Update on Climate Tech Finance Statewide Expansion

Technology Implementation Office (TIO) Steering Committee Meeting
October 14, 2022

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• The Committee will receive an update on the statewide expansion of the Climate Tech Finance program
Presentation Outline

- Program Overview
- Program Impact
- Statewide Expansion
- Climate Tech Focus
Program Overview

First-of-its-kind loan program with mission to reduce greenhouse gases (GHGs) by accelerating climate technology commercialization.

**Working Capital for Business Growth**

Loan guarantees of up to $2.5M or 90%

**Loans for Buying Climate Tech**

Low-interest loans of up to $30M over 30 years
### Technology Sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>44%</td>
</tr>
<tr>
<td>Mobility</td>
<td>32%</td>
</tr>
<tr>
<td>Circular Economy</td>
<td>21%</td>
</tr>
<tr>
<td>Climate Advocacy</td>
<td>3%</td>
</tr>
</tbody>
</table>

### Program Impact

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans Funded with Guarantee</td>
<td>10</td>
</tr>
<tr>
<td>Total Loan Amount</td>
<td>$23,600,000</td>
</tr>
<tr>
<td>Total Air District Encumbrance (for 5 loans with guarantees above 80%)</td>
<td>$955,000</td>
</tr>
<tr>
<td>Revolving Period</td>
<td>1-7 years</td>
</tr>
<tr>
<td>Estimated GHG Reductions by 2026</td>
<td>2,500,000 MTCO2e</td>
</tr>
</tbody>
</table>
Pipeline Activity Before Statewide Launch

Pipeline Loan Volume ($M)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Volume ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed Impact Evaluation</td>
<td>$28</td>
</tr>
<tr>
<td>Active Lender Discussions</td>
<td>$65</td>
</tr>
<tr>
<td>Seeking Financing in 6-18 Months</td>
<td>$80</td>
</tr>
</tbody>
</table>

Pipeline Volume by Region ($M)

- Bay Area: $73.20
- California: $18.75
- Nationwide: $37.50

Seeking Financing in 6-18 Months
Active Lender Discussions
Completed Impact Evaluation

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Statewide Expansion

- California receiving **$900M** from State Small Business Credit Initiative (SSBCI)
  - $450M for IBank Loan Guarantee program
  - Additional funds for IBank venture capital program
- Executed **fee-sharing** arrangement with IBank
  - Air District receives portion of loan guarantee fee to fund administrative costs
  - Can cover costs for performing evaluations outside of Bay Area
  - Builds up revenue for potential increase in staffing/services to expand capacity
Key Changes in Statewide Program

- Program open to **small businesses with CA operations**
- Maximum loan guarantee amount increases from $2.5M to **$5M**
- Maximum loan guarantee % decreases from 90% to **80% of loan amount**
  - Guarantees are fully backed by IBank with no Air District encumbrance
- Air District receives **portion of guarantee fee** when loans close
Statewide Launch

• Announced expansion on September 15, 2022, through press release, social media, and targeted outreach through CRM

• Completed 20 intake calls in first two weeks
  • 15 new prospects and 5 funded companies seeking larger loans

• Requests from new lenders seeking to enroll in program

• Webinar on sustainable financing on October 6, 2022
# Climate Tech Focus

## Energy
- Renewable Energy
- Energy Storage
- Energy Efficiency/Management
- Microgrids/Grid Management
- Fossil Fuel Replacement

## Mobility
- Zero-Emission Vehicles
- Zero-Emission Transportation Infrastructure

## Agriculture
- Plant-Based Foods
- Biomass Utilization
- Bio-Sequestration
- Soil Monitoring & Optimization
- Livestock Dietary Design

## Circular Economy
- Waste-to-Energy
- Waste Utilization
- Decarbonized Materials
- Carbon Capture, Utilization, & Sequestration

## Ineligible
- Reliance on fossil fuels
- Reliance on fossil fuel infrastructure
• Discussion of climate tech focus and future opportunities for Climate Tech Finance