

# Implementing the Greenhouse Gas Reduction Fund in Michigan

[MichiganSaves.org](https://MichiganSaves.org)



**Michigan Saves**<sup>®</sup>  
The Nation's First Nonprofit Green Bank



# Agenda

- Michigan Saves overview
- Federal funding coordination
- Greenhouse Gas Reduction Fund (GGRF) deep dive
- Equity considerations in the GGRF
- Next steps

# Transforming Michigan's Energy Landscape

Michigan Saves is the nation's first nonprofit green bank dedicated to accessible, equitable, and just investments in energy efficiency and clean energy improvements

## Our Impact

From September 2010 through December 2022, Michigan Saves has supported:

**450**

million dollars

Financed in energy improvements

**3.1**

million metric tons

Reduced carbon emissions

**9,175**

full-time jobs

Supported through Michigan Saves



# Under the Hood—Michigan Saves

## Initial Sources of Funds

Michigan Public  
Service  
Commission

Department of  
Energy

## Ongoing Sources of Funds

State  
appropriation

Foundation  
investment

Program  
revenues

## Programs

Residential loan  
loss reserve (LLR)

Detroit Loan  
Fund

Commercial LLR

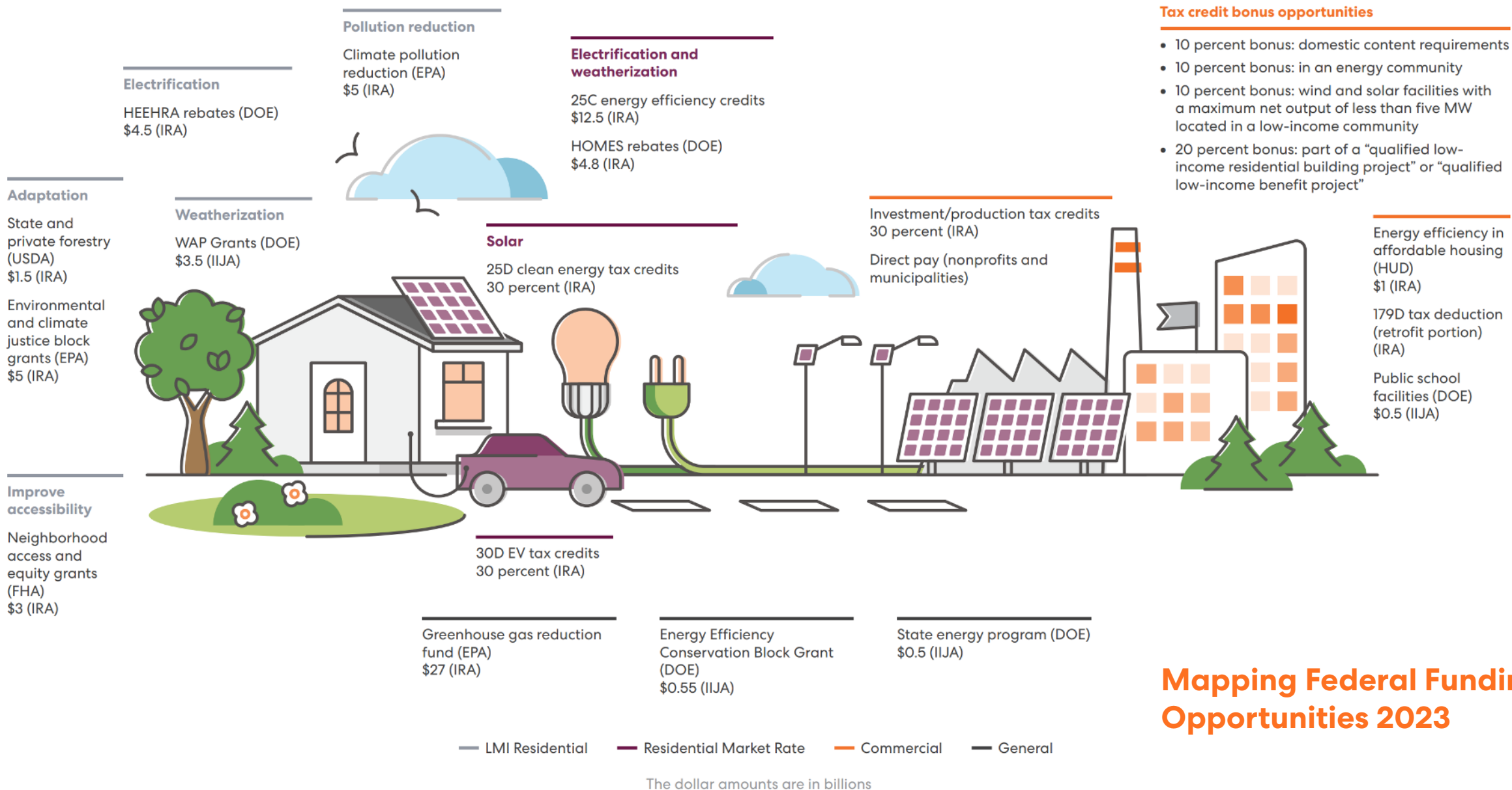
Lead  
remediation

Utility on-bill  
repayment

## Incentives

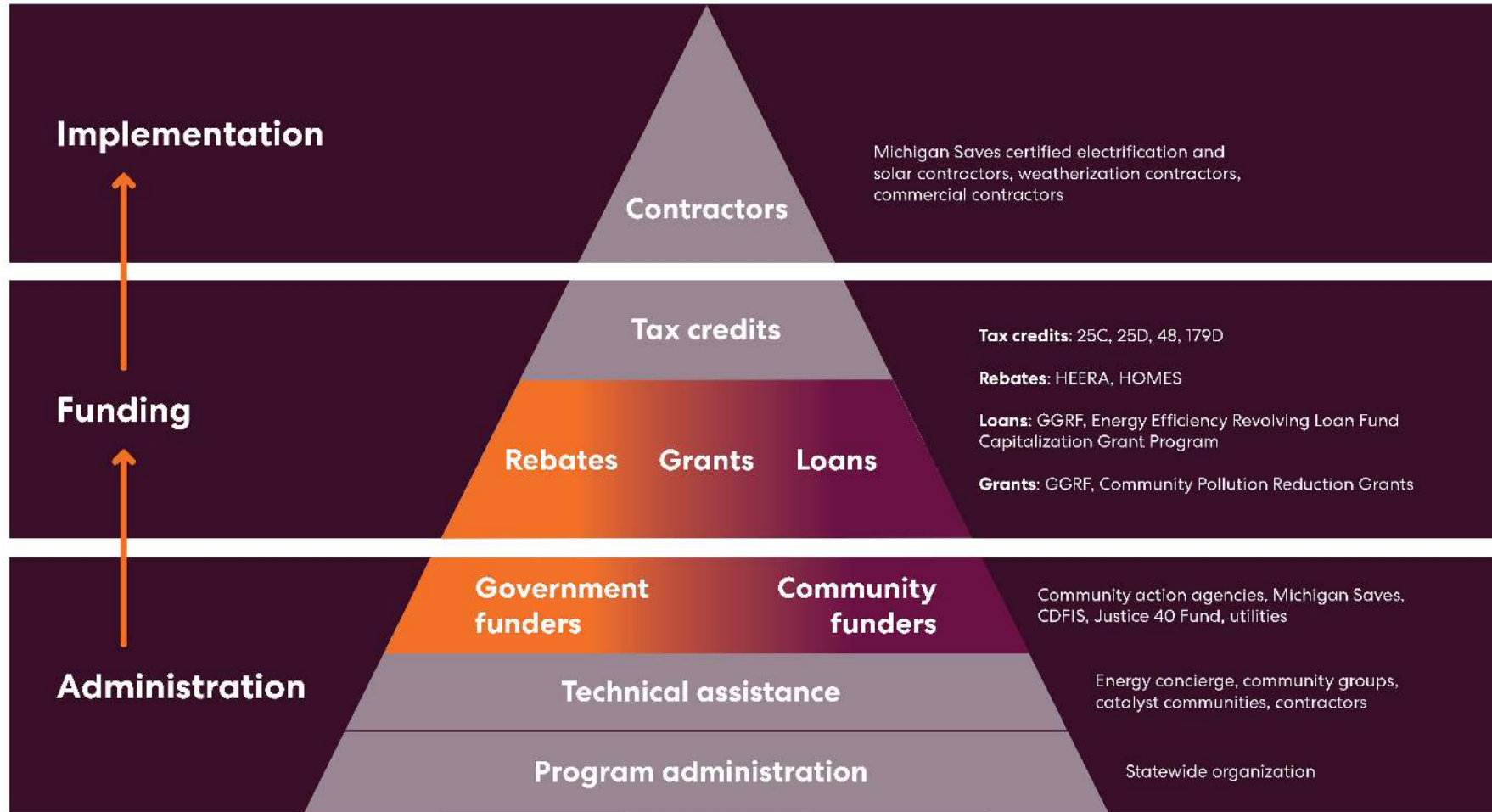
Utility interest  
rate buydown

Municipal  
incentives



## Mapping Federal Funding Opportunities 2023

# Creating an Implementation Framework



# Greenhouse Gas Reduction Fund Overview

- Inflation Reduction Act
  - \$27 billion Environmental Protection Agency (EPA) funding
- Three competitions, with three primary objectives:
  - Reduce greenhouse gas emissions and other air pollutants
  - Deliver the benefits of greenhouse gas and air pollution reduction to American communities, particularly low-income and disadvantaged communities (LIDC)
  - Mobilize financing and private capital to stimulate additional deployment of greenhouse gas and air pollution reduction projects

# National Clean Investment Fund (NCIF)

- \$14 billion available
- Funds two to three national nonprofits to partner with private capital providers
- Directs investment into qualified projects and activities
- Requires 40 percent to be spent in Justice40 communities
- Provides continued liquidity to the other GGRF programs





# Michigan and the NCIF

- Michigan Saves is a member of the Coalition for Green Capital, which seeks to capitalize a national green bank with NCIF monies
- That national green bank would provide Michigan Saves with financial assistance to fill market gaps
- We are seeking community feedback to identify gaps and create new programs



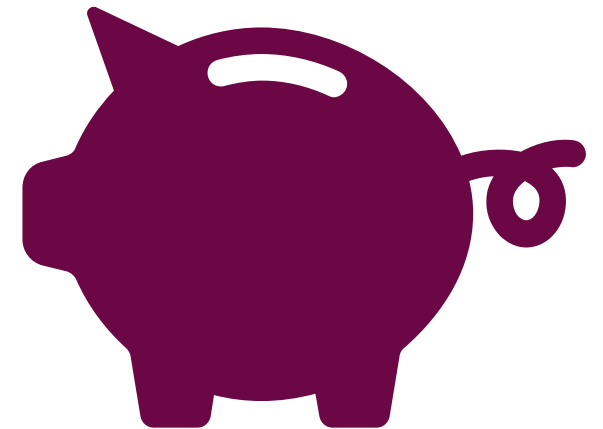
# Early NCIF Program Ideas

- Sub-PACE Energy Efficiency and Renewable Energy Term Loans
- Solar Investment Tax Credit bridging
- Expansion of LIDC residential lending
- Community solar
- Affordable housing
- Working capital loans for startup contractors
- Many more (e.g., microgrids, electric vehicles, etc.)



# Clean Communities Investment Accelerator (CCIA)

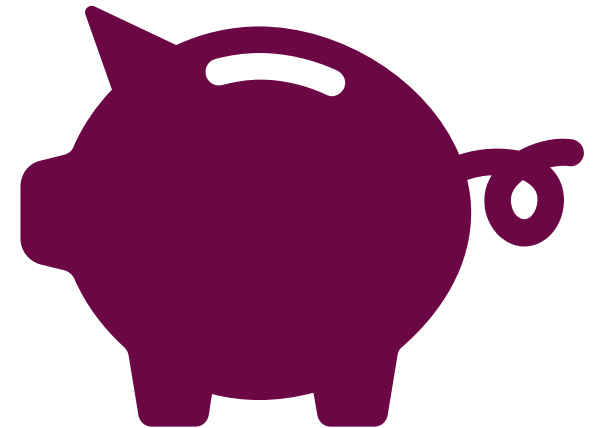
- \$6 billion available
- Funds two to seven national nonprofits to pass through 95 percent of funds
- Capitalizes community lenders (community development financial institutions [CDFIs], green banks, housing finance authorities, etc.)
- Up to \$5,625,000 in grants per community lender
- Requires 100 percent of funds to be spent in LIDCs



# Michigan and CCIA

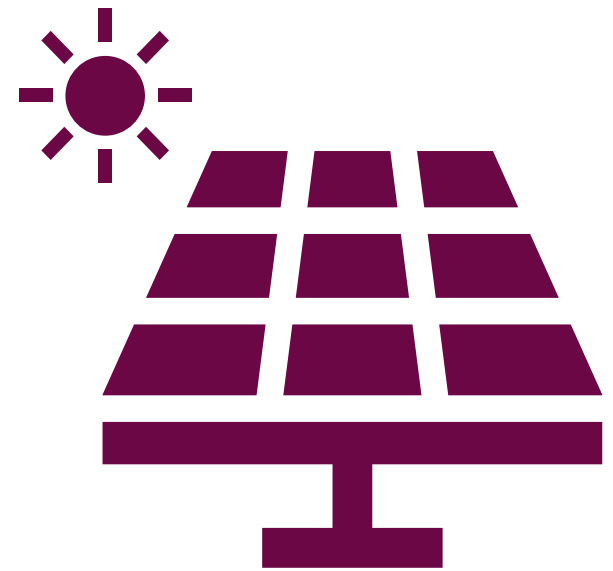
Michigan Saves currently partners with community lenders such as credit unions and CDFIs to offer green lending programs

- With CCIA, Michigan Saves can help more community lenders access our residential and commercial programs (LLR, certified contractor network, software, etc.)
- Michigan Saves can help sell community lender loans to the NCIF to revolve funds faster



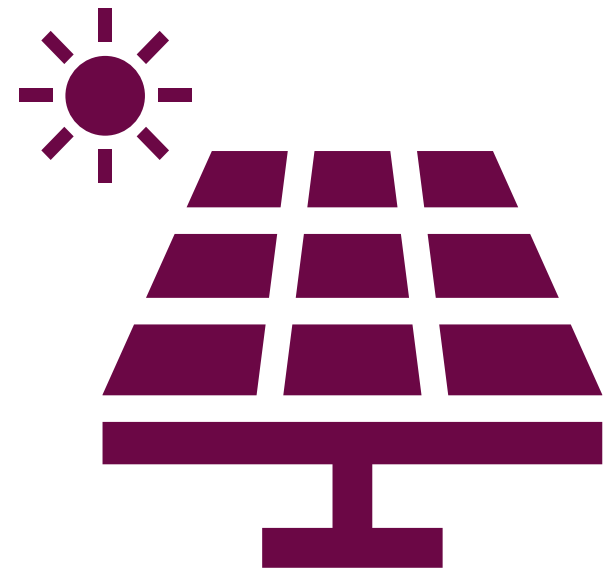
# Solar for All Program (SFA)

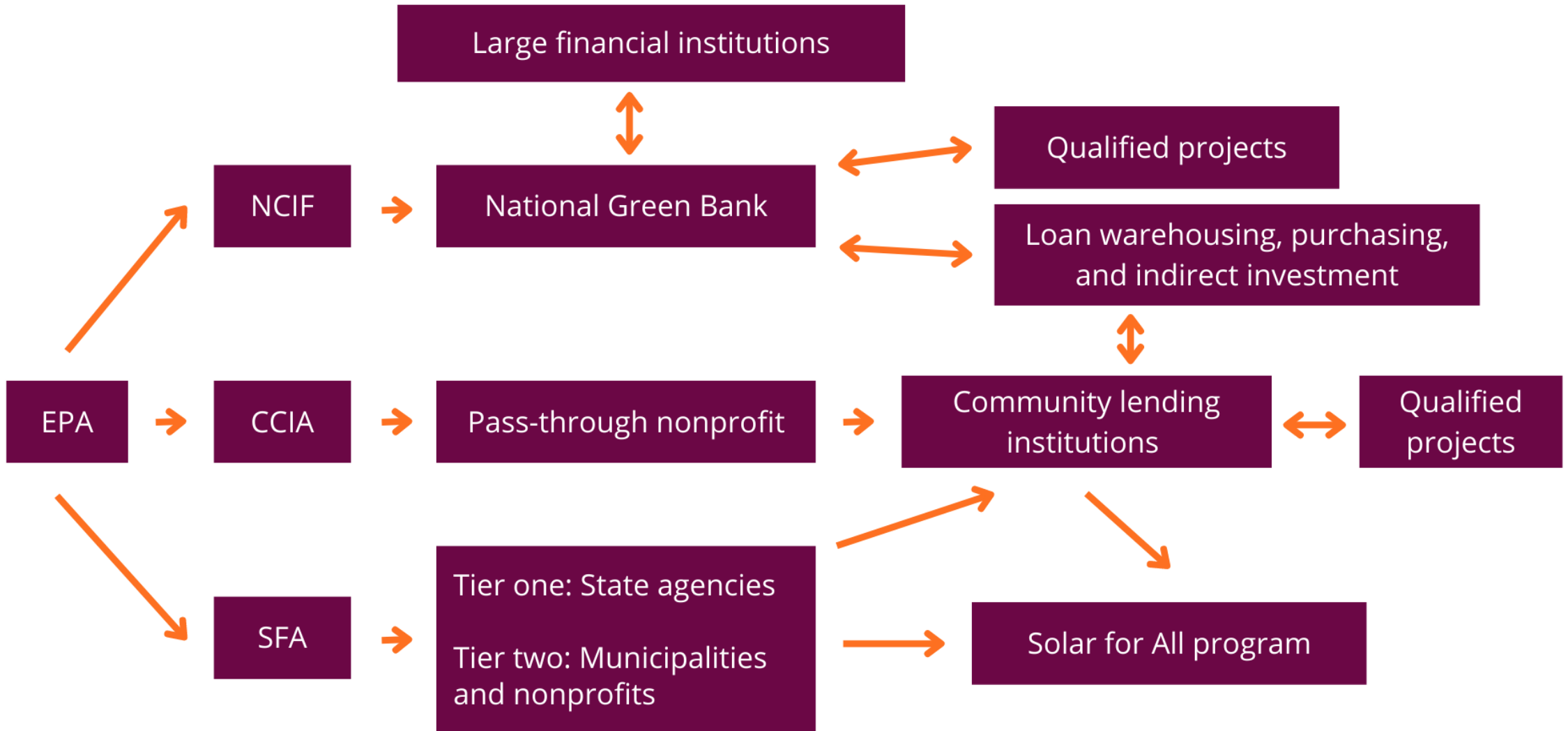
- \$7 billion available
- Funds up to 60 recipients: state governments, municipalities, tribes, territories, and nonprofits
- Prioritizes state government access, followed by municipalities and nonprofits
- Creates or expands residential solar programs or community solar for LIDCs
- Allows rebates and incentives as eligible uses, unlike the NCIF and CCIA



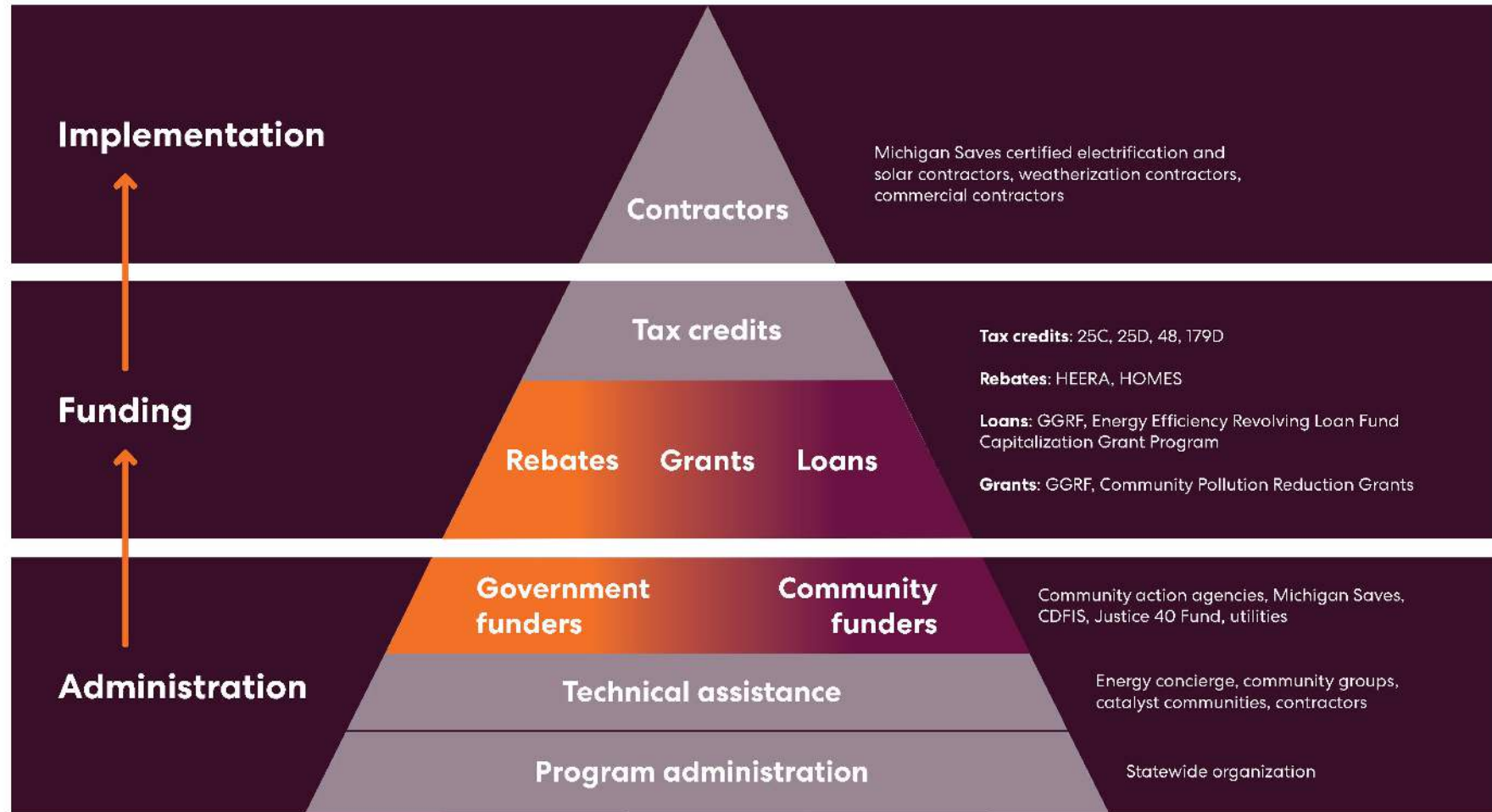
# Michigan and SFA

- Michigan Department of Environment, Great Lakes, and Energy plans to apply on behalf of Michigan
- Program design is expected to support the goals of the MI Healthy Climate Plan and work within broader IIJA, IRA, and GGRF ecosystem
- Example program: Tiered rebate + loan program based on income that does not use credit score. Homes need to be solar ready, in coordination with weatherization



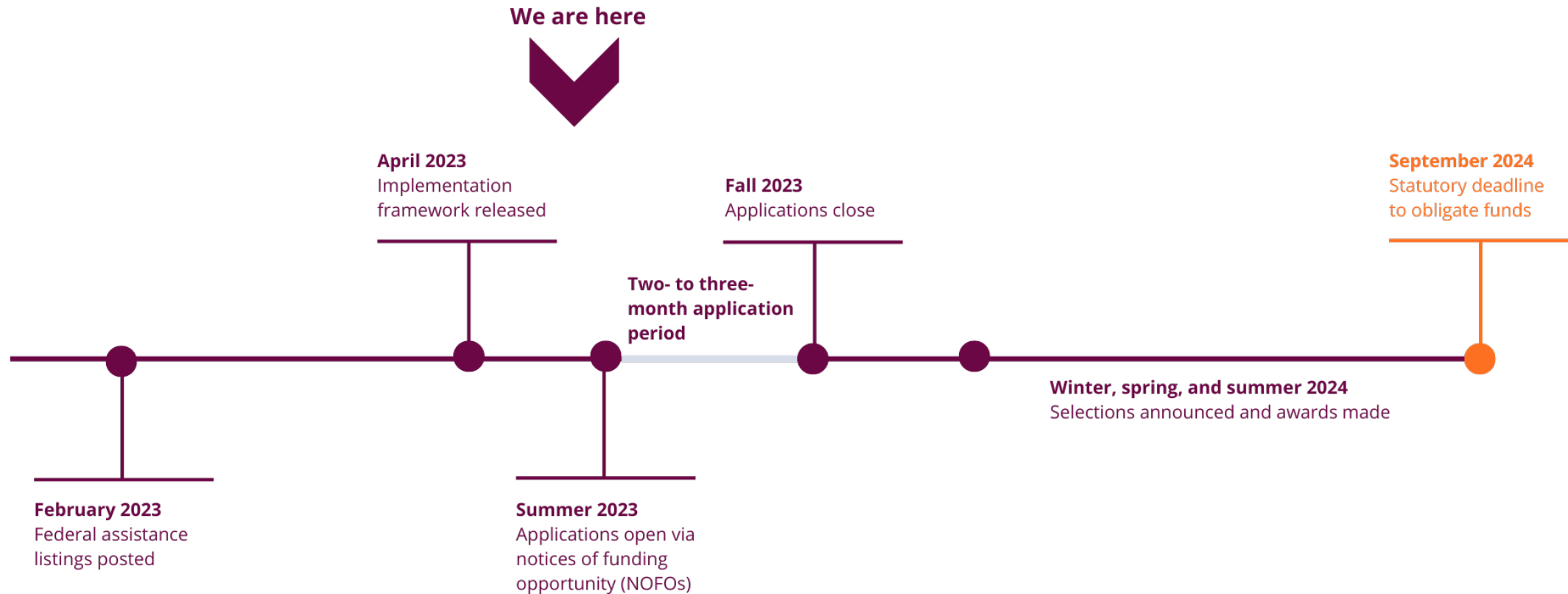


# Return to Collaborative Implementation





# Tentative GGRF Timeline



Source: EPA

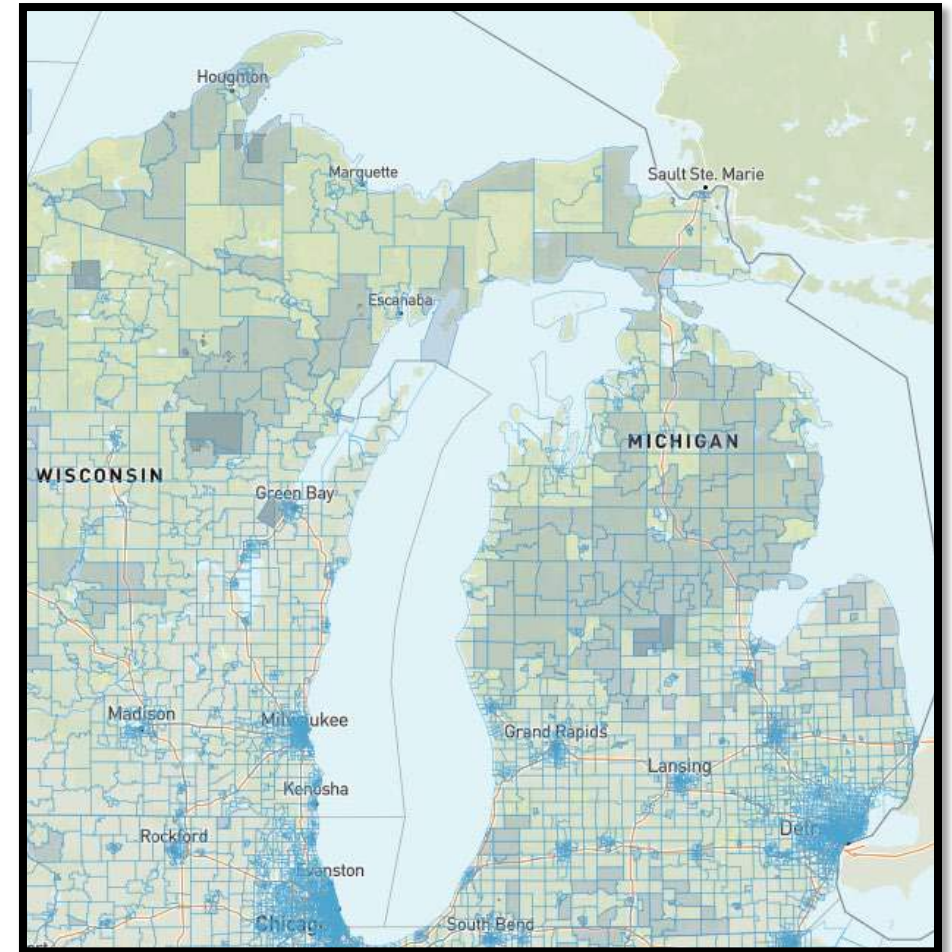
# The Justice40 Initiative

- Forty percent of the benefits of certain federal investments flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution
- GGRF competitions meet or exceed Justice40 criteria



# Defining Disadvantaged Communities

- Geographic areas identified in the Climate & Economic Justice Screening Tool (right)
- Census block groups at or above the 90th percentile in EJ Screen's supplemental indexes
- Additional criteria are expected when GGRF applications open

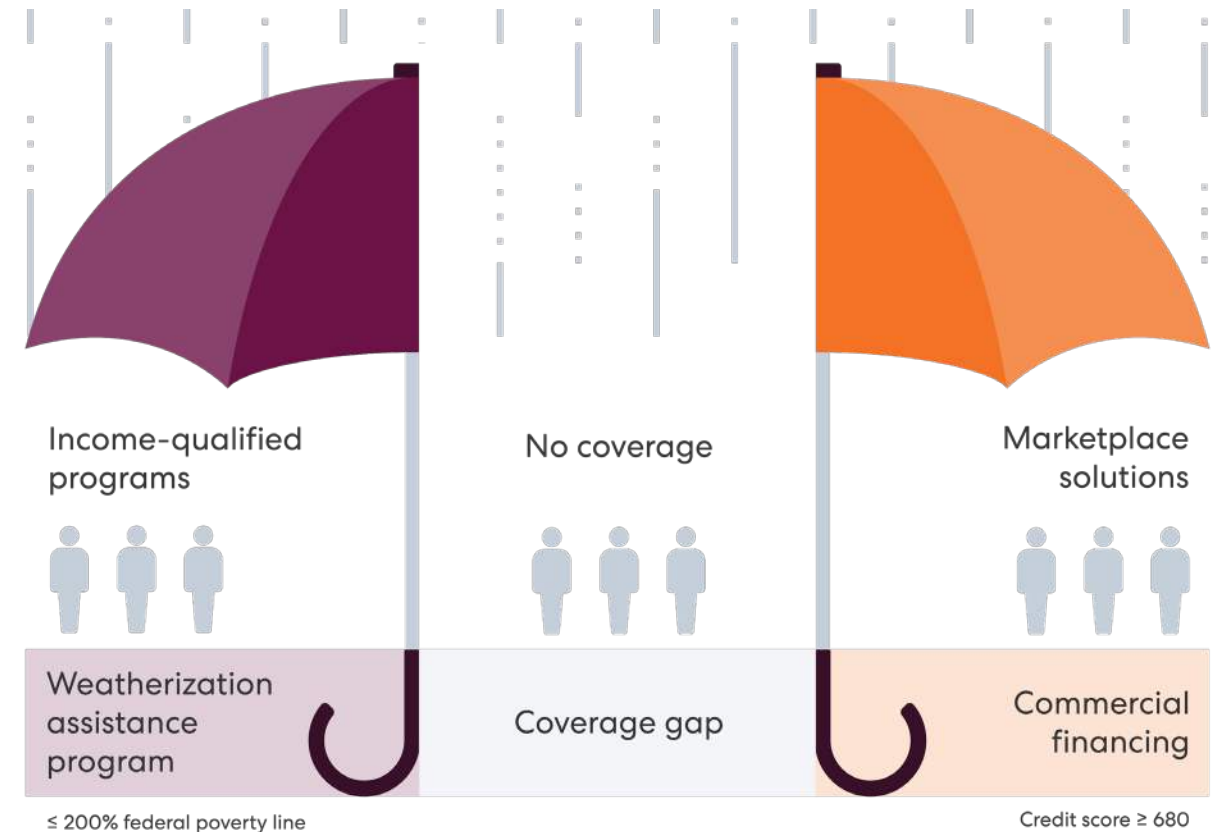


# Justice40 and the GGRF

- The GGRF can be a once in a lifetime catalyst for:
  - Deploying clean energy
  - Improving air quality
  - Creating good jobs
  - Building wealth in underserved communities
- Technical assistance funds are available to recipients
- Accountability is part of each competition
  - Advisory committees
  - Annual performance evaluation
  - Organizational policies and practices

# Michigan Saves' Focus on Equity and Justice

- Michigan Saves exists to fill market gaps
- Recent programs addressed inequities: Revolving Loan Fund and Detroit Loan Fund
- Listening, learning, and co-creating programs



# Next Steps



- [Group listserv](#)
- GGRF website
- Provide feedback
- Give us a call

# Questions

Thank you

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