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CONTACT:

Lewis Milford
President
Clean Energy Group
802-223-2554
LMilford@cleanegroup.org

**Infrastructure and Energy Partnership Releases New Report Showing
How States and Cities Are Using Bonds and Other Tools to Finance Clean Energy**

Washington, DC: The Clean Energy and Bond Finance Initiative or CE+BFI (www.cebfi.org) released a new report today about the innovative and successful strategies employed by states and cities for financing clean energy projects, especially the creative uses of bonds to reduce the cost of capital.

The paper “*Reduce Risk, Increase Clean Energy: How States and Cities Are Using Old Finance Tools to Scale Up a New Industry*” is the first in-depth look at how communities are using well established public finance tools to reduce finance risk in clean energy, and creating a new path to reach capital markets to finance the ever increasing demand for clean energy.

The paper points to particular financing strategies at the state and municipal level that can be adapted and implemented to accelerate the clean energy finance revolution in other states and cities, and at a federal level.

“Finance is the next clean energy frontier,” said Lewis Milford, President of Clean Energy Group. “In order to get to scale, clean energy has to start using the same public finance tools that have funded our roads and bridges .Using bonds in new ways, states and cities continue to lead the way and innovate in this new area of clean energy finance.”

“Bonds are the bedrock of infrastructure finance,” said Toby Rittner, Executive Director of Council of Development Finance Agencies. “Bonds and credit enhancement tools are old tools that can finance new clean energy industries.”

The report notes that financial innovation is offering one of the best hopes for scaling the clean energy industry. But it’s not the invention of an entirely new class of complex tradable securities that’s beginning to accelerate the industry’s growth. It’s the innovative use—at the state and local level—of a set of rather commonplace and long-established financial tools that support bonds and other debt instruments by reducing financial risk.

The paper describes ways that states and cities are using credit enhancement to create a new financial structure for clean energy finance, including:

- New York State will “securitize” energy efficiency loans, to sell them to Wall Street, but with an innovative approach—based on unprecedented EPA approvals—that will use the bond grade guaranty of its water infrastructure agency to help finance clean energy, linking clean energy and water quality benefits.
- New Jersey municipalities have financed solar installations on public buildings through bond issuances that combine bond finance and solar leasing to reduce the overall cost of capital.
- Hawaii will use its utility system benefit charge as a credit enhancement to support bond finance for clean energy; a potential national model as over 20 states have similar utility charges that could be used to float bonds.
- New York is reducing credit risk to private lenders and lease financing entities to help them finance ways to reduce power outages from extreme weather events.

The paper also makes recommendations for what states and the federal government can do to accelerate the clean energy finance revolution that is already happening at the state and city level.

The CE+BFI is joint alliance of the Clean Energy Group (CEG) and the Council of Development Finance Agencies (CDFA), dedicated to expand the use of bond finance for clean energy, through a national partnership of clean energy and public finance officials across the country, see www.cebfi.org.

The paper will be officially released during the annual meeting of CDFA in Washington, DC.

The paper can be downloaded at <http://www.cleangroup.org/assets/Uploads/2013-Files/Reports/CEBFI-Reduce-Risk-Increase-Clean-Energy-Report-August2013.pdf>

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About Clean Energy Group (CEG)

CEG is a leading national, nonprofit advocacy organization working on innovative technology, finance, and policy programs in the areas of clean energy and climate change. CEG also manages the Clean Energy States Alliance, a coalition of state and municipal clean energy funds. For more information about CEG, visit www.cleangroup.org.

About Council of Development Finance Agencies (CDFA)

CDFA is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation’s leading and most knowledgeable members of the development finance community representing public, private and non-profit entities alike. For more information about CDFA, visit www.cdfa.net.

About Clean Energy and Bond Finance Initiative (CE+BFI)

As the country looks for new sources of clean energy finance, a group of public and private investors, policy makers, and industry practitioners have agreed to explore new ways to scale up clean energy investment. This partnership, the Clean Energy and Bond Finance Initiative (CE+BFI), brings together public infrastructure finance agencies, clean energy public fund managers, and institutional investors across the country to explore how to raise capital at scale for clean energy development through bond financing. Created by CEG and CDFA, CE+BFI works with finance and energy professionals across the country to find ways to increase clean energy investment. For more information, visit www.cebfi.org.