

CCIA Workplan

Summary

1. **Program Title.** Building Capacity for Native CDFIs to Deploy Clean Energy Capital
2. **Applicant Name.** Native CDFI Network
3. **Coalition Members.** Alliance for Tribal Clean Energy; National Indian Health Board; National Center for American Indian Enterprise Development; Blue Lake Rancheria; GRID Alternatives; National American Indian Housing Council; Northern Arizona University Institute for Tribal Environmental Professionals; National Indian and Native American Employment and Training Conference; Alliance for Sustainable Energy, LLC; University of New Hampshire; National Indian Health Board - Thriving Communities Technical Assistance Center.
4. **Period of Performance.** July 1, 2024 - June 30, 2030.

Top-Line Outputs and Outcomes

- 1. Capitalization to Community Lenders:** In the table below, estimate the share of funding used as capitalization funding to community lenders.
- 2. Total Funding to Community Lenders:** In the table below, estimate the share of funding used as capitalization funding and technical assistance subawards to community lenders.
- 3. Greenhouse Gas Emissions Reduced/Avoided:** In the table below, estimate the amount of greenhouse gas emissions reduced/avoided from projects financed by your program. Describe key methodological choices.
- 4. Private Capital Mobilized:** In the table below, estimate the amount of private capital mobilized by your program. Describe key methodological choices.

	By Year 2 <i>(By June 30, 2026)</i>	By Year 4 <i>(By June 30, 2028)</i>	By Year 6 <i>(By June 30, 2030)</i>	Year 7 – Post Project Period
1. Capitalization Funding to CLs	\$199,226,509	\$279,700,672	\$325,000,000	N/A
2. Total Funding to CLs	\$216,726,509	\$305,950,672	\$360,000,000	N/A
3. GHGs Reduced/Avoided	384,000	960,000	1,728,000	1,920,000 +
4. Private Capital Mobilized	\$487,500,000	\$650,000,000	\$975,000,000	N/A

Methodologies:

Capitalization Funding to Community Lenders: Total capitalization funding to Community Lenders is \$325,000,000. NCN is using a tiered approach and will distribute capitalization funding to lenders based on each lender's project pipeline. By the end of Year 2, NCN expected to have distributed the full cap funding allocation to Tier 1 lenders (~\$200M); by the end of Year 4, an additional ~\$80M will be distributed to Tier 2 lenders; and by Year 6, all capitalization funds will be distributed to Community Lenders.

Total Funding to Community Lenders: In addition to the capitalization funding distributed to Community Lenders, Technical Assistance subawards will also be distributed to lenders. These awards will be dispersed as lenders take advantage of technical assistance services. NCN expects that by the end of Year 2, 50% of TA subaward funds will be distributed to Community Lenders (\$17.5M); by the end of Year 4, 75% (\$26.250M); and the full amount (\$35M) by the end of Year 6. These amounts were added to the capitalization funding amount to calculate the total amount to Community Lenders.

GHG Reduced Avoided: Total GHGs reduced/avoided were recalculated based on the reduced amount of funding provided by EPA (and, thus, to lenders) and revisions to the types of qualified projects that could be funded using CCIA dollars (e.g., removal of utility-scale renewable energy, revisions based on the definition of net-zero buildings). As a result, the revised total anticipated reductions for projects funding by this award are 1,920,000 tCO₂ (as measured at end of year 6 into one year post project period. Yearly GHGs reductions are based on the percentage of projects funded by the end of the project period and one year beyond the project period (Year 2: 20%; Year 4: 50%; Year 6: 90%; Year 7 (post project): 100%).

Private Capital Mobilized: Private capital mobilization was calculated as a ratio of capitalization funding distributed to lenders. NCN's target ratio for private capital-to-federal dollars is 3:1. However, NCN expects there to be a ramping period before the full amount of private capital can be leveraged. By the end of Year 2, NCN the ratio of private capital leveraged to federal dollars to be 1.5:1; by the end of Year 4, that ratio will increase to 2:1; and by the end of Year 3, that ratio will increase to 3:1.

Narrative

1. PROGRAM PLAN

1.1 Program Vision

1.1.1 Community Lender Network Strategy

Native CDFI Network (“NCN”) and its Native CDFI members are committed to developing healthy, vibrant Native economies and communities. Entering markets normally considered “high-risk,” Native CDFIs place Native communities on a path to success – creating businesses, jobs, and homeowners.

Native CDFIs were created through the U.S. Treasury Department’s CDFI Fund in 1994, which contained provisions that mandated the examination of lending and investment practices in Native communities.[1]¹ In the past three decades, Native CDFIs have proven to be vital engines for fueling the growth of healthy, vibrant Native economies and communities. According to the Treasury Department, investments made in CDFIs produce an eight-fold return, with each \$1 creating \$8 in private sector investments.[2] In the past year alone, Native CDFIs have provided \$61.3 million in business and microenterprise loans, \$68.3 million in home improvement and purchase loans, and \$50 million in consumer loans.[3]

NCN has identified and recruited 63 Community Lenders (“the Community Lender Network”) to participate in the CCIA-funded program, of which 58 are Native CDFIs. Thirty-eight (38) of the Native CDFIs are certified by the U.S. Treasury Department CDFI Fund. The remaining twenty (20) Native CDFIs are *emerging* CDFIs, firmly on a path to achieving Treasury certification. The five non-Native CDFIs are eligible Community Lenders and have long and distinguished track records of engaging with and lending in Native communities and financing clean energy projects in low-income communities. For the proposed program, all 63 confirmed lenders in this Network have committed to spending 100% of their capitalization funding on CCIA-eligible projects directly benefiting low-income and disadvantaged communities, including those located on Federally-Recognized Tribal Lands.²

NCN is the only national non-profit organization with the sole mission to support and expand the institutional and lending capacity and efficacy of Native CDFIs. Through its Board of Directors[4], Policy Committee[5], regular field engagement webinars, in-person summits, and comprehensive national network of Native CDFI leaders and staff, NCN is keenly attuned to the capital needs of these community-based organizations, the innovative financing solutions they are developing, and how best to deliver technical assistance and training. NCN has established partnerships with tribal governments, organizations, and Community Lenders. These include partnerships with the Native American Finance Officers Association, Opportunity Finance Network, and National Congress of American Indians.

¹ A list of references are included 1.1.1 Project Narrative References under Optional Attachments.

² Whether a project serves a low-income or disadvantaged community will be determined in accordance with Section 134(a)(3) of the Clean Air Act. Projects must be located in a CEJST-identified disadvantaged community, an EJSscreen-identified disadvantaged community, geographically dispersed low-income households, and properties providing affordable housing.

Based in Native communities, Native CDFIs have a proven track record of developing innovative financing products tailored to needs of tribal citizens and businesses, including low-interest mortgage lending for first-time homebuyers, flexible underwriting for community facilities, affordable commercial loans for Native-owned small businesses operating in low-income and disadvantaged areas, and consumer loans to help Native people purchase vehicles and improve their credit worthiness. Native CDFIs provide extensive and ongoing development services that far surpass what conventional lenders provide to ensure financing success, such as education, credit building, and savings. Native CDFIs understand local tribal economies, land ownership issues (such as trust lands and restricted fee lands), tribal governmental policies, and other issues relevant to understanding investment and underwriting risks. Native CDFIs typically invest in and lend to projects located in rural tribal communities. Many Native communities are overburdened or feeling the acute effects of climate change impacts, and most are considered underserved by any measure.

The 63 organizations who have agreed to participate in NCN's Community Lender Network have deep working relationships with tribal governments, tribally owned enterprises, Native-owned small businesses, Native non-profit organizations, and consumers. More than half of the Network's Community Lenders are formally affiliated with an individual tribal government or a consortium serving multiple tribal governments. Virtually all of them do business with likely CCIA finance recipients on an ongoing basis, and thus keenly understand their needs. As such, these Community Lenders are in the best position to work with financing recipients to identify, design, finance, and implement CCIA-financed projects efficiently and for the greatest impact.

Increasingly, Native CDFIs are expanding into finance of infrastructure projects—including clean energy projects—in Native communities. During the process of recruiting Community Lenders to participate in this proposed CCIA project, lenders articulated a long-standing strategic interest in developing the capacity to finance clean energy initiatives and projects in their communities, driven by their customers' desires, and have identified clean energy projects to which they would like to direct CCIA funds. About one-quarter of lenders demonstrating interest in the CCIA program currently engage in clean-energy lending or have in the past.

The primary barrier to harnessing the full potential of NCN's current network of Community Lenders for clean energy financing is a lack of capacity to support these projects, both in terms of technical expertise and capital. NCN was told repeatedly by Community Lenders while recruiting them to participate in the CCIA, "We have an incredible demand for clean energy infrastructure, and we know what projects we wish to implement. We just don't have the resources to pay for them." In addition, NCN's recruitment survey indicated that 92% of lenders need staff training in clean energy underwriting, 86% need guidance in vetting potential projects and analyzing benefits, 86% need assistance in supporting lendees in securing grants and credits to pay down financing, 82% need assistance accessing and adapting model clean energy finance products, 76% need assistance developing staffing plans to expand their financing portfolio, 75% need assistance in developing risk management policies, and 71% need assistance in the development of strategic plans for generating program income. Nevertheless, the demand for loan products and services for clean financing is apparent; as demonstrated through their Letters of Interest, NCN's Community Lender Network has shovel-ready projects in distributed energy generation and storage, net-zero

buildings, and clean transportation that will make a substantial, positive impact on Native communities throughout the U.S.

Under the proposed program, NCN and its Coalition Partners (see 1.1.1 Coalition Letters of Commitment under Optional Attachments) will provide technical assistance, technical assistance funding, and capitalization funding to its network of Community Lenders to expand capacity for clean energy lending in Native and other disadvantaged communities. Technical assistance will address knowledge gaps and support expansion of products and services to support clean energy financing such as loan product development and training, finance engineering for sustained financing, clean energy project development and implementation, and other critical support services. Lenders will access these services through the NCN-led hub and through the provision of funding (up to \$500K per lender) for additional technical assistance or capacity building. The proposed program will also provide up to \$5M in capitalization funding to each lender to support Greenhouse Gas Reduction Fund (GGRF) priority projects in Native and other disadvantaged communities and support the measurement and verification of project benefits to those communities.

NCN's proposed CCIA-funded program aligns with and will support the other programs funded by the GGRF, including the Solar for All program and the National Clean Investment Fund (NCIF). NCN has joined lead applicants Midwest Tribal Energy Resources Association (MTERA) and GRID Alternatives (GRID) as a partner in applying to the Solar for All program. NCN's proposed CCIA program also will build the capacity of its Community Lenders to deploy 100% of their capitalization funding for clean energy projects in disadvantaged and low-income communities, extending the Justice40 impact of the GGRF beyond the 40% requirement of the NCIF and expanding the types of eligible projects beyond Solar for All. Furthermore, it will support the capacity building required for Community Lenders to access private capital through the NCIF for implementation of clean energy projects. Together, these three programs will align to support a clean energy transition in Native and other disadvantaged communities across the U.S.

The vision for the proposed program is to develop a robust clean energy finance ecosystem that will support NCN's Community Lender Network in deploying capital for clean energy, energy efficiency, and decarbonization projects across Native and other disadvantaged communities for decades. Through the technical assistance provided by Coalition Partners, lenders will build capacity and knowledge in clean energy financing, including project development, loan product development, finance engineering, and measurement and reporting. NCN's Community Lender Network will in turn finance distributed energy and storage, community and residential distributed energy (including microgrids), clean vehicles, and energy efficient houses (including retrofits). **The proposed initiative underscores the Native CDFI Network's unwavering commitment to the Native CDFI mission: to pave the way for financial prosperity, bolster economic sustainability, and foster stronger, more resilient Native communities.** Indian Country has been historically underfunded in nearly every area of economic development. Through this effort, tribes not only have the potential to become energy self-reliant, but can also serve as regional energy hubs for their own citizens and surrounding communities.

While several federal and state programs fund *technology innovation and development* in clean energy, zero-emissions transportation, and net-zero buildings, Native nations and organizations

have proven much better equipped to deploy *proven, commercially available technologies* that will provide immediate benefits to Native communities at scale. The proposed program can build the capacity of Native Community Lenders to support their customers in bringing innovative technologies into Native communities in the future. Indian Country’s clean energy future must be self-determined if it is to truly sustain Native communities, economies, cultures, and lifeways for the next seven generations and beyond. NCN is committed to supporting the ability of its CCIA Community Lenders to design and provide customized clean energy financing products that meet the distinct needs and goals of Native nations and communities.

1.1.2 Geographic Coverage and Diversity

NCN’s Community Lender Network will be deploying clean energy project financing across Native communities in as many as 35 states within the EPA’s 10 geographic regions (see 1.1.2 Geographic Coverage and Diversity under Optional Attachments). Under this program, CCIA-eligible projects will exclusively benefit low-income and disadvantaged communities, both on tribal and non-tribal lands, as defined under Section 134(a)(3) of the Clean Air Act. It should be noted that Federally Recognized Tribes, including Alaska Native Villages, are considered disadvantaged per the Climate & Environmental Justice Screening Tool (CEJST). A few of the Native communities served through NCN’s Community Lender Network include The Chehalis Tribe (WA), Blackfeet Nation (MT), Cherokee Nation (OK), Citizen Potawatomi Nation (OK), Muskogee Creek Nation (OK), Confederated Tribes of the Umatilla Indian Reservation (OR), Hopi Tribe of Arizona (AZ), Oglala Lakota Sioux Tribe (SD), Cheyenne River Sioux Tribe (SD), Hawai’ian Homelands (HI), Nez Perce Tribe (ID), Navajo Nation (AZ, NM, UT), Central Council of the Tlingit & Haida Indian Tribes (AK), Yurok Tribe (CA), Winnebago Tribe (WI), and White Earth Nation (MN), among many others.

The NCN Community Lender Network also provides a diverse range of lending types, including home mortgages, consumer loans, small business lending, clean-energy lending, agricultural producer loans, and loans to construct affordable housing. In addition, these institutions provide a range of non-lending services to customers, including homebuyer education, individual homeownership advising, financial counseling and literacy assistance, entrepreneurship programs, and tax preparation support.

EPA Region	Community Lenders
Multiple	Affordable Housing CDC, Triple Bottom Line Foundation, Midwest Minnesota Community Development Corporation
1	Four Directions Development Corporation
2	Seneca Nation of Indians EDC
3 (National)	NDN Fund, Native Edge Finance, Native American Bank (NA), Native Agricultural Financial Services, Clearinghouse CDFI, Indian Land Capital Company*
4	The Sequoyah Fund
5	White Earth Investment Initiative, Chi Ishobak, Inc., Lake Superior Community Development Corporation, Leech Lake Financial Services, Inc., Mni Sota Fund

6	Tiwa Lending Services, Citizen Potawatomi Community Development Corporation, Osage Nation CDFI, Kiowa Tribal Loan Fund, Tigua Community Development Corporation, Cherokee Nation dba Cherokee Nation Economic Development Trust Authority, Inc., Mvskoke Fund CDFI
7	Native 360 Loan Fund, Ho-Chunk Community Capital, Inc., Big Elk Development Corporation, Iowa Tribe of Kansas and Nebraska Community Development Entity
8	Native American Development Corporation, Tatanka Funds, Lakota Funds, Four Bands Community Fund, Native American Community Development Corporation, Mountain Plains Community Development Corporation, Akiptan, Inc., Black Hills Community Loan Fund, Inc., Wind River Development Fund, Plenty Doors Community Development Corporation, Peoples Partners for Community Development, Island Mountain CDFI, Lakota Federal Credit Union, Mazaska Owecaso Otipi Financial, South Dakota Native Homeownership Coalition
9	Hawai'i Community Lending, Homestead Community Development Corporation, Native Partnership for Housing, Hopi Credit Association, Kauai Government Employees Federal Credit Union, Yurok Alliance for Northern California Housing, Westwater Financial, Arcata Economic Development Corporation
10	Haa Yakaawu Financial Corporation, Nixyaawii Community Financial Services, Spruce Root, Cook Inlet Lending Center, ATNI Economic Development Corporation, Alaska Growth Capital BIDCO, Inc., Pacific Northwest Tribal Lending, Nimiipuu Community Development Fund, Chehalis Tribal Loan Fund, Taala Fund, Jamestown S'Klallam Tribal Capital, North Idaho Native Fund

*Region 3 lenders will also be serving Native communities nationally.

1.1.3 Demonstrated Interest

As mentioned above, the 63 Community Lenders in NCN’s CCIA Community Lender Network are not prospective lenders – they are *confirmed* lenders who have formally agreed to participate in NCN’s CCIA program should NCN be provided a grant award. This was the result of a rigorous, multi-faceted field engagement and recruitment process. At the outset, NCN issued a broad invitation to participate to all Native CDFIs and other EPA-eligible lenders serving Native communities that it regularly engages through the comprehensive national network it maintains. It then held several virtual informational sessions for these organizations about the CCIA opportunity, how the program works and is designed to leverage other federal sources of funding, NCN’s plan to apply for CCIA funding as a CCIA coalition “hub” applicant, and how NCN (if awarded) would provide participating Community Lenders a comprehensive suite of technical assistance and training services to ensure their success in deploying CCIA capitalization funding.

NCN then conducted one-on-one meetings with those organizations who expressed interest in joining NCN’s CCIA Community Lender Network and/or learning more about the opportunity. During these meetings, NCN shared its vision for its CCIA program and how it will be a game-changer for the ability of Native and other disadvantaged communities to develop clean energy

solutions that meet their distinct needs and goals for climate resilience; answered questions from interested organizations; gained deep insights into each organization's existing readiness to deploy CCIA financing, the market demand for clean energy financing in the Native communities they serve, and the types and size of the specific projects they are already positioned to finance or envision financing during the six-year CCIA deployment period; and ultimately secured formal approval from each organization's principal to participate in NCN's CCIA program.

NCN also requested Community Lenders complete a comprehensive survey, with 53 of the 63 Community Lenders responding. The survey responses have and will continue to inform NCN's design and refinement of its overall vision for CCIA, how it will structure its CCIA program, and how to tailor its Network-wide training and technical assistance services to support the capacity building priorities and specific projects of the Community Lender Network writ large.

Attached are letters of interest from 50 of NCN's 63 Community Lenders affirming their commitment to leveraging CCIA financing in addressing Indian Country's clean energy development needs and explaining in general detail the types of projects they plan to support with their CCIA capitalization funding allocations and the benefits it will bring to the Native communities those projects are designed to serve. Those lenders who did not submit letters of interest are still named in Section 1.1.2 and have verbally confirmed their commitment to the program.

1.2 Investment Strategy

1.2.1 LI-DAC Engagement and Accountability Strategies

1.2.1.1 LIDAC Engagement Plan

Ninety-eight percent of NCN member Native CDFIs serve Native business owners and individuals living and working in rural or reservation communities that are economically disadvantaged, in addition to business and individual living in disadvantaged communities outside tribal lands. A majority of these CDFIs are Native-led or by individuals who are knowledgeable about Native culture, traditions, and engagement. Not only do they understand the economic dynamics and conditions of the communities they serve, but they are also adept at building strong working relationships with Native businesses and entrepreneurs, and tribal governments. During program implementation, NCN will leverage its Community Lender Network to ensure that the outputs and outcomes of the program align with clean energy and community benefits priorities identified across the full range of stakeholders.

Tribes often lack the capacity to investigate the opportunities emerging from the Inflation Reduction Act and other programs designed to reduce GHG emissions, support the implementation of renewable energy programs, and provide economic development opportunities. Members of the NCN Community Lender Network have already stepped in to help provide accessible opportunities for Native communities to learn about the programs and resources available and each tribe's leadership body determines, with the consent of their community, which programs and resources best align with their unique sets of challenges, goals, and priorities. Building the trust required for successful outreach in Indian Country involves demonstrating cultural competence and respect for tribal sovereignty and priorities through clear communication over repeated in-person visits, often to remote reservations in rural areas, and through routine contact and consistent messaging regarding the programs and support tribes have requested.

In the process of developing this application, NCN proactively engaged with tribal governments serving low-income and disadvantaged populations to initiate discussions around clean energy priorities in Native communities, including planned projects and initiatives that could potentially qualify for project financing under the CCIA program. Discussions to-date are memorialized in the letters of support provided as attachments to this application. During program implementation, NCN will continue to engage with tribes to ensure alignment of program activities with these projects and initiatives, leaning on Intertribal Consortia to lead engagement efforts in Native communities.

NCN has enlisted the participation and support of a regionally diverse array of intertribal organizational partners, who will play an instrumental role in assisting NCN with providing targeted and ongoing education and outreach about the CCIA program and its specific clean energy financing opportunities to tribal leaders and tribal government staff, tribal enterprise CEOs and staff, Native small business owners, and other key stakeholders in their respective regions. They will provide this education and outreach through their annual conferences, regular board meetings with tribal leaders, co-hosted CCIA informational webinars with NCN, and regular email broadcasts to their vast tribal networks. Key intertribal organizational partners include the Affiliated Tribes of Northwest Indians, United South and Eastern Tribes, Great Plains Tribal Chairmen’s Association, Alaska Federation of Natives, and United Tribes of Michigan (see attached formal letters of support), with several other intertribal organizations currently in discussions with NCN to join this tribal education and outreach team to ensure broad and comprehensive national coverage.

NCN will collaborate broadly to implement a targeted and effective engagement strategy. To reduce barriers for participation, program information will be provided across the coalition’s robust community outreach and engagement network. Coalition Partners have deep relationships with their communities and understand their needs and priorities. Details regarding roles and activities of each entity in community engagement follows in the table below.

Partner	Outreach Strategies and Audiences
Alliance for Tribal Clean Energy	Support outreach and engagement efforts to tribes and tribal citizens.
Blue Lake Rancheria	Educate and advise tribal governments and enterprises on the development of Native nation-wide long-term strategic plans for clean energy infrastructure build-out, expansion, and sustainability.
GRID Alternatives	Connect with Community Lenders to evaluate the potential for solar with their existing partners/borrowers, advise in developing clean energy lending products and programs for ongoing lending in communities, including business planning and capitalization strategies.

National Center for American Indian Enterprise Development (NCAIED)	Serve as a training and resource center for Native entrepreneurs, support outreach and communications to tribes and Native-owned business owners regarding availability of clean energy financing.
National Indian and Native American Employment and Training Conference (NINAETC)	Provide ongoing education and outreach about the program to tribal and Native workforce development practitioners through the organization’s regular training events, website, and two email listservs.
National Indian Health Board	Provide ARC GIS mapping technical assistance to confirm the eligibility of projects located outside of tribal reservation boundaries as being in LIDAC.
Alliance for Sustainable Energy, LLC	Provide training, outreach communications, and project development support to Community Lenders and tribes in areas of renewable power sources, sustainable transportation, energy efficiency, and energy systems integration; support market impact analysis related to air quality, and environmental, social, and economic impacts of the circular economy generated through clean energy projects.
National American Indian Housing Council	Provide ongoing education and outreach about the program, project financing opportunities to tribal government leaders and tribal housing authority leaders and staff through events and email broadcasts to its extensive national network, brief tribal government leaders and tribal housing authority leaders and staff about critical program developments.
Northern Arizona University (NAU) – Institute for Tribal Environmental Professionals (ITEP)	Provide outreach and education to tribes regarding clean transportation options via the Tribal Clean Transportation Working Group. Attend regional and national tribal environmental and energy conferences to conduct outreach in-person and help promote technical assistance offered by ITEP. Develop a website with information and resources pertaining to ITEP’s technical assistance, and compilation of resources to help advance clean energy projects on tribal lands.
University of New Hampshire (UNH) – Carsey School Center for Impact Finance	Work with Coalition Partners and Community Lenders to customize training resources to best meet the needs of clean energy project development and capital deployment in Indian Country.

NCN will ensure that highest-need areas and LIDAC are included in engagement strategies. Engagement efforts will include residents, small business owners, low-income residents, rural residents, local nonprofits, and other stakeholders, such as public housing representatives, and including traditionally underrepresented Native communities and other populations, such as people with disabilities and those who identify as LGBTQ+. Opportunities to learn about program offerings and provide input will be available via multiple venues, leveraging coalition systems in place to ensure engagement is continuous, flexible, and meets community needs.

1.2.1.2 LIDAC Accountability Plan

The federal government has a history of not being transparent with or accountable to tribal governments. Invitations to tribal governments to engage in discussions and decision-making around energy planning or regional approaches to climate solutions have been rare. As a result, existing energy infrastructure has often been sited on tribal lands without the express permission of the tribal leadership by the Bureau of Indian Affairs and other government agencies working with utility companies and cooperatives. This history, coupled with intergenerational trauma and exacerbated by challenging socioeconomic conditions, has led to extreme underinvestment in electric transmission, distribution, and energy access across Indian Country. Understanding this context is vital to successfully engaging and collaborating with tribal communities regarding the development of GHG and air pollution reducing projects. Early engagement with full transparency and explicit recognition of tribes' data sovereignty is essential to the success of the CCIA. The recognition and respect afforded by transparent early information sharing, along with acknowledgment of tribal sovereignty, is at the core of the NCN's approach to accountability.

NCN's LIDAC accountability plan ensures that tribal citizens and residents of LIDAC communities understand the purpose of the CCIA program, are educated and informed about the benefits of CCIA projects to their livelihoods and are able to provide feedback and input into program implementation. Native communities have a long and distinguished history of storytelling. Using this tradition, NCN will incorporate storytelling processes as part of the program evaluation strategy to portray the impacts, especially in terms of improved livelihoods. NCN will incorporate "stories" as part of case studies that will be conducted by NCN and Coalition Partners. Regional Program Coordinators will continuously gather information during their monthly calls which will be supplemented by the semi-annual meetings between the Intertribal Consortia and Community Lenders to discuss the progress of the projects, lending schedules, community feedback, lending and project development challenges, additional funding needs, leveraging CCIA dollars, and tax credits at a minimum. The "stories" and case studies will be included as part of the collective knowledge and histories and incorporated into reports. Furthermore, Community Lenders and Tribal Consortia leaders will be asked by NCN to complete a detailed survey on an annual basis. Survey results will be shared with Community Lenders and Tribal Consortia leaders and incorporated into project implementation plans for the subsequent project year.

1.2.2 Investment Objectives

In July 2023, NCN received a Energizing Rural Communities Prize that will support a comprehensive market study of clean energy market demand and capital needs. The study will take place from December 2023–February 2024 and will include an assessment of tribal clean energy needs and capacity building needs of Native-serving Community Lenders to deliver clean energy financing products. Although the below GGRF investment objective goals and targets may be refined as a result of this study, **the overall impact will be a substantial reduction in GHG emissions and air pollution, creation of high-quality jobs, improved health outcomes, greater housing affordability, a lower energy burden, and a historically significant clean energy investment in Indian Country.** Results from this market study will also inform the development of model clean energy loan products and related underwriting processes that can be deployed at the start of the CCIA program (July 2024).

1.2.2.1 Climate and Air Pollution Benefits

Tribal lands have significant renewable energy resource potential that can serve to ensure energy security and a low-carbon energy future that benefits Native communities as well as the entire U.S. The National Renewable Energy Laboratory (NREL) estimates that there is 17,600 billion kWh/year of solar energy potential and 535 billion kWh/year of wind energy potential on tribal lands in the lower 48 states alone.[6] The goal of the proposed CCIA program is to harness the considerable renewable energy resources on tribal lands to provide carbon- and pollution-free electricity in Native and other disadvantaged communities, reducing GHG emissions and striving for net-zero emissions across Indian Country and the U.S.

NCN will provide \$325M in capitalization funding to its Community Lender Network to support deployment of CCIA-eligible projects in Native and other disadvantaged communities across the U.S. Informed by a Community Lenders survey, NCN anticipates that its Community Lender Network will finance distributed energy and storage projects; net-zero building retrofits; new net-zero building construction; clean transportation; and other qualified projects, including electric vehicles. These projects will support GGRF goals of reducing greenhouse gas emissions 50 to 52% below 2005 levels in 2030 and achieving net-zero emissions by no later than 2050 and provide carbon-free electricity to Native and other disadvantaged communities, accelerating this statutory goal while providing the additive benefits of GHG emissions reductions, improved local air quality, and low-cost, permanent clean energy access in low-income and disadvantaged communities with a high energy burden. In addition, NCN's Lender Network will support the GGRF goal of achieving 50% of zero-emission vehicles share of all new passenger cars and light trucks sold in 2030 by funding clean transportation projects, driving GHG emissions reductions and reduction of criteria air pollutants, specifically those associated with gas- and diesel-powered vehicles. Progress towards these goals will be evaluated against targets at both the project-level and program-level (cumulative) scale.

Distributed energy and storage projects anticipated to be deployed through CCIA capitalization funding include rooftop and community solar, and renewable microgrids (which may include battery storage). Current average emissions from the U.S. electricity grid are 0.855 lbs CO₂/kWh.[7] Community and rooftop solar (0.10 and 0.09 lbs CO₂/kWh, respectively) and small wind (0.02 lbs CO₂/kWh) all have substantially lower lifecycle CO₂ emissions compared to the current grid mix. The Community Lenders in NCN's lender network serve an estimated 75% of all Native communities in the U.S. representing ~830,000 American Indian and Alaska Native households in addition to numerous Native Hawai'ian communities on Hawai'ian Homelands.[8] If the projects financed through the proposed program were to supply renewable energy to 30% of these homes, **the estimated GHG reductions resulting from these projects would be ~1.0 Mt CO₂/year.**³

³ Methodology: A typical U.S. household uses ~11,316kWh/year * 830,000 Native households served by NCN's Community Lenders (9.437BkWh/year). At the current grid mix, this results in 9.437BkWh/year*0.855 lbs CO₂/kWh (8.069B lbs CO₂/year). Assuming an average of 0.06lbs CO₂/kWh for a mix of renewable energy technologies, and 30% of households served powered with renewables, the result is 9.437BkWh/year*0.06 lbs CO₂/kWh (566M lbs CO₂/year)*.30. This is a reduction of 2.25B lbs CO₂ annually or 1,020,000 metric tons (t) of CO₂ (1.0Mt).

Further emissions reductions will be realized from the displacement of gas-powered generators—which are commonly used for residential energy generation and backup generation on Tribal Lands—with on- or off-site renewable energy. Many Native homes are unable to connect to Tribal utility grids as a result of their remoteness, the cost of grid interconnection, or right-of-way permitting issues.[9] As a result, they rely on generators for their daily energy needs. Every gallon of diesel or gasoline fuel burned in a generator results in ~20 lbs CO₂ emissions, with most Native households using 5 to 7 gallons/day to meet their minimum energy needs, resulting in 24 tons CO₂ emissions/year. Fourteen percent of Native households lack access to electricity (~154,000 homes). Over the course of the six-year program, if CCIA-eligible distributed energy projects replace gas-powered generators with renewable electricity for 12,500 homes, the resulting reduction would be **300,000 tons CO₂/year**. In addition, elimination of diesel generators will significantly reduce harmful air pollutants, including particulate matter and NO_x, which are detrimental to both human and environmental health.

Additional reductions will be realized from the new construction and retrofitting of net-zero buildings in the proposed communities, including residential buildings, community houses, medical centers, and municipal buildings. Buildings will be built or retrofitted to meet criteria for “highly energy efficient” and “powered solely from clean energy sources” according to the National Definition for a Zero Emissions Building. Energy efficiency will be verified by ICAST according to ENERGY STAR (for existing buildings) or ASHRAE 90.1 (for new buildings). CO₂ reductions from net-zero buildings will depend on the size of the buildings and existing energy use and sources, which can vary significantly.

According to NCN’s Community Lender Network survey, clean transportation projects are currently less of an energy priority in Native communities. Access to affordable electricity and housing far outweigh the need for electric vehicles and other clean mobility options. However, several lenders have demonstrated interest in financing fleet electrification, EV charging infrastructure projects, and providing personal auto loans for EVs or plug-in hybrid vehicles using CCIA capitalization funding. According to the National Congress of American Indians, approximately 11 billion vehicle miles are traveled on the Tribal Transportation Program (TTP) system annually.[11] The average gas-powered passenger vehicle emits 0.8818 lbs CO₂/mile traveled, resulting in 4.39 Mt CO₂/year in emissions. Converting just 15% of those miles into electric vehicle miles traveled (eVMT) through financing of electric vehicles and buses and installation of EV charging infrastructure would reduce CO₂ emissions from vehicles by **~600,000 tCO₂/year**. Additional benefits would be realized from a reduction in other GHGs, including methane, nitrous oxide, and HFCs, as well as criteria air pollutants, such as particulates, sulfur dioxide, and carbon monoxide.

Based on the above estimates, total anticipated GHG emissions reductions from *all* CCIA-eligible projects financed through the NCN Community Lender Network is anticipated to be at least **~1.9 Mt CO₂**.

To validate the reduction in greenhouse gases and air pollution in Tribal Lands, the National Tribal Air Association (NTAA), the Northern Arizona University (NAU) Institute for Tribal Professionals, and the Alliance for Sustainable Energy will manage environmental modeling, data collection and analysis. Specific tools that will be used for modeling and analysis will include

TREAT, Sefiera, REMRate, Aurora Solar, Energy Toolbase, NEAT/MHEA, IES VE, eQUEST, and EPA Portfolio Manager. On the ground air sampling over the six years of the program, using on the ground sensors, satellite data and reputable air quality resources such as EPA, will help to indicate an improvement in air quality in Native communities as a result of transitioning to zero-emissions technologies (see Section 1.3.1 Reporting Plan).

1.2.2.2 Equity and Community Benefits

100% of requested funds will be used for the purposes of providing financial assistance for projects that benefit Native and other low-income and disadvantaged communities; providing technical assistance to build capacity for lenders serving these communities; and programmatic support for measurement, verification, and reporting of benefits in the communities served. NCN and its Coalition Partners will track all expenditures of project funds to verify that funds were directly spent on CCIA-eligible, qualified projects in low-income and disadvantaged communities (including projects on Federally Recognized Tribal Lands) or to provide technical assistance to Community Lenders serving these communities CCIA-eligible projects funded through NCN's Community Lender Network are anticipated to provide the following benefits in these communities:

Improved health outcomes: NCN's network of Community Lenders are committed to uplifting Native communities, many of which are disproportionately affected by the impacts of climate change and poor air quality.[12] American Indians and Alaska Natives born today have a life expectancy that is 5.5 years less than the U.S. all races population (73.0 years to 78.5 years, respectively).[13] Native communities have higher rates of chronic diseases that are linked to poor air quality, including asthma and heart disease. Children in Native communities are twice as likely to have asthma, compared to non-Hispanic white children.[14] The increasing incidence of wildfires driven by climate change is further degrading air quality on Native lands.[15] Of Community Lenders surveyed, 78% want to reduce GHG emissions and air pollutants, which contribute to poor health outcomes in Native communities.

Diesel generators and vehicles are a major source of air pollution in Native communities. According to a recent study conducted by the California EPA and the American Lung Association of California, "diesel exhaust and many individual substances contained in it, including arsenic, benzene, formaldehyde and nickel), have the potential to contribute to mutations in cells that can lead to cancer. In fact, long-term exposure to diesel increases the risk of exhaust particles and poses the highest cancer risk of any toxic air contaminant evaluated by OEHHA. ARB estimates that about 70% of the cancer risk that the average Californian faces from breathing toxic air pollutants stems from diesel exhaust particles." [16]

This program will result in improved health outcomes through projects that focus on reducing or eliminating indoor and outdoor pollutants, including:

- 1) The installation of residential rooftop solar and standalone storage systems to replace diesel backup generators, reducing CO² emissions and particulate matter (PM) air pollutants.
- 2) Retrofitting buildings with electric boilers and water heaters, solar heat pumps, electric stoves, and other appliances that replace natural gas appliances, which have been associated with poor indoor air quality.

- 3) Building or retrofitting buildings with low VOC materials, which contribute to poor air quality and exacerbate respiratory illnesses, such as asthma.
- 4) Installation of EV charging stations, financing of electric buses and other vehicles that emit CO², methane, nitrous oxide, and hydrofluorocarbons.

Air quality improvements will be directly measured and verified by Northern Arizona University's Institute for Tribal Environmental Professionals (NAU-ITEP) (see Section 1.3.1). In the longer term, improved health outcomes will be measured through community survey and hospital admissions data against Healthy People 2030 goals, such as reducing asthma attacks to 35.1% among those with asthma.[17]

Job creation and workforce development: Beyond environmental and health challenges, Native workers face higher unemployment rates than their non-Native counterparts – 11.1% compared to the national average of 4.4%.[18] Furthermore, Native workers are overrepresented in frontline, often low-wage service sector work, making them especially susceptible to national crises including the COVID-19 pandemic. Creating high-quality jobs is an imperative for Native communities and was identified by 82% of Community Lender survey respondents as a top motivation for providing clean-energy financing.

According to the Center for American Progress, “clean energy investments create 16.7 jobs for every \$1 million in spending,” roughly three times as many jobs as fossil fuel investments.[19] Based on the anticipated investment of CCIA capitalization funding alone, the proposed program will create at least 5,260 jobs in Native and other disadvantaged communities. As of 2021, there were 12,670 American Indian, Alaska Natives, and Native Hawai'ians (or other Pacific Islanders) employed in renewable energy generation industries (solar, wind, hydropower, and biofuels) and 198,327 employed in the energy industry overall (including fossil fuel sectors).[20] Through this additional investment in Native communities, American Indian, Alaska Native, Native Hawai'ians (or other Pacific Islander) representation in the clean energy sector is expected to increase by 42% and overall employment in the energy sector will increase by 3%.

Rooftop and community solar installations, building retrofits, and net-zero housing construction have been identified as key project types for CCIA-funded clean financing and are anticipated to create high-quality jobs in Native communities. According to the Bureau of Labor Statistics, the median annual wage for solar photovoltaic (PV) installers in 2022 was \$45,230, slightly above the median household income for American Indian and Alaska Native populations nationwide (\$43,825) and significantly higher than the average income of individuals living on reservations (\$17,000).[21] For construction workers, salary ranges vary from \$39,520 for construction laborers and helpers to \$101,480 for construction managers.[22] For both solar installers and construction laborers, on-the-job training is typical for entry into these positions, providing access to jobs created by CCIA-funded projects. NCN anticipates additional job creation through distributed energy and storage projects and clean transportation projects but does not currently have enough information to qualify the types of jobs that will be created nor quantify the number of jobs that will result from these projects. These jobs will likely result in high-quality jobs in technology, manufacturing, and construction. Job quality will be measured and verified through gathering information from Community Lenders on positions created by each project, including wages and

bonuses, healthcare benefits, paid time off and sick leave, and other benefits, based on established job quality evaluation best practices.

Affordable housing and energy: Ninety percent of Community Lenders surveyed by NCN identified affordable housing and reduced energy (utility) costs as top motivations for clean energy financing. According to the Affordable Housing Tax Credit Coalition, 57% of Native households are burdened by the cost of housing or live in housing with poor conditions or overcrowding.[23] Furthermore, the median energy burden of Native households (4.2%) is 45% higher than that of non-Hispanic white households (2.8%), the highest energy burden of any historically excluded group.[24] Note that this is based only on race and ethnicity; a number of other factors can lead to a further increase in energy burden, including income status, age of household members, type of housing, and geography.

Several of NCN's Community Lenders already finance affordable housing projects and plan to develop new products specifically for construction of new and affordable net-zero homes in Native communities. These projects are expected to result in an estimated 200 new single-family, affordable homes. Other projects, including rooftop and community solar and energy efficiency retrofits, are expected to reduce household energy burdens. According to the American Council for an Energy-Efficient Economy, energy efficiency and weatherization can reduce the energy burden of low-income households by 25%.[25] By increasing the availability of affordable housing and decreasing the average household energy burden, CCIA-funded projects will help build wealth in Native and other disadvantaged communities while ensuring access to basic necessities.

1.2.2.3 Market Transformation Benefits

Native communities have faced historical underinvestment despite being at the frontlines of climate change. Generations of financial exclusion, wealth-stripping policies, and government subjugation have contributed to financial fragility, leaving Native communities vulnerable to economic fluctuations and natural and man-made disasters.[26] According to the Urban Institute, Native communities continue to lack access to affordable credit to meet their financial needs, often turning to high-cost lenders to meet their credit needs.[27]

It is the imperative of NCN and its Community Lender Network to transform the lending market to build wealth and financial resilience in Native and other disadvantaged communities through access to affordable lending products and services. Coalition Partners will provide technical assistance services (total EPA funds requested: \$15,950,000) to support NCN's Community Lender Network and NCN will provide lenders an additional \$35M⁴ in technical assistance subawards to obtain technical services outside of the capabilities of the coalition. In total, \$50,950,000 in EPA funding will be leveraged to build capacity for NCN's Community Lenders to deploy \$325M⁵ in capitalization funding to projects that improve livelihoods and economies by transforming traditionally underserved areas into clean energy communities.

Only 25% of NCN's Community Lender Network currently supports clean energy lending. As previously stated, most of these lenders reported the major barriers to developing clean financing

⁴ This represents direct costs for TA subawards.

⁵ This represents direct costs for capitalization funding.

portfolios to be insufficient capacity (including training on clean energy lending products and staffing) and insufficient capital. Through NCN’s technical assistance services and technical assistance subawards, lenders will be able to obtain the resources needed to build a portfolio of clean financing products and services and be able to support these services with trained and knowledgeable staff. NCN anticipates all 63 lenders participating in this program will be able to offer clean energy financing products and services by 2026. This represents a 400% increase in the number of lenders serving Native communities that will be qualified and resourced to finance clean energy projects.

NCN has designed its pass-through strategy to catalyze capital mobilization for clean energy projects in Native communities. Community Lenders will be encouraged—and will have access to technical support—to leverage CCIA capitalization funding for other financing in CCIA-eligible projects, including private investment, grants, and tax credits (see Section 1.2.5.5 Coordination Plan). While the amount of co-financing obtained will vary depending on the lender and project, the program-wide target for private capital mobilization ratio is 3:1, that is every \$1 of capitalization funding will mobilize \$3 in additional funding. This is a conservative target based on data taken from the 2021 U.S. Green Bank Annual Industry Report, which reported that in 2020, green banks mobilized \$1.7B in total investments with \$450M in green bank funds.[28] However, achieving this target private capital mobilization ratio will mean that the EPA’s \$325M in capitalization funding for the NCN Community Lender Network will leverage an additional \$975M in additional financing for clean energy projects on tribal lands, **totaling \$1.3B. This total far exceeds the \$120M spent between 2010 and 2022 by the Department of Energy’s Office of Indian Energy and, moreover, represents a significant step in empowering Native financial institutions to invest in Native communities, building a long-term, self-sustaining, and Native-led financial market for clean energy investments.** In addition, over the longer term the repayments from these loans would support further lending. By encouraging lenders to use CCIA capitalization funding to leverage private investment, NCN will build capacity within its Community Lender Network for long-term financing of greenhouse gas- and air pollution-reducing projects.

1.2.3 Pass-Through Strategy

1.2.3.1 Capitalization Funding and TA Subaward Design

Capitalization Funding Parameters

NCN has elected to provide capitalization funding to lenders as subgrants (i.e., the funding instrument). Subawards, in the form of subgrants, will be provided for up to 100% of loan origination to qualified projects, though NCN will encourage and provide technical assistance to lenders to leverage additional capital for qualified projects, such as funds raised through private investments, and federal grants, credits, and rebates to meet the program requirement for capital mobilization. Based on data gathered from NCN’s Community Lender survey, total capitalization funding amounts per lender are anticipated to range from \$1,000,000 to \$5,000,000. The process for amount determination is explained in Section 1.2.3.5. Technical assistance subawards will be provided as subgrants for up to \$500k per lender to support capacity building and obtain technical assistance services to support project development and reporting; additional information on TA subaward parameters is provided below. Both capitalization funding and TA subawards are designed to support the GGRF investment objectives by (1) subsidizing loans origination for CCIA-eligible projects that reduce GHG emissions and air pollution in low-income and

disadvantaged communities (including communities on Federally-Recognized Tribal Lands); (2) support projects that create high-quality jobs and provide other benefits (such as improved health outcomes) in low-income and disadvantaged communities (including communities on Federally-Recognized Tribal Lands); and (3) encourage additional investment in CCIA-eligible projects, catalyze additional investment in clean energy projects in low-income and disadvantaged communities (including communities on Federally-Recognized Tribal Lands), and support a new financial market for clean capital within NCN’s Community Lender Network.

NCN surveyed its Community Lender Network to determine their current capacity to deploy capitalization funding, both in terms of internal capacity (e.g., available loan products, staffing) and the existing pipeline of shovel-ready projects available for funding. Based on the survey, NCN has defined the parameters for three tiers of Community Lenders and developed a distribution process that aligns with the characteristics of the lenders in each group (see Section 1.2.3.2). The three lender tiers are defined below:

Tier 1
Community Lenders in this tier have an excess of \$5M in shovel-ready, CCIA-qualified clean energy projects with partner financing recipients in their <i>existing</i> pipeline. These lenders also agree to deploy their full capitalization funding allocations within the first three years of the CCIA-funded program (July 2024 to June 2027). NCN estimates nine to ten Community Lenders in its network meet the requirements for Tier 1 (estimated total capitalization funding \$45M to \$60M).
Tier 2
Community Lenders in this tier have shovel-ready, CCIA-qualified clean energy projects with partner financing recipients in their existing pipeline totaling less than \$5M. These lenders are prepared to deploy CCIA financing for qualified projects by June 2025; lenders will be expected to expend remaining capitalization funding by June 2030. NCN estimates 34 to 35 Community Lenders in its network meet the requirements for Tier 2 (estimated total capitalization funding \$170M to \$175M).
Tier 3
Community Lenders in this tier have undefined local market demand to be able to deploy 100% of their capitalization funding within six years. This is defined by having an existing pipeline of shovel-ready, CCIA-qualified that total less than 30 percent of their capitalization funding allocation. In addition, lenders in Tier 3 require six to 18 months to ramp up their organization’s capacity before deploying CCIA financing to partner financing recipients. These lenders must begin deploying capitalization funding no later than December 2025 and spend funds by June 2030. NCN estimates 18 Community Lenders in its network meet the requirements for Tier 3 (total capitalization funding \$90M).

Framework for Limited Exceptions and Reallocation - Capitalization Funding

Based on the results of the NCN Community Lender survey, some lenders may not be able to deploy the full \$5M allocation over the six-year project. In contrast, several lenders have communicated that they have well over \$10M in clean energy projects in their *existing* pipeline. For example, Mountain Plains CDC has over \$200M in new, net-zero affordable housing projects

and Alaska Growth Capital has over \$60M in renewable energy projects ready to finance. These projects are critical to achieving significant GHG emissions reductions, air pollution benefits, and equity and community benefits that will contribute to the overall impact of the GGRF. Therefore, NCN has included additional capitalization funding (~\$10M) and developed a reallocation strategy for capitalization funding and a framework for lenders to receive additional capitalization funding above the \$10M limit.

During Program Year 1, NCN will review and evaluate all 63 lenders' financial plans and assess the amount of capitalization funding they will be able to deploy towards CCIA-eligible projects during the six-year program. Lenders who are unable to deploy their full \$5M allocation (e.g., lenders who make small personal loans for home improvements), will be allocated a smaller amount of capitalization for the program. The difference in the reallocation and the original allocation will be merged into a pooled fund to address limited exceptions. NCN estimates that after initial assessments this pool will amount to ~\$50M.

Beginning in Program Year 2, NCN will open an RFP process in August 2025 for lenders to develop proposals to request additional capitalization funding above the \$10M limit. Lenders proposals will be evaluated on the following criteria: (1) Project Readiness – lenders must demonstrate they have shovel-ready projects (e.g., permitting is complete); (2) Project Impact – lenders must demonstrate that the project will make a significant contribution towards achieving the goals and targets for each investment objective (see more below); (3) Project Eligibility – lenders must demonstrate that all funds will be spent on CCIA-eligible projects; 4) Capacity – lenders must demonstrate they have the capacity to deploy the additional capitalization funding based on the Tier 1 timeline (i.e., fully deployed within three years); and (5) Performance Verification – lenders must demonstrate that their original allocation was spent on CCIA-eligible projects and submit initial reporting on outputs and outcomes. NCN will then select proposals based on its evaluation against these criteria. In addition, NCN has identified affordable housing that includes energy efficiency options as a critical priority for project finance through discussions with its Lender Network. NCN may select projects that expand net-zero housing availability in low-income, rural Native communities as well as projects that support priorities identified through the upcoming market analysis NCN will be completing through its DOE Energizing Rural Communities Prize (Phase I). Successful proposals will be submitted to the EPA to request a limited exception to the \$10M capitalization funding cap.

Lenders granted an exception will be required to meet additional reporting requirements, including financial and administrative reports and measurement and verification reports for project impact. The intent of this additional reporting is to provide the EPA justification for the expenditure of additional funds beyond the standard provisions of the grant program. NCN regional teams and Coalition Partners will provide technical assistance to support reporting requirements; likewise, these lenders may receive TA subaward funding to support rapid deployment of the additional capital (see description of TA subaward exceptions below).

Technical Assistance Award Parameters

The Community Lenders in NCN's Network overwhelmingly stated the need for technical assistance to deploy capitalization funding provided through the CCIA program. NCN has carefully selected Coalition Partners to support Network lenders in capacity-building through

technical assistance services (see Section 1.2.4.1). NCN also anticipates that lenders will need technical assistance subawards for hiring and training staff and to access technical services that are outside the expertise of Coalition Partners. Based on discussion with lenders, NCN plans to provide \$500k technical assistance subawards to all lenders identified for capitalization funding under the CCIA-funded program.

Framework for Limited Exceptions and Reallocation – Technical Assistance Subawards

NCN recognizes that some lenders may not require \$1M in TA subawards, and others may exceed the \$1M limit in order to rapidly deploy capitalization funding for shovel-ready projects. Thus, NCN will reallocate TA subaward using a similar strategy to the framework for reallocation capitalization funding. For lenders to receive reallocated TA subawards, they must demonstrate that:

- 1) The required technical services for initial capitalization deployment cannot be provided through NCN’s Coalition Partners; or
- 2) Additional capacity (e.g., staff) is required to deploy capitalization funding within the program timeline.
- 3) They have successfully utilized their original TA subaward allocation within the program guidelines.

Lenders must demonstrate that the technical assistance service provider(s) they have selected are qualified and are providing services at market rate. Lenders may request additional TA funding annually beginning in Program Year 2.

1.2.3.2 Distribution Process Design

Distribution of capitalization funding will vary depending on the characterization of each lender and its pipeline projects as described in Section 1.2.3.1, which will be determined during the evaluation process described in Section 1.2.3.4. In accordance with EPA’s payment plan, NCN will establish an account to draw down the entire award amount as a non-exchange capital contribution by the statutory deadline. Capitalization funding will then be distributed to Community Lenders (subrecipients) according to the below plan. For TA subawards, subrecipients (both Coalition Partners and Community Lenders) will need to submit a request for funds at the time they are needed and NCN will transfer funds into the subrecipient account to be expended within five (5) days.

Tier 1	
Program Year	Capitalization Funding
1 (July 2024 – June 2025)	100% allocated based on project pipeline evaluation
2 (July 2025 – June 2026)	
3 (July 2026 – June 2027)	100% deployed
4 (July 2027 – June 2028)	<i>Reinvest program income in eligible projects</i>
5 (July 2028 – June 2029)	<i>Reinvest program income in eligible projects</i>
6 (July 2029 – June 2030)	<i>Reinvest program income in eligible projects</i>

Tier 2	
Program Year	Capitalization Funding
1 (July 2024–June 2025)	First-stage tranche allocated based on project pipeline evaluation
2 (July 2025–June 2026)	<i>Additional tranche allocated at negotiated amount if 100% of first-stage tranche has been deployed</i>
3 (July 2026–June 2027)	<i>Additional tranche allocated at negotiated amount if 100% of first-stage tranche has been deployed</i>
4 (July 2027–June 2028)	Second-stage tranche allocated based on project pipeline review
5 (July 2028–June 2029)	<i>If any allocation remains, additional tranche allocated at negotiated amount if 100% of second-stage tranche has been deployed</i>
6 (July 2029–June 2030)	<i>If any allocation remains, additional tranche allocated at negotiated amount if 100% of second-stage tranche has been deployed</i>

Tier 3	
Program Year	Capitalization Funding
1 (July 2024–June 2025)	<i>Lenders will be focused exclusively on building their capacity through technical assistance in Year 1</i>
2 (July 2025–June 2026)	First-stage tranche allocated based on project pipeline evaluation
3 (July 2026–June 2027)	<i>Additional tranche allocated at negotiated amount if 100% of first-stage tranche has been deployed</i>
4 (July 2027–June 2028)	Second-stage tranche allocated based on project pipeline review
5 (July 2028–June 2029)	<i>If any allocation remains, additional tranche allocated at negotiated amount if 100% of second-stage tranche has been deployed</i>
6 (July 2029–June 2030)	<i>If any allocation remains, additional tranche allocated at negotiated amount if 100% of second-stage tranche has been deployed</i>

1.2.3.3 Eligibility Review Process

Many of the Community Lenders NCN will be working with as part of this project are already members of the Native CDFI Network and are certified CDFIs, meaning that they have achieved certification through the U.S. Department of Treasury’s CDFI Fund. By virtue of their certification, those entities have undergone a rigorous evaluation to determine that they are qualified Community Lenders. Eligibility for certification through the CDFI Fund requires entities to meet the following requirements: must be a legal entity at the time of certification; has a primary mission of promoting community development, is a financing entity; primarily serves one or more target markets; provides development services in conjunction with its financing activities; maintains accountability to its defined target market; and is a non-governmental entity and not under the control of any government entity (Tribal governments excluded). Several of these criteria align with the lender requirements of Section 134(b)(2) of the Clean Air Act, but NCN will conduct a review of organizational documents to confirm eligibility of each lender upon EPA award by requesting evidence of the lender being a public, quasi-public, not-for-profit, or nonprofit entity; having the legal authority to provide financial assistance to qualified projects at the state, local,

territorial, or Tribal level or in the District of Columbia; and are eligible to receive a subaward under the EPA Subaward Policy.

There are 20 emerging Native CDFIs that have confirmed their commitment to participating in this project. While these lenders have not achieved certification through the CDFI Fund, through NCN’s membership screening process (which includes a review of organizational documents) it has determined they are eligible Community Lenders under Section 134(b)(2). NCN will work closely with this group prior to EPA notification of award to ensure they meet eligibility requirements. Upon EPA award, these lenders also will need to provide evidence that they meet eligibility criteria. Any Community Lender that is deemed ineligible will still be offered technical assistance through NCN’s Coalition Partners but will not be eligible for capitalization funding or technical assistance subawards per the grant requirements.

1.2.3.4 Evaluation Process

NCN has developed a rigorous, consistent, and equitable process for evaluating lenders’ plans to use capitalization funding and technical assistance subawards through the six-year program. NCN will establish a CCIA Evaluation Panel to lead and carry out evaluation throughout the program. The Panel will consist of NCN’s CCIA Program Manager and three CCIA Regional Coordinators, a representative from each Coalition Partner organization, and third-party financial consultants with expertise in serving Native CDFIs and other Indian Country-serving lenders. The Panel will develop specific tools (e.g., rubrics) for initial and ongoing evaluations and provide these documents to lenders to assist them in preparing plans and reports throughout the program. These rubrics, as well as having lenders’ plans evaluated by the Panel consisting of objective reviewers will ensure fairness in the review process. The following elements comprise the initial evaluation process for lenders to formally participate in the program (General Evaluation) and evaluation criteria for lenders’ plans for use of capitalization funding and TA subawards:

General Evaluation Criteria	
Lender Vision	Lenders will be required to describe their vision for establishing a clean financing portfolio, including how it aligns with the program-wide mission to develop a robust, long-term clean energy finance ecosystem that will support Community Lenders in deploying capital for clean energy, energy efficiency, and decarbonization projects across Native and other low-income or disadvantaged communities.
Lender Past Performance	In addition to assessing lenders for program eligibility (Section 1.2.3.3), the Panel will evaluate lenders’ past performance in lending to tribal governments, Native businesses and individuals, and individuals and businesses in low-income or disadvantaged areas. Lenders will be reviewed for loan origination metrics (e.g., application approval rate, average loan value), loan servicing metrics (e.g., servicing issues per total loans serviced, response/resolution time), default servicing metrics (e.g., non-performing loan ratio), and financial performance metrics (e.g., total consumer loan revenue, return on assets). Lenders with past experience in clean financing will be asked to provide additional break-out details on those loan metrics. Note that a lender’s past performance will only be evaluated at the beginning of the program. Ongoing

	program reporting will only include metrics for CCIA-funded loans and services.
Lender Capacity	Lenders’ capacity to deploy clean financing will be assessed against current financial reserves, employee capacity (e.g., # of employees and experience), and current clean financing products and services. Technical assistance subaward plans will be evaluated against equity and community benefits and market transformation targets, specifically as it relates to creating quality jobs within the Community Lender Network and increases the number and types of clean financing products and services available to Native and other low-income and disadvantaged communities.

Capitalization Funding Evaluation Criteria	
Project Eligibility	Each lender’s portfolio of projects will be evaluated against the project checklists provided in Appendix B and Appendix C of the NOFO. Lenders may work with technical assistance providers to develop their rationale for meeting eligibility criteria.
Investment Objectives	As part of project eligibility, NCN will request that lenders develop an initial assessment of GHG reductions, community benefits, and capital mobilization for their project portfolio. NCN’s Coalition Partners will provide lenders with support for these assessments. Based on these assessments, the Evaluation Panel will assess proposed project outputs and outcomes against program-wide targets for achieving GGRF investment objectives.
Project Readiness	As described in Section 1.2.3.5 below, a lender’s initial amount of capitalization funding will be determined based on their “shovel-ready” project pipeline. NCN will request that lenders submit documentation demonstrating project readiness, such as engineering design packages, building or utility permits, and contractor quotes. Projects that demonstrate a high-level of readiness and meet eligibility criteria will be approved for deployment of capitalization funding. Projects that cannot demonstrate sufficient readiness will be added to a lender’s portfolio of “pending projects,” which will be eligible to receive approval for capital deployment in subsequent reviews.
Community Support	Lenders will be requested to demonstrate community support for projects through documentation such as letters of support or memoranda of agreement with tribal governments and community organizations. This requirement may not apply to lenders planning on providing personal loans for energy efficiency home improvements or electric vehicle auto loans, since this would be administratively burdensome on individuals. However, lenders may provide general support for tribal entities or organizations supporting provision of personal loans that support GGRF investment objectives.

TA Subawards Evaluation Criteria	
Coalition Services	NCN has selected Coalition Partners based on their expertise in capacity-building for clean energy projects and clean financing. Lenders' TA subaward plans will be evaluated against the technical assistance services provided by the coalition. Lenders will be encouraged to utilize Coalition services for monitoring and reporting against the investment objective targets and allocate TA subawards to technical assistance activities that cannot be provided by Coalition Partners.
Capacity Building Support	Lenders' TA subaward plans will be assessed for their potential to build long-term capacity for and transform clean financing markets in Native and other low-income or disadvantaged communities. Technical assistance activities that build capacity may include training existing staff in clean energy financing; hiring new, qualified staff; developing new financial products; and co-financing support to achieve capital mobilization targets.
Project Development Support	Lenders' TA subaward plans will be evaluated for their potential to develop new or expand on existing pipelines of clean energy projects that will achieve GHG reductions, decrease air pollution, and provide community benefits, including conducting market analyses; supporting pre-development activities; technical feasibility studies; and design, engineering, and permitting support.
Community Development Support	Lenders' TA subaward plans will be evaluated for their potential to build community capacity for clean energy financing, including community education and engagement activities and workforce development.
TA Provider Qualifications	Lenders will need to demonstrate due diligence on technical service providers prior to contracting services, including confirming that providers are qualified and will provide services at market rate. Preference will be given to lender plans that include Disadvantaged Business Enterprises (DBEs), Small Business Enterprises (SBEs), and Minority- and Women-owned Business Enterprises (MWBEs).

Ongoing Performance Reporting:

NCN's CCIA Program Manager and Regional Coordinators will meet monthly with lenders to continually evaluate performance and track compliance with program requirements. Lenders will be required to submit semi-annual and annual reports, financial and performance progress reports within 30 days of the end of the reporting period to allow NCN to compile data for EPA reporting purposes. NCN Regional Coordinators and Coalition Partners will assist lenders in preparing these reports. Reports will be evaluated for compliance with program guidelines and progress towards achieving investment objective goals and targets.

Noncompliance:

Lenders whose funding plans are determined to be insufficient will be given 120 days to revise and resubmit their plans. During this time, they will still have access to the technical assistance services provided by Coalition Partners and will be encouraged to leverage partners to address areas of concern. Likewise, if a lender is deemed noncompliant with financial or performance

reporting requirements, NCN will request that they pause all loan origination for 60 days and work with NCN and Coalition Partners to address compliance issues. See Section 2.3.1 for more information regarding noncompliance.

1.2.3.5 Amount Determination Approach

NCN will provide up to \$5M to each Community Lender consistent with the following approach for each lender tier:

Tier 1
<p>These lenders have an existing pipeline of CCIA-eligible projects exceeding \$5M and they will receive 100% of their capitalization funding allocation in Year 1 (\$5M) to immediately deploy projects that achieve the GGRF program’s investment objectives. To receive funding, these lenders will need to submit a financing plan to NCN for approval within 90 days of the program start date that includes confirmation that projects meet CCIA eligibility, the total per project amount, and the amount of CCIA capitalization funding that will be utilized to finance each project. The Evaluation Panel will conduct an initial evaluation of these plans against the investment objectives, goals and targets described in Section 1.2.2, as well assess how the plan demonstrates responsible expenditure of EPA funding.</p>
Tier 2
<p>These lenders have an existing pipeline of CCIA-eligible projects totaling less than \$5M and will receive a first tranche of capitalization funding that is less than 100% of their total allocation in Year 1 to immediately deploy projects that achieve the GGRF program’s investment objectives. The Evaluation Panel will determine the amount by evaluating each lender’s financing plan, which they will submit for approval within 90 days of the program start date (see description above). Tier 2 lenders will be eligible to receive a second tranche of capitalization funding when they have fully deployed the first tranche. The amount determination approach for the second tranche will be the same as the first, with the requirement that the lender demonstrates that they have successfully deployed the first tranche in accordance with all program guidelines.</p>
Tier 3
<p>These lenders’ pipeline of eligible projects are undefined and they require 6-18 months of technical assistance to be able to begin capital deployment. During Year 1, Tier 3 lenders will work closely with Coalition Partners to identify eligible projects and develop clean financing products and services, thereby making progress towards Market Transformation targets. By the end of Year 1, lenders will submit a financing plan (see above for description) to receive their first tranche of funding to deploy CCIA-eligible projects that achieve the GGRF investment objectives. The Evaluation Panel will evaluate these plans to determine the amount of the first tranche, which will be less than 100% of their \$5M allocation. As with Tier 2, Tier 3 lenders will be eligible for a second tranche of funding, provided they successfully deploy the first tranche and submit a financing plan for the additional funds.</p>

1.2.3.6 Management and Oversight Plan

NCN's CCIA program staff will hold monthly calls with each lender to track fund expenditures (both capitalization funding and TA subawards), review potential and current projects, and identify

any potential issues. These calls will assist NCN in the preparation of semi-annual reports to the EPA and the NCN Board. NCN plans to rely heavily on attorneys in drafting the contracts with the lenders, the loan agreements, the reporting documents, educating the lenders and lending recipients on the legal requirements of the grants, and more. The attorneys will be tasked with preparing, maintaining, and reviewing all the legal agreements regarding NCN's activities, as well as reviewing semi-annual reports prepared by the CDFIs for consistency with NCN's records. They will also opine on the legal compliance procedures of NCN and its Community Lenders. The lead attorney will be an expert in grants and have a comprehensive understanding of this particular NOFO.

The accountants will review financials from the Community Lenders in addition to auditing NCN's financial statements on a regular basis. The auditors will review Community Lenders' documents for inconsistencies, compliance with accounting regulations, both state and federal, and the use of other sources of funding for the projects. Auditors will also conduct periodic forensic audits on the projects themselves, as well as the lenders. NCN has purchased new bank/finance tracking software. At its request, the manufacturer will customize the software to include grants monitoring capabilities including but not limited to: (1) the status of each project for each Community Lender; (2) the amount and category of the funding, general vs. technical vs funds raised from corporations, philanthropies and individuals; and (3) the responsible parties and the drawdown schedules. The software will also be used to validate the Community Lender reports.

Remedies for noncompliance and reallocation of unused funds are described in Sections 1.2.3.4 and 1.2.3.1, respectively. The process for subgrant disbursement will require Community Lenders to submit written requests for the amount of capitalization funding and/or technical assistance funding they need to proceed with the corresponding phase of their projects. A standardized request form will be required that includes a brief description of the intended use of funds, amount requested, and organizational bank account information for receiving the funds. Upon approval from the NCN CCIA Evaluation Panel, NCN will transfer the approved amount of funds to the Community Lender via ACH transfer.

1.2.4 Technical Assistance Services Strategy

1.2.4.1 Targeted Community Lender Support Plan

NCN is the leading resource for Native CDFIs seeking to create or expand existing lending programs. It develops and promotes to its members training tools to help build capacity, including staff training on microbusiness services and loan programs and products. NCN has identified several areas of technical assistance required to execute GGRF priority projects in Native and other disadvantaged communities. In NCN's Community Lender Network survey, 92% of lenders expressed a need for training in clean energy underwriting, 86% need guidance in vetting potential projects and analyzing benefits, 86% need assistance in supporting lendees in securing grants and credits to pay down financing, 82% need assistance accessing and adapting model clean energy finance products, and 75% need assistance in developing risk management policies.

Through the CCIA-funded program, NCN's Coalition Partners will provide technical assistance services that target knowledge and capacity gaps and advance the program's investment objectives (see Coalition Partner Letters of Commitment under Optional Attachments). Technical assistance services will be provided to lenders at no cost. NCN also will provide up to \$500k per lender for

lenders to access technical assistance outside of the Coalition’s services. The services below will also be available to Community Lenders that have not received capitalization funding or TA subawards, including new Native CDFIs that are established during the six-year program. In addition to the services described below, Community Lenders will have access to legal and accounting services to assist in managing grant compliance reporting, and to assist in navigating the deployment of capitalization funding in conjunction with other federal grant funding, tax credits, and incentives.

Project Development and Implementation Support
<p>The Alliance for Tribal Clean Energy will assist in scoping, designing, permitting, and interconnecting successful tribe-led clean energy projects. University of New Hampshire’s (UNH) Climate Equity Training Hub will assist lenders in accessing resources to develop and finance solar projects. Blue Lake Rancheria will advise tribal governments and enterprises on the development of community-scale solar, micro-grid, and related clean energy projects. Institute for Tribal Environmental Professionals at Northern Arizona University will support lenders to implement pilot projects that catalyze deployment of clean transportation. The National American Indian Housing Council will provide ongoing technical assistance to tribal governments and tribal housing authority staff to support the effective implementation of housing-based clean energy infrastructure in Native communities.</p>
Loan Product Development and Training
<p>Carsey School Center for Impact Finance at the University of New Hampshire will provide training and financial product development customized to meet the needs of clean energy project development and capital deployment in Native communities. GRID Alternatives (GRID) will provide support around solar project development, energy finance product development and deployment to Community Lenders who plan on developing residential and community-scale solar in Native communities.</p>
Clean Energy Market Analysis
<p>The Alliance for Sustainable Energy will provide support for market impact analysis related to air quality, and environmental, social, and economic impacts of the circular economy generated through clean energy projects. The Alliance for Tribal Clean Energy will partner with lenders to conduct market research to assess clean energy needs and readiness to develop clean energy projects. The National Center for American Indian Enterprise Development (NCAIED) will provide “heatmap” services to tribes and tribal enterprises that include analysis of clean energy opportunities unique to individual tribes and capitalization strategies.</p>
Finance Structuring and Engineering for Sustained Financing
<p>Partners will provide capacity building support for deploying clean energy projects, and build sustained financing models (e.g., grants, tax credits, rebates) for beyond the grant period. Alliance for Tribal Clean Energy will develop capital stack planning tools for Community Lenders. GRID Alternatives will work with Community Lenders, tribal governments, tribal enterprises, and other lenders to build sustainable financing plans and leverage capital. National Indian Health Board – Thriving Communities Technical Assistance Center (NIHB-TCTAC) will provide technical assistance to funding recipients to identify and secure federal grants, tax credits, and rebates to buy down the cost of CCIA financing.</p>

Tribal Outreach and Engagement
<p>NCN and Coalition Partners will work with intertribal consortiums to identify economic, social, energy, and environmental priorities, then develop communications to reach individuals and businesses interested in accessing clean energy financing. The Alliance for Tribal Clean Energy, NCAIED, and the NAIHC will connect individuals and businesses in their communities to NCN’s Network to deploy projects.</p>
Labor and Workforce Development
<p>National Indian and Native American Employment and Training Conference – California Indian Manpower Consortium will connect tribal and Native workforce development practitioners with training and job opportunities tied to CCIA-funded emerging clean energy projects through outreach and education activities that they can then share with Native workers. GRID will support rooftop solar workforce development through its existing programs. Blue Lake Rancheria will provide their model tribal clean energy apprenticeship program and support tribes to implement similar programs including the development of necessary and related tribal ordinances.</p>
Measurement, Reporting, and Verification
<p>Several Coalition Partners have expertise in measuring clean energy project impact and will assist Community Lenders in evaluating the impact of their lending portfolios, as well as provide measurement, reporting, and verification for the overall program (see Section 1.3.1). NCN’s and Coalition Partners’ implementation of these technical support strategies will help Community Lenders to deploy their capitalization funding and technical assistance subawards, while building the capacity of the lending community to finance clean energy projects beyond the grant period.</p>

1.2.4.2 Financial Market-Building Plan

NCN envisions creating a supportive financial market for Community Lenders to finance CCIA-eligible projects by addressing market-wide barriers to capacity and de-risking new loan products and services for clean financing. NCN, along with key Coalition Partners that include Alliance for Tribal Clean Energy, GRID Alternatives, Blue Lake Rancheria, the National Center for American Indian Economic Development and the University of New Hampshire – Center for Impact Finance, will develop programs and services that equip Community Lenders with practical, high-level skills as well as access to the tools and networks they need to develop the clean financing expertise needed to serve as cornerstones of clean energy financing in underserved communities

NCN’s technical financing support will include clean energy finance products and training components that are tailored to clean energy market demand in Indian Country, as well as in low-income and disadvantaged communities throughout the U.S. Support will include:

- **Model loan products and related underwriting guidance** that includes, but is not limited to loans for consumer, commercial, and community solar, electric vehicle purchase, net-zero building and retrofit projects, distributed energy generation and storage projects for agriculture enterprises, and consumer energy efficiency, and electrification.
- **Instructor-led and self-paced virtual trainings** with cohorts of lenders, focused on project implementation and project finance skills needed to underwrite clean energy projects.

- **Development of guidebooks** that provide tools, templates, and examples of innovative finance engineering strategies that support consumer and community scale projects. Guidebooks will include information related to identifying and securing the grants, credits, and rebates available through the BIL and IRA that can significantly buy down/offset the cost of the CCIA financing.
- **Individualized technical assistance** to CCIA financing recipients (Community Lenders, tribal governments, tribal enterprises, Native/XBE small business owners, etc.) to access resources such as tax credits (e.g., LIHTC, solar ITC), foundation and/or government grants, state funding (weatherization assistance program, DOE home energy rebates) and utility rebates.
- **Matchmaking services** between Community Lenders, tribes, and investors to finance clean energy projects.

The intention of this finance market-building plan is to build enduring capacity within the Native community financing ecosystem (and beyond) to deliver efficient, effective, and equitable implementation of the GGRF, going beyond climate mitigation to achieve adaptation, resilience, and environmental justice for Native and other low-income and disadvantaged communities.

CCIA funding will also help de-risk entering a new lending market. NCN’s Community Lenders will be able to leverage the CCIA capital funds by stacking funds with other subgrants, rebates, incentives, subsidies, or loans. For example, CCIA capital may be used to provide loans to individual tribal citizens for the purchase of electric vehicles, rooftop solar, or energy efficiency upgrades to their homes. These individuals may also be eligible for tax credits or rebates, available through the IRA, which can be used to reduce the individual’s total borrowing requirements and to mitigate some of the lender’s risk. Tribal nations might also receive grants to help offset the costs. Finally, these loans will also typically be secured, either by the equipment, the car, or the energy project.

In the case of financing tribal government or tribal enterprise clean energy projects such as larger-scale clean energy projects that include community or commercial rooftop solar, distributed wind, microgrids, and battery storage, a Community Lender can lend GGRF funds to a tribal government to develop and construct the project and structure the loan to be repaid or paid down once the government receives its grant and/or tax credit. Tribal governments are eligible for several types of grants (e.g. the DOE Office of Indian Energy grant program is a “reimbursable grant.”) and are also now eligible to receive tax credit payments under the Inflation Reduction Act (IRA).⁶

Tribal enterprises may also qualify for tax credit payments, and tribal citizen-owned businesses will also be eligible for renewable energy tax credits. These grants and tax credits will substantially buy down a loan. Between tax credit payments and grant funding, the loan can be paid down

⁶ Through the Inflation Reduction Act, a local government that makes a clean energy investment that qualifies for the investment tax credit can file an annual tax return with the IRS to claim elective pay for the full value of the investment tax credit, as long as it meets all of the requirements including a pre-filing registration requirement. As the local government would not owe other federal income tax, the IRS would then make a refund payment in the amount of the credit to the local government. *See Inflation Reduction Act, Sec. 6417; see also IRS Elective Pay for Tribal Governments, <https://www.irs.gov/pub/irs-pdf/p5817f.pdf>.*

substantially or paid off entirely. These additional incentives reduce the risk to the Community Lender and allow for re-lending GGRF funds to other projects – as anticipated by the program.

1.2.5 Implementation Plan

1.2.5.1 Community Lender Outreach and Accessibility Plan

NCN has recruited 63 lenders to participate in its Community Lender Network as the central component of this CCIA program. More than 90% of them serve Native business owners and individuals living and working in rural or reservation communities that are economically disadvantaged. To keep them engaged throughout the six-year grant period and to ensure that they are informed of the technical assistance services available, NCN's CCIA Program Coordinators will hold a monthly meeting with each lender. In addition, NCN hosts several events and programs for its network that it will leverage to expand participation from other lenders, particularly emerging CDFIs that would benefit from the technical assistance services provided by Coalition Partners. These events and programs include:

- **Annual Summit:** The Annual Summit is a platform to unite Native CDFI voices as advocates for increased access to clean capital that improves economic opportunity for small and micro businesses and individuals in Native communities. The Summit includes training sessions on small and micro business re-lending programs. This premier event brings together Native CDFI leaders, traditional lenders, funders, nonprofit organizations, federal agencies, and policy makers to engage in dynamic sessions in support of Native communities. NCN is slated to host a Summit (170 attendees) in December 2023, and will continue holding these events throughout the program. NCN will add a day to each Annual Summit dedicated to CCIA program outreach, support, and technical assistance training.
- **Regional Meetings:** NCN hosts smaller regional convenings (~60-90 attendees) throughout the year, offering Native CDFIs an opportunity for networking and peer-to-peer learning among NCN members and supporters. Regional gatherings are open to members and non-members. Native organizations, funders, and state and tribal leaders and policy makers. Different groups host seminars on a variety of topics, including affordable housing development resources for tribes and Community Lenders, Native homeownership lending programs, opportunities available through programs such as Fannie Mae, Freddie Mac, and Farmer Mac, New Market Tax Credit options to support development projects on tribal lands, and investor matchmaking events.
- **Capacity-building Programs:** NCN's capacity-building programs include webinars and virtual training sessions conducted by industry professionals and subject matter experts. Webinars are open to non-members, helping to attract new members to the NCN network (attendance average 25-35 lenders). Example topics covered in these sessions include Capitalization Planning, Workshopping and Best Practices; Priming the Loan Pipeline; Understanding the New Native CDFI Requirements; and Financial Systems and Dashboards.

Most members of the NCN lender network live and work in remote, rural locations. For these lenders to participate in the convenings described above many will travel significant distances. Therefore, NCN plans to provide meals and travel stipends as needed to ensure their participation in these critical gatherings where they will receive timely program updates, access to critical capacity-building services, and peer support and can benefit from the networking opportunities NCN will cultivate through these in-person meetings.

NCN is committed to accessibility in its programmatic content, providing resources in various online multimedia formats to accommodate a range of abilities and resources. Lenders who do not have internet access will be accommodated with printed materials or provided webinar recordings on DVD. Webinars and videos are and will be recorded and captioned according to ADA Title II and Title III. If requested, NCN will provide materials and content to lenders in Native languages using translation services, as well as provide ASL translation services for the hearing-impaired at all in-person events, if requested.

1.2.5.2 Labor and Equitable Workforce Development Plan

Eighty-two percent of Community Lender Network Survey respondents identified creating high-quality jobs as a top motivation for providing clean-energy financing. NCN and Coalition Partners will work with project developers to offer several workforce development and training services to support the creation of high-quality jobs in Native communities.

Coalition Partners that will support workforce development include Blue Lake Rancheria and GRID Alternatives. Blue Lake Rancheria's Tribal Apprenticeship and Prevailing Wage Accelerator develops registered apprenticeship programs and prevailing wage programs with and specifically for Tribal Nations to ensure eligibility for and compliance with the Direct Pay/Elective Pay provisions of the Inflation Reduction Act (IRA), resulting in a larger skilled and trained workforce earning livable wages in Tribal lands. Through the Accelerator program, Blue Lake Rancheria aims to co-design Tribal apprenticeship and prevailing wage training programs with at least five Tribal Nations, and support implementation of these programs through legal and accounting technical assistance. Note that the current Accelerator program is funded through other sources and is not part of Blue Lake Rancheria's EPA request as a coalition member. However, through EPA funding, Blue Lake Rancheria will deploy the emerging model tribal clean energy apprenticeship program currently under development through the Accelerator program to foster the comprehensive national development of a Native workforce pipeline for clean energy jobs created through CCIA-funding and other EPA GGRF programs. In addition, Blue Lake Rancheria will assist tribal governments in partnering with Community Lenders to develop and enforce tribal ordinances governing clean energy workforce education, training, job acquisition, and prevailing wage.

GRID Alternatives will create and convene a Tribal Workforce Development Advisory Committee (TWDAC) to develop a Tribal Workforce Development Plan for CDFI-funded clean energy projects. The Plan will identify existing and anticipated workforce development needs and industry barriers, as well as opportunities for workforce development and education across the different Native communities and projects funded by Community Lenders. The TWDAC will then develop a comprehensive workforce development strategy and timeline that aligns with the technical assistance services being provided and the implementation of CCIA-eligible projects. This strategy will identify potential partnerships with educational institutions, vocational trainers, employer partners, community-based workforce development organizations, and others within the workforce system for the development of workforce training programs. Finally, GRID will develop an implementation roadmap that outlines best practices for engaging tribal communities to increase participation in workforce development activities and provide assistance in the

development of outreach strategies to support capacity building for a broader tribal workforce development network.

1.2.5.3 Consumer Protection Plan

NCN's legal counsel will add into all loan and grant agreements that subrecipients and borrowers are required to adhere to applicable consumer protection laws, including the consumer protection laws in the jurisdictions their organization serves as well as federal consumer protection and consumer financial laws, such as those prohibiting unfair, deceptive, and abusive practices (e.g., 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), which require the disclosure of terms and cost of consumer credit and offer substantive protections to people who use consumer credit; and the Equal Credit Opportunity Act (15 USC § 1691 et seq.) and Regulation B (12 CFR § 1002), which prohibit creditors from discriminating against consumers who apply for or receive credit. NCN's legal counsel will develop a procedural checklist for all subrecipients and borrowers to ensure they meet all applicable federal, state, and tribal consumer protection laws, as well as other federal funding requirements. To promote trust, respect, and confidence, all customer personal and business financial affairs will be kept strictly confidential. All customer records and information will be safeguarded and unauthorized access or use is prohibited. Specific customer information shall be provided only to those individuals who are part of the lending process and the Evaluation Panel, when applicable. The NCN Board of Directors will only be provided specific credit information on customers when a policy exception is required. Credit information about NCN customers will be released outside the system only with the express written consent of the customer. A customer's name and general business information will be used for publicity or marketing purposes only if the customer has signed an authorization or consent form.

In addition, NCN's legal counsel will be preparing training material for all Community Lenders that will cover processes for reviewing, tracking, and addressing consumer complaints regarding business practices and, if applicable, consumer complaints regarding the practices of any service provider used in the provision of a consumer financial product. Legal counsel, accountants (when applicable), and NCN will conduct periodic audits of consumer lending practices and those of service providers.

1.2.5.4 Housing Affordability Plan

NCN has identified housing affordability as a critical priority in Native communities and is committed to maintaining housing affordability for tribal citizens. NCN Community Lenders and tribes will work closely with the National American Indian Housing Council (NAIHC), a Coalition Partner on this proposed project, to identify federal grants and programs and leverage CCIA capitalization funding to significantly reduce the cost of financing affordable housing projects. Representative grant programs include the Indian Housing Block Grant Program and the Indian Community Development Block Grant Program. NAIHC will also provide guidance to lenders on the Section 184 Indian Home Loan Guarantee Program, which provides home mortgage products specifically designed for American Indian and Alaska Native families, Alaska villages, tribes, or tribally designated housing entities.

NCN also has an existing cooperative agreement with the U.S. Department of Agriculture (USDA) to make USDA Rural Development Programs more accessible to Native businesses and citizens. This includes the USDA Section 502 Direct Loan Program, which assists low- and very-low-income applicants in obtaining decent, safe and sanitary housing in eligible rural areas by providing payment assistance to increase an applicant's repayment ability. NCN will work with lenders and the USDA to leverage this program to assist tribal citizens in access with new net-zero and housing retrofitted with energy efficiency technologies in Native communities. NCN has also entered into preliminary discussions with Fannie Mae and Freddie Mac to develop partnerships with Native CDFIs to expand the availability of low-interest, long-term capital for low-income homeowners in Native communities. NCN will continue to cultivate that relationship and facilitate discussions between Fannie Mae, Freddie Mac, and its Community Lender Network.

Community Lenders also will seek additional affordable housing funding from state and local governments, foundations and philanthropies, and corporations. As part of the technical assistance services provided, NCN CCIA program staff and Coalition Partners will help Community Lenders identify applicable federal, state, and local incentives, grants, and funding initiatives on a state-by-state basis.

NCN also anticipates supporting housing affordability by reducing household energy burden, thereby increasing homeowner's liquid assets for paying down existing debt and loans, including mortgages. With the average household income of American Indian and Alaska Native homes at \$43,825 and an average energy burden of 4.2%, Native households are spending ~\$1,840 annually on energy costs. A 25% reduction in energy burden would result in a \$460 reduction in energy costs per household per year. In addition, Community Lenders will be able to support customers in accessing tax credits and rebates to further reduce utility costs over time.

Finally, several of NCN's lenders have existing programs for establishing or improving credit for tribal citizens, which can, in turn, be used to leverage lower interest rates on mortgages and other personal loans.

1.2.5.5 Coordination Plan

NCN has joined lead applicants Midwest Tribal Energy Resources Association (MTERA) and GRID Alternatives (GRID) as a partner in applying to the Solar for All program. In addition, NCN has joined Climate United in their application to the National Clean Investment Fund (NCIF). If awarded, Climate United will collaborate with NCN to build a program that provides Native Community Lenders with a package of grants and loans to accelerate the ability of these lenders to originate and finance Qualified Projects in tribal communities. Climate United and NCN will work together to co-develop a coordinated Operations Manual for Community Lenders that streamlines reporting, definitions, systems, and other processes related to capital deployment to eligible, EPA priority projects. In addition, Climate United, in partnership with NCN, will support Native Community Lenders in their growth journey, including connecting them to other sources of liquidity or risk capital being managed by Climate United or its other sub awardees (e.g., standardized mortgage or commercial lending products). In the event that other Solar for All and NCIF awardees are focused on Native communities, NCN will engage and coordinate with them to minimize duplication and maximize complementarity across grantees in achieving the GGRF program objectives.

The five CCIA awardees will coordinate activities during the program period to minimize duplicative efforts and maximize complementary efforts in order to achieve the GGRF program objectives. Coordination of activities will benefit the GGRF program by using the CCIA program to build capacity and support engagement in diverse sectors - including project finance and clean energy. NCN also plans to coordinate with GGRF grantees across NCIF and Solar for All (NCN is a subawardee under Midwest Tribal Energy's Solar for All award) to ensure that Community Lenders Are positioned to provide a broad range of qualified projects and can access capital from both NCIF and Solar for All, which have different terms that may be more favorable for certain types of projects or lending.

The CCIA awardees will coordinate the following efforts during the six-year CCIA program:

- Pass-through Strategy/Logistics – CCIA awardees will coordinate on market segments served and timing of application cycles, where possible.
- Technical Assistance Services – CCIA awardees will share and cross-promote resources and training opportunities, where possible.
- Market-building – CCIA awardees will coordinate outreach and on-the-ground implementation of contractor accelerators and workforce development, where possible.
- Reporting – CCIA awardees will align reporting requirements, templates, metrics, and standards, where possible.
- Communications – CCIA awardees will coordinate on program-level communications and cross-promote individual awardee communications, where appropriate.
- Program Evaluation – CCIA awardees will collaborate on approach and implementation, where possible.
- Compliance – CCIA awardees will align messaging, training and support, where possible, with regard to DBRA, BABA, and other EPA T&Cs.
- LIDAC Engagement – CCIA awardees will coordinate on engagement, transparency and accountability strategies and implementation, where possible.

Community Lenders will be encouraged to leverage CCIA capitalization funding for private investment or other financing in CCIA-eligible projects. Additional funding will be sought from state and local governments, foundations and philanthropies, and corporations. Currently, there are approximately 2,433 state and local government policies and incentives for reducing greenhouse gases. These incentives range from grants to rebates to cash incentives to tax credits and more.[29] Public-private partnerships (PPPs) involve collaboration between a government and a private-sector company that can be used to finance, build, and operate projects, such as public transportation networks, parks, and convention centers. Financing a project through a PPP can allow a project to be completed sooner or make it a possibility in the first place. Public-private partnerships often involve concessions of tax or other operating revenue, protection from liability, or partial ownership rights over nominally public services and property to private sector, for-profit entities.

Foundations have increased their funding for climate change mitigation from \$7.5 billion to \$12.5 billion – an increase of 25% – from 2021 to 2022.[30] For example, the William and Flora Hewlett Foundation and 19 other foundations have pledged \$223M to reduce greenhouse gases, while the Bezos Earth Fund pledged \$1.0B.[31][32] From 2019 until the end of 2022, private-market equity

investors launched more than 330 new sustainability; environmental, social, and governance (ESG); and impact funds. The cumulative assets under management in these funds grew threefold, from \$90B to more than \$270B.[33] Furthermore, those figures do not include the significant amount of capital earmarked for climate opportunities in corporate capital budgets, public-equity investment vehicles, and credit funds.

As part of the technical assistance services provided, NCN and Coalition Partners will help Community Lenders identify applicable federal, state, and local incentives, grants, and funding initiatives on a state-by-state basis. In addition, the team will also identify foundations, philanthropies, impact funds, and private market climate investors as potential funders. Leveraging NCN's national network and that of its partners, NCN will determine each entity's requirements and begin the application process in the beginning of 2024. The Carsey School Center for Impact Finance at the University of New Hampshire (UNH), a Coalition Partner, is an expert in financial product development. UNH will be responsible for recommending capital stacks that utilize the CCIA grant funding of 30% to leverage other investments. They will also develop a program for the lenders and the tribes on the sources of funding and how to apply for the capital. This will be an ongoing program introduced in 2024 and updated throughout the program and in the future.

1.3 Program Reporting

1.3.1 Reporting Plan

In accordance with updated EPA reporting requirements, NCN will submit transaction- and project-level semi-annual reports within 60 calendar days after the reporting period. Performance reports will also be submitted semi-annually with the first reporting period ending on December 31, 2024. NCN will also submit an annual report no later than 90 days following the organization's fiscal year end.

NCN will partner with the University of New Hampshire–Carsey School Center for Impact Finance (UNH–CIF), the Northern Arizona University Institute for Tribal Environmental Professionals (NAU–ITEP), and the Alliance for Tribal Clean Energy for tracking and reporting of environmental outputs and outcomes. UNH will work with NCN CCIA awardees, sub-awardees, and investees to identify workable, clear, shared definitions of outputs and outcomes to ensure consistency of reporting across organizations. Through the National Tribal Air Association (NTAA), the Northern Arizona University (NAU) Institute for Tribal Energy Professionals, will work to advance air quality management policies and programs, consistent with the needs, interests, and unique legal status of American Indian Tribes, Alaska Natives, and Native Hawai'ians. In addition, ITEP will manage environmental modeling, data collection and analysis. ITEP will employ on-the-ground air sampling over the six years of the program, using on the ground sensors, satellite data and reputable air quality resources such as EPA, to monitor changes in air quality in local communities as the result of transitioning to clean-energy technologies through NCN's CCIA program. ITEP has deployed air monitoring equipment in 30 Native communities and hopes to install at least 30 more as part of this grant.

Below is a preliminary description of environmental outputs and outcomes that will be tracked and reported on a semi-annual basis:

Climate and Air Pollution Benefits:

- **Outputs:** NCN will track projects financed (*total, by project category*), projects deployed (*total, by project category*), and project details (*will vary by sector and technology*) through monthly meetings with Community Lenders. Lenders will be provided a standardized form for obtaining project details from project developers (including individuals applying for financing for residential solar projects or energy efficiency improvements). Project details will support tracking of project-type-specific metrics, such as MW/MWh of clean energy generation/storage deployed, number of net-zero homes constructed, and number of EV charging stations financed. The Alliance for Sustainable Energy will provide market impact analyses related to air quality, and environmental, social, and economic impacts of the circular economy generated through clean air projects.
- **Outcomes:** NCN will measure and verify the reduction and avoidance of GHG emissions (e.g., carbon dioxide, methane) and the reduction and avoidance of other air pollutants (e.g., particulate matter 2.5) in partnership with NAU-ITEP through on-the-ground air monitoring.

Equity and Community Benefits:

- **Outputs:** NCN will track projects financed and projects deployed *by community type* throughout the project to ensure that it achieves its target of 100% deployment in Native and other low-income disadvantaged (LIDAC) communities. To add granularity to project metrics, NCN will also track the number of households receiving financing for projects and total amount of financing received, number of households benefiting from projects, number of businesses receiving financing for projects and total amount of financing received, and number of businesses benefiting from projects. UNH-CIF will help define criteria for evaluating these outputs, specifically around determination of whether a household or business “benefits” from certain types of projects, such as distributed energy projects and clean transportation initiatives.
- **Outcomes:** NCN has identified critical priorities for equity and community benefits as described in Section 1.2.2.2. To track progress towards achieving the goals and targets described, NCN will track improvements in indoor air quality (from e.g., installation of electric appliances, use of low VOC building materials), number, types, and locations of jobs created, including how they meet the definition of high-quality jobs (e.g., through tracking of average wages, benefits provided, and provision of the free and fair chance to join a union and collectively bargain), training and workforce development, including number and types of programs offered and participation in these programs), access to affordable housing as measured through a reduction in housing burden, and access to affordable energy, as measured through a reduction in energy burden. Outcomes will be tracked through a mix of direct data acquisition from Community Lenders (e.g., lenders will be required to report on the location of projects financed) and project developers (e.g., developers building net-zero affordable housing will be required to report on energy efficiency measures integrated in new houses), and engagement with community partners to establish baselines for housing and energy burdens and determine improvements in these areas.

Market Transformation Benefits:

- **Outputs:** NCN will work closely with its network of Community Lenders to track market transformation outputs, including total CCIA grant funds committed to projects (*total, by project type and location*), total private capital mobilization for projects (*total, by project type and location*), total private capital mobilization ratio, number of Community Lenders supported (*total, by lender type, by assistance type*), number of FTEs hired/trained at Community Lenders (*total, by lender type*), and volume of CCIA-supported transactions (*total, by lender type*). This data will be gathered directly from lenders through monthly meetings and semi-annual reports. The reporting format will be standardized to more efficiently and effectively measure program outputs.
- **Outcomes:** NCN has already gathered preliminary input to establish a baseline for evaluating market transformation outcomes. If awarded, NCN will again survey lenders to establish baselines for the assessing the following outcomes: increase in volume of clean capital deployment by Community Lenders (*compared to baseline*); increase in share of Community Lenders with clean lending programs (*compared to baseline*); and increase in volume of CCIA-supported transactions (*compared to baseline*). UNH-CIF will assist in establishing baselines for market transformation outcomes.

UNH-CIF staff will use their research and practical community development skills to help NCN design evaluation methods that center voices from within low-income and disadvantaged communities to ensure that evaluations – and the programs they are evaluating – are relevant and equitable. One potential method is participatory evaluation, whereby community stakeholders are engaged in a variety of evaluative tasks that they may otherwise be excluded from in conventional evaluations, such as in validating and revising the theory of change, scoping the evaluation work, data collection and making sense of data, storytelling, validating findings, and participating in discussions about lessons learned and recommendations.

1.3.2 Reporting Capacity

NCN recognizes the extensive reporting requirements of the proposed EPA award and will hire eight new program staff to support program reporting. In addition to NCN current National Program Director, NCN will hire a CCIA Program Manager with considerable grants reporting experience, specifically in federal assistance awards. This new hire will also have experience in clean energy projects or technologies to effectively liaise with Coalition Partners that will provide measurement and reporting of project benefits. Financial and administrative reporting will be managed by NCN's CFO and a dedicated in-house accountant.

UNH-CIF and NAU-ITEP will develop policies and procedures for reporting in accordance with EPA Order 1000.33. In addition, the monitoring of greenhouse gas emissions reductions will be done in real time, meaning the levels reported will be continuous. ITEP will provide GHG emissions reduction analyses through the tools and methods described in Section 1.2.2.1 and will analyze the information on a short-, mid-, and long-term basis to identify trends. The analysis will be a part of the semi-annual reports sent to EPA and could potentially become part of EPA's tracking network depending upon the preference of all the parties. UNH-CIF staff regularly work with large datasets, such as CDFI reporting data, Census data, and business and consumer credit data to help distill themes and findings to inform community development practice. Furthermore, UNH-CIF will advise NCN on "formative" evaluation strategies to assess program performance

during implementation to determine whether it is on track to meet program goals and identify barriers and supports to implementation. In addition to reviewing data on program outputs and outcomes to date, formative evaluations often use qualitative methods, such as feedback interviews conducted by a third-party evaluator. Program-level reporting will also be supported by the Alliance for Sustainable Energy, who will support market impact analyses related to air quality and environmental, social, and economic impacts of the circular economy generated through clean energy projects.

Furthermore, each Community Lender receiving capitalization funding and technical assistance subawards will be reviewed financially on a semi-annual basis. Lenders will be required to demonstrate compliance with program lending policies and demonstrate all EPA-provided funds are being spent on CCIA-eligible projects and technical assistance activities. Finally, NCN will hire independent auditors in compliance with EPA's competitive procurement requirements to review financial reports.

1.3.3 Past Performance and Reporting History

NCN has received over \$5.7M in federal and philanthropic grants since 2016 and has a strong history of successfully achieving project outcomes, producing anticipated deliverables and complying with reporting requirements set forth by grantors. NCN has not received any adverse audit findings nor has it been found noncompliant on any grants. NCN has also only once requested a grant extension on the SBA PRIME grant due to a delay in project start as a result of the COVID-19 pandemic. A full list of previous financial assistance awards has been attached under "Optional Attachments." Briefly, NCN has received eight grant awards (2016-2022) totaling \$2,310,337 from the Northwest Area Foundation; three grant awards (2020-2022) totaling \$1,024,182 from the Native American Agricultural Fund (NAAF); three grant awards (2021-2023) totaling \$767,641 from the Administration for Native Americans (ANA); two grant awards (2021, 2023) totaling \$580,000 from the U.S. Small Business Administration (SBA); two grant awards (2020-2021) totaling \$600,000 from the Catholic Campaign for Human Development; two technical assistance awards (2021-2022) totaling \$300,000 from the Community Development Financial Institutions Fund; and one grant award (2022) for \$180,000 from the Robert Wood Johnson Foundation.

As demonstrated, NCN has been awarded multiple subsequent grants from numerous grantors including the Northwest Area Foundation (general operating support), Catholic Campaign for Human Development (Covid relief and general operating support), Native American Agriculture Fund (training and capacity building programs for Native CDFIs), Administration for Native Americans (training, technical assistance, and loan fund development for Native CDFIs), and the U.S. Small Business Association (one-on-one technical assistance, training, and regional gatherings for Native CDFIs). Based on its successful past performance on grant and assistance awards, NCN is confident that it will be able to meet the financial, administrative, and reporting requirements set forth by the EPA. NCN will be hiring eight new staff members, six of whom will be dedicated full-time to the CCIA program.