



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 5

Update on Climate Tech Finance Statewide Expansion

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

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Presentation Outcome



- 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%

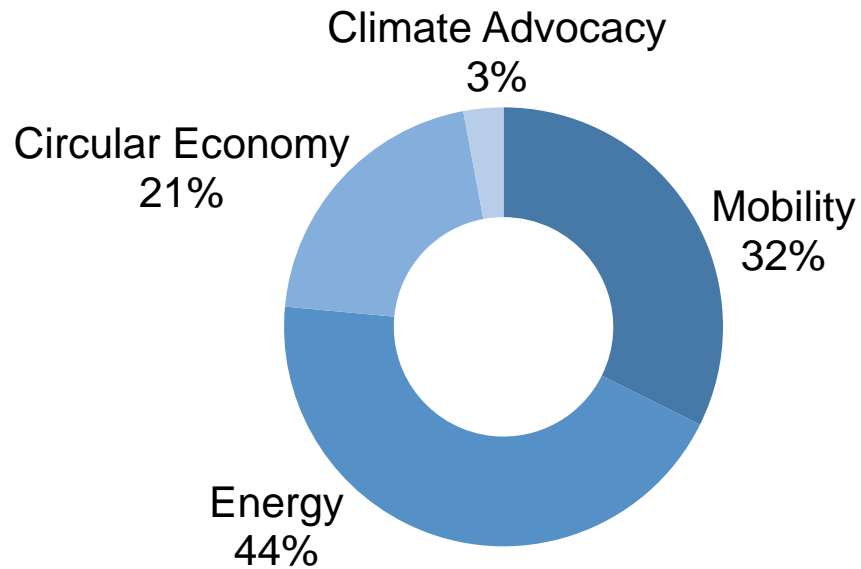
Loans for Buying Climate Tech

Low-interest loans of up to \$30M over 30 years

Program Impact



Technology Sectors



Loans Funded with Guarantee	10
Total Loan Amount	\$23,600,000
Total Air District Encumbrance (for 5 loans with guarantees above 80%)	\$955,000
Revolving Period	1-7 years
Estimated GHG Reductions by 2026	2,500,000 MTCO₂e

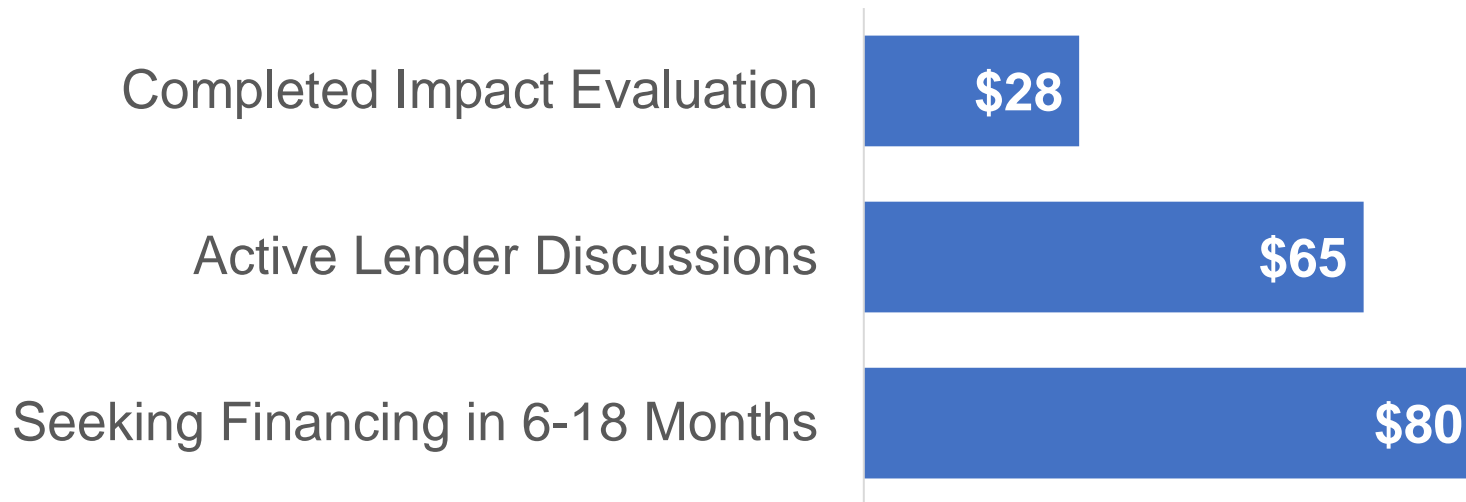




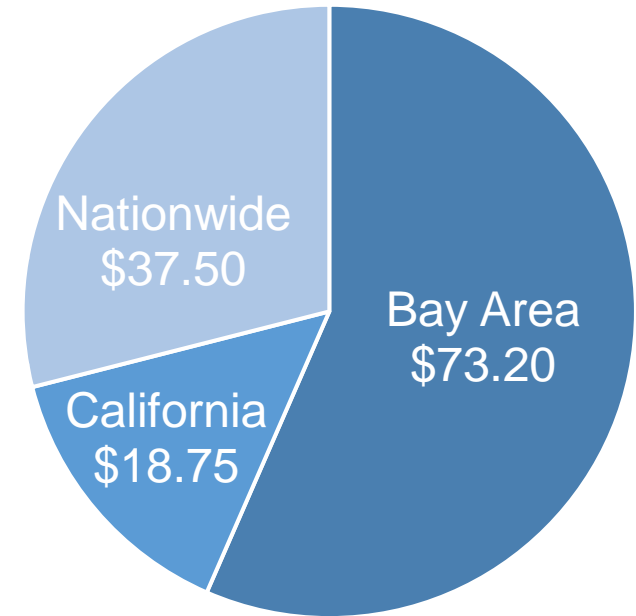
Pipeline Activity Before Statewide Launch



Pipeline Loan Volume (\$M)



Pipeline Volume by Region (\$M)



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



CLIMATE TECH FINANCE | AIR DISTRICT MENU

CLIMATE ENTREPRENEURS

Get the Working Capital You Need to Scale Your Business

You have big ideas and big ambitions. Climate Tech Finance offers financial support to accelerate the growth and impact of your business.

[LEARN MORE](#)

Finance Climate Tech Startups While Minimizing Risk

Partner with Climate Tech Finance to take advantage of its technical expertise, specialized risk assessment tools, and loan guarantee program to de-risk the process of lending to high-growth, high-impact climate technology ventures.

[LEARN MORE](#)

COMMERCIAL AND COMMUNITY LENDERS

- 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

Feedback Requested



- Discussion of climate tech focus and future opportunities for Climate Tech Finance