



Good for the Economy.  
Good for the Environment.

April 27, 2021

Chairman Ed Markey  
The Senate Committee on Environment  
and Public Works,  
Subcommittee on Clean Air, Climate, and  
Nuclear Safety  
410 Dirksen Senate Office Building  
Washington, D.C. 20510  
(submitted via e-mail)

Ranking Member Jim Inhofe  
The Senate Committee on Environment  
and Public Works,  
Subcommittee on Clean Air, Climate, and  
Nuclear Safety  
456 Dirksen Senate Office Building  
Washington, D.C. 20510  
(submitted via e-mail)

RE: E2 Business Leaders Letter of Support for S.283, National Climate Bank Act for the Record for the Senate Committee on Environment and Public Works Subcommittee on Clean Air, Climate, and Nuclear Safety regarding the April 27, 2021 Legislative Hearing on S.283, National Climate Bank Act.

Dear Chairman Markey and Ranking Member Inhofe:

On behalf of the more than 10,000 business leaders, investors and other professionals E2 (Environmental Entrepreneurs) represents, I am writing in strong support of the National Climate Bank ([S.283](#))/Clean Energy & Sustainability Accelerator ([H.R.806](#)) (Accelerator), legislation to create and capitalize an independent, nonpartisan nongovernmental finance institution that will accelerate job creation; innovation and emissions reduction across the country without adding to the federal bureaucracy or the national debt and we urge all Members of Congress to vote in support.

E2 (Environmental Entrepreneurs) is a national, nonpartisan, group of more than 10,000 businesspeople from every state and every sector of the US economy. E2 members have founded or funded more than 2,500 companies, created more than 600,000 jobs, and manage more than \$100 billion in venture and private equity capital.

This Congress has seen unprecedented focus on a diverse range of tools and ideas designed to simultaneously accelerate job growth post-pandemic and strengthen critical infrastructure, particularly in the clean energy sector.

What makes the proposal for the Accelerator stand out is the proven track record and substantial bipartisan support it commands at the state level. At this level, where private capital has been leveraged at a rate of \$3 for every \$1 of public funding, states ranging from Florida and Louisiana to Connecticut and Michigan have grown jobs and market access to clean energy.

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This bi-partisan state support extends to the U.S. House, where Congresswoman Debbie Dingell and other democrats along with Rep. Don Young (R-AK) and Rep. Brian Fitzpatrick (R-PA) are supporting legislation. We are hopeful that similar bi-partisan support will emerge in the Senate.

By capitalizing a national Accelerator, Congress can learn from what has worked in the states to support and expand innovative, fiscally responsible, job creating and emissions reducing solutions across the entire country.

This is also an issue of global competitiveness. Across Europe there are existing and new proposals for dedicated green banks and climate-oriented infrastructure or development banks in the hundreds of billions. The China Development Bank has a public capitalization of \$100 billion. The Australian Green Energy Finance Corporation has a \$55 billion capitalization – significant particularly when adjusted for the relative size of its economy (1.5T GDP) compared to the US (over 15T GDP/10 times as large as Australia's economy). The US should be advancing similar levels of commitment here to support domestic job growth, innovation and project deployment which in turn can support US manufacturing.

As a market approach strategy for job creation, the Accelerator would require only an initial capital infusion from the Government to unlock and leverage significant multiples of private sector investment. It sets up no new government bureaucracy and requires no ongoing federal funding. Through sound management and underwriting, the Accelerator would create a portfolio of investments that generate sufficient returns to be self-sustaining. And because its mission is to work with the financial sector, local banks will welcome partnering with the Accelerator to expand local clean energy markets, which they can then enter more easily.

The Accelerator is designed to deliver via a patient, long-term capital approach coupled with its unique mix of engineering and financial expertise. These attributes will allow the Accelerator to better account for the true risks and opportunities of clean energy technologies and then share that knowledge with local market participants, accelerating new economic activity in the real economy.

Clean energy and energy efficiency routinely save consumers money. Despite this cost advantage, however, many potential customers cannot afford the upfront capital costs of making the transition. Traditional financing terms (including the time period for pay back, and underwriting's reliance on FICO-based credit requirements) do not sufficiently align with market need. In some cases, a financial product that can extend the payment time frame is all that is needed to allow the benefits of clean energy to match the payback terms for farmers, small businesses, or individuals. In other cases, looking at alternative forms of payment risk can allow new customers to enter the marketplace. For example, in many low-income communities individuals may routinely pay energy bills from \$500-\$800/month but may not have the FICO-credit score to qualify for a loan from their bank for energy efficiency or renewable upgrades. By considering their payment history and the fact that they will have more resources to pay once the project is completed, green bank financing tools can facilitate a transaction. The ability of the accelerator to provide technical financing tools to address these pain points will provide greater access to capital.

Republican and Democratic Governors and legislators across the political spectrum have authorized and capitalized these entities in the states. A national Accelerator is needed, however, to facilitate capitalization and expansion of state level accelerators and to provide seed capital for larger trans-state projects like transmission grid modernization. It provides economies of scale and risk diversification capacity that will invite new private capital into communities and allows for constructive collaboration. Recent studies show that 7 in 10 American voters, including Republicans by a 2-1 ratio, support the formation of a national Accelerator.

The Accelerator is a mechanism for providing access to capital for both small businesses and strategic projects in every state and community across the country in partnership with local lenders and investors. It promotes projects and jobs in sectors ranging from grid modernization and electrification to sustainable forestry and building efficiency. The Accelerator also targets traditionally underserved communities including in rural areas, communities of color, energy transition communities, and low-income households across America.

This initiative provides for smart, market- oriented solutions that work to support private enterprise and address the climate crisis and reduce its economic and social toll.

We stand ready to discuss the proposed legislation with you further.

Sincerely,

Bob Keefe  
Executive Director