

March 2024

California Infrastructure and Economic Development Bank (IBank)

ZEV Role: IBank finances public infrastructure and private development projects through its Infrastructure State Revolving Loan Fund (ISRF) and Climate Tech Finance programs. Through the Climate Catalyst Program, IBank works to cultivate private partnerships and mobilize capital to grow key climate solutions.

Equity Focus: The ISRF program focuses on small and mid-sized public entities, including those in underserved communities. By providing these entities with low-cost financing, IBank supports enhanced economic opportunity, community well-being, and resilience. Similarly, IBank's climate financing programs focus on supporting underserved areas and sectors to foster equitable prosperity in the climate transition.

2023 Highlights and Lessons Learned

- IBank and the State Treasurer's Office, jointly serving as California's Green Bank, led the state's engagement to be a recipient of the federal Environmental Protection Agency's National Clean Investment Fund (NCIF). The National Clean Investment Fund will provide green financing entities with capital to provide affordable, accessible financing in the Zero-Emissions Transportation sector.
- Expanded Climate Catalyst team from two to four positions.

ZEV Market Development Objectives

1. Increase financing opportunities for ZEV projects and bring more private capital into the market.

Key Collaborators:

CEC, DOF, State Treasurer's Office, GO-Biz, CARB, Local and Regional Government, Federal and Tribal Governments, Investors/Financing Institutions, Vehicle Manufacturers and Supply Chain, Electricity and Hydrogen Providers.

Key Results & Actions:

A. Increasing investment in Priority Communities. IBank will utilize its network of local lending partners and Infrastructure State Revolving Loan Fund (ISRF) program to attempt to stimulate investment in ZEV infrastructure in priority communities. Find and address the financing gaps to increase the speed and scale of ZEV investments.

2023: Targeted Key Results: Support market participants in the ZEV and clean transportation sector in accessing financing.

Outcomes:

- IBank, across the Infrastructure State Revolving Fund, Bond Unit, and Small Business Finance Center, received financing requests from three zero-emission vehicle clients in 2023. IBank staff is currently reviewing expressions of interest, working with entities across the state to support the advancement of projects, and engaging third-party capital partners when appropriate.

2024 Targeted Key Results: Continue to engage with clean transportation and zero-emission vehicle projects – leveraging private capital and facilitating ZEV market development.

- B. Work to deploy any federal climate stimulus for ZEV market development. IBank's Catalyst Fund was established to be the state's counterpart to, and recipient of, any federal climate stimulus funding that may be made available. Should this come to pass, IBank will look for opportunities to deploy these funds at a pace and scale consistent with the state's goals for ZEV market development.

2023: Targeted Key Results: Capture any available climate stimulus for ZEV market development.

Outcomes:

- IBank and the State Treasurer's Office, jointly serving as California's Green Bank, led the state's engagement with the NCIF, administered by the U.S. Environmental Protection Agency, which will develop national green financing entities and capitalize state green banks. Award notices are expected in 2024. In December 2023, IBank and the Treasurer's Office released the [Climate Financing Request for Information](#) to gather feedback from stakeholders, including private capital partners, impact investors, developers, local governments community groups, philanthropies, and other market participants, to inform California's green banking strategy.

2024 Targeted Key Results: If a recipient of National Clean Investment Fund capital, work alongside the State Treasurer's Office to design and deploy financing products to advance ZEV market development and crowd-in additional private capital.

C. Bridge financial gaps between ZEV entrepreneurs needing working capital and commercial and community lenders seeking to participate in the ZEV technology market. Through the Climate Tech Finance partnership, IBank works alongside the Bay Area Air Quality Management District to offer guarantees that lower risk associated with the lending process and help entrepreneurs secure working capital.

2023: Targeted Key Results: Provide guarantees to ZEV entrepreneurs to de-risk community lenders investments in the ZEV market.

Outcomes:

- The Climate Tech Finance (CTF) partnership supported two ZEV market participants in accessing private capital by providing loan guarantees that allowed entities to secure over \$5.1 million in private capital. The CTF partnership has supported 5 ZEV market deals and secured \$15.9 million in private capital since 2022.

2024: Targeted Key Results: Continue to offer guarantees to bridge gaps between entrepreneurs and lenders.