



Presentation for WNRC 11-25

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Presentation Agenda

1. What is the NM Climate Investment Center
Mission and History
2. How is NMCIC a resource
Filling Financing Gaps
Investment Strategy
Advancing Solutions

What is the NM Climate Investment Center?

NMCIC is not a typical financial institution. It is...

- **Mission-driven, nonprofit investment fund** ("green bank") that fills **financing gaps** to accelerate clean energy adoption in **equity-focused, emissions-reducing projects**
- It takes **no deposits**
- NMCIC is **unique in NM** as a financial institutions with exclusive focus and expertise in **clean energy funding, equity**, and with **flexible capital**
- **High leverage** using small amounts of **public capital** to attract significantly more **private capital**

Our Mission

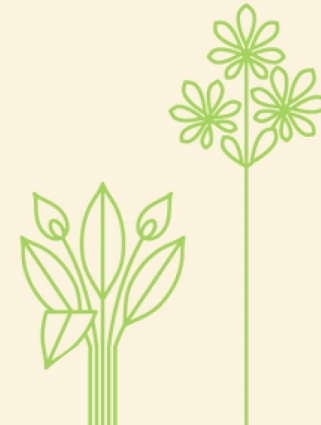
Reduce **greenhouse gas emissions**

Reduce **energy burdens** in
**low-income, disadvantaged and
tribal communities**



Our Vision

NMCIC serving as a **leader** and
catalyst in a **just and equitable
transition** to a decarbonized
economy in NM



Addressing the Climate Equity Problem

Problem

New Mexico has one of the **highest poverty rates in the nation**

An estimated **150,000** low-income households **spend over 15% of their income** on energy costs compared with a national average of 2%

Disproportionate impacts of climate change on frontline communities

Solution

NMCIC is a vehicle to respond to **impacts of climate change, prioritizing low-and-moderate income, underserved and vulnerable communities** as well as **small businesses and nonprofits** in underserved communities. It will:

- Provide **low-interest loans, leases, and other financial incentives** for clean energy services
- Offer **immediate savings** on energy costs
- Build **network of community-based organizations (CBOs)** that provides services to low-income households, building their capacity to provide meaningful energy and financial benefits education
- Finance **clean technology adoption** across the state of NM

Catalyzing Development of Clean Energy Technologies

Problem

Need to **increase the pace** of the transition to clean energy and related reduction of greenhouse gas emissions

Solution

NMCIC is a **vehicle to finance clean technologies that can help accelerate the energy transition**. It will:

- Provide **lower cost financing** for clean energy technologies and services, with focus on energy efficiency, solar, geothermal, etc.
- Offer **immediate savings** on energy costs to the users of those technologies



NMCIC History

NMCIC began as Project of Coalition of Sustainable Communities NM 2022

● **Articles of Incorporation 6-23**

● **501(c)3 designation 5-24**

● **Board of Directors convened 6-24**

● **BOD elected CEO 7-24**

● **Foundation Grants \$800,000 in 2023/24**

Invest in Our Future Foundation, Energy Foundation,
Thornburg Foundation, ABQ Community Foundation

● **Legislative Appropriation to EMNRD 24**

● **Solar for All Proposal submitted 10-24**

● **GGRF negotiations for NCIF ongoing**

Funding Flows

Investment Funding

\$40-80M

Greenhouse Gas Reduction Fund (GGRF)

SFA Solar For All

NCIA National Climate Investment Fund

Operations & Administration

\$800k
Grant Funds

1.5 years of support 24 through 25

- Energy Foundation
- ABQ Community Foundation
- Thornburg Foundation
- Invest in Our Future Foundation

\$10M

NM State Appropriation



**NM
CIC**



QUALIFIED PROJECTS

Prioritizing Benefits to Disadvantaged Communities across New Mexico

PAYBACK

**PUBLIC
& PRIVATE
INVESTMENT**

4 x multiplier

Public/Private Investments

Typical Green Bank Projects



Energy Efficiency and Distributed Renewable Generation

- Low Cost Residential and small business solar lending or leasing
- Lending for Community Solar
- Residential Energy efficiency lending
- Renewable energy projects lending



Climate-Focused Solutions to Local Problems

- Microgrids for community resiliency centers
- Tribal-focused mixed income housing development (SF and MF) utilizing energy efficiency, solar access and electrification



Commercial Building and Multifamily Housing Decarbonization Retrofits

- Pre-development loans for new multifamily housing, contingent on state-of-the-art energy efficient design
- Energy efficiency upgrades and on-site solar



Transportation Decarbonization

- Electrifying a municipal bus, car and truck fleets to save on fuel costs and reduce local air pollution
- EV charging stations

Initial financing products will include..



Residential solar leases (and loans),
energy efficiency, electrification

Community solar or Shared solar,
community or nonprofit owned

Institutional: Geothermal project for
main campus + solar for campus
buildings



Solar and efficiency loans for small commercial
and nonprofits

Multifamily Affordable Housing financing for
energy related upgrades

On-bill financing for rural electric coop members

...and more!

NMCIC Investment Strategy

- Seek a Multiplier Effect in reaching more lower income households per loan product (B2B)
- Work with experienced business partners
- Adapt and Develop successful business models to the New Mexico context
- Reduce lending risks
- Recycle capital and Attract Impact Investors
- Focus on mature technologies

Partnership Model

Catalyzing green lending, expanding capacity in NM, and sharing best practices

Building Partnerships

Coalition of Sustainable Communities NM

Colorado Clean Energy Fund (CCEF)

Impact Development Fund (IDF)

Capital Good Fund

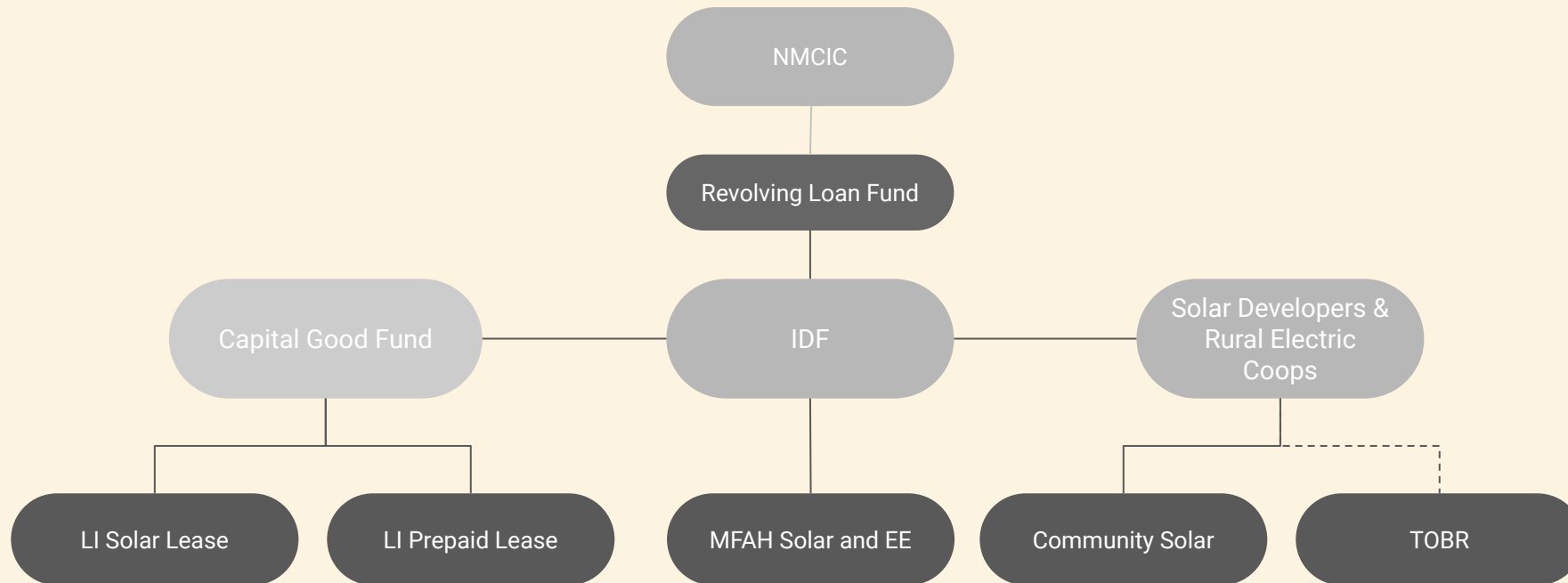
DreamSpring

Prosperity Works

Other Financial Institutions to co-invest

NMCIC Investment Strategy

- **Leveraging partners to roll out financing for 3 primary areas:**
 - **LI solar leases**: Leases provide up to 35% annual savings
 - **MFAH**: energy efficiency and solarization,
 - **Community solar** for coops, tribes, and community groups



Multiple barriers to low-income households for solar

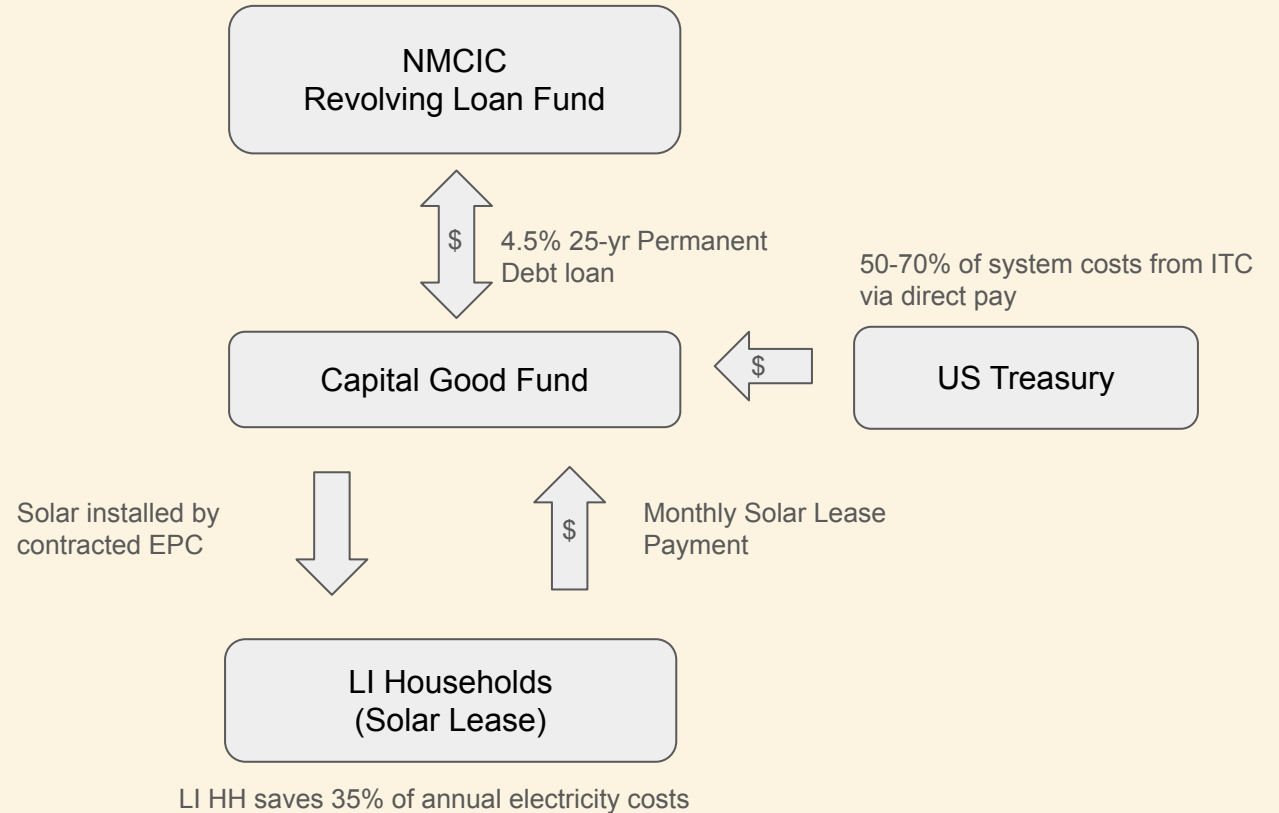
1. High up-front cost of purchasing systems
2. Lack of access to appropriate financing (e.g., high credit score requirements, interest rates, and short loan terms)
3. Risk aversion to taking on debt
4. Inability to take any or full advantage of federal tax credits



Partnering with Capital Good Fund on Low Income Solar Leasing

Direct pay allows a non-profit like Capital Good Fund to capture **up to 70% of system costs** for installations on LI households, through the Federal ITC.

This allows them to offer leased systems to LI household for much less than typical national solar lease companies, **providing up to 25-35% savings annually**, and up to \$20k in savings over the life of the system.



Partnering with IDF for Multifamily Affordable Housing

Pre-Development Financing: Covers the initial costs of planning, designing, and assessing feasibility of energy efficiency and solar components. Typical eligible activities include:

- Energy Audits and Feasibility Studies
- Technical Design and Engineering Costs
- Permitting and Regulatory Compliance
- Environmental Impact and Financial Modeling
- Application Fees for Incentives and Grants



Permanent Gap Financing: Addresses the added up-front cost, aligned with both naturally occurring affordable housing and LIHTC transactions prioritizing higher environmental and social impact, and can fill remaining gap not covered by conventional debt, tax credits or rebate incentives. Typical uses include:

- Resident Income Thresholds
- Resident Affordability Benefits
- Owner/Operator Qualifications
- Energy efficiency baseline

Financing Community Solar for Rural Coops, Tribes, & Community-based Orgs

1. **Bridge financing for Federal ITC**: Project-level bridge loan product to lend against ITC with up to 70% of the project cost, depending on eligibility for Bonus Adders, as well as for interconnection costs for smaller developers.

This could assist qualified community solar projects with **bridging pre-development and construction costs**, and could also be **paired with the USDA's Renewable Energy for America Program (REAP)** to de-risk and accelerate deployment of community solar projects.

2. **15-yr Permanent Debt**: Create **blended financing options** with existing federal programs on tribal and rural lands (e.g., USDA's rural development programs including REAP above and the Rural Energy Savings Program, among others) to bring down overall costs of capital for community solar projects.

In addition, long term permanent debt products will be used in IOU territories to support **local community-based developers to buy out projects from larger national owners**.



Questions?

Thank you!

Application for Project Funding Online

NMClimateInvestmentCenter.org

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