million will deliver more than 90 new units of permanent affordable senior housing. And Lisner Home will serve as the first District-backed LIHTC affordable housing development in Ward 3. We know that Mayor Bowser and the entire DC Council are committed to affordable housing as a key priority, and I was grateful for the

opportunity to join the Mayor and Councilmember Frumin during the Lisner Home groundbreaking event this past fall. This project would not have been possible without public and private entities working together, including DMPED, DHCD, and an experienced development team that knows how important it is to prioritize our seniors.

The third project showcases the power of innovative local government partnership. The Ridgecrest Phase 2 project is a \$46 million effort, including more than \$2 million from DC Green Bank, to deliver 128 new units of permanent affordable, sustainable housing in Ward 8 – and meet multi-cycle compliance with DC’s Building Energy Performance Standard (BEPS). The project was driven by leadership and creativity across DOEE, DMPED, DHCD, private capital providers and developers, and our incredible team. Without sustained inter-agency collaboration, this project would have had to have waited until 2026 to move forward. Instead, it’s now breaking ground and represents a significant opportunity to lower carbon emissions, improve building energy performance, and realize significant utility cost savings. This is how we build a more equitable future for all Washingtonians.

Last, I want to share an example of how DC Green Bank serves as a catalyst to accelerate progress toward our clean energy future. Over the last year, we partnered with Enterprise Community Development to support the delivery of 2.2 megawatts of solar capacity and electric vehicle charging stations at four affordable housing properties, and to pilot a battery storage resiliency hub. Once the projects are completed, they will provide clean energy and 20 percent or more energy bill savings to over 530 District households, with a focus on families in Wards 5 and 8.

DC Green Bank contributed \$3.75 million to a \$12 million total capital stack to finance this portfolio of clean energy deployment. As a result, we accelerated the timetable to install solar panels serving more than 3,000 affordable homes. Including these recent projects with Enterprise, DC Green Bank’s solar investments will generate more than 20,000 MWh of annual clean energy production.

Through these projects and beyond, we have realized the co-benefits of green finance, including deploying clean and renewable energy; growing the affordable housing stock; improving air and water quality; supporting good, local green jobs; and lowering consumer energy costs. Too often we think these benefits require steep tradeoffs. Yet, we know we can invest through partnerships in ways that yield significant long-term savings and community impact.

Next, I want to highlight our role as the DC PACE Program Administrator. Since the last time DC Green Bank appeared before the Committee, we have had the honor of celebrating a major milestone: the PACE Program surpassed \$100 million in lifetime investment. We have delivered impact in every Ward in the District, across a diverse array of project types, working with small and large local businesses alike. Furthermore, the PACE Program has supported more than 1,500 jobs since November 2022, including more than 1,000 construction jobs and nearly 500 permanent jobs. The PACE Program’s ability to unlock private investment in building and

energy upgrades supports the vision that Mayor Bowser and this Council had back in 2018 when the Green Finance Authority was originally authorized.

As these projects and programs illustrate, DC Green Bank is moving to the very center of sustainable and inclusive development in the District. We are proud of what we have accomplished to date, and excited for what the future holds.

We are building on this momentum, leveraging over \$50 million in direct investment to date, and crowding-in additional federal and private capital to support jobs and economic development.

Last year, the District was selected as part of a federal energy efficiency program designed to support energy efficiency revolving loan funds. With DOEE as the lead agency, these funds will be used to deliver on the District's energy efficiency priorities, and bolster DC Green Bank's ability to crowd in private resources and accelerate the District's progress toward achieving our shared climate goals. The new revolving loan fund program will prioritize investment in energy efficiency within the District's affordable housing pipeline.

Beyond this program with DOEE, we have also developed an ambitious partnership with our colleagues at the District's Homeland Security and Emergency Management Agency (HSEMA) and DHCD. Our joint application was successful in the competitive, inaugural round of funding opportunities through the Federal Emergency Management Agency's STORM Act program. In short, this program provides federal dollars on a competitive basis to jurisdictions as they seek to build more resilient communities and deliver low-cost financing for eligible projects. Our team will invest in the District's affordable housing pipeline to support resilience measures in line with DOEE's Climate Ready DC Resilient Design Guidelines.

As we look ahead, we are focused on maximizing the impact of new federal programs and related investment in clean energy jobs and communities. Next month, the Environmental Protection Agency (EPA) is poised to announce the Greenhouse Gas Reduction Fund (GGRF) awards to steward the deployment of \$27 billion in climate investment across the country. Most of the award recipients will operate at the national level; however, a key role they will play is to support local and state green banks, CDFIs, and other community lenders to catalyze clean energy, renewable energy, clean transportation, and other sustainability-related investments.

DC Green Bank, DOEE, and other community partners are well positioned to align capital and develop projects across DC. One key element of this early collaboration culminated in the submission of an application to the EPA as part of the new federal Solar for All Program, which is partially modeled on the District's own successful program. DOEE, supported by DC Green Bank, DCSEU and local partners, submitted this application to increase the impact that we can deliver together and identify ways to drive additional benefits to underserved communities.

Looking forward, I am incredibly excited about the opportunities to continue to leverage federal resources and bring more direct investment to DC communities and businesses. Local leadership and capital support will continue to play a vital role. With that in mind, each year the Council

asks us what we need to be successful, and I am prepared to outline a few priorities and always have an open door to discuss how we can build on our successes to date.

As a financial institution focused on fostering green investment, we rely on consistent funding streams to provide low-cost financing and support to projects that lower carbon emissions, enhance energy efficiency and electrification, and grow clean energy jobs in an environment where the private sector is not yet willing or able to step in. Predictable funding allows DC Green Bank to plan strategically, align our investments with long-term environmental and economic goals, and to be reliable partners for District agencies, local businesses, and communities. Furthermore, sustained local capital ensures the bank's resilience against fluctuations in federal funding opportunities and market cycles, safeguarding our ability to continue to deploy low-cost lending and investment in climate and community benefits year over year. Additionally, local support through the Sustainable Energy Trust Fund (SETF) and other sources enables DC Green Bank to leverage private sector capital effectively. By providing a reliable foundation of funding, the bank can attract additional investment, building on the 8-to-1 leverage ratio our team delivered last fiscal year. This leveraging effect is crucial for scaling up green initiatives, helping create and maintain thousands of local jobs, and deepening our reach into communities that have all-too-often been left behind.

In addition to continued public support and partnership, we need a full Board of Directors to help lead the next stage of our development and maturation. The DC Green Bank Board of Directors is committed to sustainable development and innovative financial solutions. Our Board is comprised of seasoned finance, legal, clean energy, and sustainable development professionals. However, two of the seven seats for voting members are currently vacant. The two vacant seats are designated for professionals with experience in affordable housing and community development. DC Green Bank has not had a full Board of Directors since 2020, and we hope the Mayor and Council will continue working together to expedite filling these vacancies. These seats serve as crucial voices in shaping the bank's investment priorities and ensuring that our initiatives strengthen local community development.

In conclusion, DC Green Bank is proud of the impact delivered in FY23 and FY24 to date, and we stand ready to build on this success. We are excited to work with you to advance the District's sustainability goals and foster economic growth. As I have outlined here today, our team has directly invested more than \$50 million and has successfully leveraged public and private capital sources of more than \$300 million to fund clean energy projects, create jobs, and reduce greenhouse gas emissions in every Ward in the District. Together, we can build on our solid foundation and shape a cleaner, greener, and more prosperous DC.

Thank you for your leadership and the opportunity to address you this morning. We look forward to continuing to work collaboratively with the DC Council and supporting the Bowser Administration to implement a shared vision of inclusive prosperity.