


Helping Iowa fund building efficiency, renewable energy, and zero-emissions technology projects across our state


Sustainable Power - Economic Benefits - Reduced Carbon Emissions - Healthier Communities

1




Why develop Iowa Energy Fund (IEF) to become our state's Green Bank?

- Green projects in the low-income and disadvantaged (LIDAC) and rural communities have **difficulty finding adequate and affordable financing** in the private sector alone.
- Green Banks, like Iowa Energy Fund (IEF), **provide additional low and/or no cost funding solutions so more green projects can be funded**, particularly in LIDAC and rural communities.
- IEF is **replicating the green bank model** that has existed in other states since 2011, which has proven to reduce energy costs for low-income families, create good-paying jobs, and deliver an economic investment "multiplier effect."
- Coalition for Green Capital (CGC), a founder of green banks, suggests an **overall capital mobilization ratio of between 9:1 to 14:1 after seven years**. This means that for every dollar invested, approximately \$9 to \$14 of total capital will deploy - that otherwise would not - because these projects are funded through public / private partnership.
- Greenhouse Gas Reduction Funds are **providing millions of dollars to establish and strengthen the nations network of green banks** through operating and balance sheet capital as well as direct project funding programs (e.g. Solar For All) that IEF will coordinate for our state.



10/7/2024 For Iowa Energy Fund Use Only 2

2




Objectives of the Iowa Energy Fund (IEF) as our state's Green Bank

- Enable our state's **financial institutions and private investors to provide capital** to this sector while benefiting from profitably diversifying and growing their loan and investment portfolios and producing meaningful economic benefits for communities across our state.
- Provide **critical funds for the rehabilitation of Iowa's affordable housing stock** and reduce the energy cost burdens for the residents.
- Ensure more **low-to-moderate income (LMI) and historically underserved communities experience the economic and health benefits** of more efficient use and cleaner generation of energy.
- Reduce **carbon dioxide (CO2) emissions** in our state.
- Help **maximize federal and local renewable energy generation and carbon reduction project incentives** for residents in homes and multi-family dwellings, small businesses, commercial and agricultural enterprises, and non-profits - including municipalities, schools and universities, hospitals, and churches - in Iowa.
- Serve as a resource to national and state stakeholders** in the areas of building efficiency and renewable energy generation programs.

10/7/2024 For Iowa Energy Fund Use Only 3

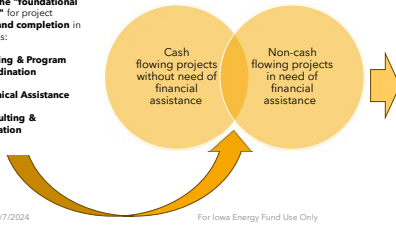
3

How IEF helps efficiency and renewable energy projects get done for all Iowans



Our primary role is to provide the "foundational elements" for project funding and completion in three areas:

1. Funding & Program Coordination
2. Technical Assistance
3. Consulting & Education




These "foundational elements" are applied to projects sourced and managed by Iowa's existing network of funders, financiers, and service providers:

- Financial Institutions** Community Banks, Credit Unions, CDFI's
- LMI Housing and Community Focused Organizations** Habitat for Humanity, Housing Trust Funds/COGs, The Nature Conservancy, Iowa Environmental Council (IEC), Energy Districts, among others
- Governments Agencies, Municipalities, and Utilities**

10/7/2024 For Iowa Energy Fund Use Only 4

4

Three "foundational element" pillars to be developed and continuously improved upon




Funding & Program Coordination	Technical Assistance	Consulting & Education
<ul style="list-style-type: none"> • Connect funding sources to support eligible projects that otherwise would not be completed solely through private sector capital providers • Provide credit enhancements that may include loan guarantees, deferred payment plans, pooling mechanisms for loan sales and/or participations among "members" • Pool LMI and non-profit federal incentive tax credits through direct payment and transferability features of the Inflation Reduction Act (IRA) • Partner with outside organizations to provide "off-the-shelf" products and programs 	<ul style="list-style-type: none"> • Establish and grow a network of service providers including Energy Auditors, Contractors and Installers by partnering with existing organizations (e.g. Energy Districts, ISETA, IEC, etc.) • Be a resource for available federal and regional project incentives, including mechanisms for applying • Provide administrative (e.g. Davis Bacon Act compliance), cash flow modeling and CO2 reduction reporting assistance • Develop a conduit to legal and contractual support expertise 	<ul style="list-style-type: none"> • Train lenders how to finance these projects for their Commercial & Industrial (C&I), Residential, Agricultural and/or Non-Profit (e.g. Municipalities, Universities, Schools and Districts, Hospitals, etc.) customers • Host conferences, webinars and working groups for our network • Provide consulting services for more customized strategy development • Coordinate and advocate with critical national, state and local stakeholders

10/7/2024 For Iowa Energy Fund Use Only 5

5

How IEF becomes a Green Bank: "Build the bank" by demonstrating a track record over the next 12 to 18 months




Capital Investment Goal	Operating Expense Funding Goal	Positive Impact
<p>\$10 to \$30mm</p> <ul style="list-style-type: none"> • Demonstrate effective deployment from Green House Gas Reduction Fund (GGRF) programs (e.g. 31A, NCIF, and CCIA) • Prove we can fund projects leveraging our network for maximum benefit, especially along side private capital providers 	<p>\$1 to \$3mm</p> <ul style="list-style-type: none"> • Securing sustainable operating funding will provide essential confidence to facilitate additional public and private sector investments • Build the operating basics to become "balance sheet ready" as a trust Green Bank • Ensure capital and services generate appropriate ROI 	<p>Measure & Report the Real Benefits</p> <ul style="list-style-type: none"> • Demonstrate the positive economics including lower energy costs for LIDAC families, local small business development, good paying job creation, and an investment multiplier effect in Iowa • What's IEF's capital mobilization ratio? • Reduced CO2 emissions across our state

10/7/2024 For Iowa Energy Fund Use Only 6

6

How IEF becomes a *sustainably functioning* Green Bank: Growing and recycling capital while funding operations

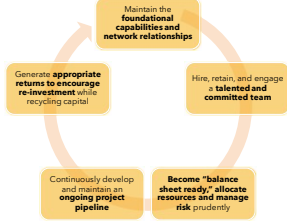


Producing the ~9:1 to 14:1 Investment "Multiplier Effect" and reduced CO2 emissions by 2030:

How does IEF lever:

\$10 to \$30mm of initial capital
\$1 to \$3mm of start-up operating expense funding

to build a sustainable green bank, and produce hundreds of millions in economic development and tens-of-thousands of tons of CO2 emissions reductions for Iowa?



10/7/2024 For Iowa Energy Fund Use Only 7

7

Leadership: How IEF becomes reality through governance



Chair of the Board

Bob Rafferty has over 30 years of experience involving government, government relations, and non-profit organizations particularly in area of affordable housing. A former legislator, he previously served as Chief of Staff and Director of the Department of Management under Iowa Governor Terry E. Branstad.

10/7/2024

President

Jason MacDuff has 27+ years of leadership experience in the financial services industry, starting as a teller and ultimately becoming bank president. He most recently led a successful start-up bank originating over \$100 million in solar loans to homeowners, non-profits, businesses and farms across five Midwestern states.

8


 Andy Johnson


 Araceli Vasquez


 Cheryl Garst


 Dale Todd


 John P. Rigler III


 LeKeisha Veasley


 Rick Hunsaker


 Stephanie Murphy


Board of Directors

A group of experienced, diverse, and committed leaders in fields of Community Banking, Credit Unions, Community Development Financial Institutions (CDFIs), LMI housing and energy assistance, state and local governments, renewable energy and building efficiency projects.

10/7/2024 For Iowa Energy Fund Use Only 8

8

Taking Action: How IEF becomes reality

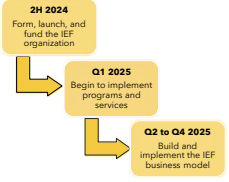


Immediate Action Steps

- Continue near-term fundraising efforts to establish the organization's programs and operations. We'd like to fund at least the rest of this year and start to hire for project management and implementation.
- Formally launched the Iowa Energy Fund organization during Climate Week (September 22 to 29).
- Firmly establish NCIF, CCIA and SFA programs for Iowa by working with multi-state and in-state network recipients.
- Continuing to host feedback sessions with potential end-users, subject matter experts (SME), and other local and national key stakeholders to determine value-add and long-term viability.
- Build a commercial and small utility scale project pipeline to demonstrate an "investable" future track-record.
- Project longer term business model and organizational structure based on various growth and GGRF funding scenario plans.

10/7/2024

General Timeline



2H 2024
Form, launch, and fund the IEF organization

Q1 2025
Begin to implement programs and services

Q2 to Q4 2025
Build and implement the IEF business model

For Iowa Energy Fund Use Only 9

9



iowa energy
FUND

Sustainable Power - Economic Benefits - Reduced Carbon Emissions - Healthier Communities

www.iowaenergyfund.org

Jason MacDuff - jmacduff@iowaenergyfund.org - (515) 341-2499
