



Unleashing the Greenhouse Gas Reduction Fund

How green banks, CDFIs, and local lenders can effectively manage funding to efficiently mobilize capital



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The **Greenhouse Gas Reduction Fund (GGRF)** offers a once-in-a-generation opportunity for green banks, CDFIs, and community lenders to capitalize, mobilize funds, and unleash projects across the country. With this influx of capital, these institutions will need to be more vigilant than ever to efficiently manage transactions, reporting, and project milestones. This report looks at the GGRF opportunities for green banks, CDFIs, and community lenders and how they can adopt proven tools to unleash their capital and reduce greenhouse gas emissions.



Executive Summary

A multibillion-dollar influx of capital will transform the sustainable infrastructure market. Authorized under the Inflation Reduction Act (IRA), the Greenhouse Gas Reduction Fund (GGRF) is a \$27-billion investment aimed at mobilizing public and private capital to significantly reduce greenhouse gas emissions while fostering equity in the energy transition. This landmark funding will create public financing institutions throughout the country, empowering green banks, community development financial institutions (CDFIs), and other community lenders to fill market gaps, deploy capital, and spur private investment, catalyzing the shift towards cleaner energy sources and sustainable practices across the United States.

GGRF investment has the potential to scale up sustainable infrastructure development across the United States rapidly; however, without formal systems and streamlined data collection, organization, and monitoring, project financiers may find themselves scrambling to mobilize the capital unleashed into the market effectively. There are also considerable reporting burdens associated with this funding, and those who fail to prepare for these requirements will struggle to take advantage of the full potential of this historic investment. By implementing modern technology, the sustainable infrastructure industry will be able to fully capitalize on the billions of dollars ready to be deployed for decarbonization.

In this report, you will learn:

- 1. The breakdown of GGRF funding and the critical challenges facing recipients and sub-recipients**
- 2. The role of green banks, CDFIs, and community lenders**
- 3. The importance of a digital strategy for lenders and investors**
- 4. A list of tentative GGRF reporting requirements, which aims to help illuminate the many criteria that stakeholders must track to stay in compliance with lenders, ESG standards, and incentives**



About the GGRF

The Greenhouse Gas Reduction Fund represents \$27 billion divided into three fund categories, each designed to address specific challenges within the clean energy transition. The fund also aims to prioritize investment in communities historically marginalized or overburdened by pollution. From private investment funding to neighborhood empowerment, the GGRF comprises these three pools of investment:

Fund Categories

National Clean Investment Fund (NCIF)

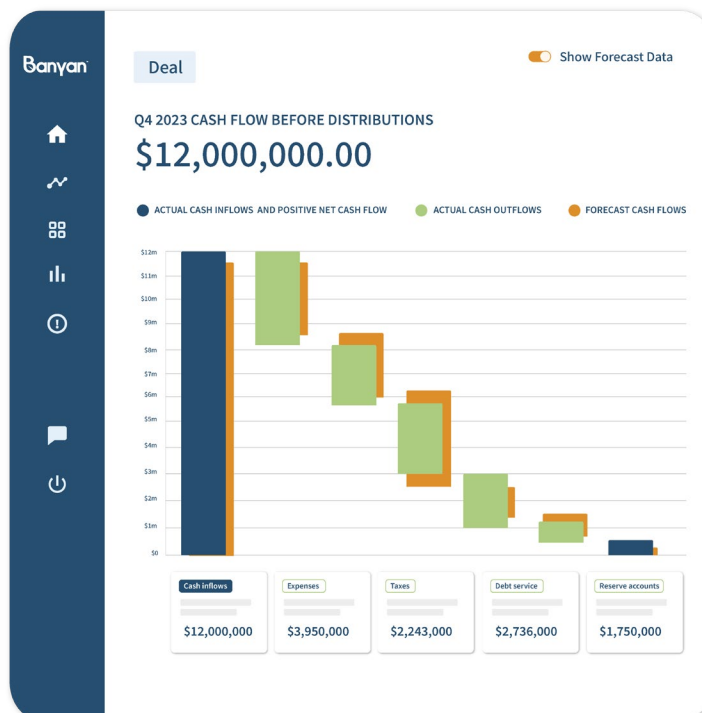
With an allocation of \$14 billion, the NCIF will fund 2-3 national non-profit clean financing institutions. These institutions will collaborate with private-sector investors to finance cleantech projects, leveraging substantial private investment.

Clean Communities Investment Accelerator (CCIA)

The CCIA will fund \$6 billion among 2-7 hub nonprofits that will provide funding and technical assistance to community lenders financing clean technology projects in low-income and disadvantaged communities while simultaneously building the capacity of community lenders serving those communities.

Solar for All (SFA)

Solar for All awards \$7 billion to up to 60 grantees for distributed residential solar projects in low-income and disadvantaged communities. This category will ensure the capital benefits all communities in the clean energy transition.





A \$27-Billion Opportunity

The climate crisis is complex, and hope is not a strategy; much more is required than just an influx of capital. That is why the GGRF is more than just a fund — the GGRF is a comprehensive strategy to tackle several related challenges. These include the following:

Reduce greenhouse gas emissions.

By directing capital to various clean energy initiatives, the GGRF seeks to accelerate the transition from a carbon-dependent energy system to a renewable one. One core way to accomplish this is by helping to develop tens of thousands of residential, commercial, and industrial sustainable infrastructure projects, like rooftop solar and community solar-plus-storage projects. In doing so, the emissions intensity of our energy system will be lowered, thus reducing and mitigating the effect of greenhouse gasses in our atmosphere.

Deliver project benefits to low-income and disadvantaged communities.

Historically, low-income and disadvantaged communities have been excluded from the decarbonization conversation. The GGRF aims to correct that by including specific initiatives to increase investments in these areas. This program includes the federal government's [Justice40](#) initiative, which mandates that at least 40% of the benefits from specific climate, clean energy, and affordable housing investments flow to communities marginalized by underinvestment and overburdened by pollution.

Mobilize financing and private capital.

At its core, the GGRF seeks to attract significant private capital into the clean energy market. By focusing on areas where financing is scarce and innovation is needed, the fund aims to make clean energy projects more viable and attractive to public and private investors. Another critical aspect of the GGRF's strategy is ensuring that the economic benefits of the energy transition are equitably distributed, meaning prioritizing investments in communities that have been left behind. This will deliver lower energy costs for those who need it most and foster economic revitalization.



The Impact for Green Banks, CDFIs, and community lenders

A Big Operational Challenge

Green infrastructure investment is often seen as complex and risky. Many renewable technologies are novel, transaction structures are complex, and administrative costs can be high. As such, new lenders may not have sufficient tools or “know-how” to execute deals with the GGRF awards. This knowledge gap could make private financiers hesitant to enter the market, even with substantial public funding.

Green banks, CDFIs, and local lenders will play a pivotal role by efficiently utilizing public funds to demonstrate investment approaches and prove the financial efficacy of green energy projects, thus catalyzing private investment. By providing flexible financing mechanisms and focusing on underserved areas, these institutions can also bring public and private finance into markets that commercial institutions have passed on before.

The success of green banks, community lenders, and the GGRF hinges on overcoming particular operational and strategic challenges. These include the need for enhanced data infrastructure to manage the performance of sustainable portfolios and create scalable operational frameworks for obligations like impact measurement and EPA reporting.

Addressing these challenges is crucial for maximizing the GGRF’s impact and ensuring that investments are efficient, equitable, and scalable.

Creating a Digital Strategy

As deals are made and projects are built, stakeholders need visibility, clarity, and assurance that their transactions are on track and compliant with GGRF requirements. In the modern age, this begins with establishing a comprehensive digital strategy. Determining this approach early on will prevent the descent into a disorganized data architecture of convoluted information and systems, which could hinder GGRF awardees’ and private investors’ overall impact.

Green banks, CDFIs, and community lenders can ensure a seamless end-to-end digital process by thoughtfully designing and connecting systems and workflows. Information transparency, process standardization, efficient project aggregation, and local and technical expertise are all components of bridging the gap between identifying, underwriting, and investing in new sustainable infrastructure projects. The current practice of manually synthesizing these processes and information is a challenging task. Still, with early planning and digital systemization through a solution like Banyan Infrastructure, participants can create a seamless environment where capital flows more quickly to the communities that need it.



These institutions should consider the following when defining their digital strategy:

Alignment

As with any strategy, defining the end goal is Priority #1. Without a clear mission, every step along the way will be clouded in uncertainty and a lack of intent. Green banks, CDFIs, and community lenders should ask, “What kind of impact do we want to make across the financial, social, and environmental spectrum?”

From there, a financial institution can move on to define the key performance indicators (KPIs) and reporting metrics by which it will measure progress. Once the metrics are defined, a baseline can be determined to assess future performance. Early alignment will make building a framework within the digital solution easier and more effective.

Frameworks & Standardization

After establishing a shared mission and aligning reporting metrics with a financial institution’s end goal, the hard work begins to define the investment process. This step is where digital tools like Banyan Infrastructure become paramount to solidifying how a deal is executed and monitored, allowing green banks to develop standard practices to rinse and repeat across projects quickly. Having a set of frameworks and standards allows for improved decision-making in risk analysis, normalized execution, and improved transparency. Altogether, the industry will move forward faster because its participants have shared sources of truth in documentation, reporting, and otherwise.

Considering where and how data and information are sourced, collected, and interconnected helps green banks, CDFIs, and community lenders maximize their long-term impact. Beyond hosting and distributing data, these institutions can use investment and project management tools to share progress and facilitate stakeholder accountability. Processes that used to require hours of manual work are streamlined and built for ease of use.

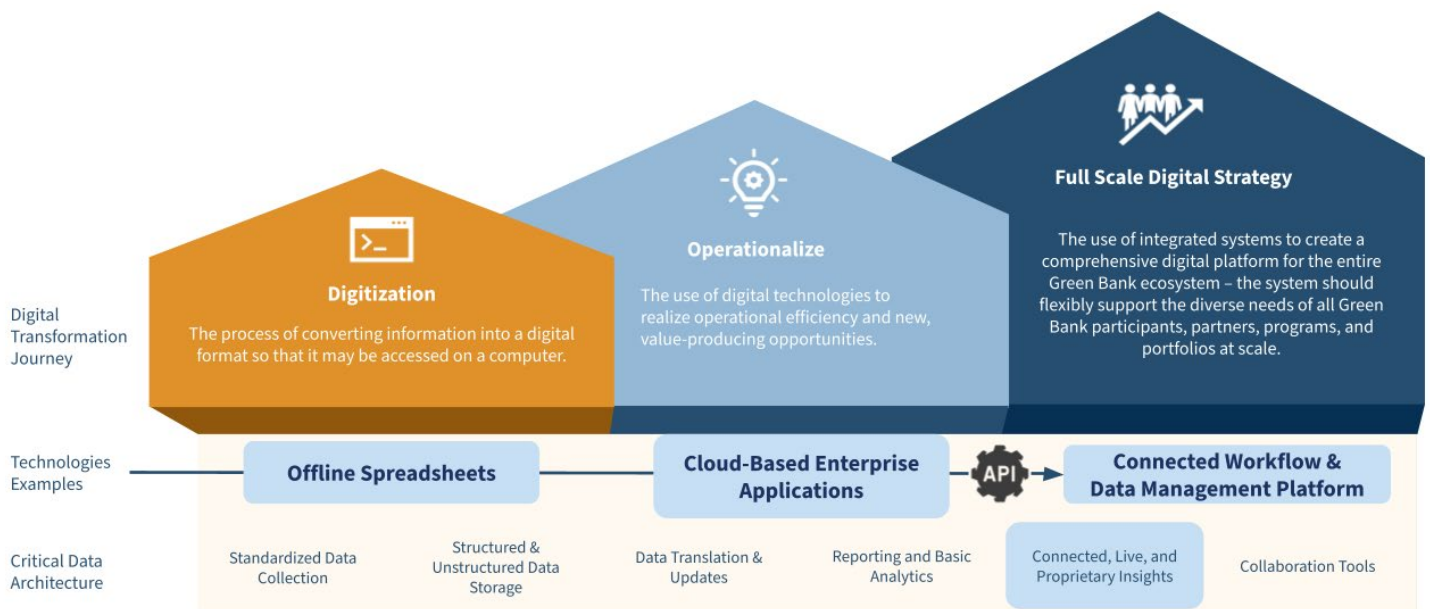




Application & Continuous Growth

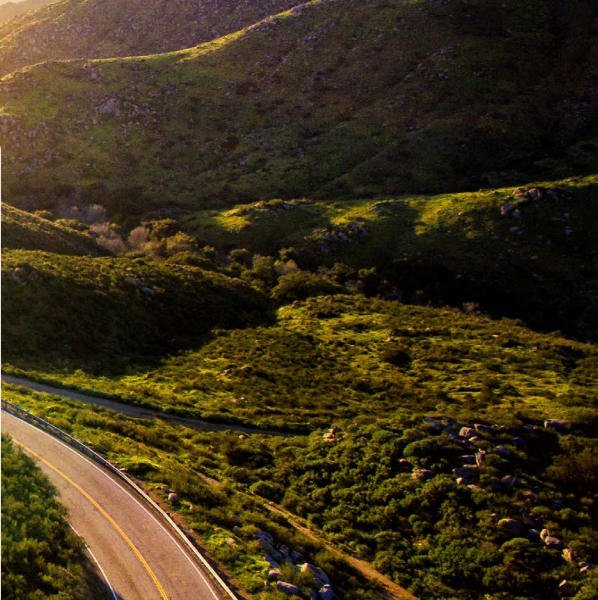
Technical or operational bottlenecks within a green bank can stand in the way of its capital deployment. By strategically leveraging a digital solution like Banyan Infrastructure, green banks, and community lenders can target these bottlenecks to apply underwriting tools, project management tools, approval workflows, application of decision criteria, and roll-ups of their transactions at portfolio and fund management levels, which aid in the future recapitalization.

Applying digital solutions to complex investments requires collaboration, too. What works well can be improved, and what doesn't can be changed. Fine-tuning digital strategies will require tooling and re-tooling the strategies themselves and continuously applying new lessons. In other words, a "one-size-fits-all" approach cannot work for all the parties involved in the GGRF, and software-as-a-service (SaaS) providers like Banyan Infrastructure work with their clients to ensure they meet the range of GGRF objectives.



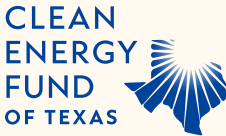
Best-In-Class Software Accelerates the Deployment of GGRF Funds

While the Greenhouse Gas Reduction Fund's complex and nuanced reporting requirements may seem daunting, we're here to help. We work alongside community funds and national and regional green banks, such as NY Green Bank, Colorado Clean Energy Fund, Clean Energy Fund of Texas, Hawaii Green Infrastructure Authority, and Access Plus Capital, to create project finance standardization leveraging the Banyan Infrastructure technology.



"The Clean Energy Fund of Texas's partnership with Banyan Infrastructure will ensure that communities in our state can take advantage of the Greenhouse Gas Relief Fund's game-changing opportunities. We look forward to learning from these organizations as we drive community impact and boost digital strategy. Meanwhile, we are excited to share our knowledge as the first green bank in Texas to deliver low-cost financing for clean energy solutions. Together, we will create the project finance standards, systems, and efficiencies that help to deliver sustainable infrastructure to every Texan."

Billy Briscoe
EVP & CHIEF OPERATIONS OFFICER
Clean Energy Fund of Texas



"For 15 years, Access Plus Capital has had a positive influence on the communities of California's Central Valley. The GGRF opens a new way for us to create lasting change by developing the sustainable infrastructure this region needs to adapt to current and future environmental challenges. As we venture into sustainable infrastructure development, Access Plus Capital is excited to strengthen our project finance capabilities. This will allow us to contribute to building happy, healthy, and prosperous communities – resilient and equipped to thrive in the face of the coming years."

Tate Hill
PRESIDENT & CEO
Access Plus Capital



"Collaboration is core to the Nevada Clean Energy Fund's mission, enabling us to leverage public dollars alongside private-sector investment. We are eager to expand our impact through this partnership, working with other trailblazers in clean energy finance to ensure blended capital is deployed quickly and effectively, not just for Nevadans but at green banks across the United States. This unique combination of cutting-edge technology, philanthropic experience, and community-engagement knowledge will help to chart a course for the project finance industry and bring clarity to publicly funded clean financing institutions and private investors alike."

Asheesh S. Bhalla
GENERAL COUNSEL/DIRECTOR OF OPERATIONS
Nevada Clean Energy Fund (NCEF)



"With Banyan Infrastructure, we are now managing critical pieces of data with greater accuracy than ever before. We have more metrics and reporting at our fingertips and can manage transaction tracking more efficiently and with far greater confidence in the accuracy and quality of the information."

Lindsay Drogin
DIRECTOR AND HEAD OF INVESTMENT ADMINISTRATION AND PORTFOLIO SUPPORT
NY Green Bank





GGRF Reporting Requirements

It should be no surprise that GGRF funds come with extensive compliance requirements, which the EPA will use to demonstrate progress toward the program's main objectives. The federal agency estimates GGRF recipients will spend anywhere from 44,700 to 604,000 hours per year on reporting, depending on the program. This amount of time equates to between \$4.8 million and \$32.4 million in reporting costs over 3 years.

Simply put, green banks, CDFIs, and other financial institutions cannot afford to meet these requirements without technology. While the GGRF represents a monumental opportunity for sustainable infrastructure investment, its reporting requirements highlight the ever-growing challenge facing project financiers as the market evolves from a smaller number of large-scale projects to a rapidly rising number of small- and medium-scale projects. Green banks and community lenders must invest in software to dramatically reduce reporting costs and time spent on manual data gathering. To maximize the opportunities generated by the GGRF, it is vital to plan for these requirements now.

Build a Solid Reporting Foundation

Before GGRF money starts flowing, green banks, CDFIs, and community lenders can build a foundation that will directly meet the stringent requirements of the EPA. These institutions should prepare to report in the future by implementing these action items:

- ✓ **Create document templates, standardized metrics, and portfolio visibility tools.**
- ✓ **Build dashboards specifically for compliance management, with visibility into critical data and project performance, central covenant and obligation tracking, and alerts.**
- ✓ **Organize data management capabilities to keep investment, performance, and returns data clean and readily available.**

The good news is that project finance software can help financial institutions meet these requirements without creating a complicated custom system. Instead of leaning into the operational risks of Excel spreadsheets and disorganized documents, green banks, CDFIs, and community lenders can prepare with digital monitors of critical metrics and compliance requirements.

According to the EPA's "GGRF Accomplishment Reporting Supporting Statement," the following types of information will be collected from GGRF recipients at both the program and project levels:

EPA GGRF Tentative Reporting Requirements

Category	Sub-category	Metric	Description
Program activities/grant expenditures		Grant funds deployed	By type of cost (e.g., wages, equipment)
		Funds for financial assistance deployed to projects	Details should be at the project level (e.g., origination date, origination fees, funding amount, financial product type, transaction characteristics, project type, basic counterparty information, private capital mobilization) and ultimately aggregated for all the projects supported by each grantee
		Funds for technical assistance deployed to projects	Details should be at the project level and ultimately aggregated for all the projects supported by each grantee
		Reports on program feedback from stakeholders participating in the program	E.g., summaries of stakeholder input, where applicable, as in-state green bank activities
		Planned program activities, including the current transaction pipeline	E.g., loan applications received, “executable” pipeline information
		Other pertinent information, including information specific to each competition	
Environmental outputs and outcomes	Climate and air pollution	Details on projects financed	e.g., number of homes retrofitted, number of electric vehicle chargers financed, locations, etc.
		Details on projects deployed	e.g., solar capacity installed, storage capacity installed
		Greenhouse gas emissions reduced and avoided	e.g., carbon dioxide, hydrofluorocarbons, methane, nitrous oxide, perfluorocarbons, and sulfur hexafluoride
		Other air pollutants reduced and avoided	
		Other pertinent information, including information specific to each competition	
	Equity and community benefits	Details on projects financed	Benefit type, by community type
		Details on projects deployed	Benefit type, by community type
		Number of businesses receiving financing for projects	
		Total investment in low-income and disadvantaged communities	
		Clean energy and energy efficiency outcomes	e.g., reduction of energy burden; deployment of clean energy; establishment of communitywide microgrids
		Clean transportation outcomes	e.g., access to clean, high-frequency transportation; access to affordable electric vehicles, charging stations, and purchase programs
		Affordable and sustainable housing outcomes	e.g., improved indoor air quality; reduced housing cost burden
		Training and workforce development outcomes	e.g., increased participation in clean energy good job training and subsequent good job placement/hiring, including providing the free and fair chance to join a union and collectively bargain
		Other types of outcomes	e.g., community wealth/ownership, resilience benefits, entrepreneurship
		Other pertinent information, including information specific to each competition.	
	Market transformation	Details on grant funds deployed to projects	
		Capital mobilization details	Including private capital mobilization and mobilization ratios
		Details on market-wide changes to financing emissions- and air pollution-reducing projects	
		Details on support for community lenders and resulting capacity-building	
		Other pertinent information, including information specific to each competition	
Program evaluation and other evidence-building activities			Program evaluation reports, in adherence with ORDER 1000.33 03/25/2022 U.S. EPA Policy for Evaluations and Other Evidence-Building Activities, including timely publication of findings.
Organizational financial statements and disclosures			Management’s discussion and analysis of financial condition and results of operations
			Consolidated financial statements and notes
			Scope 1 and 2 emissions; relevant categories of Scope 3 emissions
			Executive and board compensation disclosures
			Additional board disclosures
			Other pertinent information



Conclusion

The IRA unleashed immense capital into sustainable infrastructure markets across the U.S. As part of this influx, the GGRF promises to establish the first national green bank and is one of the most significant symbols of the United States' commitment to leading the charge against climate change. The GGRF aims to catalyze a significant shift towards a more sustainable and equitable energy future by mobilizing finance, leveraging private capital, and prioritizing equity.

However, whether the GGRF can execute its goals and deploy significant capital towards decarbonization — all while doing so in a just and equitable manner — will depend on how effectively green banks, CDFIs, and community-led organizations can manage their digital strategies.

These financial institutions can now leverage tools like Banyan Infrastructure's software to manage and monitor their deals. Finding alignment, determining operational frameworks, and implementing processes will determine success over the long haul. Simply put, better operational efficiency means better capital mobilization through reduced administrative costs.

Banyan Infrastructure is the only software solution designed for green banks and community-based funds focused on growing sustainable infrastructure portfolios. With Banyan Infrastructure's end-to-end project finance platform, these institutions can leverage templates and best practices from industry leaders to streamline origination, quickly evaluate performance, and measure community impact, all from a single source of truth.



About Banyan Infrastructure

Banyan Infrastructure is a project finance software platform designed to simplify, accelerate, and optimize sustainable infrastructure financing across the deal life cycle. Our solution oversees and automates the complex and time-consuming processes in the origination, portfolio, and compliance management of sustainable assets, which boosts profits per investment, increases deal velocity, and saves thousands of hours at every stage.

Visit banyaninfrastructure.com or follow us on [LinkedIn](#) for more information.
