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Clean Energy Financing Clearinghouse

Additional submitted attachment is included below.

Silicon Valley Leadership Group (“Leadership Group”) and Coalition for Green Capital (“Coalition”) thank the California Energy Commission (“CEC”) for its leadership in helping the state meet its clean energy and climate goals. We recommend that California state government move to create a “Clean Energy Financing Clearinghouse” (“Clearinghouse”) to advance financing efforts needed to achieve clean energy goals and the equity goals identified in the SB 350 Low-Income Barriers Study Draft Recommendations. While we recommend this clearinghouse sit in the Governor’s Office of Business and Economic Development (known as “Go-Biz”), we bring this to the CEC’s attention as there are many CEC financing programs that should be coordinated with others through the Clearinghouse. Our proposal would not be to have the CEC give up any jurisdiction of its current programs but to work with Go-Biz to best cross-promote its programs so that the CEC’s efforts align with other state agencies in a way that maximizes the impact of all the state’s efforts in the financing arena.

The Leadership Group and the Coalition see a need for a centralized position within California state government to help coordinate, internally and externally, to maximize the deployment and efficiency of public funds supporting clean energy market growth. This Clearinghouse would coordinate across internal capital providers within government, make information more clear and accessible for market participants, and then engage with upstream and downstream parties to draw in private sector capital and businesses. The Clearinghouse would also ensure that capital was flowing into low-income communities across California, which often struggle to gain access to capital in order to enjoy the benefits of clean energy, as the draft report notes.

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 (which includes the California Energy Commission, the Treasurer’s Office, and the California Infrastructure and Economic Development Bank) tasked with distributing funds. 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 coordination will serve three purposes. One is to ensure that the stakeholders and intended beneficiaries of the programs easily understand what programs are available to them and how they work. Two, this would create better internal coordination, as the Clearinghouse could enable better program design and efficiency across government programs. Three, this could ensure that government programs are effectively supporting low income communities in California. This is not an emphasis in these programs now.

During its process for evaluating barriers to low-income residents enjoying the full range of benefits of clean energy programs, the CEC has identified the need for financing pilot programs to evaluate a variety of models to improve access and participation of low-income customers. We agree on the existence of the need for new and innovative financing products. However, because these products might be deployed across a number of agencies, coordination will be critical. Our vision is that the Clearinghouse could help connect financing programs across state agencies, so that CEC program managers share their results with Treasurer’s Office programs and each can share those results with private banks that can bring even larger volumes of capital to address these needs.

The second core function of the Clearinghouse would be to serve as a point of engagement with those looking to deploy, distribute or purchase clean energy technology. This “downstream” facing activity will be critical to help those searching for ways to adopt or deploy clean energy, but need help navigating the complex map of existing programs.

The final core function is to act as a point of engagement for large capital providers and those 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 and bring a multiplier effect to California’s investments.

This Clearinghouse could be modeled after programs in other states. The District of Columbia’s Department of Energy and Environment is currently in the process of creating a “Green Economy Unit”, which will play the same role the Clearinghouse would, ensuring the disparate programs and agencies of the government that are all designed to support clean energy growth are all collectively aligned.

Another model is the Vermont Clean Energy Finance Collaborative, which the Vermont Department of Service formed to centrally coordinate direct government lending, efficiency rebates, utility lending programs, and NGO-sponsored lending programs.

The Leadership Group and Coalition recognize that this proposal is near, but not the same as, the staff recommendation of a new office with oversight of all state agencies administering energy, water, resilience, and housing programs for low-income customers and disadvantaged communities. Our proposal is not as large in terms of investment of state resources – a small team housed at Go-Biz could work to achieve the ends we propose. That team could also work in a complementary way with this new office, coordinating financing programs and sharing that information with other agencies implementing programs that assist the disadvantaged. We still feel the necessity for our proposal, though, as a place to have a team that focuses on finance, which has unique attributes compared to other government programs.

If there are any questions about this comment, please contact Tim McRae, SV Leadership Group VP of Energy, at tmcrae@svlg.org.