



Green Bank for Appalachia, Energy Communities, and Underserved Rural America

Appalachian Community Capital (ACC) is requesting \$1 billion from the EPA Greenhouse Gas Reduction Fund CCIA programⁱ to catalyze green energy investments in low-income rural communities impacted by declines in the fossil fuel industry. To accelerate economic restructuring and diversification in these communities, ACC has established the Green Bank for Appalachia, Energy Communities, and Underserved Rural America (or Green Bank for Rural America for short), a place-based effort that will be a hub for investment and technical assistance to community lenders, local leaders, and workforce development partners across the United States.

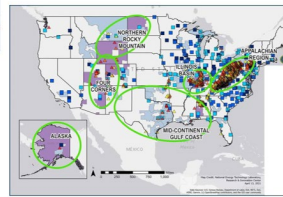
Energy communities have powered the economic growth of our nation - from coal, to oil, to natural gas - yet the decline of legacy energy industries has resulted in some of the most economically distressed regions of the country. This economic hardship and lack of opportunity will be exacerbated by future coal and power plant closures.

The Green Bank for Rural America has structured a robust national program that prioritizes 582 counties in Appalachia, energy and underserved rural, and Native communities - 30% of all US persistent poverty countiesⁱⁱ - with financing and technical assistance activities being available in *all* eligible underserved rural communities nationally.

Green Bank for Rural America – priority communities



Appalachian Regional Commission



White House Interagency Working Group on Coal and Energy Communities

The Green Bank for Rural America will support a network of lenders (US Treasury CDFIs, US EDA Revolving Loan Funds, USDA Intermediary Relending Funds, and other public and non-profit lenders) to catalyze the next generation energy economy, support thousands of businesses, and create thousands more quality jobs while also reducing carbon emissions and improving air quality. Instead of being left behind, the rural communities affected by the transition to cleaner forms of energy will receive new investment and technical support for improved air quality, economic revitalization, workforce development, and community engagement. ACC anticipates a \$1 billion EPA CCIA award will be used to leverage private capital to finance \$4.5 billion in 5,500 clean energy projects, create 37,000 quality jobs in rural communities, reduce energy generation from carbon-based sources by 2.8M MWh annually, and reduce carbon emissions by 24M tons annually.

Appalachian Community Capital was created as a CDFI intermediary in 2013 by the Appalachian Regional Commission and leading philanthropic and institutional investors to support new opportunities in the 13 states of Appalachia. ACC is a national thought leader for economic revitalization in energy communities, and has established a national Steering Committee to oversee the Green Bank for Rural America program

composed of highly-qualified leaders in Green Financing, rural Community Engagement, Workforce Development and Technical Assistance. The Green Bank for Rural America will create a sustainable infrastructure for on-going investment in the clean energy economy.

Leadership

The Steering Committee for this effort is composed of development finance organizations with a track record of high impact investments in low-wealth rural communities. This team has deep knowledge of community needs and financing opportunities, supporting thousands of transactions in the targeted rural communities, as well as exceptional expertise at structuring and managing development finance portfolios exceeding \$5 billion. The Bank's leadership includes:

- [Appalachian Community Capital](#) (ACC) – a regional CDFI intermediary with 34 members that manage over \$2 billion in assets targeting Appalachia communities in 13 states and 423 counties.
- [Grow America](#) (formerly National Development Council) – provides technical know-how and capital to support community and economic investment, having participated in financing over \$6 billion in community facilities, housing, small business lending, and related transactions in more than 500 communities.
- [The National Trust for Historic Preservation and its subsidiaries Main Street America \(MSA\)](#) and National Trust Community Investment Corporation (NTCIC) work in over 1,500 communities to transform neighborhoods and revitalize local economies. The affiliate NTCIC has invested over \$2 billion in development transactions using New Markets Tax Credits, Historic Tax Credits, and energy Investment Tax Credits, supporting over \$8 billion in project activity.
- [Coastal Enterprises Inc](#) (CEI Inc.) – one of the nation's leading rural CDFIs, CEI Inc and affiliates create good jobs and support environmentally sustainable development, deploying \$1.5 billion in business loans, New Markets Tax Credit investments, Opportunity Zone Investment, and other financial products.
- [Coalfield Development Corp](#) - The Green Bank's lead workforce development partner. A nationally recognized leader in workforce development located in the heart of Appalachian coal country. For over a decade Coalfield has worked with business, educational partners, and unions to train employees for quality job opportunities, including those in the new energy economy. Coalfield participants in the President's Interagency Working Group for Coal and Energy Communities.
- [WV Community Development Hub](#) – The Green Bank's lead community engagement partner, works alongside communities to support inclusive economic development. The Hub's model is embedded in the National Association of Counties program for Building Resilient Economies in Coal Communities, and the Hub participates in the President's Interagency Working Group for Coal and Energy Communities.

Green Bank Structure / Operations

The Green Bank will disburse Capitalization Funding and Technical Assistance Awards to over 100 participating CDFIs and other public and non-profit loan funds, bringing new investment to target communities, creating quality jobs and businesses that support sustainable growth. Capitalization Funding will be provided to participating US Treasury CDFIs, EDA RLFs, USDA IRPs, and other public and non-profit loan and investment funds. Some capitalization funding disbursements will be to larger financing partners and are anticipated to be up to \$50 million, while most capitalization funding will be provided in disbursements of \$10 million or less. A total of \$800 million in capitalization funding to ~100 financing partners serving rural communities are anticipated to be originated through the Green Bank for Rural America.

Technical Assistance Hubs will be created for the provision of specialized services to projects and participating communities, helping to increase the demand for - and accelerate the impact of - Green Bank financings. These Hubs will provide specialized services for priority transaction types, as well as needed workforce development programs to meet the demand for new energy economy jobs in local communities, and community engagement activities to ensure financed projects address local priorities.

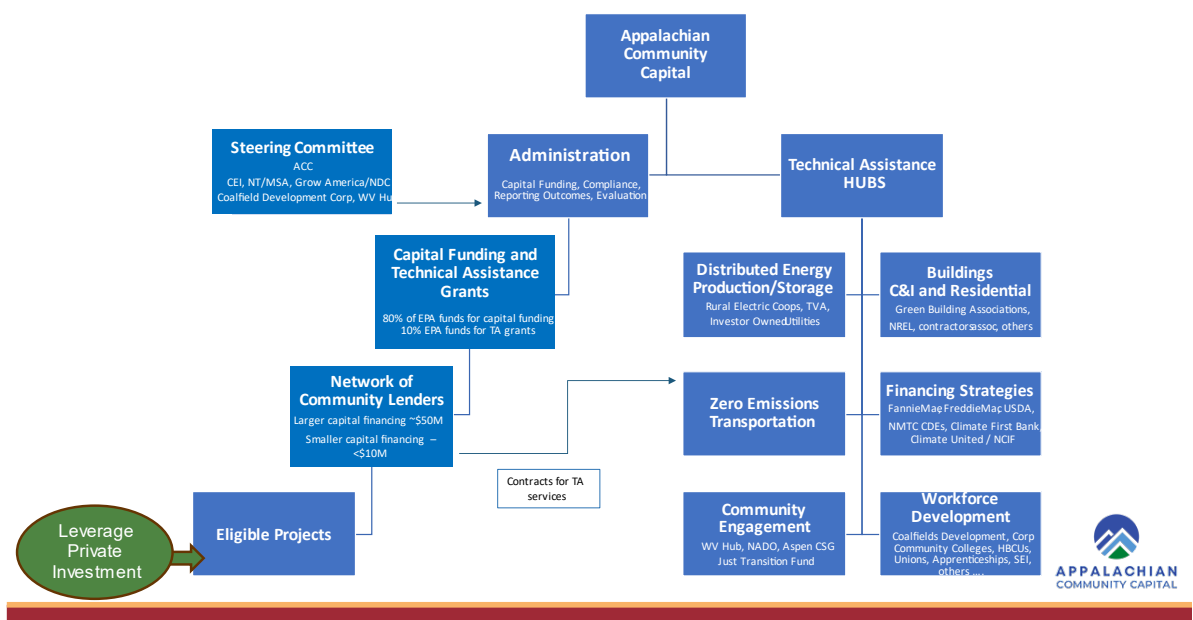
Service providers may include the above financing partners, as appropriate, as well as educational institutions (community and technical colleges, HBCUs ...), for profit and non-profit national technical assistance providers (Community Development Corporations, green building associations, certification organizations, professional accounting firms, engineering firms, market research firms, ...), public sector technical assistance providers (US DOE National Renewable Energy Lab, US Dept of Commerce Manufacturing Extension Partnership, ...), rural community development organizations (Just Transition Fund, Aspen Institute Community Strategies Group, ...), Local Development Districts / Councils of Government, unions (and related apprenticeship programming), utilities including Rural Electric Coops and others.

Technical Assistance partners will be contracted to provide support in their respective target market, which may be defined by geography or the type of assistance requested. Each financing partner will receive a technical assistance award of 10% of their capitalization financing to support these activities. It is anticipated that over 100 technical assistance partners will be contracted to provide services.

Deal flow will be sourced from a variety of local, regional, and national partners. ACC has already received nearly 150 Letters of Interest and Support from lenders and communities in over 30 states demonstrating strong demand for investment and support services. Deal flow partners include:

- Financing Partners receiving capitalization funding – participating CDFIs, non-profit and public loan funds, non-profit Impact Funds, credit unions, ...
- For Profit Financing Partners – banks, NMTC CDEs, Opportunity Zone Funds, Angel Investors, ...
- Community Partners – community-based organizations, Community Development Corporations, non-profit economic development organizations, local government, Local Development Districts, educational institutions, unions, ...
- State and Federal Partners – USDA Rural Development, State Energy Offices, Appalachian Regional Commission
- Utilities - Rural Electric Coops, TVA, Investor-Owned Utilities, ...

The Green Bank for Rural America will operate as a wholly-owned subsidiary of ACC and will utilize a Steering Committee to provide guidance and oversight. The Green Bank will oversee and evaluate all financing and technical assistance activities and ensure activities prioritize community engagement. The Green Bank will track economic development impacts and carbon avoidance resulting from investments, will review activities for legal and grant compliance, and undertake financial and risk management assessment.



Capital Structure and Operating Budget:

- \$1 billion EPA GGRF award
 - \$800 million Capitalization Funding to lending partners
 - \$100 million Technical Assistance grants to lending partners
 - \$60 million Technical Assistance services
 - \$40 million operating support
- \$185 million in anticipated investment from other sources including equity, debt and grants from financial institutions, businesses, individuals, and philanthropy. ACC has already received 8 Letters of Support from bank and foundation investors expressing their interest in the Green Bank for Rural America.

Impact

\$1 billion in funding for the Green Bank for Rural America is anticipated to result in \$800 million in direct financings which will leverage an additional \$3.7 billion from other sources, resulting in \$4.5 billion in development transactions. ACC and participating lenders have deep knowledge of community needs and financing opportunities, supporting thousands of transactions in Appalachia and rural communities, as well as exceptional expertise at structuring and managing development finance portfolios totaling billions of dollars.

- \$4.5 billion total project financing (4.7:1 leverage from other sources)
- 5,500 businesses and projects financed
- 1,000 low-income communities engaged
- 1,000 BIPOC businesses and projects supported
- 13,500 units housing developed and rehabilitated (affordable and workforce)
- \$100M in Development Services and Workforce Training (10% of EPA funds distributed)
- 11,300 employees trained
- 37,000 direct jobs created
- 2.8M MWh energy savings / renewable energy generated
- 24M tons CO² emissions avoided

Note: EPA anticipates notification of awards in the Spring of 2024, with grant obligation in the Summer. Certain elements of this proposal may change as a result of internal conversations and/or discussion with EPA.

Endnotes

ⁱ The Inflation Reduction Act created the Greenhouse Gas Reduction Fund—a \$27 billion investment to address the climate crisis while delivering lower energy costs and economic revitalization to communities that have historically been left behind. The [CCIA program](#) allocates \$6 billion for nonprofit hubs that will deliver funding and technical assistance to local community lenders.

ⁱⁱ Craig Benson, Alemayehu Bishaw, Brian Glassman, Persistent Poverty in Counties and Census Tracts, Report Number ACS-51 US, Census Bureau, May 2023. Poverty rates of 20% or more for the past 30 years or longer.