



# DC GREEN BANK

## A CLEAN ENERGY FINANCE SOLUTION

### **DC GREENBANK PROGRAM GUIDELINES AND PROCEDURES**

The DC Greenbank Program Guidelines are meant to serve as the guiding principles for all financial products offered or supported by the DC Green Bank (herein the “Green Bank”). These Guidelines and Procedures are informed by extensive stakeholder discussions held over the course of the Green Bank’s startup period. Each partnership, project, product, or program offered or supported by the Green Bank must be selected using one of the three procedures listed below, and must meet most, if not all, of the following core objectives of the Green Bank:

#### **Green Bank Core Objectives**

- Provide environmental benefit to the residents of DC<sup>1</sup>
- Provide a pathway to financial self-sustainability for the Green Bank<sup>2</sup>
- Attract private capital, while generating income for the Green Bank
- In order to not compete with lenders, either address an underserved need in the market or partner with a lender
- Have sufficient speed to market that will provide immediate benefits to DC residents
- Contribute to the Green Bank’s overall diversity in markets and project sizes
- Serve the low-moderate income community including affordable housing projects
- Include support for the creation of new solar energy sources (if funded by the REDF)

#### **Selection Procedures**

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<sup>1</sup> Per the authorizing statute, the Green Bank may support “sustainable projects and programs,” defined as clean energy, clean infrastructure, clean transportation, stormwater best management practices, energy efficiency, water efficiency, or green infrastructure projects and programs. The term “sustainable projects and programs” shall not include biomass, biofuel, nuclear, or waste-to-energy projects and programs.

<sup>2</sup> The financial self-sustainability objective includes an analysis of the impact on short and long-term portfolio risk, and must be obtained at a reasonable level of risk to the DCGB.

One of the following methods must be used in the selection and award of any loans, loan guarantees, credit enhancements, bonds, or other financing mechanisms for sustainable projects and programs offered or supported by the Green Bank: (1) competitive selection and award; (2) programmatic selection and award; or (3) strategic selection and award. The factors to be considered in choosing the appropriate selection and award method, and the general procedures to be followed in each such case are set forth below.

## 1. Competitive Selection

*Applicability:* Competitive selection and award shall be the preferred method when the Green Bank determines that it is appropriate in the circumstances to invite and consider proposals for a particular clean energy project or projects in a competitive process under an established schedule and pursuant to formal qualification and selection criteria so that proposers and proposals may be evaluated fairly and thoroughly on a comparative basis.

*Issuance of RFP:* A request for proposals (RFP) shall be published or distributed in a manner that the Green Bank determines will promote broad participation in the competitive process. Deadlines for particular stages in the competitive selection process will be set forth in the RFP. Notice of the RFP shall be posted on the Web site of the Green Bank, in the DC register, and may be published in one or more major daily newspapers published in the District.

## 2. Programmatic Selection

*Applicability:* Programmatic selection and award shall be the preferred method when the Green Bank determines that it is appropriate in the circumstances to invite applications on a continuing or periodic basis for clean energy projects with identified characteristics and to consider such applications under pre-established program-based qualification, eligibility, and selection criteria, but that it is not necessary or appropriate to evaluate such applications on a comparative basis as part of a competitive RFP process. Any such program may be discontinued, suspended, extended, or expanded at any time by the Board, or the Executive Committee or CEO within their delegated authority based on its determination of what is appropriate and in the best interests of the Green Bank and based on the criteria above.

*Program Guidelines:* Each such program shall be authorized by resolution of the Board and operated and administered by the Green Bank pursuant to established program guidelines, which shall at a minimum set forth: (i) applicant qualification requirements; (ii) project eligibility criteria; (iii) the nature and amount of financial assistance available from the Green Bank under the program; (iv) the principal selection criteria; (v) any mandatory terms and conditions under which such funding is available; (vi) the application process, including a standard application form; (vii) applicable application, processing, or other program fees; and (viii) the process by which applications will be considered and acted upon. Such program guidelines may be modified, in whole or in part, from time to time and at any time by the Green Bank, consistent

with the authorizing resolution of the Board , or the Executive Committee or CEO within their delegated authority. A general description of each such program, including the applicable program guidelines, and all such modifications, if any, shall be posted on the Web site of the Green Bank.

### 3. Strategic Selection

*Applicability:* While the utilization of an open and public process, either competitive or programmatic, for awards from the Green Bank is strongly preferred, there are certain circumstances in which, based on special capabilities, uniqueness of the opportunity, urgency of need, cost and similar factors, that the public interest and the strategic mission of the Green Bank is best served by direct participation by the Green Bank in, and funding of, a particular clean energy project outside of an existing program and absent a competitive process of selection and award. Such strategic selection and award method may be utilized only upon approval of the Board, or the Executive Committee or the CEO within their delegated authority, based on a finding that the proposed project meets at least six (6) of the Green Bank's core objectives, and at least three (3) of the following characteristics are present:

(a) Special Capabilities: The opportunity is presented by a party with exceptional experience, expertise, or availability, or holding patent or other proprietary rights of special value to the Green Bank.

(b) Uniqueness: The opportunity is one-of-a-kind by virtue of location, high visibility, and leverage with other already committed public or private funding or similar unique attributes.

(c) Strategic Importance: The opportunity has exceptionally strong compatibility with the mission of the Green Bank, including the jobs created by the project or the environmental benefits stemming from the project, or offers the Green Bank an organizational role, participation in governance, a formative or other key role in the industry, high funding leverage potential, broad market reach, exceptional educational or public relations value, or similar special strategic advantages important to the Green Bank.

(d) Urgency and Timeliness: There is an urgent need to act on the opportunity as a result of public exigency or emergency, or a strategically important opportunity would become unavailable as a result of delay, or it would take an unacceptable length of time for a similar opportunity to reach the same level of readiness.

(e) Multiphase Project; Follow-on Investment: The opportunity relates to the next phase of a multiphase proposal or the expenditure is necessary to support or protect an existing Green Bank investment or initiative.

## **Award Procedures**

Products supported by the Green Bank via either competitive selection, programmatic selection or strategic selection shall be subject to the award procedures set forth below.

*Negotiation:* The Green Bank may enter into good faith negotiations with one or more of the selected awardees at such time and in such order as the Green Bank may determine in its discretion consistent with the terms of the selection process. The commencement of such negotiations does not signify a commitment to provide financial assistance or to enter into a contract with an awardee. Either the awardee or the Green Bank may terminate such negotiations at any time for any reason. The Green Bank reserves the right to enter into negotiations with any other awardee at any time. Such negotiations shall not be limited to the scope or terms of the proposal but may include such other matters or different terms as the Green Bank may determine to be in the best interests of the Green Bank.

*Award:* Upon mutual agreement regarding the terms and conditions of the financial assistance, the Green Bank and the selected awardee may enter into a contract which memorializes the agreed-upon terms and conditions subject to all necessary Green Bank approvals, including the Board or a duly authorized committee of the Board.

*Fees and Expenses:* The Green Bank may impose reasonable application, processing, or similar fees in connection with the submission and processing of proposals, and may require, as a condition of negotiation with any selected awardee, that such awardee agree to pay costs incurred by the Green Bank, including fees and disbursements of the Green Bank's consultants, lawyers and other professional advisors.

## **Future Amendments**

The DC Green Bank Board of Directors and its executive leadership plan to regularly evaluate the efficacy and impact of these guidelines in meeting DC Green Bank's goals and objectives, and may modify them, as circumstances require.