CCIA Workplan – Inclusiv

Summary

Program Title: Inclusiv Clean Communities Investment Accelerator

Applicant Name: Inclusiv

EPA Funding Allocation: $1,870,000,000

Coalition Members: None

Period of Performance: April 1, 2024-June 30, 2030

Top-Line Outputs and Outcomes

	By Year 2 *(By June 30, 2026)*	**By Year 4** *(By June 30, 2028)*	**By Year 6** *(By June 30, 2030)*	**By Year 7** *(By June 30, 2031)*
1. Capitalization Funding to Community Lenders	$374,000,000	$1,122,000,000	$1,496,000,000	$1,496,000,000
2. Total Funding to Community Lenders	$420,750,000	$1,262,250,000	$1,683,000,000	$1,683,000,000
3. GHGs Reduced/Avoided	17,306 metric tons	73,528 metric tons	168,944 metric tons	168,944 metric tons
4. Private Capital Mobilized	$100,000,000	$590,000,000	$2,992,000,000	$2,992,000,000

Since Inclusiv does not anticipate deploying additional subaward funding after June 30, 2030, the Year 7 totals for all four figures remain unchanged from Year 6.

Inclusiv will use EPA eGRID, EPA AVERT, and ENERGY STAR to calculate avoided GHG emissions, and EPA AVERT for avoided air pollutants.

During the period of performance, Network credit unions (CUs) will leverage $2 of private capital from their deposit base for every $1 in capitalization subgrants received.

Narrative

1 Program Plan

1.1 Program Vision

Inclusiv plans to achieve a sweeping clean energy market transformation as a hub, catalyzing a target market of over 900 credit unions (not-for-profit, cooperatively owned, community lenders that collectively manage $330 billion in assets) to engage in equitable climate finance. Inclusiv's CCIA Credit Union Network will launch and scale lending in low-income and disadvantaged communities (LIDACs) that support all CCIA-eligible priority project categories. Inclusiv is uniquely positioned as a hub nonprofit to enable this vast Network of community lenders to finance clean technology projects in building retrofits, transportation, and distributed energy.

Inclusiv was the first CDFI financial intermediary in the nation and has the largest reach and size. In 2020, Inclusiv teamed up with the University of New Hampshire's Carsey School of Public Policy, with support from the U.S. Department of Energy, to design the nation's first solar lending training program for CDFIs and other community-based lending professionals. Training content has since expanded to include other relevant green lending topics, including, Green Home Improvement Lending and Resilient Solar plus Storage Lending. This Solar and Green Lending Training and Technical Assistance program enables community lenders to develop new and redesign existing products to drive affordable decarbonization in low-income and disadvantaged communities.

With CCIA, Inclusiv will deploy capital to scale credit union clean energy lending, making green projects accessible in low-income and disadvantaged communities for the first time. Leveraging $1,496,000,000 in capitalization funding provided by CCIA grant dollars, community lenders in this program will mobilize an additional $2,992,000,000 in private capital to provide $4,488,000,000 in total financial assistance to 900,000 CCIA-eligible projects that benefit households and small businesses in low-income and disadvantaged communities, avoiding 168,944 metric tons of greenhouse gas emissions by 2030.

1.1.1 Community Lender Network Strategy

Fifty years ago, Inclusiv was founded by a coalition of credit unions that today would be known as Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs). Inclusiv has maintained a singular focus on the specialized financial cooperatives that serve LIDACs. Inclusiv launched the nation's first capitalization program in 1983 specifically designed to distribute deposits to increase liquidity in CUs and initiated a campaign that ultimately led to the creation of the federal CDFI Fund. In 1996, Inclusiv was among the first institutions to be certified by the CDFI Fund and remains the only CDFI-certified credit union association. Inclusiv has invested more than $440 million in high impact community CUs in the form of loans, loan capital, and grants, which has scaled lending and deepened impact in underinvested communities nationally. Our capitalization experience with credit unions is unmatched in breadth, depth, and duration, and includes the invention of secondary capital for credit unions (now subordinated debt), which has leveraged more than $3.4 billion in capital to spur growth and deepen impact.

A. Industry Network of Community Lenders for CCIA Deployment: Inclusiv has identified a target market of more than 900 CDFIs, MDIs, and *Cooperativas* (financial cooperatives serving Puerto Rico) that collectively manage $330 billion in assets and are already some of the most heavily engaged community lenders in serving LIDACs; most of their loan capital is already deployed in LIDACs. These CDFIs, MDIs, and *Cooperativas* serve more than 23 million community members across the country via 4,223 banking branches (**including 1,929 existing branches located on-the-ground in CEJST Disadvantaged Communities**); business lines include credit, savings, transaction, and financial education services. From this target market, we expect to be able to train, support, and onboard a Network of 300-400 community lenders that will mobilize financing and private capital to finance CCIA-eligible clean technology projects over the six-year CCIA program period. **Current State of Clean Financing:** Almost 20% of the community lenders in our target market already offer or are developing clean financing products, most commonly for electric vehicles, energy-efficient appliances, home decarbonization, and solar systems for homes, nonprofit organizations, and businesses. These green community lenders use, on average, 1% of their assets to provide financial assistance to clean energy projects. Beyond the designations of *Cooperativa*, CDFI, and MDI, other federal or state chartered, regulated, and insured credit unions, such as the National Credit Union Association Low-Income Designated (LID) credit unions, could meet Inclusiv's requirements for CCIA-eligible community lenders. Inclusiv's broad target market of CCIA-eligible community lenders (which we will collectively refer to as credit unions or "CUs") is further classified in Table 1 below.

Table 1: Inclusiv Target Network of Community Lenders, Business Lines, and Customer Segments

Designation or Category	Community Focus
CDFI-Certified by U.S. Treasury Department CDFI Fund	Low-Income and Disadvantaged Communities
MDI-designated by National Credit Union Administration (NCUA)	Native-, African-, Hispanic-, and/or Asian- American communities
Located in U.S. Territories	*Cooperativas* and CUs in Puerto Rico, CUs in the U.S. Virgin Islands and Guam
Green Lending-Certified by Inclusiv-Univ. of New Hampshire	Communities with Environmental Justice Concerns and Energy Communities
Deep Impact Capitalization by Inclusiv	Deep impact capitalization investment to serve LIDACs, determined after in-depth financial analysis by the Inclusiv team
Deep Impact Technical Assistance by Inclusiv	Persistent Poverty Counties, Tribal and Rural communities, and people with disabilities and limited English proficiency

B. Suitability of Network for Financing CCIA-Eligible Projects: CDFIs, MDIs, and *Cooperativas* have unmatched capacity to deliver at scale in LIDACs. As member-owned and governed, not-for-profit cooperatives, these lenders are deeply engaged with, and directly accountable to, the communities they serve. As regulated depositories, they can leverage federal resources to increase deposits, lending, and impact: an Inclusiv study of the U.S. Treasury's 2010 Community Development Capital Initiative found that, over a five-year period, participating CUs made $60 in loans for every $1 in U.S. Treasury support.

CDFIs, MDIs, and *Cooperativas* predominantly lend in LIDACs; in a single year, Inclusiv's analysis of 1.2 million loans ($31 billion) issued by a sample of one-fourth of the lenders in our Network **<u>found 68% of loans were issued in LIDACs, and these lenders made new loans in 79% of all census tracts that CEJST has identified as Disadvantaged.</u>**

Unlike other lenders that design products with little input from members of low-income and disadvantaged communities, CUs are governed by their members, who are all owners in these financial cooperatives and provide regular input and feedback on lending products and programs.

Loan portfolios of Network CUs reflect the diversity of their lending:

- 36% of loan dollars are deployed for vehicle purchases (ideal for EV investment),
- 31% for residential real estate (including home improvements),
- 11% for businesses, and

- The remaining 28% for a wide range of flexible consumer loan products, including more than $10 billion in unsecured consumer loans (great for home energy upgrades, solar energy systems).

Our Network CUs will deploy CCIA capital in LIDACs that they know very well, with financial products well suited to a wide range of projects, including:

- Consumer loans for energy efficient appliances;
- Real Estate Lines of Credit for deep decarbonization retrofits of buildings;
- Vehicle loans for zero-emission transportation;
- Unsecured Consumer loans for residential solar and EV charging stations; and
- Business and cooperative loans for community charging infrastructure, community solar, and micro-grids.

As depositories, CUs continuously recycle and leverage loan capital into new loans, over time achieving a 10x multiplier effect, meaning they will be deepening impact for years after their initial direct leverage of CCIA capital. Our Network can provide financial assistance to CCIA-eligible projects, in support of the climate goals as detailed below in Table 2.

Table 2: Inclusiv Network Well-Suited to Deploy CCIA-Eligible Project in Support of U.S. Climate Goals

U.S. Nationally Determined Contribution	Inclusiv's Network has already financed **over $500 million in solar projects and energy retrofits for buildings**, moving the U.S. closer to carbon pollution-free electricity and net-zero emissions. The broader target market leads in vehicle lending with over $86 billion in current vehicle loans, creating a straight path to electric vehicle loans and helping the U.S. reach its zero-emission vehicle goals.
Executive Order 14037	As mentioned above, the Network is well-positioned to finance zero-emission vehicles, bolstering the domestic market and moving the U.S. towards its goal of 50% zero-emission vehicles in new car and light truck sales by 2030.
Executive Order 14005	CUs have a strong historical connection with American workers, and many Network CUs have been organized by and for diverse worker groups at American companies. CUs also support small businesses, including local clean energy and installers, through financial coaching and operating capital loans. This history will ensure CCIA investment is channeled to America's workers, including supporting Made in America, where applicable.
Executive Order 14008	The CU movement is a national network comprised of individual CUs that each represent distinct communities and collectively represent millions of Americans. Inclusiv's Network and CCIA program are poised to mobilize quickly to deploy capital that drives climate action at home and builds climate resilience in local markets across the country.
Executive Order 14082	Our Network aids with deployment of Inflation Reduction Act (IRA) programs in many areas. For example, our CUs engage in local tax time coalitions and free tax assistance sites (VITAs). We are speaking with the U.S. Treasury Office of Tax Policy to support education and dissemination of tax credits, rebates, and other subsidies through our Network. We work with private sector tax preparers to ensure support consumers in claiming the IRA's many energy incentives.
Executive Order 14096	Our CCIA program centers on communities with environmental justice concerns. We will ensure program benefits target these communities, driving affordable options for clean energy in housing, power generation, and transportation, while building workforce training and high-quality and well-paying jobs union jobs.

Interagency Working Group on Coal and Power Plant Communities	Our Network works in Coal and Power Plant Communities on economic development and revitalization every day. These include CUs in West Virginia, Western PA, rural Ohio, Texas, and Louisiana. And we have letters of support for our CCIA program from CU leagues that serve Louisiana, Texas, Oklahoma, Missouri, Kansas, and Iowa, all of which focus on clean energy job creation and support of small business development for clean energy.
Justice40 Initiative	As mentioned above, the target market we have identified specializes in serving disadvantaged communities, far exceeding Justice40 goals; in 2022 alone, an estimated 56% of its $121 billion loans were made in disadvantaged communities.

C. Barriers and Solutions to Realizing Full Potential of Network: Over the past four years, more than 1,000 community lenders have applied to our Solar and Green Lending Training and Technical Assistance program and named common barriers to building clean financing in LIDACs. These barriers, along with solutions that Inclusiv has developed over the past four years, are shown below in Table 3.

Table 3: Barriers and Solutions to Harnessing Full Potential of Inclusiv's Community Lenders Network

Barrier	Inclusiv Solution
Lenders lack knowledge of clean energy	**Clean Energy Training.** Each cohort of community lenders that joins our Solar and Green Lending Training and Technical Assistance program learns how to locate and understand data about existing clean energy demand and rapidly growing local interest in clean energy projects, closely tied to the many city, municipality, county, state, regional, and federal programs that lower the barriers to obtaining clean energy projects. We also give lenders training and tools on how to build a green project pipeline, generate demand, and educate end users who will benefit from CCIA projects.
Lenders lack knowledge of green lending	**Green Lending Training.** The Solar and Green Lending Training and Technical Assistance program, which will be described in greater detail in Section 1.2.4, helps lenders understand their local market for clean technologies, vet installers for potential partnership, design loan products, and think strategically about underwriting practices that will ensure accessibility to LIDAC borrowers.
LIDACs lack technical assistance at ecosystem-level	**Centralized Ecosystem-Level Technical Assistance (TA) Services**. Our Solar and Green Lending Training and Technical Assistance program includes a robust technical assistance program to accelerate lenders' ability to launch and sustain green lending programs. See Section 1.2.4 for more detail. Since submitting our CCIA proposal, Inclusiv launched a nationwide initiative called Consumer Finance for Climate Action to bring together leaders in environmental justice, civil rights, social service, and financial health organizations with local and state government. The goal of this initiative is to intentionally integrate clean energy solutions into community organizing, financial coaching, and social service delivery to build a stronger ecosystem of support for residents of LIDACs and enable them to benefit directly via reduced energy payments, improved air quality in their communities, and stronger connections to resources and support to access opportunity. We have included leaders from other CCIA and NCIF selected recipients into these discussions and workstreams.
Lenders lack low-cost capital to	The training provides lenders with tools to design and market loan products to compete with national providers, but CCIA capitalization will allow lenders to scale these products, particularly in LIDACs, to compete against high-cost lenders and

compete with national clean financing	installers who take advantage of lack of access to conventional credit. CCIA funds will capitalize new loan products, mitigate risk, address liquidity constraints, maintain affordability, and build financially sustainable programs in a rising interest rate environment.

D. Desired Future State of Clean Financing in Community Lenders Network: Since 2019, when we launched our Center for Resiliency and Clean Energy, Inclusiv has systematically worked towards our desired future state: a country that will be populated by thousands of directly accountable community lenders that provide clean, equitable financing to millions of consumers, homeowners, small businesses, and other community members, to reduce greenhouse gas emissions, lower energy cost burden, and build clean, safe, and resilient energy systems for all people. In this desired future state, all people will have access to fairly priced capital and trusted guides to help them navigate the local clean energy market. LIDACs will be able to select, pay for, and install CCIA-eligible projects, with community lenders. This structure will ensure investments in the clean energy economy are delivered equitably and the fruits of those investments are felt most significantly by LIDACs in the form of reduced energy consumption costs, revenue from clean energy generation, and jobs in the new green economy. Inclusiv's CCIA program will jumpstart this vision: capitalization grants will build the balance sheets of locally-owned lenders, leveraging private capital in the form of member deposits that revolve continuously into new loans that support affordability and deepen access and impact in LIDACs, in perpetuity.

1.1.2 Geographic Coverage and Diversity

A. Geographic Coverage and Diversity of Community Lenders in the Inclusiv Target Market: The table below shows the number of CUs in Inclusiv's target market in each EPA region. The distribution of lenders in the table below is proportional to the concentration of LIDACs in each region, except EPA Region 2, which has a higher concentration of lenders because it includes 90 *Cooperativas* that serve Puerto Rico, an island that has suffered disproportionate impacts of climate events and is deeply and urgently committed to green financing.

As noted above, Inclusiv's analysis of 2022 transaction data from about one-quarter of our target market found $16.2 billion in LIDAC loans, including **loans in 79% of all CEJST Disadvantaged Communities**, with $3.2 billion issued in rural LIDACs, $3.6 billion issued in Persistent Poverty Counties, $1 billion issued in Energy Communities, and $576 million issued in census tracts that overlap Tribal areas, with half of those loans issued in tracts that were at least 98% within Tribal areas. The data shows 68% of all loans were issued in LIDACs, a focus that is unmatched by any other regulated depositories. The data also revealed a correlation between the concentration of branches in LIDACs and proportion of financing activities in LIDACs. These results were used to generate the conservative estimates of annual lending volumes in LIDACs for the entire target market for each EPA region in Table 4 below.

Table 4: Inclusiv Community Lender Target Market – Geographic Coverage and Diversity

EPA Region	# of Lenders	Total Members	Total Assets ($ Billions)	# Branches in LIDACs	Estimated # of 2022 Loans in LIDACs	Estimated 2022 Loan Value in LIDACs ($ Billions)
1	20	424,865	$6.92	30	22,188	$0.95
2	176	2,316,105	$22.38	304	99,963	$4.82
3	77	981,907	$14.85	76	63,868	$2.25
4	156	6,704,451	$93.17	522	841,798	$20.99

5	125	2,559,525	$33.30	243	293,315	$7.23
6	179	3,064,933	$38.95	342	387,316	$9.45
7	18	821,235	$14.03	57	210,378	$3.55
8	20	357,547	$5.15	27	17,640	$1.07
9	114	3,786,189	$66.43	196	266,962	$11.39
10	39	2,157,458	$35.02	131	200,339	$7.09
Totals	**924**	**23,174,215**	**$330.20**	**1,929**	**2,403,766**	**$68.77**

In addition to these established CUs, Inclusiv supports the establishment of new CUs serving LIDACs and literally wrote the book on organizing community development CUs.

B. Capacity to Support Community Lenders in All EPA Regions: As a national CDFI-certified intermediary, Inclusiv deploys financial, technical, educational, and technology resources in LIDAC-serving CUs to transform local progress into lasting national change. Inclusiv's direct support for hundreds of CUs across all ten EPA regions includes:

- **Inclusiv/Capital**, which has made 1,500 investments in hundreds of CUs across the country, 1,000 direct grants to small CUs, and offers a solar loan participation platform to help CUs rapidly learn how to finance solar projects;
- **Inclusiv Center for Resiliency and Clean Energy,** which has provided Solar and Green Lending Training and Technical Assistance to hundreds of staff members from 120 CUs across all 10 EPA regions;
- **CDFI Data Analytics, Certification, and Reporting Services**, which currently serves more than half of all CDFI-certified CUs;
- **CU Operations and Compliance,** which provides direct TA to small and MDI CUs;
- **Inclusiv/Communities**, which deepens engagement of CUs with communities of color through Inclusiv/Black Communities, Juntos Avanzamos, and the Inclusiv/Puerto Rico program;
- **Financial Coaching Platform and Training,** which helps CUs deliver high-impact financial coaching and help consumers to reduce energy cost burden and connect to subsidies.

1.1.3 Demonstrated Interest

Letters of Interest: 220 mission-driven lenders that specialize in serving LIDACs have provided letters of interest stating they would plan to seek support from Inclusiv, if provided a CCIA grant award. <u>These CUs span all ten EPA regions</u>, and are based in 37 states, the District of Columbia and Puerto Rico. See "1.1.3 Community Lender Letters of Interest– Inclusiv" attachment.

Inclusiv's CCIA program vision is based on hundreds of hours of specific and detailed engagements over the past three years with over 1,000 community lenders that demonstrated interest in creating affordable and equitable loan products for LIDACs and applied to our Solar and Green Lending Training and Technical Assistance program. Of these interested community lenders that are <u>already engaged in clean financing</u>, Inclusiv has delivered rigorous clean financing courses and workshops to over 700 lending professionals, including lenders from 120 CUs.

The graduates of these courses join our rapidly growing Solar and Green Lending Alumni Network that has demonstrated a soaring demand for clean financing capital and knowledge. The intensive technical support offered through our Solar and Green Lending Alumni Network program resulted in CUs <u>making an estimated $800 million in LIDAC-focused green loans in the past three years</u>. These CUs are poised to leverage CCIA grants with their own deposit capital to expand their programs and provide financial assistance to increase the availability and accessibility of clean financing in low-income and disadvantaged communities.

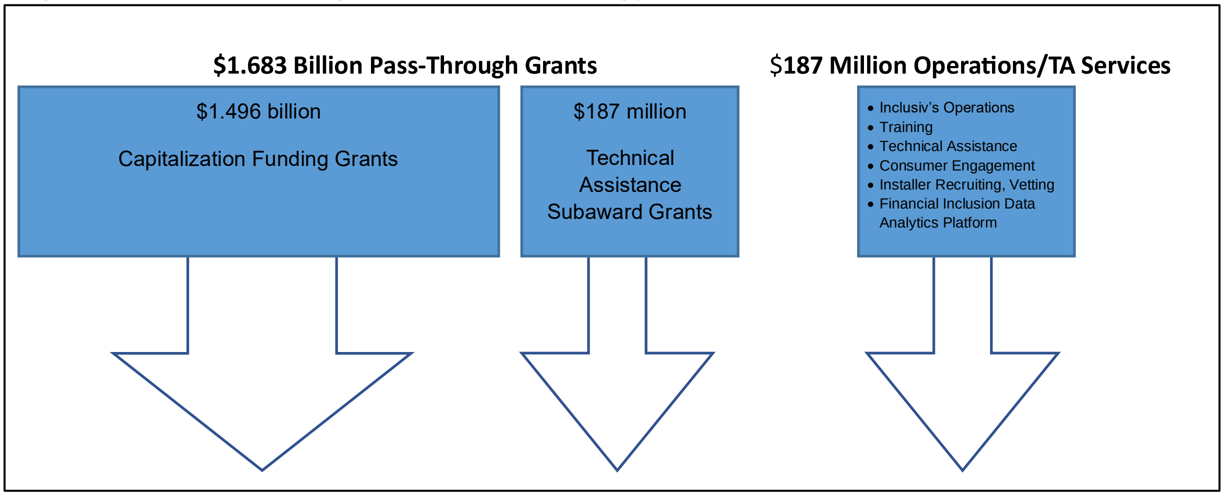
Beyond the CUs already offering clean financing, Inclusiv catalyzed increasing demand for training, technical assistance, and capitalization funding to launch new programs across our professional networks, including:

- **Inclusiv Community Development CU Membership:** Nearly 500 Inclusiv member institutions serve more than 19 million members in predominantly LIDACs. Inclusiv's membership actively supported the creation of our Center for Resiliency and Clean Energy and continues to demonstrate strong support for clean financing initiatives both participating in and leading training, workshops and webinars.
- **Puerto Rico *Cooperativa* Network:** Hurricanes Irma and María and ongoing power grid failures spurred *Cooperativas* to invest heavily in green loan products; they created the first solar loan product on the island in 2014 and have financed more than $168 million dollars in green loans since 2021. Inclusiv has strong representation in Puerto Rico, including its network of 95 state-charted *Cooperativas* and four federal credit unions that reach 75 of the 78 municipalities on the island and have deep interest in working with Inclusiv to fund renewable and clean energy projects in their communities, as evidenced by 83 letters of interest (see pages 32-33, 38-203, 206-208 of attachment "1.1.3 Community Lender Letters of Interest").
- **MDI CU Networks:** Inclusiv has extensive MDI engagement via outreach programs (e.g., Inclusiv/Black Communities, Juntos Avanzamos) and deep partnerships with other mission-driven organizations (e.g., African American CU Coalition (AACUC), National Association of Latino CU Professionals (NLCUP), and Hawaiian Asian Pacific Islander Credit Union Professionals (HAPICUP)). These networks have sought training and expressed strong demand for equitable access to clean financing to promote healthy, sustainable communities. See letters of support from NLCUP (pages 85-86), AACUC (pages 7-8), and the Native CDFI Network (pages 99-100) in attachment "1.2.1 LIDAC Engagement and Accountability Letters of Support – Inclusiv."

1.2 Investment Strategy

As shown below in Figure 1, Inclusiv will invest its $1.87 billion CCIA award as follows: $1.496 billion in capitalization funding pass-through grants to CUs, $187 million in technical assistance subaward pass-through grants to CUs, and the remaining $187 million will be used for Inclusiv's program operations and for developing and delivering technical assistance services that drive market transformation.

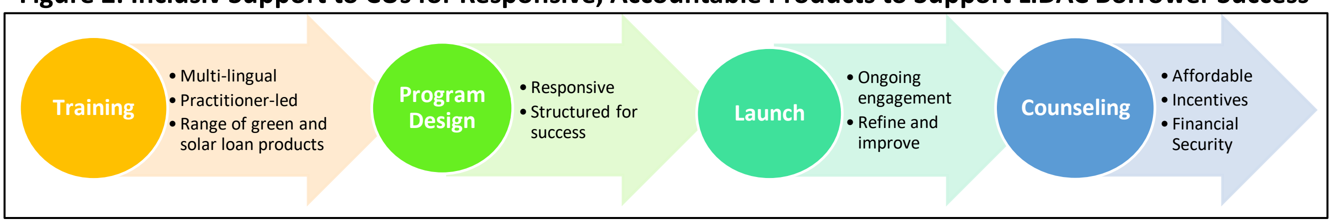
Figure 1: Inclusiv CCIA Program Investment Strategy



1.2.1 LIDAC Engagement and Accountability Strategy

As shown in Figure 2 and detailed below in Sections 1.2.1.1 LIDAC Engagement Plan and 1.2.1.2 LIDAC Accountability Plan, LIDAC engagement and accountability are embedded in every part of Inclusiv's CCIA program design.

Figure 2: Inclusiv Support to CUs for Responsive, Accountable Products to Support LIDAC Borrower Success



1.2.1.1 LIDAC Engagement Plan

CUs are community-owned, democratically governed, not-for-profit cooperatives; every user is a member/owner. Inclusiv's target market CUs predominantly serve LIDACs and are accountable to LIDACs that control these financial institutions.

Our LIDAC engagement plan is comprehensive and national in scope, but accessible and customized to meet local needs, and prioritizes frequent, ongoing engagement. Our plan includes expanding and scaling existing partnerships, as well as launching new partnerships with community organizations, such as advocacy nonprofits, credit union leagues, green lending financial technology companies, financial coaching platforms, and academic and research institutions, as evidenced through 67 letters of support from national and regional community organizations (see "1.2.1 LIDAC Engagement and Accountability Letters of Support–Inclusiv" attachment).

Product Design: The Inclusiv Solar and Green Lending Training and Technical Assistance program has trained and supported more than 700 lending professionals from 350 community lenders that are primarily owned and operated by LIDACs, including 120 CUs and 230 CDFI loan funds, MDI banks, green banks, and other GGRF-eligible community lenders, to design, implement, and grow clean energy and energy efficiency loan programs for consumers, homeowners, and businesses. The program guides lenders through the necessary steps to design loan products appropriate for LIDACs.

The 8- and 9-week instructor-led courses are cohort-based and practitioner-led. So, together, the different types of community lenders in each cohort go through the steps of assessing demand, investigating their local energy and utility markets, identifying partners in the local ecosystem, analyzing the energy cost savings as compared to loan repayment at different terms, forming loan policies with product features and underwriting criteria, and presenting their new green loan products in a workshop-style to gather input.

Following the completion of a course, the students join our Solar and Green Lending Alumni Network, a green lending community of practice organized and facilitated by Inclusiv where all different types of community lenders can receive dozens of hours of technical assistance from Inclusiv to support the smooth implementation of the product in the local community. Throughout the training and technical assistance process, the credit unions engage their members into the design process. This is a familiar process for credit unions, as they regularly work with members to identify the needs, challenges, and opportunities to co-design and structure loan products accordingly.

As part of our ongoing efforts to deeply engage with LIDACs, in addition to working with the University of New Hampshire, Inclusiv will endeavor to expand our educational institution partners for our training program. We are exploring possible partnerships with historically black colleges and universities (HBCUs) and educational institutions in Puerto Rico where we could offer courses entirely in Spanish for *Cooperativas*.

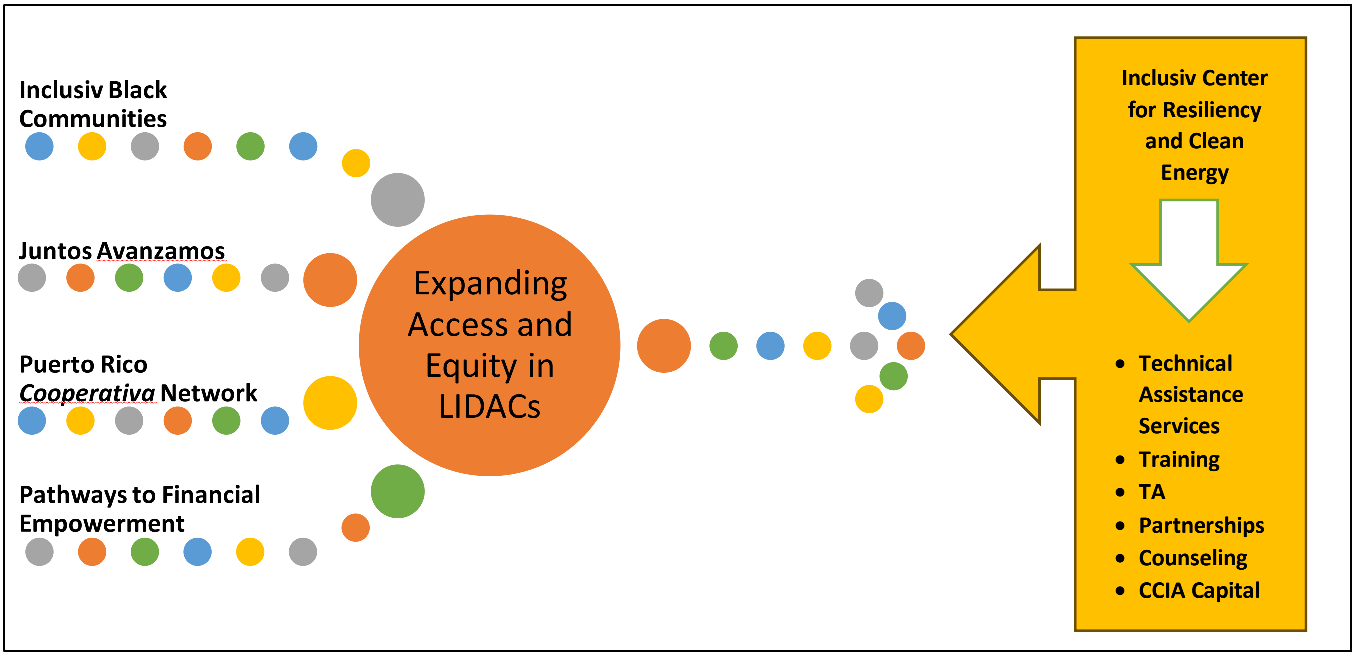
Consumer Engagement: Inclusiv has established a new initiative called Consumer Finance for Climate Action (CFCA) to coordinate multiple leaders at the local level to work alongside credit unions to incorporate consumer voice and engagement throughout the process. CFCA brings community leaders, environmental justice groups, civil rights organizations, consumer advocates, social service organizations, local government, financial health and education providers, and consumer research and advocacy organizations, among other local leaders, together to use all the possible touch points of serving low-income consumers. By leveraging these networks of local experts, CFCA more effectively helps community members identify opportunities to reduce energy cost burden through investing in energy efficiency and then supports community members to develop green transition plans of action.

LIDAC Engagement Program Design: Inclusiv engages with CUs frequently and in considerable depth through numerous programs that can be grouped into six principal engagement mechanisms, as summarized in Table 5 and shown in Figure 3 below.

Table 5: Inclusiv CCIA Program Design LIDAC Engagement Mechanisms

Mechanism	Description
Program Design	As described further in Section 1.2.4, Inclusiv provides training and TA to help CUs work with community members to design clean energy loan products and programs to meet local LIDAC priorities.
Initiatives to Expand Equity	Programs such as Inclusiv Black Communities provide training, marketing support, and technology for historically Black CUs, including designated MDIs, to deliver products that address the effects of discrimination and bias in traditional financial services.
Multilingual Community Engagement Tools	Inclusiv's Juntos Avanzamos program supports CUs to employ bilingual and culturally-competent staff and leadership, and provides training and tools to help CU staff serve their members with limited English proficiency. Juntos Avanzamos designated credit unions must accept alternative forms of ID, including the Matricula Consular and ITIN, so they can serve individuals, regardless of immigration status.
Ensuring Access	Inclusiv partners with disability rights organizations, training CUs on providing safe, reliable, and affordable financial services for people with disabilities, including free tax preparation sites (VITA), financial counselor training on disability services, and paid CU internships to people with disabilities.
Consumer Counseling and Support	Inclusiv's Financial Coaching Platform integrates CCIA-eligible project education for financial coaches at every CCIA-participating CU. Coaches will be prepared to provide LIDAC consumers, along with small business clean energy providers and installers, with targeted financial coaching education to ensure they understand the economics and financial sustainability of CCIA projects.
CDFI Support	Inclusiv offers training and technical assistance to CDFI CUs to increase engagement and track the delivery of financial products in LIDACs within their service areas.

Figure 3: Inclusiv's Existing Avenues for LIDAC Engagement in Program Design



1.2.1.2 LIDAC Accountability Plan

Inclusiv will partner with national and regional community organizations to ensure LIDAC accountability. Many are well-established partnerships, as evidenced by the 67 letters of support in "1.2.1 LIDAC Engagement and Accountability Letters of Support–Inclusiv" attachment.

In addition, Inclusiv Network CUs are the most participatory, transparent, and accountable full-service financial institutions serving LIDACs at a national scale. As detailed in Sections 2.1.1, 2.1.3 and 2.2.1, Inclusiv's own governance structure is likewise directly accountable to the CDFI, MDI, low-income and community development CUs that make up our Network, elect and serve on our Board, and maintain our equity policy to maintain majority representation from leaders of color. See attachment "2.2.1 Resumes of Board Members – Inclusiv," which provides an overview of Inclusiv's current Board of Directors and Capital Policy, and page 3 of attachment "2.3.1 Legal and Compliance Risk Management Policies and Procedures – Inclusiv," which details how Inclusiv's Board of Directors are elected and comprised to be diverse and representative of the communities Inclusiv serves.

Participatory Governance, Member Owned and Controlled. As not-for-profit financial cooperatives, CUs are owned and governed by their members. Each member of a CU has one vote in electing the Board of Directors, regardless of savings on deposit. CU Boards of Directors are made up of CU members, community volunteers elected by their peers.

Responsible, Regulated Financial Institutions. All CUs are regulated, fully insured depositories, subject to rigorous examination by prudential regulators. As member-owned financial cooperatives, they are accountable to members, not external shareholders or donors. All decisions are made to benefit their members/owners. Earnings are reinvested in the CU in the form of lower loan rates, higher interest on savings, or more services to benefit members.

Transparency and Fairness. In addition to the Board of Directors, each CU has a Supervisory Committee, a volunteer committee drawn from the membership responsible for ensuring that CU management and staff act with the highest standards of integrity, fairness, and transparency. The Supervisory Committee conducts regular audits of each function of the CU from verification of member accounts and deposits to cash counts to loan file reviews for consistency and adherence to policy. The Supervisory Committee welcomes member complaints and inquiries and is responsible for investigating and following up with members on concerns. This oversight is augmented by regulator examination staff who conduct annual examinations of all aspects of CU regulations. Examiners are particularly focused on monitoring fairness and transparency in the treatment of members in their banking and borrowing.

Community Monitoring. CUs use many mechanisms to engage with members and their communities, including the Annual Business Meeting where the CU Board of Directors and Supervisory Committee present reports on the CU's performance and progress in achieving member objectives. This includes reports on financials, products and pricing determinations, internal audits, and accountability to member goals. CU members can raise questions or concerns to the Board about any aspect of the CU operations. The federal CU regulator asks CUs to track and measure their progress on equity through the DEI self-assessment that includes DEI policies, diversity of Board, management, and staff, and DEI reviews of third-party vendors.

1.2.2 Investment Objectives

1.2.2.1 Climate and Air Pollution Benefits

Inclusiv's CCIA program will drive substantial and lasting results in decarbonizing LIDACs. By 2030, Inclusiv's Network will achieve a projected 168,944 metric tons of avoided carbon dioxide equivalent emissions, and will reduce other air pollutants that harm communities, resulting in 122.17 metric tons of avoided air pollutants. Our CCIA program goals and targets for delivering climate and air pollution benefits will accelerate progress toward the climate goals of the United States to reduce greenhouse gas emissions 50-52 percent below 2005 levels in 2030, reach 50 percent zero-emission vehicles share of all new passenger cars and light trucks sold in 2030, and achieve a carbon pollution-free electricity sector by 2035, setting the United States firmly on track to achieve net-zero emissions by no later than 2050. Our program supports and advances the goals and objectives of the FY2022-2026 EPA Strategic Plan. We will achieve these outcomes by supporting CCIA priority project categories and by aligning with the decarbonization pathways described in The Long-Term Strategy of the United States.

The target market of CUs currently has over $10 billion in unsecured consumer loans and almost $74 billion in real estate loans. Their loan products can be adapted to achieve the following goals in CCIA priority project categories (a) and (b):

(a) Distributed Energy Generation and Storage: CUs will use CCIA grants to finance and deploy 305 megawatts of eligible projects that support carbon pollution-free electricity, consistent with the definition in Executive Order 14057 (Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability). Based on experience training CUs in solar lending and Solar Energy Industries Association market adoption rates of solar and solar-plus-storage, we expect 43,000 projects will be financed. Preliminary estimates are that 85% of the funds invested in this category will go to residential rooftop solar; 10% to residential rooftop solar-plus-storage; and 5% to a combination of community solar, fuel cells, replacement of backup diesel generators with battery storage, and distribution system upgrades necessary for project interconnection.

(b) Net-Zero Emissions Buildings: Our Network CUs will provide loans in LIDACs for 832,000 residential and small commercial property energy efficiency, electrification, and decarbonization retrofits, including: energy and water efficiency, efficient appliances, heat pumps, geothermal heating and cooling, and grid-interactive appliance electrification.

With over $86 billion in active vehicle loans, focus on this target market of CUs will be critical to meeting GGRF targets for **(c) Zero-Emissions Transportation.** With CCIA investment, our Network will make 25,000 electric vehicle and EV charger loans available to LIDACs. Consistent with the zero-emissions transportation decarbonization strategies in The U.S. National Blueprint for Transportation Decarbonization, Inclusiv's Network CUs will primarily invest in zero-emissions light-duty vehicles for individuals and families, particularly at and near multi-family housing; and the deployment of chargers and other infrastructure to support zero-emissions medium- and heavy-duty vehicles for small businesses and farms.

Table 6 below details the Program Objective 1 investment amount by CCIA priority project categories. We have structured this pursuant to EPA Order 5700.7A1, Environmental Results under Assistance Agreements, based on environmental outputs and outcomes to be achieved.

Table 6: Goals for Climate and Air Pollution Benefits – Outputs and Outcomes

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Outputs							
a. Total # Distributed Energy Generation and Storage Projects	**1,000**	**3,000**	**6,000**	**8,000**	**10,000**	**15,000**	**43,000**
Nameplate Generation Capacity (MW)	7.50	20.50	45.50	58.00	69.50	104.00	305.00
Nameplate Storage Capacity (MWh)	1.40	4.00	8.50	10.60	13.50	21.00	59.00
Clean Energy Generated (MWh)	10,000	46,000	137,000	258,000	408,000	763,000	1,622,000
b. Total # Net-Zero Emissions Buildings Retrofit Projects	**22,500**	**43,600**	**84,750**	**121,800**	**183,850**	**375,500**	**832,000**
# Buildings- Efficient Appliances	15,000	30,000	60,000	90,000	140,000	285,000	620,000
# Buildings- Heat Pumps	1,500	2,500	4,500	6,500	8,500	15,000	38,500
# Buildings- Net-Zero Whole Building	0	100	250	300	350	500	1,500
# Buildings- Other Energy Efficiency	6,000	11,000	20,000	25,000	35,000	75,000	172,000
c. Total # Zero-Emissions Transportation Projects	**1,200**	**1,900**	**2,700**	**4,400**	**6,400**	**8,400**	**25,000**
# Light/Medium-Duty Vehicles Financed	1,000	1,500	2,000	3,500	5,000	7,000	20,000
# EV Chargers Financed	200	400	700	900	1,400	1,400	5,000
Total # Projects Financed	**24,700**	**48,500**	**93,450**	**134,200**	**200,250**	**398,900**	**900,000**
Outcomes: Avoided Amounts (all values in Metric Tons)							
Carbon Dioxide equivalent	**4,935**	**12,371**	**24,763**	**31,459**	**37,876**	**57,540**	**168,944**
Nitrogen Oxide	2.04	4.29	8.01	10.18	12.24	18.54	55.31
Sulfur Dioxide	1.87	3.77	6.88	8.75	10.51	15.91	47.69
Particulate Matter 2.5	0.27	0.59	1.1	1.4	1.68	2.55	7.59
Volatile Organic Compounds	0.39	0.65	1.07	1.36	1.63	2.45	7.53
Ammonia	0.16	0.32	0.58	0.74	0.89	1.35	4.05

1.2.2.2 Equity and Community Benefits

Inclusiv's program will grant $1,496,000,000 in CCIA funds in the form of capitalization funding to community lenders. These community lenders will leverage these CCIA funds to mobilize an additional

$2,992,000,000 in private capital over the six-year period of performance for the CCIA program. The combination of the CCIA capitalization funding grants and the private capital will result in a total of $4,488,000,000 in financial assistance to 900,000 diverse, CCIA-eligible projects for consumers, homeowners, and businesses. This financial assistance will directly benefit LIDACs, which will include, but not be limited to: Tribal communities, communities of color (particularly African-, Asian-, and Hispanic-American), communities with environmental justice concerns, energy communities, persistent poverty counties, rural areas, U.S. Territories (particularly Puerto Rico, the U.S. Virgin Islands, and Guam), and populations with disabilities and limited English proficiency.

In line with GGRF Program Objective 2, Inclusiv's program will deliver the benefits of greenhouse gas- and air pollution-reducing projects to American communities, and 100% of funds awarded will be used to provide financial and technical assistance in LIDACs. Inclusiv is committed to ensuring that all organizations have equitable access to their programs, which is articulated on page 3 of attachment "2.1.3 Equity Policies and Practices – Inclusiv."

Our program also supports the following goals and objectives of the FY2022-2026 EPA Strategic Plan: Goal 2: Take Decisive Action to Advance Environmental Justice and Civil Rights Objective 2.1: Promote Environmental Justice and Civil Rights at the Federal, Tribal, State, and Local Levels and Objective 2.2: Embed Environmental Justice and Civil Rights into EPA's Programs, Policies, and Activities.

Table 7 below summarizes Program Objective 2 goals and targets for CCIA project Equity and Community Benefits. CUs will leverage $1,283,000,000 in CCIA capitalization funding to mobilize an additional $2,569,000,000 in private capital for a total of $3,852,000,000 in financial assistance to 815,000 CCIA-eligible projects for households. In addition, CUs will leverage $212,000,000 in CCIA capitalization funding to mobilize an additional $424,000,000 in private capital for a total of $636,000,000 in financial assistance to 85,000 CCIA-eligible projects for businesses.

Table 7: Goals for Equity and Community Benefits – Outputs and Outcomes

Household Project Outputs by Benefit Type, Community Type (all # in thousands, all $ billions)									
	Community Type								
Benefit Type	U.S. Territories	Limited English Proficiency/ Disabilities	Rural	Tribal	Persistent Poverty Counties	Minority	Energy Communities	Communities with Environmental Justice Concerns	Total
# Clean Energy and Energy Efficiency	60.00	44.00	125.00	43.50	39.00	209.00	131.00	209.00	860.50
# Clean Transportation	1.60	1.05	3.00	1.05	1.00	5.00	3.10	5.00	20.80
# Affordable and Sustainable Housing	1.25	0.90	2.50	0.90	0.75	4.25	2.75	4.25	17.55
# Training and Workforce Development	0.05	0.05	0.15	0.05	0.15	0.25	0.20	0.26	1.15
Total # Projects Financed/Deployed	62.90	46.00	130.65	45.50	40.90	218.50	137.05	218.51	900.00
Project Outputs by Household/Business, Community (all # in thousands, all $ in millions)									
# Households Receiving Financing for Projects	50.00	50.00	100.00	50.00	50.00	210.00	100.00	205.00	815.00
Dollar Value of Financing Received by Households									
CCIA Capitalization Funding	$91	$67	$187	$65	$58	$310	$194	$311	$1,283

Private Capital Leveraged	$182	$133	$374	$130	$116	$621	$389	$624	$2,569
Subtotal Investment in LIDACs	$272	$200	$561	$196	$174	$931	$582	$935	$3,852
Dollar Value of Financing Received by Businesses									
CCIA Capitalization Funding	$15	$11	$30	$10	$10	$52	$33	$52	$212
Private Capital Leveraged	$30	$21	$61	$21	$19	$104	$65	$104	$424
Subtotal Investment in LIDACs	$44	$32	$91	$31	$29	$155	$98	$156	$636
Total investment in LIDACs	**$317**	**$231**	**$652**	**$227**	**$203**	**$1,087**	**$680**	**$1,091**	**$4,488**

Business Project Outputs by Business Type (all # in thousands, all $ in millions)

Business Type	Small Business	LIDAC-led Business	Native American-led Business	Community/ Locally-Owned Business	Women-Owned Business	Totals
# Businesses Receiving Financing for Projects	8.50	25.50	8.50	34.00	8.50	85.00
Dollar Value of Financing Received by Businesses						
CCIA Capitalization Funding	$21	$64	$21	$85	$21	$212
Private Capital Leveraged	$42	$127	$42	$170	$42	$424
Total Financing Received by Businesses	$64	$191	$64	$254	$64	$636

Outcomes (all $ in millions)

Clean Energy and Energy Efficiency	Reduction of Energy Burden (estimated utility bill savings for households and businesses)	$480
	Deployment of Clean Energy	305 MW
Clean Transportation	Increased Access to Affordable Electric Vehicles (# of vehicles)	20,000
	Increased Access to Affordable EV Charging Stations (# of charging stations)	5,000
Affordable/ Sustainable Housing	Improved Indoor Air Quality (# households switching from fossil fuel burning systems to electric)	73,000
	Reduced Housing Cost Burden (# households with reduction in utility bills)	180,000
Training & Workforce Development	Increased Participation in Clean Energy Good Job Training (# workers)	2,400
	Increased Participation in Subsequent Clean Energy Good Job Placement/Hiring (# workers)	2,400
	Providing Free/Fair Chance to Join a Union/Collectively Bargain (# workers)	2,400
Other Benefits	Community Wealth/Ownership (investment in community owned and controlled assets via cooperative financial institutions)	$4,488
	Resilience Benefits (# households with solar or solar plus storage)	43,000
	Entrepreneurship (# small businesses, LIDAC-led businesses, Native American-led businesses, Community/Locally-Owned businesses, or Women-Owned businesses hired to complete CCIA projects)	900

1.2.2.3 Market Transformation Benefits

According to a study completed by the University of New Hampshire, community development credit unions are one of the largest classes of "impact investors" in the country. Our target market of CUs manages more than $330 billion in total assets, including $280 billion in deposits. Inclusiv's CCIA Network CUs will transform markets by leveraging their deposits and recycling capital for sustainable financing of CCIA-eligible projects. During this program's period of performance, Network CUs will immediately leverage $2 of private capital from their deposit base for every $1 in capitalization subgrants received. Over time, they will be able to leverage $10 of deposits for every grant dollar that has been lent out and repaid, enabling them to expand clean financing, in perpetuity.

In line with GGRF Program Objective 3, our CCIA program will mobilize financing and private capital to stimulate additional deployment of underinvested greenhouse gas- and air pollution-reducing projects in underinvested communities. Our program will build the long-term capacity of community lenders to finance clean technology projects in LIDACs. This will spur market transformation, supporting market-wide accessibility of affordable financing for clean technology projects to multiply the impact of grant funds. Specifically, with CCIA capitalization funding of $1,496,000,000, we project CUs will generate an additional $2,992,000,000 in private capital, for a total of $4,488,000,000 billion in financial assistance for 900,000 CCIA-eligible projects that benefit households and small businesses in LIDACs.

Leverage

This coordinated training, grants management, disbursement, and support will yield a significant amount of leveraged lending over the course of the six-year performance period, and for years to come. Figure 4 below shows how investment on balance sheets of CUs will yield a 2:1 leverage of total lending deployed over the six-year performance period. More significantly, the later years demonstrate how capital leverage continues to grow as it revolves on credit union balance sheets, and this leverage will grow exponentially beyond the performance period of this CCIA program.

Figure 4: Leveraging CCIA Capitalization Funding with Private Capital

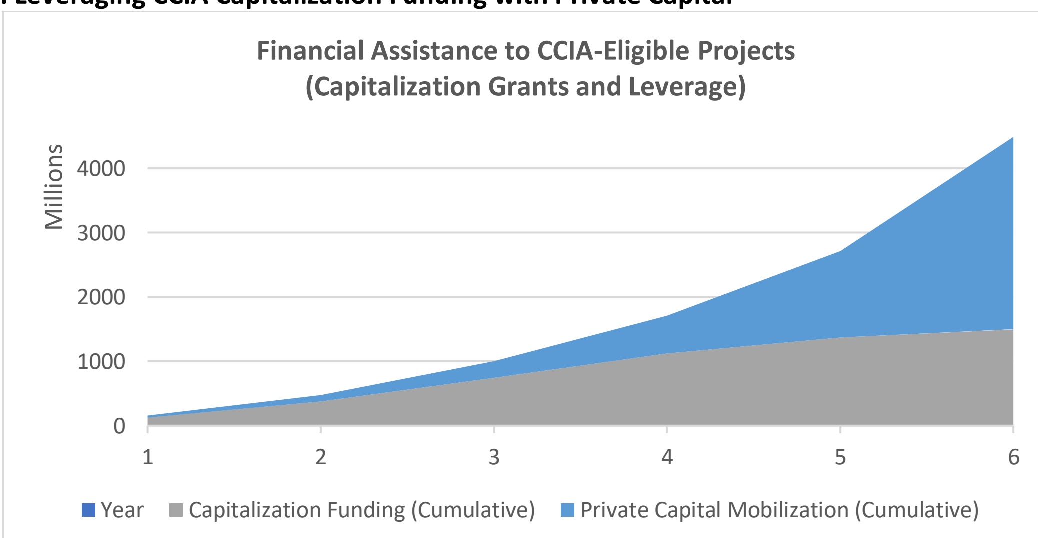


Table 8 below shows market transformation benefits for Program Objective 3.

Table 8: Market Transformation Benefits – Outputs and Outcomes

Outputs (# in thousands, $ in millions)						CCIA-supported transactions using standardized project performance criteria, underwriting guidance, documentation, and product features	
	Grants Funds Committed ($ millions)	Private Capital Mobilized ($ millions)	Private Capital Mobiliza. Ratio	Number of Community Lenders	Number of FTEs Hired/ Trained at Community Lenders	Dollar Value of Transactions ($ millions)	Number of Transactions (# thousands)
By Community Type							
U.S. Territories (PR, Guam, USVI)	$106	$211		28	42	$317	65
Limited English Proficiency/Disabilities	$77	$155		21	31	$231	45
Rural	$218	$434		58	87	$652	130
Tribal	$76	$151		20	30	$227	45
Persistent Poverty Counties	$68	$135		18	27	$203	40
Minority	$362	$724		97	145	$1,087	220
Energy Communities	$227	$454		61	91	$680	135
Communities with Environmental Justice Concerns	$363	$728		97	146	$1,091	220
TOTAL	$1,496	$2,992	2:1	400	600	$4,488	900
By Geography							
EPA Region 1	$30	$65					
EPA Region 2	$103	$199					
EPA Region 3	$69	$134					
EPA Region 4	$423	$843					
EPA Region 5	$153	$301					
EPA Region 6	$177	$352					
EPA Region 7	$64	$125					
EPA Region 8	$25	$46					
EPA Region 9	$300	$602					
EPA Region 10	$157	$320					
TOTAL	$1,496	$2,992	2:1				
By Priority Project Category							
a. Distributed Energy Generation and Storage	$479	$960					
b. Net-Zero Emissions Buildings	$707	$1,420					
c. Zero-Emissions Transportation	$310	$602					
TOTAL	$1,496	$2,992	2:1				

Outcomes	All Credit Unions	CCIA-Supported Credit Unions
Increase in volume ($) of clean capital deployment by community lenders		5% per lender
Increase in share (#) of community lenders with clean lending programs	2% of total	15%

Increase in volume ($) of transactions using standardized project performance criteria, underwriting guidance, documentation, and product features		50% per lender

1.2.3 Pass-Through Strategy

Inclusiv's pass-through strategy is built on the twin pillars of depository leverage and cooperative governance; capitalization funding directly leverages private capital mobilization to finance CCIA-eligible projects in LIDACs. This combination of balance sheet leverage and community control allows evaluation, distribution, and oversight plans to focus directly on CUs to deliver sufficient resources to provide 100% of the financial assistance needed for qualified projects, without any dependency on third-party investors to meet our investment objectives.

1.2.3.1 Capitalization Funding and TA Subaward Design

As shown in Section 1.4, Inclusiv expects to pass through 80% of funds through capitalization funding and 10% as technical assistance subawards, which meets the minimum 90% pass-through requirement. Inclusiv's program parameters include capitalization funding to range from a minimum of $250,000 to a maximum of $10,000,000 per CU. Given the size of the potential Network and opportunity to reach every LIDAC in the country, we anticipate an average capitalization grant of $3,500,000 and technical assistance subawards ranging from $100,000 up to $1,000,000, with an average of $350,000.

Design of Capitalization Funding: Applicants for capitalization funding will propose uses that Inclusiv will review to ensure consistency with definitions of CCIA-eligible projects and federal financial assistance as defined in 2 CFR § 200.1 and 2 CFR § 1500.1(b), and consistency with our CCIA investment objectives. See Subaward Principles and Requirements, page 57 of attachment "2.3.1 Legal and Compliance Risk Management Policies and Procedures – Inclusiv."

The biggest pipeline of lending from credit unions in the early years will be energy efficient appliances, 1-4-family residential property improvements in the forms of retrofits (e.g., heat pumps, electric vehicle charging, insulation, windows, roof repairs), and solar (e.g., rooftop solar or solar plus storage). **Note**: Credit unions will be prepared to deliver electric vehicle loans from the outset, but it will take some time for the price point of new electric vehicles to come down to affordable levels and the supply of used electric vehicles to increase in line with the needs of LIDACs. Most borrowers in LIDACs purchase used vehicles; therefore, community development credit unions focus on used vehicle lending. We anticipate used EV markets to build gradually, with the hope that, beginning in years 3-6 of the program period of performance, EV lending will increase substantially.

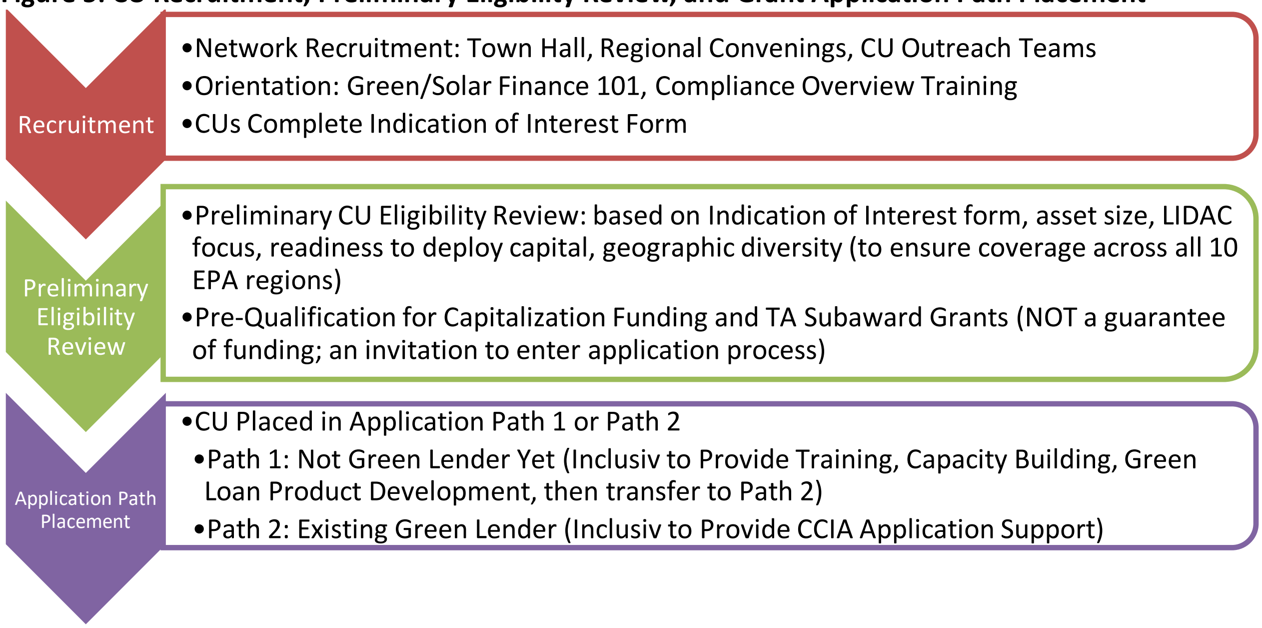
Given the experience we have built over the past five years in training and supporting the launch of energy efficiency, solar, and electric vehicle lending, Inclusiv expects to commit a minimum of 75% of capitalization funding within the first three years of the program, with any remaining funds committed by the end of year four.

Commitments will be made with an anticipated schedule of disbursement over a three-year period, based upon the credit union achieving mutually agreed upon goals and milestones in terms of leverage and deployment. According to our projections, we expect all capitalization funding and TA subawards will be disbursed by the end of year six of the program.

The process from initial lender engagement to deployment of capital is outlined below. This process will be centrally managed through a CU Engagement, Grantmaking, Grantee Management Platform that

Inclusiv will work with an outside firm to build. It will serve as a central hub for Inclusiv to communicate in a clear and secure manner with lenders that are exploring and engaging in the CCIA grant application process with Inclusiv. This platform will enable both Inclusiv staff across all departments and lenders in any stage of the process to track application progress, review information and documentation, submit their grant application, learn they have been selected for a grant, submit their grantee agreements, review their onboarding materials, refer to relevant program information, load any reporting that is needed outside of Inclusiv's Financial Inclusion Data Analytics Platform or FIDAP (for more information on FIDAP, see "Inclusiv CCIA Onboarding and Compliance Training" under the "Grantmaking Process" below), submit grant renewal requests, and load closeout documents.

Figure 5: CU Recruitment, Preliminary Eligibility Review, and Grant Application Path Placement



Recruitment and Engagement

Inclusiv is developing intensive network engagement and outreach activities to reach CUs across all 10 EPA regions and serving LIDACs across the country. CU recruitment and engagement activities will take place on an ongoing basis with the highest levels of outreach for CU recruitment occurring during years 1-4 of the period of performance. Communications will be focused on providing an overview of the capitalization funding and technical assistance subaward grant opportunity and details on how to apply and comply with CCIA program requirements and deliver on required lending activities.

As Inclusiv starts to approve CUs for CCIA grants, engagement activities will start to expand focus beyond recruitment to include engagement. Events will bring together CUs that are receiving CCIA grants from Inclusiv. These Inclusiv CCIA grantees will have the opportunity to share lessons learned, best practices, challenges, and solutions in order to strengthen lender participation and retention in the CCIA program and ensure program success. In years 5-6 of the program, recruitment events will be largely phased out and all events will focus on lender engagement, retention, and program success.

For all six years of the program, annual events for CUs will include:

- Monthly Town Hall webinars;

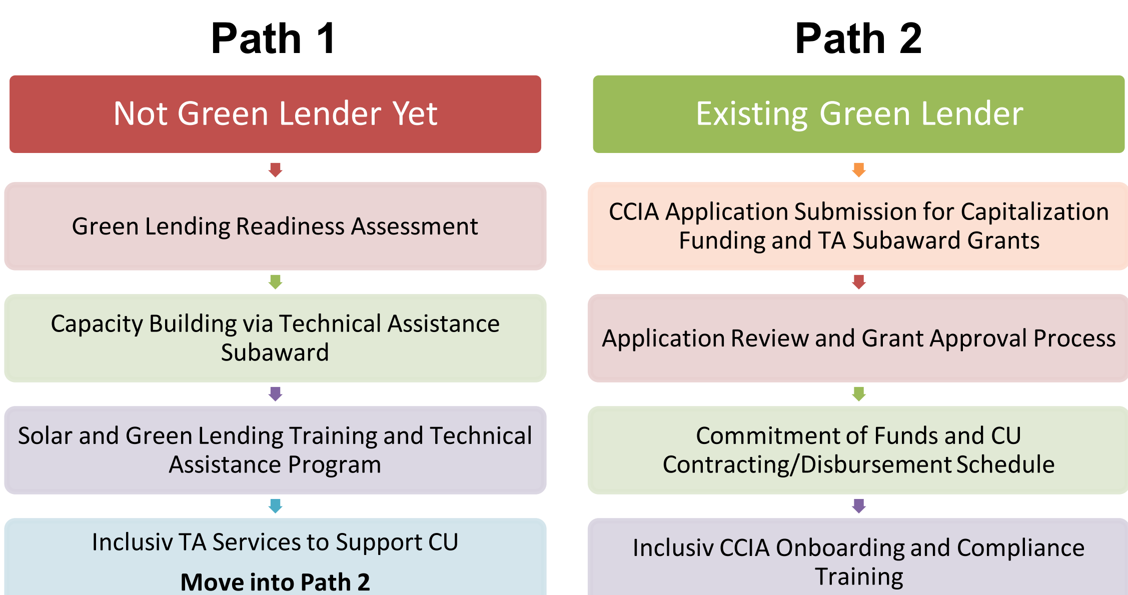
- Additional targeted informational webinars, held at least quarterly;
- Regional in-person convenings during each year of the program (in Year 1 of the program, these convenings will most likely take place in: Puerto Rico, New Orleans, Atlanta, San Diego, Arizona, and the Pacific Northwest; locations and dates for years 2-6 have not yet been determined); and
- A CCIA track for both recruitment and engagement of CUs at Inclusiv's annual conference (the first of these was held in May 2024 at Inclusiv's 50th Anniversary Conference in New York City; the next one will be held in Cleveland, OH in April 2025; locations and dates for years 2-6 of the program have not yet been determined).

Inclusiv's team will be reaching out to the entire CCIA target market – over 900 *Cooperativas*, MDI credit unions, and CDFI credit unions across the country – to engage in conversations with management and Boards on strategic planning and the incorporation of solar and green lending. Figure 5 below shows Inclusiv's planned CU Recruitment Process.

Preliminary Eligibility Review
Based upon strategic planning discussions with CU Boards and staff, the Inclusiv team will support CUs to submit a CCIA Indication of Interest Form to Inclusiv. Inclusiv staff will review the Indication of Interest Form statements of interest and CU plans. Staff will also conduct a review of each CU using publicly available data: asset size, LIDAC focus as indicated by CDFI, MDI, *Cooperativa* designations and other demonstrations of ability to lend in LIDACs, lending data as indication of readiness to deploy capital, and geographic diversity to ensure coverage across all 10 EPA regions. This Preliminary Eligibility Review will pre-qualify CUs for capitalization funding based on asset size. This will not constitute a guarantee of a funding commitment; it is an invitation to the CU to enter the application process.

Application Path Placement
All pre-qualified CUs will be assigned to one of two paths based on readiness to deploy capital, as shown here in Figure 6 and described below.

Figure 6: Inclusiv CCIA Application Process



Path 1: Those CUs with no experience in green lending will be placed in Path 1 (see Figure 6 above) to become green lenders. This will begin with the Green Lending Readiness Assessment facilitated and supported by Inclusiv staff. Small TA subaward grants will be made to those pre-qualified CUs that have high motivation and strong green lending plans but lack the resources to hire the dedicated lender(s) that will be necessary to build the CUs' green loan product(s) and CCIA program. These TA subawards will range from $50,000-$200,000, and will be released to credit unions for the hiring of dedicated lending staff and to support the staff time required to prepare the lending and operations teams at CUs to manage future potential capital awards, upgrade their systems and policies to meet compliance requirements for smooth award management, and support the personnel needed to be trained in the clean energy lending solutions. Once the CUs have dedicated staff, they will be enrolled in the Inclusiv Solar and Green Lending Training and Technical Assistance program. This training is free of charge to all CUs that are pre-qualified during the Preliminary Eligibility Review process, and graduates will earn certificates as Solar and/or Green Lending Professionals. Inclusiv staff will work closely with the Path 1 CUs to provide support as they move through all stages from training to design to execution of green lending programs.

Path 2: CUs that have completed Inclusiv's Solar and Green Lending Training and Technical Assistance program, have certified Solar and/or Green Lending Professionals on staff, and have launched green lending programs will move directly to Path 2, which will be the preparation of an application for capitalization and TA subaward grant funding.

Grant funding requests will be structured by the credit unions based upon the loan products, identified needs in the communities, and determination of allocation of dollars based upon borrower needs and assessment of institutional risk. Based on initial research of existing green lenders, Inclusiv anticipates that capitalization funding requests will fall into three categories: institutional reserves to leverage additional deposits and scale lending, loan loss reserves to mitigate risk, and direct transaction-level support to borrowers to ensure affordability and borrower success.

<u>Grantmaking Process</u>

Inclusiv is building a team that will oversee all aspects of the CCIA grants management process. Key steps in the workplan will be:

- **Grants Management Portal:** Inclusiv will work with philanthropic partners to assess and explore capabilities and limitations of grants management software systems. We anticipate purchasing and customizing a system that will enable us to deliver a seamless and flexible process for credit unions to submit applications and supporting documentation, and enable staff to manage the process of packaging applications, engaging in due diligence and additional information gathering, and then assigning applicants to the grant review committees.
- **Independent Grant Review Committees and Grantee Selection:** Inclusiv will hire clean energy finance experts and credit union industry professionals as consultants to make up the independent grant review committees that will review batches of grant applications and select grantee cohorts of 20 CUs, five times per year. Similar to other federal programs, Inclusiv will assign completed applications to three-person independent grant review committees of experts that will conduct initial reviews and scoring then meet to discuss as a group to determine and address variance in scoring and make final grantee selections. See Section 1.2.3.4 Evaluation Process below for details on the application evaluation criteria. We are expecting this process to be supported by the submission and tracking of all information via the grants management portal.

- **Contracting and Disbursement Schedule:** The Inclusiv team will work through the process of negotiating and finalizing agreements with all selected recipients. Inclusiv will work with each recipient on the finalization of the plan for lending projections and related milestones, and assess areas where the institution may need additional training or support to comply with the requirements of the program. The completed plan and legal agreement will include lending projections and milestones and an agreed upon disbursement schedule that releases funds to CUs upon the completion of CCIA lending milestones.
- **Inclusiv CCIA Onboarding and Compliance Training:**
    - CUs receiving capitalization funding will participate in a mandatory four-week onboarding and compliance course once their CCIA application is approved. In this course, CUs will receive an in-depth orientation to the CCIA program, details about how to plan for program success and how Inclusiv will provide support along the way, and instructions on CCIA program compliance and reporting requirements that each CU will have to follow.
    - As a key part of the compliance and reporting requirements, training on how to use Inclusiv's Financial Inclusion Data Analytics Platform (FIDAP), which Inclusiv has built and manages, to track credit union loan files against eligible CCIA projects in LIDACs will be provided. The newest updates to the FIDAP system establish a customer-friendly user interface to allow credit unions to upload their data on a monthly basis to track their progress against their CCIA goals. Inclusiv staff will play a supportive role in training CUs selected to receive funding on proper loan coding in their systems to ensure consistent tracking across CCIA priority project areas.

CUs that receive capitalization funding will either have existing lending programs with a pipeline of eligible projects or a clear plan for launching their CCIA Green Lending program within six months and an additional 30 months to meet their financial assistance deployment goals to CCIA-eligible projects. Committed funds will be disbursed according to milestones achieved. Once the initial grant has been successfully deployed, even if it is before the end of the initial 36-month grant term, CUs may "renew" their grant if they have not yet reached the $10 million maximum and can demonstrate demand for more capitalization funding for eligible projects.

CUs that receive the maximum $1 million in TA subawards and $10 million in capitalization funding and have met their investment objectives may request an exception to exceed the $10 million cap on capitalization funding, following procedures described by the terms and conditions of the grant(s). This is not expected for most awards and will only be considered if a CU demonstrates ongoing demand, deep impact in reaching LIDACs, and accelerated progress in providing financial assistance to CCIA-eligible projects. We anticipate for many high-performing CUs that, in addition to consideration for larger capitalization, Inclusiv will work to help the CU access capital (e.g., deposits, warehouse loans, credit enhancements and secondary market access) through an NCIF program.

Inclusiv projects that applicants will be able to successfully deploy capitalization funding in amounts up to 10% of the institution's total asset size, while being able to manage risk and meet all CCIA compliance and program requirements. We anticipate exceptions to this general guideline, discussed in more detail in Section 1.2.3.5, to support small and MDI CUs and *Cooperativas*, the majority of which have assets below $100 million.

Design of Technical Assistance Subawards: As noted above, eligible CUs in Path 1 above that meet the requirements in the initial expression of interest, demonstrate commitment to serving the target market, and plan to design and launch green lending products and programs may receive technical assistance subawards between $50,000-200,000 prior to submitting a request for capitalization funding in order to train and support dedicated green lending staff members. These CUs will receive the funds to build the lending program, complete the Inclusiv Solar and Green Lending Training and Technical Assistance program, and launch a lending program within 6-12 months of approval of the subaward. These Path 1 CUs will then move to Path 2.

All Path 2 CUs will be eligible to apply for TA subawards alongside the capitalization funding requests. The TA subawards will be considered alongside the capitalization award process delineated above. CUs will be able to request TA subawards using a standard operating budget template that identifies the key technical assistance needed to make the program a success. These uses include, but are not limited to, hiring of personnel, additional training, marketing, community partnerships to support borrower success, contractor/installer training and vetting support, reporting and compliance, accounting and funds management support, and operational and systems investment. We will also leave room for each CU to include in their TA subaward requests any additional categories or needs they have identified.

Even if CUs do not want to request TA subaward funds for these areas, they will be required to complete the operating budget template to plan the staff, resources, and activities they will need to have in place in order to make this program a success.

Proposed TA subaward budgets will be reviewed by Inclusiv staff at the application phase to ensure that they meet the federal requirements for allowable and reasonable costs and ensure that CUs will have sufficient staff and financial resources to implement a green lending program and achieve the investment objectives and requirements of CCIA.

With the exception of those $50,000-200,000 technical assistance subawards that qualifying CUs receive prior to submitting requests for capitalization funding (as described above), CUs will have three years to spend their TA subawards from the date they receive the funds and will receive TA and capitalization funding commitments at the same time. Each CU that receives capitalization funding will have an initial six months to launch its CCIA Green Lending program. We expect that CUs will begin to use TA subaward dollars immediately to designate or hire staff member(s) to lead their CCIA program and send staff member(s) through the Inclusiv CCIA Onboarding and Compliance Training Program.

1.2.3.2 Distribution Process Design

Inclusiv's process is already underway; Network CUs have already financed **over $500 million in solar projects and energy retrofits for buildings** and, with over $86 billion in current vehicle loans, have created a straight path to electric vehicle loans. Our deep engagement with CDFIs, MDIs, and *Cooperativas* through training, technical assistance, data analytics, and compliance support has identified high levels of capacity to scale this activity.

Inclusiv's grantmaking process is detailed above. Our distribution process will be structured as shown in Table 9 below. We expect to admit 100 CUs per year into the Inclusiv CCIA program. CUs will be admitted in five cohorts per year, each cohort will contain 20 CUs. We anticipate this CU selection process for grants will last for the first four years, and that all grant funds will be committed by the end of year four. This will result in average capitalization grant sizes of $3.74 million per CU, and an anticipated 400 CUs in the program.

However, if the CUs admitted in years 1-3 demonstrate success in meeting the goals of the CCIA program and demonstrate additional grant needs to continue to support LIDACs, we may decide to expand the grants to those CUs already in the program and reduce or eliminate the number of CUs admitted in year four. Over the period of performance, we expect to admit between 300-400 CUs into the grant program.

Table 9: Inclusiv CCIA Distribution Process Design

	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**TOTAL**
# CUs Joining							
Cohort 1	20	20	20	20	0	0	
Cohort 2	20	20	20	20	0	0	
Cohort 3	20	20	20	20	0	0	
Cohort 4	20	20	20	20	0	0	
Cohort 5	20	20	20	20	0	0	
Total # CUs in Program	**100**	**200**	**300**	**400**	**400**	**400**	**400**
Capitalization Funding							
Year 1 Cohorts	$124,666,667	$124,666,667	$124,666,667	$0	$0	$0	$374,000,000
Year 2 Cohorts	$0	$124,666,667	$124,666,667	$124,666,667	$0	$0	$374,000,000
Year 3 Cohorts	$0	$0	$124,666,667	$124,666,667	$124,666,667	$0	$374,000,000
Year 4 Cohorts	$0	$0	$0	$124,666,667	$124,666,667	$124,666,667	$374,000,000
Total Amount of Capitalization Funding	**$124,666,667**	**$249,333,333**	**$374,000,000**	**$374,000,000**	**$249,333,333**	**$124,666,667**	**$1,496,000,000**

As noted above, the Preliminary Eligibility Review will pre-qualify CUs for capitalization funding based on asset size and assign them to one of two paths based on readiness to deploy capital. This will not constitute a funding commitment but will enable Inclusiv to fine-tune and monitor our initial projections and capital deployment model. Each path will deliver a combination of application support and technical assistance to ensure that CUs receive awards that meet all CCIA requirements for community lenders providing financial assistance to CCIA-eligible projects and are appropriate in size and tailored to the needs and characteristics of their institutions and communities.

The next step is a rigorous review of lender eligibility, described in Section 1.2.3.3 below. If an organization is deemed ineligible for Inclusiv's program, but may be eligible for another CCIA, Solar for All, or NCIF award, we will facilitate the appropriate connections.

Final determination of amounts for capitalization funding and technical assistance subawards will be made during the full application review, described below in Section 1.2.3.4.

Path 1 (Not a Green Lender Yet): As described above, lenders that are new to green lending will complete one of Inclusiv's existing Solar and Green Lending Training courses, led by experienced practitioners. These courses provide tools to develop a green lending plan, a key part of a full application. After completion, Inclusiv staff will work with course graduates to determine if they are ready to proceed with a full CCIA application. CUs that are ready will then proceed along Path 2, outlined above.

These CUs may be eligible to receive an initial TA subaward to hire dedicated lending staff to complete a Solar and Green Lending Training course. Dedicated CCIA lending staff members will also engage CU membership and local community partners, assess the local energy market, design the green loan product (with management and Board of Directors), shepherd the approval of program policies through the Board of Directors, and develop the implementation and marketing plans with appropriate existing credit union personnel. These participants will join our growing Solar and Green Lending Alumni Network that offers peer support and exchange. This has proven to be an extremely effective way of moving CUs along the path to launching a clean financing program and reflects the cooperative values that underpin the CU movement: cooperation among cooperatives. Inclusiv will continue to support with one-on-one technical assistance as needed and encourage the CUs to participate in Inclusiv's CCIA technical assistance services.

Final determinations of capitalization funding and TA subawards will follow the detailed review of full applications (as delineated above). We anticipate commitments of an "up to" grant amount, with disbursements for achievement of specific milestones (e.g., launch of new product/program, volume of loan deployment, etc.). CUs will be eligible to request renewed support, at such time that they have deployed their initial commitment, if they can demonstrate an ongoing need for capitalization.

Path 2 (Existing Green Lender): As described above, lenders that already operate green lending programs, or have well-developed green lending strategies and plans to launch a program, will move directly to completing a full application for capitalization funding and technical assistance subawards. Full application packages will include materials submitted for the eligibility review, budgets for use of TA subawards, and timelines for capital deployment. Inclusiv anticipates follow-up between Inclusiv staff and applicants to review materials and discuss changes to the budget and capital plan. Inclusiv staff also will review proposed technical assistance subaward budgets against a checklist of cost categories that CUs will need to address in order to successfully execute clean energy lending and federal subaward management. This checklist will include, but is not limited to, dedicated staff for program management, translation services, audit and legal fees, software, and marketing and outreach expenses.

Applications will be reviewed and approved five times a year, as shown in Table 9 above. Each cohort of approved CUs will participate in a four-week Inclusiv CCIA Onboarding and Compliance Training program to ensure they understand the requirements of the program, have the right structures and supports in place to launch the program, and have a clear understanding of the support Inclusiv provides.

1.2.3.3 Eligibility Review Process

As noted in Section 1.2.3.2, a Preliminary Eligibility Review has already begun for a large portion of our Network. The next step is a rigorous review of each CU's eligibility, adapting the methodology used for our capital investments and analyzing publicly reported data along with documentation submitted by CU applicants to determine if they meet the four eligibility criteria:

1. Meets the definition of a not-for-profit, nonprofit, public, or quasi-public agency that is a community lender, as defined in Section 134(b)(2);
2. Is in good financial and regulatory standing;
3. Demonstrates mission alignment with the CCIA program objectives and focus on 100% of lending to LIDACs; based upon their designation as a CDFI, MDI, *Cooperativa*, or other community lender, demonstrates that CU governance, leadership, and lending is focused on financial inclusion of LIDACs; and
4. Demonstrates strong interest and plan to design or expand loan products that reduce GHG emissions and air pollution.

Inclusiv's rigorous eligibility review policy for pass-through funding to credit unions is described in the Subaward Principles and Requirements section starting on page 57 of attachment "2.3.1 Legal and Compliance Risk Management Policies and Procedures – Inclusiv."

Inclusiv staff monitors financial performance data for all CUs. Each applicant is evaluated using detailed data analysis and peer comparisons on financial performance, trends, and impact. This review of publicly available quarterly data is combined with organizational documents required from each applicant, including:

- Policies and procedures for Lending, Delinquency, and Collections; ALM/Investment/Financial Management; Allowance for Loan and Lease Losses and Calculations; Indirect and/or Participation Loans, portfolio management practices; Enterprise Risk Management (if available); and Succession Plan.
- Information on material vendor agreements and partnerships.
- Last two years' management letters and annual financial statements audited by an independent certified public accountant and/or Supervisory Committee.
- Status of any outstanding Letter of Understanding Agreement, Document of Resolution, Prompt Corrective Action, or any other regulatory compliance matters.
- Status of any mergers, purchases, or assumptions, and/or any other debt obligations.
- Most recent financial statements since the last NCUA Form 5300.
- Initial green lending plan.

1.2.3.4 Evaluation Process

As noted in Sections 1.2.3.1 and 1.2.3.2, CUs that pass our Eligibility Process will be pre-qualified for an initial amount of funding based on their asset size. Once pre-qualified, and then determined as "ready to deploy," they will go through the full application and evaluation process. This step is critical to determining institutions most aligned with EPA investment objectives and Inclusiv's goal to build a sustainable national network of green lenders serving all LIDACs.

Process: As mentioned above, applications will undergo two levels of review, based on the process outlined in Inclusiv's capital management policies. See Inclusiv's grant review process, in Subaward Principles and Requirements, page 57 of attachment "2.3.1 Legal and Compliance Risk Management Policies and Procedures–Inclusiv." The first level of review will be conducted by Inclusiv staff. The staff will review all documents as well as the CU's past four years of financial reports and prepare a summary analysis to accompany the complete application packet for independent grant review committee members. The analysis will include a summary overview of the CU and financial trends (not requested as part of application) and highlight key components of the application including service area, membership, and demonstration of its shared mission with Inclusiv and the purposes of the CCIA.

The independent grant review committees will be exclusive to the CCIA funding process and draw upon expertise on what will make an applicant successful in launching the program, as per the Capital Policy (see Capital Policy, page 4 of attachment "2.3.1 Legal and Compliance Risk Management Policies and Procedures – Inclusiv"). This enables us to draw upon expertise specific to the funding objectives. Grant review committees will consist of three to five members, with three members reviewing each application via a scoring and discussion process consistent with existing federal funding programs. To ensure independence and objectivity, these committees will operate at an "arm's length" from the Inclusiv Board and membership and consist of subject matter experts, community finance specialists, and Inclusiv personnel. For the purposes of this grant, we intend to draw from our extensive network of clean energy finance experts who have served as instructors, technical assistance providers, and advisors at the Center over the past five years. These committees ensure that capital commitments achieve and maintain a balanced portfolio, including in terms of geographic distribution and coverage of the 10 EPA regions and a laser focus on LIDACs.

While Inclusiv will have a full formal application that will require applicants to describe the CU, its recent trends, and the proposed use and impact of funds, we have designed a process that minimizes the burden on applicants of extensive proposal writing. Our process instead draws on existing data and reports that all CUs have related to their core business and a green lending plan, which is developed through our training and TA services before applying. This is important for creating accessibility for our field specifically: it has long been proven out in community development lending that beautiful prose is not correlated to program or institutional success or impact. In fact, very few CUs have grant writers or dedicated fundraisers on staff. CUs are successful because of their ability to make good loans. With loan deployment rates between 70%-80%, they are among the most effective and productive lenders in the CDFI field. The Inclusiv evaluation focuses on the demonstrated ability of institutions to build effective loan products, demonstrate depth of knowledge and expertise in serving low-income and disadvantaged communities, launch new products with strong repayment, and showcase borrowers' success using the capital to improve their financial position and drive emissions reductions.

Evaluation criteria and underwriting is based on:

1. Strength of CU green lending plan,
2. CU demonstration of ability to meet EPA and Inclusiv goals and targets,
3. CU demonstration of ability to meet clean financing outputs and outcomes in LIDACs,
4. Financial health assessment, and
5. Operations and management capacity.

Inclusiv will develop a scoring rubric that assigns points to the following four categories using simple scales. While scoring will indicate if an applicant is not likely to be a good steward of funding or able to achieve impact – and therefore should not receive an award at that time – an equally important goal is to identify, at this early stage, areas where lenders would benefit from additional technical assistance in order to be successful. The scoring will help Inclusiv to size the capitalization award appropriately. All applicants will receive a copy of their evaluation, regardless of whether their application was successful. Evaluation criteria for each of these key areas are described below.

1. LIDAC Engagement: Lenders will be able to upload their current lending information to determine how well they are already reaching CEJST communities and develop the plan for achieving 100% of all CCIA investment (including leverage) to reach and serve LIDACs. Inclusiv staff are deeply skilled in working with credit unions to build strategic plans to reach deeper in their communities and identify the financial inclusion opportunity. This work will be supported throughout the pre-application period so that credit unions can submit strong CCIA plans for reaching LIDACs.

2. Strength of Green Lending in LIDAC Plan: In the past three years, we have guided over 500 community lenders through our Solar and Green Lending Readiness Assessment Tool, which helps lenders create and launch new green loan products customized to the needs of LIDACs. We will use this tool to evaluate community and market readiness factors, such as the local government and utility environment and supportive policies, regulations, and statutes (e.g., net metering, PACE financing, etc.). The Solar and Green Lending Readiness Assessment Tool also assesses CU Readiness in terms of leadership, capacity, resourcing and support for green lending, commitment to LIDACs, risk tolerance, expertise in loans best suited for green projects, loan origination software, and installer management.

The Tool will help CUs build effective plans to develop, launch, and manage clean financing programs for CCIA-eligible projects. Inclusiv will evaluate the strength of each green lending plan based on its ability to describe, in adequate detail, plans for:

- Scope and Reach: how to connect CCIA products with members of the community most in need of clean energy projects;
- Staffing: hiring, training, and supervising staff to execute program activities and goals;
- Community Engagement: with community-based organizations, environmental justice organizations, and local stakeholders to ensure those historically been left behind in the clean energy transition have equitable access to affordable CCIA-supported loans;
- Installers: commitment to workforce development and partnering with diverse installers to generate loan activity, successfully implement clean energy projects, and build the local clean energy market; and
- Consumer Education and TA: on clean energy benefits via member education campaigns, borrower TA, and financial coaching to maximize affordability using applicable clean energy incentives and impact of clean energy loans on monthly borrower cash flow.

3. Financial Performance Assessment: Inclusiv will follow a consistent but slightly amended version of our underwriting and evaluation requirements for grantmaking to ensure that the funds are optimized, deployed, and focused exclusively on meeting program objectives and guidelines. The overarching goal of reviewing financial performance is to understand a CU's ability to manage its capital, including infusions of grants and other investments, to further its mission and financial sustainability.

The assessment of CU financial performance will use three years of financial performance data as reported through regulatory call reports. To ensure that capital is not concentrated in the largest institutions with the greatest total amount of capital, Inclusiv creates market segments based upon asset size to ensure apples-to-apples reviews. Applicants experiencing an unusual event that may be evidenced in their financial statements (e.g., a local climate event creating an increase in loan delinquencies or unexpected surge in operating expense) are encouraged to provide an explanation that describes the event and the steps that applicant has taken to mitigate and address it. Each applicant is reviewed in the following key areas of financial performance:

- **Capital Adequacy** for CUs is based on net worth-to-total asset ratios in excess of 7%, but CUs that lend deeply in their communities will have an 8-10% net worth ratio. Ratios higher than 20% may indicate insufficient leverage of funds, which may be due to recent investment growth or limited leverage of existing capital.
- **Asset Quality** assesses historical lending data to see the patterns of growth in lending and the quality of those loans, with close examination patterns of delinquencies and charge-offs to loans to ensure the CU has the capacity to deploy capital well.
- **Earnings** are reviewed over a three-year period with a focus on return on average assets ratio, a key indicator of overall institutional viability and strength, with an understanding that Network CUs may have higher operating ratios but are generally more deployed with comparable earnings ratios.
- **Liquidity:** Assessment of institutional liquidity in terms of funds available for lending and ability to raise deposits to deploy new loans. Liquidity is evaluated on both the amount of current capital available for lending and the demonstrated ability of the CU to manage reasonable liquidity ratios.

4. Operations and Management Capacity: Institutional success ultimately hinges on strength of leadership, alignment on vision and direction between Board and management, deep knowledge of the community served, a passion for the work, and the ability to make good loans.

Our evaluation assesses the Board (connection to community, knowledge and experience with the CU, and the engagement of diverse board members, including tenure) and the capacity of management (including tenure, experience within industry, level of responsiveness, vision, and innovation). We seek additional information as needed on technology, staffing and staff retention, transition and succession planning, and operational and compliance capacity.

We evaluate the CUs on their ability and desire to innovate to meet their evolving community and its needs. This is often reflected in the institution's involvement with programs such as Juntos Avanzamos (supports new immigrants), its engagement in local community efforts (e.g., homeownership campaigns, small business engagement, savings initiatives, sustainability initiatives), or the implementation of targeted member education and engagement efforts (e.g., financial coaching, savings challenges, credit building and repair, homeownership workshops, etc.). For the purposes of the CCIA opportunity, we will evaluate the extent to which CUs have a history of innovating to meet community needs and the work that they have done so far to understand their community's need for clean energy projects.

1.2.3.5 Amount Determination Approach

As noted above, capitalization funding amounts will be committed and distributed based upon CU asset size, lending capacity, and growth trends and adjusted to prioritize lending deeply into LIDACs. For example, our general rule of thumb is that capitalization funding should not exceed 10% of a CU's net worth, but we recognize that this may unduly constrain the growth of green lending in communities of color, since 80% of all MDIs and nearly half of CDFIs have less than $100 million in assets. As a result, guidelines for capitalization funding will ensure that these vital community lenders will be able to receive meaningful support from CCIA, while ensuring the institutions will have the capacity to successfully deploy the full amount of funding.

Similarly, TA subawards will be sized to reflect the potential of a community lender to achieve transformative impact and deep reach into target communities. We believe there is a baseline of costs that any CU will need to cover to be successful, including dedicated staff members, loan servicing platforms, and adequate resources for marketing and outreach. However, we can also envision cases in which CUs will need additional resources to reach often-excluded members of their communities – for example, monolingual non-English speakers. Similarly, we can anticipate scenarios in which CUs could qualify for additional resources if they have identified a specific need in order to reach a certain part of their target market or access a specific incentive or program that enhances their ability to support clean energy projects in LIDACs.

1.2.3.6 Management and Oversight Plan

Our management and oversight plan and process will draw on Inclusiv's 40 years of experience as a financial intermediary and robust data analytics capability (see Section 2.1.2 on Organizational Experience). It will also require an investment in hiring of new personnel in the fiscal and accounting department, legal support to review and administer assistance agreements, and a large increase in Inclusiv's team to deliver technical assistance and support to ensure that CUs are successful in deploying capital and managing growth. Financial disbursements, reporting, auditing, and financial compliance will be conducted according to Inclusiv's established capitalization policies and procedures. See page 57 of attachment "2.3.1 Legal and Compliance Risk Management Policies and Procedures – Inclusiv."

We are fortunate to have strong systems and platforms already in place. Inclusiv recently upgraded our accounting systems to accommodate larger and higher volume loan and grant approvals and disbursements. Inclusiv has built out our CRM system to join public CU data with their history of participation, engagement, and support in Inclusiv programs.

Inclusiv manages a data analytics program that processes millions of loan transaction data to determine lending in LIDACs. Inclusiv will rely upon our Financial Inclusion Data Analytics Platform (FIDAP) system to serve three important roles: first, as a tool to help CUs target and track eligible loans to LIDACs; second, as a source of regular, detailed transaction-level data that will enable Inclusiv to monitor progress and performance of CUs in close to real time; and third, as a comprehensive source of data that can be aggregated to meet EPA and CCIA reporting requirements.

Inclusiv launched the first iteration of this platform in 2022 as an in-house solution for CDFI and CDFI-eligible CUs to upload transaction data and receive detailed metrics required for CDFI eligibility and compliance and data that could assist in grant applications and impact assessment. Inclusiv's FIDAP system has been enhanced to provide detailed reports that can be used for compliance with CDFI grants and the Treasury's Emergency Capital Investment Program. Important new features will include: (a) the ability to geocode transactions using both 2010 and 2020 FIPS codes, to facilitate accurate program analysis using reference tables for CDFI grants, ECIP, and GGRF/CEJST that are based on one or the other census tract vintages; (b) a new front-end portal which will enable users to upload data, see a customized lending dashboard for their institution, and generate custom reports directly; (c) data visualization features that will enable CUs to see where their loans are and do more specific outreach and targeted lending; and, (d) a Spanish-language option.

CUs receiving capitalization funding will be onboarded and trained in the use of FIDAP as part of the mandatory four-week Inclusiv CCIA Onboarding and Compliance Training course, once their application is approved. FIDAP will be an essential part of the mechanics used to distribute funds to community lenders, which will depend on the type of capitalization funding to be passed-through. For subgrants for institutional capital or loan loss reserves, FIDAP analysis of recent CU transaction data lets us create a timetable for disbursements tied to specific benchmarks for financial assistance to qualified projects in LIDACs that would be set for each CU.

The development of technical assistance subaward budgets will be a collaborative process in the application and contract negotiation phase, which allows us to do initial verification that subawards will only be spent for eligible uses. In addition to the institutional capacity building from the Inclusiv team, we plan to engage outside expertise on compliance relevant to OMB circulars and EPA requirements including virtual desk audits on budget expenditures, policies, and documentation. Funding will be reimbursement-based, which will enable us to review eligibility of expenses on a regular basis as well as monitor actual spending. When reviewing Inclusiv and subgrantee spending, Inclusiv will refer to CFR § 200.403 and 200.442 for details on allowability of cost criteria.

FIDAP will also provide Inclusiv with detailed information on performance progress and facilitate the timely and effective allocation of technical assistance to meet evolving needs. Because we know that CUs operate in dynamic environments, we will be flexible about variations from the approved budget as long as the actual spending reflects allowable and eligible activities and expenses.

We will monitor actual spending of both capitalization funding and TA subawards on a quarterly basis to re-project timeline for funding disbursement and monitor overall share of award allocated to capitalization funding versus TA so as to ensure that the minimum thresholds of 80% for capitalization funding and 90% for capitalization funding and TA subawards are met, while managing our pipeline of additional application reviews and funding commitments. Capitalization funding will be milestone-based, and we will reallocate funding if milestones are not being met.

1.2.4 Technical Assistance Services Strategy

1.2.4.1 Targeted Community Lender Support Plan

Inclusiv integrates technical assistance services into program design to ensure CUs have the capacity to develop and launch green and sustain green loan programs that meet CCIA investment objectives and manage federal funding in a way that achieves maximum impact and ensures compliance with all applicable requirements. Our education is the basis for ongoing technical assistance services to support institutions that receive capitalization funding and TA subawards and encourage those that are not recipients. Built into our approach is the continued growth and activation of our Solar and Green Lending Alumni Network, which supports peer learning to accelerate clean financing program launch and growth. We engage with technology partners to facilitate loan underwriting and origination to scale delivery of consumer loans for appliances and electric vehicles and connect lenders with solar installers. Technology alone will not build demand; knowledgeable and engaged local lenders engage and support borrowers to succeed.

Post-Capitalization Funding Technical Assistance Services: When selecting external contractors (including consultants) for the provision of such services, Inclusiv will comply with the competitive procurement requirements in 2 CFR Parts 200 and 1500 as well as EPA's 40 CFR Part 33 Disadvantaged Business Enterprise participation rule.

The Inclusiv TA services (as distinct from TA subawards identified above) are designed to help CUs maximize impact by lending deeper into LIDACs; supporting business development, job creation, and local hiring by businesses engaged in clean energy projects; and ensuring consumer protections. These services are available in cohort-based trainings, webinars, through materials and toolkits available online, and through one-on-one engagements with TA providers retained by Inclusiv to support awardees.

- **Community Engagement TA** to build partnerships to drive community outreach and education, respond to community priorities, and deliver clear, compelling, culturally and linguistically appropriate communications on benefits of clean energy for borrowers.
- **Underwriting TA** in specific clean energy technologies, such as solar, to assess and vet installers and their quotes to ensure quality and affordability.
- **Building Decarbonization TA,** which Inclusiv will deliver in partnership with local and regional TA providers, including organizations like Building Energy Exchanges in New York, St. Louis, and Kansas City, the Institute for Market Transformation, state energy offices, and EPA's 16 Environmental Justice Thriving Communities Technical Assistance Centers (EJ TCTACs).
- **Consumer Protection and Engagement TA** will support financial coaching and counseling; and installer vetting and quote reviews. In addition, consumer research platforms and financial coaching modules will be leveraged to ensure loan affordability and borrower access to broader Inflation Reduction Act, State, and local subsidies and supports. As mentioned above in Section 1.2.1.1, Inclusiv has established a new initiative called Consumer Finance for Climate Action (CFCA) to coordinate multiple leaders at the local level to work alongside credit unions to incorporate consumer voice and bring together all the possible touch points of serving low-income consumers.

- **Labor and Workforce Protection TA** will focus on building on-the-ground partnerships with local business organizations, labor and workers' rights groups, and trade associations, described in more detail in Section 1.2.5.2. In addition, this will focus on the design of new tools and systems that build the capacity of minority- and women-owned contractors and installers; the vetting and training of these contractors; and connecting the contractors and lenders for smooth, streamlined loan application and approvals.
- **Technology TA** will provide CUs with solutions that automate vendor vetting and management.
- **Compliance and Reporting TA,** which will strengthen initial required training on reporting and program compliance and expand the use of Inclusiv's FIDAP reporting platform.

Targeted Support for CUs Without Capitalization Funding or TA Subawards

The entry point for community lenders that have not received capitalization funding are the trainings developed and offered by Inclusiv/University of New Hampshire. As noted in Section 1.2.3., the goal for community lenders participating in one of our courses for the CCIA program is to finish the course with a completed green lending plan, which forms the basis of their full application for CCIA support. However, we recognize that not every lender will be ready to apply or launch a program upon course completion. Our Solar and Green Lending Alumni Network is designed to continue to move them along the path, and Inclusiv hosts 1-2 virtual webinars and workshops per quarter with peers who want to share experiences on specific green lending questions and investigate potential partnerships. Inclusiv routinely sets up introductory calls between lenders so they can offer advice, learn from others' experiences, and pursue potential partnership opportunities. These introductions have led to co-financing arrangements and solar loan participations and also resulted in established green lenders sharing their own materials and program design so that other lenders do not have to start from scratch. We believe this powerful peer effect reflects the unique cooperative values of CUs, which are not standard across the financial services sector.

1.2.4.2 Financial Market-Building Plan

Inclusiv will build a supportive financial market for community lenders to provide financial assistance to CCIA-eligible projects and achieve investment objectives in several ways:

1. Lender Engagement: (onboarding, loan origination software integration, application receipt/processing, underwriting, and decisioning) Inclusiv, in close partnership with solar professionals that specialize in serving LIDACs and via community lending, project development, contracting, and installation, provides standardized solar project performance criteria, underwriting guidance, documentation, and product features. We built this based on detailed requests from hundreds of community lenders seeking standardized tools that enable them to rapidly develop their solar loan products and programs.

With CCIA funding, we will expand our platform into a Green Loan Market-Building platform that covers consumer decarbonization lending along with the broader range of CCIA-eligible projects and will continue to iterate on this platform as CUs add new green products that build their local energy markets. While we systematize and increase access to these platform solutions, we also ensure that guidance provided stays dynamic and responsive to the changing market conditions that are sure to rapidly evolve with the influx of CCIA capital, along with all the other capital and incentives provided by all Inflation Reduction Act programs.

2. Consumer Engagement Platform: (Financial Coaching/Clean Energy Incentives/Adoption)
In LIDACs, people are more likely to live in buildings with inadequate insulation and outdated HVAC systems, drive older cars, and are less likely to have access to solar energy. There is thus an enormous need for clean energy solutions – but a variety of barriers prevent need from being expressed as demand. Besides lacking affordable financing, other major barriers include a lack of knowledge about clean energy options, uncertainty about whether a clean energy investment will yield the expected results (e.g., will this heat pump really work?), difficulties in finding and managing installers, and, above all, a lack of trust given the history of scams (e.g., home improvement scams, solar scams, used car scams) that have plagued LIDACs. Our Network lenders are known and trusted in their communities. By providing them tools to address other barriers to demand, Inclusiv will unlock clean energy potential in LIDACs. For example, our member lenders offer financial counseling to all customers. Inclusiv has developed a new counseling module that helps Network counselors identify opportunities for customers to save money and improve their health through clean energy projects.

3. Installer Engagement, Support, and Vetting Platform: Inclusiv works with partners to develop operating platforms that vet and manage the work of home energy improvement installers, reducing risks for customers. Inclusiv has worked to identify technology solutions that can support CUs by automating vendor vetting and management, as well as loan processing and underwriting. These technology platforms can be a solution for CUs who do not have the staff to manage individual vendor relationships and process loan requests in real-time. However, while there are many benefits to integrating vendor vetting and loan processing technology into a CU's green lending program, these platforms have to be vetted and piloted.

Inclusiv is in the process of vetting potential technology partners. In addition to technology efficiencies, Inclusiv is also interested in supporting financial technologies that can support uptake in green lending.

1.2.5 Implementation Plan

1.2.5.1 Community Lender Outreach and Accessibility Plan

In Section 1.2.1.1, we outlined a number of Inclusiv initiatives that help CUs deepen their community engagement in LIDACs. Our extensive engagements with CUs that predominantly serve LIDACs begin with effective communications, outreach, and an engagement strategy to raise awareness of our program and resources.

Robust Outreach Plan: Inclusiv's outreach plan builds on our experience disseminating information about green lending through outreach to all our networks through Town Halls, newsletters, op-eds, and videos about the Greenhouse Gas Reduction Fund, and amplifying our message through our expanding Solar and Green Lending Alumni Network. Through our dedicated focus, strong partnerships, and funding from the Department of Energy, Inclusiv has become the primary training organization for the CDFI field on Solar and Green Lending. We have a robust database of more than 1,000 CDFIs that have applied to our training programs and deep knowledge of those that have completed our training through their participation in the Solar and Green Lending Alumni Network.

Our outreach plan begins with Network engagement to CUs and promotion of the CCIA grant funding opportunity through a number of effective communication channels for reaching CUs.

Thorough Accessibility Plan: Working throughout our five regional offices, each working directly across at least two EPA regions, ensures we are providing on-the-ground support to connect credit unions to be as accessible and connected with target populations historically marginalized and excluded from the financial mainstream. This will enable credit unions in our Network to deepen their financial inclusion work and expand their service areas to reach 100% of LIDACs in the U.S. (up from current level reaching more than 79%).

Because of the vast network of CUs and the communities they serve, Inclusiv works to make our programs accessible to persons with disabilities, those with limited English proficiency, and those who may be isolated geographically or in socio-economically distressed areas. Inclusiv staff will be developing targeted outreach and engagement to ensure we obtain maximum participation among Black, Latinx, Native, and Asian-American CUs, and that we place a particular focus on CUs operating in target geographies such as Native Tribal communities, rural areas, and island communities including Puerto Rico, U.S. Virgin Islands, Hawaii, Guam, and American Samoa. See Equity Policy, 4.6 Programs, products and services, page 3 of attachment "2.1.3 Equity Policies and Practices – Inclusiv."

The primary language, other than English, represented in our Network is Spanish, so we plan to make all our outreach and training materials available in English and Spanish. For webinars delivered live and recorded for future viewing, we also use closed captions to make content accessible to individuals with hearing impairments. While Spanish and English are the predominant languages for our Network, there are CUs that serve monolingual speakers of other languages and are organizing efforts to build new CUs to serve immigrant and/or refugee populations. Examples of this include Northeast Community Federal Credit Union in San Francisco's Chinatown, which serves many newly arrived immigrants in their native language and with affordable products that offer an alternative to the area's mainstream banks which cater to a more affluent and English-speaking population. See Northeast Community FCU's letter of interest, page 441-442 of attachment "1.1.3 Community Lender Letters of Interest." We will work with these CUs to make sure that access to information on the CCIA grant opportunity is tailored to the needs of their Boards, staff, and members. We will also dedicate Inclusiv technical assistance funds to ensuring materials are in multiple languages as needed and that culturally competent trainers and technical assistance providers are identified.

1.2.5.2 Labor and Equitable Workforce Development Plan

Inclusiv and our Network CUs are committed to the principles and priorities of this funding opportunity for creating good jobs. Inclusiv will work toward these goals in several ways:

- Continue to work with the University of New Hampshire to identify opportunities to build connections between local solar installers and community lenders, including through engagement opportunities with UNH's training program focused on building solar installer capacity and expertise; see UNH's letter of commitment, pages 10-11 of attachment "1.2.5.2 Labor and Equitable Workforce Letters of Commitment – Inclusiv."
- Building on our work helping credit unions build partnerships with local clean energy installers, we are currently piloting an approach that helps credit unions identify the full local ecosystem that supports the related goals of building local business capacity to perform clean energy projects and creating good job opportunities for members of LIDACs. Inclusiv is piloting a few of these partnerships now and has received letters of commitment from regional and national organizations, that specialize in workforce development for groups that are underrepresented in the solar industry (e.g., women, people of color, those impacted by the criminal justice system), see pages 4-6 (GRID Alternatives), page 7 (NYSERDA), and 8-9 (Solar One) of attachment "1.2.5.2 Labor and Equitable Workforce Letters of Commitment – Inclusiv."
- Inclusiv also plans to partner with organizations like the Black Owners of Solar Services (BOSS) to support black-owned businesses in the clean energy sector and connect BOSS's members to Inclusiv's Network of credit unions looking to build partnerships with a diverse and skilled solar

workforce; see pages 2-3 of attachment “1.2.5.2 Labor and Equitable Workforce Letters of Commitment – Inclusiv.”

- CUs partnerships with local installers: Our training/TA services help CUs identify the full local ecosystem that supports the related goals of building local business capacity to perform clean energy projects and creating good job opportunities for members of LIDACs. Inclusiv requires its subawardees to make a good faith effort to ensure that disadvantaged business enterprises, including minority business enterprises and women’s business enterprises, receive a fair share of any contracts awarded. See Subaward Principles and Requirements, 3.1 Requirements, page 58 of attachment “2.3.1 Legal and Compliance Risk Management Policies and Procedures – Inclusiv.”
- Development of new worker-owned cooperatives: Worker-owned cooperatives are a natural fit with a CU-driven strategy because of their common cooperative structure and values and because business ownership is an asset building opportunity that aligns with CU goals for community-based economic development and financial inclusion and the goals of this program. We will partner with national organizations that support the cooperative business movement to connect with their networks of existing worker cooperatives that could participate in clean energy projects and, more importantly, to provide technical assistance to individuals and firms that want to join together in a cooperative model to pursue clean energy projects, including those funded by CCIA investments.
- Small business financial coaching and counseling: These partnerships will lead to the development of additional learnings in labor and workforce best practices (e.g., fair wages, safety protections, transparent quotes and pricing, etc.) that can be integrated into existing small business financial counseling and coaching programs at CUs.

There is a historical connection between CUs and labor, which persists in the form of CUs organized by and for workers to promote their financial security. The prevalence of employee CUs amongst professions in which people of color and low-wage workers are disproportionately represented, including health care and the public sector, speaks to the connection between labor concerns and the CU model: CUs offer a powerful set of tools for addressing financial security and creating asset building opportunities for individuals who are not well-served by the mainstream, for-profit financial services sector. Examples from within Inclusiv’s Network include 1199 SEIU Federal Credit Union, a CDFI and MDI CU which was founded in 1940 to serve New York’s Health and Human Service Employees Union, which has grown to cover 450,000 health and human services workers on the East Coast (see pages 26-27 for 1199 SEIU letter of interest of attachment “1.1.3 Community Lender Letters of Interest”); and North Carolina’s Local Government Federal Credit Union, a CDFI credit union established to serve municipal government workers across the state.

There are also examples from our movement where CUs have been born out of labor organizing efforts. For example, the United Farm Workers of America organized Farm Workers Credit Union to provide small loans to farmworkers to enable them to withstand the loss of pay during strikes conducted as part of union organizing efforts; in 2010, Farm Workers Credit Union (which earlier merged with Kern Central Credit Union, originally formed by oil field workers of the Kern County Refinery in Bakersfield, California), merged with Inclusiv member Self-Help Federal Credit Union. See Self-Help FCU’s letter of interest, page 286-287 of attachment “1.1.3 Community Lender Letters of Interest.”

The types of installers and businesses that serve the residential market are unlikely to be unionized. Further, Inclusiv’s Network includes high concentrations of CUs in regions where organized labor rates are historically low and/or states have “right to work” legislation (for example, North Carolina, Texas, Mississippi, and Louisiana, where less than 10% of the workforce is represented by unions).

1.2.5.3 Consumer Protection Plan

Inclusiv is uniquely positioned to ensure the enforcement of strong consumer protection standards for any entity that interacts, transacts, or contracts with a consumer as part of our program. This is because CUs are required to maintain strict compliance with consumer protection laws and fair lending practices, including, but not limited to, the Federal Trade Commission Act (15 USC § 45), Consumer Financial Protection Act (12 USC § 5536), and Fair Debt Collection Practices Act (15 USC § 1692e)); the Truth in Lending Act (15 USC § 1601 et seq.) and Regulation Z (12 CFR §1026), and the Equal Credit Opportunity Act (15 USC § 1691 et seq.) and Regulation B (12 CFR § 1002).

As insured depositories, CUs undergo examinations by their prudential regulators every 12-18 months, which encompass all facets of their operations, including financial, operational, and regulatory compliance. Unlike unregulated financial institutions, CUs also operate under interest rate caps; for federal CUs, the maximum allowable Annual Percentage Rate (APR) CUs may currently charge is 18% for loans, except for loans made under NCUA’s Payday Alternative Loan program, which may charge up to 28% interest and charge application fees up to a maximum of $20. Many states have their own interest rate caps and state-chartered CUs in those states must adhere to their states’ requirements.

A comprehensive outline of how CUs are subject to and follow consumer protection compliance requirements as established and regulated by NCUA is provided in the Consumer Protection Considerations section on page 2 of attachment “1.2.5.3 Consumer Protection Policies and Procedures – Inclusiv.” NCUA has also designed a strong compliance framework around management of consumer complaints. See NCUA Office of Consumer Protection on page 4 of attachment “1.2.5.3 Consumer Protection Policies and Procedures – Inclusiv” for details.

Based on a list of common pitfalls and predatory practices that CUs have identified in the for-profit clean energy financing sectors, Inclusiv has developed the following plan to deliver TA services on consumer protections in two ways. We will develop platforms to support lenders and help them navigate these areas:

1. **Financial coaching and counseling:** An essential element of financial coaching and counseling is ensuring that consumers have the knowledge needed to recognize scams and evaluate loan offers with a critical eye so that they can confidently assess whether they will benefit from a clean energy project. As described in Section 1.1.2, Inclusiv offers extensive supports to strengthen our Network’s financial coaching capacity.
2. **Installer vetting and quote reviews:** On the installer side, there are also opportunities to offer technical services to our CUs that will protect their customers. This includes providing vetting resources and support, including subsidizing technology platforms that can vet local green and solar installers and bring them onto a shared platform with a CU lender, as discussed in Section 1.2.4.1.

The robust regulatory framework in which CUs operate and their cooperative, member-owned structure mean that all lending products created under our program will steer clear of predatory practices, guarantee fairness and affordability, and remain accessible to target communities while maintaining the health of each CU's balance sheet.

1.2.5.4 Housing Affordability Protection Plan

Home clean financing generated through this award will primarily be to owners of residential homes (1-4 units) that are generally not subject to affordability protections. But, as most lending will be for primary residences, there will be a strong motive by borrowers to seek financing that will keep their costs affordable, lowering operating costs and the need to increase any tenant costs.

Most housing-related financing activity that CUs do is in the form of mortgage lending, home equity lines of credit, and unsecured consumer loans for household appliances and solar panels, but for this project we anticipate that very few CUs will offer green mortgages. Instead, most of the lending will be consumer loans for projects and appliances that have the potential to lower energy use, including solar panels. While a CU would never make representations that a certain technology or home improvement will reduce a homeowner's utility expenses – and would counsel borrowers against accepting any quotes or claims from installers that guarantee savings – CU underwriters always review loans in the context of what is affordable for that borrower and can compare the projected monthly utility bill savings against the proposed monthly loan payment to understand the impact on a borrower's monthly expenses. Further, CUs have the flexibility to set product terms to make monthly expenses more manageable for borrowers while also ensuring that the term isn't so long that borrowers end up overpaying; low-income borrowers are often offered terms longer than they need by for-profit lenders.

The few Inclusiv Network CUs that lend to multi-family buildings are tied to permanent affordability. For example, housing development fund corporations (HDFCs) are a special class of multi-family housing cooperatives in New York City which are restricted to low- and moderate-income buyers. The cooperative owners of the building are responsible for managing and maintaining the building, with fees for maintenance shared by owners. This creates a strong incentive to manage utility costs and operate the buildings efficiently so as not to have to continually increase shared maintenance costs. This, in turn, has made NYC's HDFCs early adopters of solar energy and electrification technologies. Lower East Side Peoples Federal Credit Union (LESPFCU) is New York City's leading HDFC lender.

Inclusiv member CUs, including Genesee Co-op Federal Credit Union, LESPFCU, and Brooklyn Coop Federal Credit Union are working with local community land trusts (CLTs) to support the creation of permanently affordable housing. CLTs can take the form of single-family, owner-occupied homes, affordable multi-family rental housing, or cooperative apartment buildings like HDFCs. Like HDFCs, CLTs have a strong incentive to manage utility costs and support their residents in pursuing energy efficiency and solar projects.

In the past, Inclusiv has also partnered with ROC-USA, a national organization that organizes manufactured home communities into cooperatives that purchase the land their communities are on, with individual manufactured homeowners issued shares in the community. ROC communities have pursued solar projects; partnership with ROC-USA and community lenders in the CCIA program that provide manufactured home loans is one strategy for increasing clean energy projects in naturally occurring affordable housing communities.

1.2.5.5 Coordination Plan

Our CCIA program coordinates with and leverages dozens of existing technical and financial assistance resources from Federal, Tribal, State, Territorial, and Local governments, and non-governmental organizations. For this workplan, we elaborate on concrete coordination plans across GGRF selected recipients for CCIA, NCIF, and Solar for All and coordination with other non-profits to support successful implementation across GGRF.

Across GGRF selected recipients, Inclusiv has engaged in intensive planning to ensure smooth coordination with other recipients as we build and grow strong green lending programs for consumers, homeowners, affordable housing developers/managers, and businesses. Together, we identified several key areas for coordination: Training, Reporting, Grants Management, and Capital Management.

Training: Inclusiv has provided the training, technical assistance, and support for 700 community lenders across the country, The Inclusiv-UNH Solar and Green Lending Training and Technical Assistance program has trained 541 staff members from community lenders that are in the networks of the eight recipients that were selected for the combined $20 billion CCIA and NCIF programs. Out of the $7 billion Solar for All program, $1.56+ billion across 11 Solar for All grants went to nine organizations that are alumni of our Inclusiv-UNH Solar and Green Lending Training and Technical Assistance program. In addition, $1.06+ billion across eight Solar for All grants went to seven organizations that have been close partners and collaborators in the development and deployment of our GGRF program and our Green Lending Training and TA work. In the practitioner-led, action-oriented training, we equip community lenders with the tools to design, test, and implement energy efficiency, solar, and transportation lending. The cross-sectoral approach allows lenders to break out of the normal constraints of their models and approaches and has enabled the CDFI field to rapidly build clean energy lending programs. Inclusiv developed special tailored training for other CCIA grantees like the Native CDFI Network and Justice Climate Fund as well as hundreds of OFN members. Inclusiv is prepared to scale this training to continue to support the broader CDFI field. While the Inclusiv CCIA budget is only sufficient to support its credit union subaward recipients, we encourage EPA to allow other recipients to include UNH-Inclusiv in the pool of training partners.

Reporting: Inclusiv has been working with partners across NCIF and CCIA to ensure that we coordinate on definitions of consumer, housing, and business loan products so that we can coordinate reporting for on-the-ground community lenders. Inclusiv has previewed its Financial Inclusion Data Analytics Platform across multiple CCIA and NCIF grantees that will be managing millions of consumer loan files. This system provides safe, secure, and privacy protected data collection and reporting for grantees.

Grants Management: Together with our CCIA colleagues, we have met to discuss opportunities to coordinate on pass-through strategies with a focus on jointly assessing and evaluating grants management platforms, collective strategies on compliance training, and monitoring and assessment of third-party vendors. It will be critical that we continue to share information and, where appropriate, consider joint purchase agreements of goods and services to advance the pass-through strategy.

Capital Management: Inclusiv has been approached by NCIF selected recipients about the possibility of the placement of green deposits in credit unions and banks for undeployed capital. Inclusiv is very engaged with supporting the deployment of deposits thought the social impact platform.

Coordination with Partners

Inclusiv staff have focused on program coordination with community partners, city and state governments, financial health providers, advocates, and community organizers to support consumers to access a broad range of supports to be successful with clean energy solutions and to maximize effectiveness and achieve our investment objectives. Programs include, but are not limited to:

- **Consumer Incentives Platform:** Inclusiv has engaged with NCIF recipients on the integration of consumer incentives tools into financial coaching and consumer lending programs at credit unions. We intend to work closely with the U.S. Treasury Department, philanthropic partners like Invest in Our Future, the Hive Fund, and the Community Builders of Color Coalition, and

Justice Climate Fund to create, expand, and scale tools that link financial products to tax rebates, credits, and other state and local supports. Inclusiv intends to build a platform or partner with an existing platform provider that connects consumers to applicable incentives for energy projects, including tax credits, subsidies, and rebates from local, State, Federal, and utility programs.

- **Financial Empowerment:** Inclusiv has partnered with SaverLife to build the capability of the financial health field to become more versed in climate and expand financial counseling and coaching options. Inclusiv works with non-governmental organizations in the financial health and empowerment field to coordinate strategies around CCIA-eligible project savings mobilization, financial coaching, tax time outreach, and free tax assistance sites (VITAs) to ensure that LIDACs receive financial guidance and support in accessing IRA incentives. On Thursday, May 10, 2024, we engaged leaders in the financial health and security field including Aspen Institute, SaverLife, LISC, United Way of America, Ideas42, Consumer Federation of America, National Consumer Law Center, Commonwealth Fund, and many more to officially kick off Consumer Finance for Climate Action (CFCA; see Section 1.2.1.1 above). This will enable Inclusiv to engage in intense coordination with a wide range of consumer groups to develop and disseminate public education and engagement campaigns.
- **State Energy Offices, Local Sustainability Offices:** Inclusiv and its Network CUs have been engaging with state and local energy offices to connect solar lending with installers, small businesses, and local strategies. While our initial plan incorporated personnel to be embedded across all 10 EPA regions to engage in state and local energy offices, we have scaled back and prioritized our approach. Instead, we will be engaging with select state energy offices and partners (who we have trained) in the Solar for All programs.
- **State CU Leagues:** Inclusiv continues to brief and train CU industry partners, particularly those that serve minority CUs or have interest in clean energy. We will provide regular webinars, newsletter content, and materials throughout the state credit union leagues to engage with credit unions and their local partners.
- **EPA EJ TCTACs:** We will form partnerships with each of EPA's 16 Environmental Justice Thriving Communities Technical Assistance Centers (TCTACs) to support communities with environmental justice concerns and make sure they are aware of and able to access the resources of these TCTACs for CCIA-eligible projects.
- **National Labs:** In our Solar and Green Finance training courses, we teach students how to understand and apply the tools and research offered by Berkeley Lab and the National Renewable Energy Lab (NREL). For example, we require community lenders to use the NREL PV Watts calculator tool as part of their solar project evaluation process. Our CCIA program expands on this with a more comprehensive assessment of the tools offered across the National Labs that community lenders can utilize to save, accelerate, and improve program outcomes.
- **Network Coordinated Loan Product Development:** In addition to Inclusiv's centralized coordination, each of our Network CUs will further coordinate directly within their communities. In our training program, we assign each community lender the task of investigating the local financial and technical assistance resources available in its community. We teach each lender how to identify and understand local resources, work with them to build a strategic partnership building implementation plan, and guide them to meet with their local resources to formalize how they will leverage these resources. See University of New Hampshire (UNH)'s Center for Impact Finance letter of support, pages 139-140 of attachment "1.2.1 LIDAC Engagement and Accountability Letters of Support – Inclusiv," which highlights Inclusiv's track record training community lenders in green lending.

We have provided Solar and Green Lending Training and Technical Assistance to many of the organizations selected for the NCIF, CCIA, and Solar for All programs and will continue to partner with those organizations to maximize the impact of GGRF.

See letters of support from the Justice Climate Fund, the Native CDFI Network, and Opportunity Finance Network in attachment "1.2.1 LIDAC Engagement and Accountability Letters of Support – Inclusiv."

1.3 Program Reporting

1.3.1 Reporting Plan

We plan to track and report environmental outputs and outcomes for each program year during the period of performance as follows.

Climate and Air Pollution Benefits

- Outputs
    - Distributed Energy Generation and Storage:
        - Total # Distributed Energy Generation and Storage Projects,
        - Nameplate Generation Capacity (MW),
        - Nameplate Storage Capacity (MWh),
        - Clean Energy Generated (MWh).
    - Net-Zero Emissions Buildings:
        - Total # Net-Zero Emissions Buildings Retrofit Projects,
        - # Buildings- Efficient Appliances,
        - # Buildings- Heat Pumps,
        - # Buildings- Net-Zero Whole Building,
        - # Buildings- Other Energy Efficiency.
    - Zero-Emissions Transportation:
        - Total # Zero-Emissions Transportation Projects,
        - # Light/Medium-Duty Vehicles Financed,
        - # EV Chargers Financed.
- Outcomes (avoided amounts, all values in Metric Tons)
    - Carbon Dioxide equivalent
    - Nitrogen Oxide
    - Sulfur Dioxide
    - Particulate Matter 2.5
    - Volatile Organic Compounds
    - Ammonia
- Methodologies: we will use EPA eGRID, EPA AVERT, and ENERGY STAR to calculate avoided emissions, and EPA AVERT for avoided air pollutants.
- Inputs
    - Distributed Energy Generation and Storage: technology, install address, nameplate generation and/or storage capacity, date of completed installation, date of grid interconnection.
    - Net-Zero Emissions Buildings: replaced technology make/model/size, install year, replacement type make/model/size, install address, building square footage, date of completed installation.
    - Zero-Emissions Transportation: vehicle make/model/year, primary usage location (city/state).

Equity and Community Benefits

- Outputs
  - Number of Projects by Benefit Type and Community
    - Benefit Types:
      - # Clean Energy and Energy Efficiency,
      - # Clean Transportation,
      - # Affordable and Sustainable Housing,
      - # Training and Workforce Development, and
      - Total # Projects Financed/Deployed.
    - Community Types:
      - U.S. Territories,
      - Limited English Proficiency/Disabilities,
      - Rural,
      - Tribal,
      - Persistent Poverty Counties,
      - Minority,
      - Energy Communities, and
      - Communities with Environmental Justice Concerns.
  - # Households Receiving Financing for Projects for each of the above Community Types
  - Dollar Value of Financing Received by Households for each of the above Community Types:
    - CCIA Capitalization Funding,
    - Private Capital Leveraged, and
    - Subtotal Investment in LIDACs.
  - Dollar Value of Financing Received by Businesses for each of the above Community Types:
    - CCIA Capitalization Funding,
    - Private Capital Leveraged, and
    - Subtotal Investment in LIDACs.
  - # Businesses Receiving Financing for Projects, by Business Type:
    - Small Business,
    - LIDAC-led Business,
    - Native American-led Business,
    - Community/Locally-Owned Business, and
    - Women-Owned Business.
  - Dollar Value of Financing Received by Businesses for each of the above Business Types:
    - CCIA Capitalization Funding,
    - Private Capital Leveraged, and
    - Total Financing Received by Businesses.
- Outcomes
  - Clean Energy and Energy Efficiency:
    - Reduction of Energy Burden (estimated utility bill savings for households and businesses),
    - Deployment of Clean Energy.
  - Clean Transportation:
    - Increased Access to Affordable Electric Vehicles (# of vehicles),
    - Increased Access to Affordable EV Charging Stations (# of charging stations).

- Affordable/Sustainable Housing:
  - Improved Indoor Air Quality (# households switching from fossil fuel burning systems to electric),
  - Reduced Housing Cost Burden (# households with reduction in utility bills).
- Training and Workforce Development:
  - Increased Participation in Clean Energy Good Job Training (# workers),
  - Increased Participation in Subsequent Clean Energy Good Job Placement/Hiring (# workers),
  - Providing Free/Fair Chance to Join a Union/Collectively Bargain (# workers).
- Other Benefits:
  - Community Wealth/Ownership (investment in community owned and controlled assets via cooperative financial institutions),
  - Resilience Benefits (# households with solar or solar plus storage),
  - Entrepreneurship (# small businesses, LIDAC-led businesses, Native American-led businesses, Community/Locally-Owned businesses, or Women-Owned businesses hired to complete CCIA projects).

- Methodologies and Inputs: The above outputs will be collected and converted into outcomes using U.S. Department of Energy and U.S. EPA standard practices for each category.

Market Transformation Benefits

- Outputs
  - For each of these Community Types (U.S. Territories, Limited English Proficiency/Disabilities, Rural, Tribal, Persistent Poverty Counties, Minority, Energy Communities, and Communities with Environmental Justice Concerns):
    - Grant Funds Committed ($ millions),
    - Private Capital Mobilized ($ millions),
    - Private Capital Mobilization Ratio,
    - Number of Community Lenders,
    - Number of FTEs Hired/Trained at Community Lenders, and
    - CCIA-supported transactions using standardized project performance criteria, underwriting guidance, documentation, and product features (by Dollar Value of Transactions ($ millions) and Number of Transactions (# thousands)).
  - For each of the 10 EPA regions:
    - Grant Funds Committed ($ millions),
    - Private Capital Mobilized ($ millions), and
    - Private Capital Mobilization Ratio.
  - For each of the three Priority Project Categories (Distributed Energy Generation and Storage, Net-Zero Emissions Buildings, and Zero-Emissions Transportation):
    - Grant Funds Committed ($ millions),
    - Private Capital Mobilized ($ millions), and
    - Private Capital Mobilization Ratio.
- Outcomes
  - Increase in volume ($) of clean capital deployment by community lenders:
    - All community lenders; and
    - CCIA-supported community lenders.
  - Increase in share (#) of community lenders with clean lending programs:
    - All community lenders; and
    - CCIA-supported community lenders.

  - Increase in volume ($) of transactions using standardized project performance criteria, underwriting guidance, documentation, and product features:
    - all community lenders; and
    - CCIA-supported community lenders.
- Methodologies and Inputs: The above outputs and outcomes will be collected and, using CU reporting, paired with original market research and market surveys.

Assumptions: Inclusiv will guide CUs on how to collect and track the above inputs in all benefit categories for each project financed. CUs will use forms provided by Inclusiv to collect these standardized inputs during the loan application, project close, and loan repayment phases.

Plan to Collect Necessary Data from Community Lenders: Inclusiv's Financial Inclusion Data Analytics Platform (FIDAP), our proprietary tool for CUs to receive detailed metrics required for grant compliance, reporting, and impact assessment, will collect data. The next upgrade to FIDAP will launch in the first quarter of 2023. Important new features will include: (a) the ability to geocode transactions, using both 2010 and 2020 FIPS codes, to facilitate accurate program analysis using reference tables for CDFI grants, ECIP, and GGRF/CEJST that are based on one or the other census tract vintages; (b) a new front-end portal which will enable users to upload data, see a customized lending dashboard for their institution, and generate custom reports directly; (c) data visualization features that will enable CUs to see where their loans are and do more specific outreach and targeted lending; and (d) a Spanish-language option.

1.3.2 Reporting Capacity

In accordance with 2 CFR § 200.329, Inclusiv is prepared to meet semi-annual, annual, and final program performance reporting requirements in accordance with EPA terms and conditions as follows:

A. Program Performance Reporting: Inclusiv will use FIDAP to track CCIA-eligible projects and create reports for CUs to assess their performance under the grant on an ongoing basis. CUs will be required to use FIDAP and will be trained in system operation and the collection and upload of the critical data points listed in Section 1.3.1. FIDAP will be used for tracking and reporting on both **Environmental Outputs and Outcomes** (e.g., climate and air pollution benefits, equity and community benefits, market transformation benefits); and **Program Evaluation and Other Evidence-Building**. Inclusiv's staff will use FIDAP reports to ensure that program environmental outputs and outcomes are accurately tracked and reported to EPA. FIDAP will easily be able to track and report on the anticipated volume of CCIA-eligible projects over the program term.

B. Financial and Administrative Reporting: Inclusiv will use existing systems to track and report on Grant Expenditures: program expenses, capitalization funding commitments, technical assistance subaward commitments, and closed transactions using capitalization funding. Inclusiv will also provide Organizational Financial Statements and Disclosures: Management's discussion and analysis of financial conditions 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, and additional Board disclosures such as meeting minutes. See Federal Procurement Standards, page 71 of attachment "2.3.1 Legal and Compliance Risk Management Policies and Procedures – Inclusiv."

As the only national CDFI Certified Intermediary for CUs, Inclusiv has extensive reporting obligations to federal agencies, private sector investors, and philanthropic organizations. In addition to the oversight provided by the Inclusiv Board of Directors, third-party validation, verification, and assurance includes:

- Inclusiv's CU investees are insured depositories, subject to annual financial audits and regular examinations by their prudential regulators. CUs that expend more than $750,000 in federal funds within a year are also subject to A-133 Single Audits; this requirement is in accordance with 2 CFR § 200.501(a).
- Inclusiv undergoes an external audit of our financial statements on an annual basis and undergoes A-133 Single Audits for every year where expenditures of federal funds exceed $750,000 (most recently in fiscal years 2021 and 2022).
- Inclusiv is examined annually by Aeris® for its Financial Strength and Performance Rating.

1.4 Program Budget

1.4.1 Expenditure and Disbursement of Awarded Funds

Inclusiv employs effective managerial and financial controls over our fiscal processes to ensure the timely deployment and expenditure of allocated funds. Segmented departmental budgets are developed at least annually, and also as needed, with department managers, fiscal staff, and senior management.

Budgets incorporate the timing of new personnel hires, acquisition of important vendors, and other significant resource acquisitions. Budgets are created with monthly expenditure detail from grant inception to completion. Actual costs are posted daily by Inclusiv's fiscal staff to the organization's accounting system.

These realized costs are then allocated monthly to specific budgeted cost segments using specialized software purpose-built for non-profits. Monthly departmental budget-to-actual reports are produced and distributed to managers. They are also reviewed regularly with senior management.

The detailed and regular monitoring of budget-to-actual costs on both a year-to-date and inception-to-completion basis allows department managers and senior managers to plan ahead and identify and respond to timeline or execution challenges as they may arise. See Subaward Principles and Requirements, page 57 of attachment "2.3.1 Legal and Compliance Risk Management Policies and Procedures – Inclusiv."

1.4.2 Budget Descriptions and Table

Inclusiv's CCIA program budget of $1,870,000,000 uses funds exclusively to support CCIA-eligible projects. The budget maximizes the share of funds passed through to community lenders in the form of capitalization funding and technical assistance (TA) subawards and reflects reasonable costs to accomplish the program plan and expend 100% of funds for the purposes of providing financial and technical assistance in LIDACs.

The budget passes through grant funds to CUs as follows:

- 90% ($1,683,000,000) in capitalization funding and TA subawards, with:
  - 80% ($1,496,000,000) of grant funds in the form of capitalization funding, and
  - 10% ($187,000,000) of grant funds in the form of TA subawards.
- The budget allocates 10% ($187,000,000) of grant funds to TA services and program administration activities. See the detailed budget table attachment "1.4.2 Budget Table-Inclusiv."

The budget is designed for efficient, effective deployment of grant funds. Costs to accomplish the program plan are described below.

The reduction in funding from the $3,745,816,337 requested in Inclusiv's original application to the selected amount of $1,870,000,000 resulted in the need to reduce technical assistance and administrative funds to $187,000,000. In order to stay within the lower budget, we identified a few workstreams to eliminate, and also reduced workforce and investment in systems and supports across the program, where we could make reductions. Certain activities could not be significantly reduced as there were fixed costs.

Although the Inclusiv CCIA program budget of $1,870,000,000 is slightly under 50% of the requested amount, we reduced the projected number of CUs that will receive grants for capitalization funding and technical assistance subawards by about 32%, opting instead to reduce the average grant amount per CU. This approach allows us to prioritize serving a broad network of CUs that serves a larger number of LIDACs across all ten EPA regions. In addition, since there will be significant fixed costs involved with the initial assessment, training, and decisioning of subawards, we aim to leverage those fixed costs to serve the larger number of CUs.

While Inclusiv's basic program structure remains the same, anticipated activities such as in-depth community engagement included in the original program budget have been significantly reduced. Specifically, the personnel lines devoted to engaging local and state officials in each of the 10 EPA regions were reduced. The current budget anticipates that regional activities will be focused in the five Inclusiv regions (based upon our governance and organizations). Rather than unique staffing presence in 10 EPA regions, we will add CCIA and Clean Energy personnel in our New York headquarters and our current regional offices of San Juan (to provide more focused service to EPA Regions 1 and 2) and Atlanta (to provide more focused service to EPA Regions 3 and 4), and soon to be added Detroit (to provide more focused service to EPA Regions 5 and 7), Denver (to provide more focused service to EPA Regions 6 and 8), and Oakland (to provide more focused service to EPA Regions 9 and 10). In Atlanta and Detroit, we have leveraged office space from local partners interested in advancing the work of community development credit unions. Office operation expenses in San Juan also take advantage of local community relationships, and it is expected that our offices in Denver and Oakland will also leverage local partnerships.

<u>Direct Costs</u>
All direct costs in this budget, as noted in the budget table, will have an annual increase of 5% to account for inflation.

Personnel: The number of staff members from each Inclusiv department that will work on the CCIA program is determined relative to the number of CU program participants to ensure that all participants are best supported while Inclusiv is able to meet overall program goals and deliverables.

In the May 2024 revised workplan and budget, Inclusiv is leveraging management and oversight from existing departments more than was initially anticipated. Rather than creating a whole CCIA sub-organization under an Inclusiv umbrella as was initially anticipated, we have integrated CCIA workstreams across the organization by creating additional staffing lines within existing Inclusiv departments. This budget leverages existing institutional knowledge and expertise. These are all strong departments with senior leadership that is integrated and staff that are experienced within the organization and committed to serving LIDACs. We have worked with each department to leverage their expertise in serving CUs and LIDACs to identify opportunities for growth and delineate the additional structure needed to support expanded team members deployed either part-time or full-time to achieve CCIA success.

Inclusiv staff are organized into the following departments that will drive the CCIA program:

- The **President/CEO** will set the overall strategy for CCIA, enable the organizational changes needed to meet the program goals and deliverables, and provide public-facing representation for Inclusiv's CCIA program.
    - *Executive Leadership*: Responsibility for executing on Program Vision will rest with the Executive Vice President of Clean Energy in consultation with the Inclusiv CEO and in coordination with the CFO, COO, and SVP of People and Organizational Development, and provide responsibility and oversight for all aspects of the program. Led by the Executive Vice President and with a strong and engaged General Counsel, we shifted the original Senior Vice President positions to be Directors managing specific areas within the Clean Energy and CCIA teams, allowing us to direct more attention to the hiring of specialists and associates responsible for direct service to credit unions and ensuring successful launch of programs. This adjustment to the budget had the dual impact of reducing a layer of middle management, enabling the growth of specialists responsible for direct service and reducing overall personnel expenses.

- **Policy & Communications:** One person from this team, Inclusiv's Policy & Communications SVP, will work with the National Credit Union Administration (NCUA) to raise awareness of GGRF and advocate for NCUA to support CUs participating in GGRF. This will include ensuring that NCUA trains their examiners in how to review.

- **Fiscal:** 12 people from the Fiscal team will work on all aspects of managing CCIA financial management and compliance. The Fiscal team will have more accounting staff reporting directly to the Controller and responsible for payments, bookkeeping, reconciliation, and portfolio management. A separate unit under a new VP of Finance will be forward looking, preparing, tracking, and revising budgets and projections over the performance period.

- **Capital:** Four (4) people from this team will support the CCIA program. This will include helping to develop and inform the grant application design and review process to ensure that CCIA grantmaking is using the right criteria to select CUs that will be able to effectively take on and manage the CCIA funds. In addition, the Capital team will work to help CUs gain access to additional private capital, leveraging grant funds they receive from CCIA.

- **Legal & Compliance:** Nine (9) people from this department will be focused on designing internal Inclusiv legal and compliance controls for CCIA. The General Counsel is building the team to manage the Inclusiv contracting and program implementation process with EPA to understand and ensure all legal and compliance requirements, including procurement and reporting, are met throughout the program. This team will have a dedicated staff member who manages the EPA quality assurance process, which will include oversight of Inclusiv's Quality Management Plan (QMP) and the Quality Assurance Project Plan (QAPP). In addition, this team will also manage the legal contracting and compliance reporting process with the CUs that receive CCIA funds through Inclusiv.

- **People & Organizational Development:** Eight (8) people from this team will support the CCIA program. This will draw on 50% of the EVP and then rely upon a VP in charge of recruitment, onboarding, and professional development, two directors, one manager focused exclusively on benefits, and another manager and two specialists focused on professional development, training, DEI, and culture building. Support for recruitment and large-scale onboarding and systems development will be outsourced.

- **Operations:** Nine (9) people from this team will support the CCIA program. The roles will include overseeing all aspects of internal organizational operations as they relate to the CCIA program. This team will think about technology, innovation, and analytics as they relate to all interfaces within the organization, making sure the staff have the tools they need to success and provide leadership for the FIDAP software platform process. In addition, staff on this team will expanding the office space, following CCIA procurement requirements to ensure that all staff have the office space, technology (hardware and software), and workstations they need to succeed in their work, providing tech support for staff, and operationalizing the federal contract management requirements across the organization.
    - o There is one member of the Operations team, the Director of Financial Empowerment, that leads the Consumer Finance for Climate Action (CFCA) and will support the Consumer Engagement piece of Inclusiv CCIA Technical Assistance Services Program. As mentioned earlier, CFCA's purpose is to coordinate multiple leaders at the local level to work alongside credit unions to incorporate consumer voice and bring together all the possible touch points of serving low-income consumers.

- **Financial Inclusion Data Analytics Platform (FIDAP):** Nine (9) people from this team will support the CCIA program. There will be two sub-teams – one that supports the technical development, business requirements, and analytics of FIDAP to ensure that it can support CU lending management, tracking, and reporting for the CCIA program, and a second that supports credit union adoption via CU engagement, onboarding, training, and reporting using FIDAP.

- **CCIA Marketing & Communications:** 10 people from this team will support the CCIA program. This team will focus on all aspects of marketing and communications for Inclusiv's CCIA program. This will include support for CU recruitment and engagement and outreach to communities, installers, and consumers, along with representatives from the CU industry and local community representatives across the country. This team will also develop marketing kits that CUs will be able to use to communicate about the CCIA program to educate their local communities and encourage CCIA loan applications.

- **Other Inclusiv Team:** Half the time of all other existing employees in the first three years of the program will be to support CU enablement, so they are ready to participate in the CCIA program. In the second half of the program, this will be reduced to one-quarter of the time of all other existing employees.

- **Network:** This team will be augmented to support the existing work, ensuring that Network engagement activities are integrated and synchronized with overall Inclusiv activities. The large-scale nature of CCIA will require the hiring of additional Network personnel both in NYC and in the Regional Offices who will focus on both Network and community engagement activities. This team will leverage its existing relationships with our national network of CUs and its deep understanding of how to engage with and support CUs that serve LIDACs – specifically those CUs that are CDFIs, *Cooperativas,* and MDIs.

- In addition to six (6) of the existing Network team supporting the CCIA program, this team will add five (5) new CCIA-focused staff to work in a business development function that raises awareness of Inclusiv's CCIA program within the CU industry, meeting with credit unions, credit union leagues and associations, and other key industry players to promote the CCIA program. This team will also lead the Preliminary CU Eligibility Review, Pre-Qualification for Capitalization Funding and TA Subaward Grants, and place CUs on Path 1 or Path 2 for their application (see Figure 5).
- *This team's CCIA purpose is to raise awareness of the CCIA program across the CU industry and build the pipeline of LIDAC-serving CUs (from diverse geographies and serving diverse beneficiaries) that apply to Inclusiv's CCIA grant program.*

- The **Clean Energy** team will employ three (3) staff members to serve as the CCIA Program Leads (the main points of contact with EPA); set CCIA strategy, program design, and implementation; and lead CCIA grant management, compliance, and administration. The Clean Energy team will also build out several functions to further support the CCIA program:
    - **Green Lending CU Training & Technical Assistance** will grow to a team of nine (9) staff members that will adapt the work the team has been doing for five years to build and deliver training and technical assistance to CUs to help them launch and grow their solar and green loan programs.
        - *This team's CCIA purpose is to help CUs build loan programs for CCIA-eligible projects so they can complete Path 1 and move to the Path 2 steps of creating and submitting their application. In addition, this team provides advanced training and technical assistance that helps CUs on Path 2 and those that have been approved for CCIA grants to grow and adapt their existing Green Loan Programs.*
    - **CCIA Grantmaking** will be a 13-person team that will leverage Inclusiv's expertise in grantmaking to CUs to build a supportive grant application, review, and decisioning process. This team will include six (6) staff members who build the grant application and grant review process, set up the grants management portal, hire and manage the consultants who will serve on the Independent Grant Review Committees, and facilitate grant decision making communications and operations. This team will also include seven (7) staff members who will provide in-depth support to CUs, serving a role that's similar to a foundation's grant officer. These staff members will help CUs navigate the application process, prepare, refine, and ultimately submit their application for grant consideration.
        - *This team's CCIA purpose is to review CU grant applications, determine if the CUs will be able to successfully launch, operate, and comply with a CCIA program, and ultimately create a portfolio of CU grantees for Inclusiv's CCIA program.*
    - **Grantee Support** will be a 15-person team to help CUs that have been awarded CCIA grants. Grantees will be assigned to staff members who will support them during their time as grantees. This will include guiding CUs through the grant decision and contracting step; onboarding and delivering the Inclusiv CCIA Onboarding and Compliance Training; providing ongoing CCIA operations, reporting, and compliance support and program support; additional deep-dive support on relevant technologies, policies, procedures, compliance, and reporting steps that may help CUs better manage their programs; and support during the grant closeout period.

        - *This team's CCIA purpose is to ensure that CU grantees clearly understand the requirements of the CCIA program, are supported in implementing and operating the CCIA program at their CUs, and are able to meet all compliance and reporting requirements.*
    - **Market Transformation** will be a 15-person team that will develop technical assistance services for the Installer Engagement Platform, the Consumer Engagement Platform, and local and regional partnership building across all 10 EPA regions. All engagement activities related to these workstreams will be completed in partnership with the Network team, the Clean Energy Team, and the Marketing & Communication team. In addition, all Consumer Protection work under the Consumer Engagement Platform will be integrated into the Operations Team and the Network Team. These teams are skilled in all aspects of training, board development, policy, and compliance program development in credit unions with strong expertise in Truth-in-Lending, Fair housing and will be able to train on the full range of consumer financial protections. This Market Transformation team will serve the market as a whole rather than individual CUs.
        - *This team's CCIA purpose is to build out the clean energy markets and ecosystem pieces that will help CUs to succeed in delivering CCIA-eligible projects to LIDACs.*

Fringe: Fringe costs are 30% of employee salaries. Fringe covers the cost of leave, employee medical benefits, employee flexible healthcare spending account, employee Transitchek, employee liability insurance, employee disability and death insurance, employee retirement plan and retirement plan employer match, and unemployment benefit plans.

Travel: Travel (well under 1% of budget for technical assistance services and program administration activities) is for the purposes of the Inclusiv Annual Conference, 5-6 regional convenings each year around the country, site visits to CUs, training events, meetings with EPA, other GGRF awardees, and other relevant meetings to advance the CCIA program.

Equipment: Equipment purchased will consist of dedicated servers to host and run all CCIA-related applications, websites, and data. In addition, we plan to use these servers as part of our Disaster Recovery Plan to enable our process-level plans for recovering critical technology platforms and infrastructure, as described in our Information Technology Statement of Intent and Policy Statement, which are on page 80 of attachment "2.3.1 Legal and Compliance Risk Management Policies and Procedures – Inclusiv." Inclusiv will purchase these servers and, as listed under the Contractual section of the budget, will contract with an IT Managed Services Company and a Cyber Security Support team for secure installation, ongoing data protection, and disposition of these servers.

Supplies: This includes supplies needed to run daily office operations and administrative activities. This includes staff technology and computing devices, office furniture, and all other needed office supplies (printers, toner, paper, notebooks, pens, pencils, scissors, staplers, staples, paper clips, folders, hanging files, tape, envelopes, labels, business cards, post-its, dry erase markers, and erasers).

In regard to the Staff Technology/Computing Devices (laptops and staff technology stations), we anticipate purchasing 97 units during year 1 of the period of performance for new staff members who will be joining the organization. We anticipate buying 11 additional units during year 2 of the period of performance for new staff members who will be joining the organization. In addition, we anticipate the need for replacement laptops starting in year 1 of the period of performance. The need for replacement laptops will be spread across the entire period of performance. In year 1, we anticipate needing 15 replacement laptops for current staff who will be shifting to work on the CCIA program and whose laptops are due for replacement during year 1 of the period of performance. In years 2-5, we anticipate 37 replacement laptops each year, and in year 6, we anticipate 7 replacement laptops. During the period of performance, we also anticipate needing to replace other parts of the technology stations, such as monitors, headsets, keyboards, and computer mouses, and have estimated these replacement rates in the budget as well.

Contractual: This includes third-party contractors hired following all procurement regulations and requirements to support the work of the teams mentioned above in Personnel. They are as follows:

- *Program Operations*: Installation of office furniture and technology stations, office design services, Human Resources Staffing Support Firm to expedite the hiring process so the program can launch on time, IT Managed Services, Cyber Security Support Team, Software licenses, Outside Legal Counsel, LIDAC Compliance and Reporting to operate the software for Inclusiv's FIDAP tool for reporting, Impact Measurement (GHG Emissions Measurement and Reporting), Audit Services (single audit), and translation services.
- *Outreach/Awareness Raising:* Branding, comms/media, advertising, production, marketing collateral, digital marketing, and printing services to create targeted campaigns that communicate and engage.
- *Engagement:*
    - Hosting weekly **Education/Outreach Events** across the country to educate communities about the CCIA program, raise awareness of the benefits of transitioning to clean energy and the available supports from all IRA programs, recruit CUs to CCIA, engage with local community members (credit union members), connect with local government, local community groups, etc. All events will include catering, speaker fees, and marketing. They will be hosted free of cost at credit union branches, houses of worship, and community centers.
    - **CU Engagement, Grantmaking, Grantee Management Platform** – Inclusiv will work with an outside firm to create this platform. See the description of this platform in *S*ection 1.2.3.1 Capitalization Funding and TA Subaward Design.
    - **Installer Engagement and Vetting Platform** – The Contractor Development, Engagement, Vetting Platform/software is a tool so credit unions can vet and manage their own contractors; contractors can load their license and insurance info, indicate minority-owned status, etc. This is further described above in Sections 1.2.4.2 Financial Market-Building Plan and 1.2.5.3 Consumer Protection Plan.
    - **Consumer Engagement (Financial Coaching/Clean Energy Incentives/Adoption) Platform** – This is further described above in Sections 1.2.4.2 Financial Market-Building Plan and 1.2.5.3 Consumer Protection Plan.
- *Training and Technical Assistance:*
    - Accredited Educational Institution – Platform Partner (three educational institutions per year) – Inclusiv aims to continue with educational institution partnerships and will endeavor to expand to additional institutions, as described above in Sections 1.2.1.1 LIDAC Engagement Plan and 1.2.5.5 Coordination Plan.
    - Training/TA – Consultants – As part of our Solar and Green Lending Training and Onboarding and Compliance Training, Inclusiv will hire consultants with expertise in these topics to provide training and technical assistance to credit unions that pre-qualify for grant funds and need to build or adapt CCIA-eligible green loan products.
- *Review of CU Grant Applications to Inclusiv*: Consists of consultants that form independent grant review committees and provide specialized contracting services for grant application review. See

section on “Grantmaking Process” in Section 1.2.3.1 Capitalization Funding and TA Subaward Design above.

Other: Covers pass-through capitalization funding and technical assistance subawards to CUs; also covers participant support costs for CUs, insurance and indemnification, utilities, phone, internet, printing, shipping/postage, and CCIA-dedicated office lease costs for the office space that is exclusively used for the CCIA program. The office lease costs for CCIA-dedicated space are not double counted in the indirect cost rate.

Indirect Costs

10% de minimis rate. Note that equipment, participant support costs, and office lease noted above in direct costs are excluded from the modified total direct costs, and thus not part of the indirect cost calculation.

Indirect Cost Rate on First $25,000 of 400 subawards.