

ISSUE:

Multiple agencies and offices currently tasked with distributing funds for clean energy deployment across California lack coordination. The existence of funds (whether subsidies or financing) is not well known because of lack of information or inaccessibility for customers (whether end-users or intermediaries). In addition, low-income communities are not targeted for clean energy deployment by the private sector, and struggle to access public capital.

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RECOMMENDATION:

Silicon Valley Leadership Group and Coalition for Green Capital call for a centralized position within the California state government to help coordinate, internally and externally, to maximize the deployment and efficiency of public funds supporting clean energy market growth. The “Clean Energy Financing Clearinghouse,” which we propose should sit within the Governor’s Office of Business and Economic Development (“GoBiz”), would coordinate all the government programs that invest capital in clean energy, make program information clear and accessible for market participants, and engage with upstream and downstream parties to draw in private sector capital and businesses. The Clearinghouse would also ensure that capital flows into low-income communities across California, which often struggle to gain access to capital in order to enjoy the benefits of clean energy.

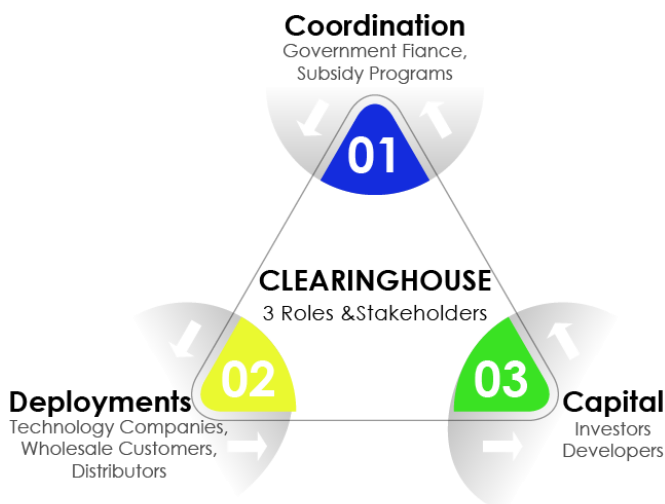
Clearinghouse Purpose: Coordinate all the government programs that invest capital in clean energy, make program information clear and accessible for market participants, and engage with upstream and downstream parties to draw in private sector capital and businesses

Core Responsibilities & Office Description

The Clearinghouse would address three different needs to maximize clean energy deployment and ensure maximum private investment per dollar public capital – Coordination, Capital, and Deployment. These three “legs of the stool” are critical and reinforce one another.

1) Cross Agency Coordination

Today, dozens of programs are made available by various parts of governments in California, targeting a slew of market sectors and technologies. One of the core functions of the Clearinghouse office will be to coordinate government funding for clean energy deployment across the multiple agencies and offices currently tasked with distributing funds. In some cases, funds are well utilized and accessible. In other cases, the existence of funds (whether subsidies or financing) is not well known because of lack of information or inaccessibility for customers (whether



end-users of intermediaries). The Clearinghouse's role will be to create and curate a central hub of information to increase transparency and accessibility and efficient use of all funds across offices. This could be a small team with an entrepreneurial mandate, helping public funds partner with private capital and stimulate investment in markets that are critical to California's deep decarbonization efforts.



This coordination will serve three purposes:

1. Ensure that the stakeholders understand what programs are available to them and how funds can be accessed.
2. Enable better program design and efficiency across government programs.
3. Ensure that government programs are effectively supporting low income communities in California.

Low-income communities are not targeted for clean energy deployment by the private sector, and struggle to access public capital. There are a number of barriers that make clean energy adoption complex, beyond financing, for these communities. The Clearinghouse will make it a key priority to align and encourage the development of public programs that target (and are used by) these communities.

2) Market-Facing Engagement with Technology Companies, Distributors & Wholesale or Large Customers

The Clearinghouse could serve as a point of engagement with those looking to deploy, distribute or purchase clean energy technology. This would include:

- technology companies eager to find new ways to sell their clean tech to various parts of the California market;
- deployment organizations with an innovative program design to bring clean energy to a new segment of the market;
- a finance company looking to deploy a new clean energy finance solution in search of financial support from the state; or
- large or wholesale potential clean energy customers eager to learn what opportunities are available to support that adoption.

3) Market Facing Engagement with Capital Providers

Finally, the Clearinghouse could act as a point of engagement for large investors and financial institutions eager to invest in California's clean energy market. Whether project developers, institutional infrastructure funds, or other large sources of capital, the Clearinghouse would be positioned to help guide their interest in California's market. The Clearinghouse would be able to direct those investors to the appropriate agencies, programs and market opportunities to ensure those critical dollars find the most likely pathway into an in-state investment.



This effort would parallel coordination efforts in Vermont, whose Department of Service formed the Vermont Clean Energy Finance Collaborative, and the District of Columbia, whose Department of Energy and Environment created a "Green Economy Unit".

