

How Washington, D.C. Is Showing What a Mature Clean Energy Finance Market Looks Like

Building a Clean Energy Investment Pipeline in Washington, D.C.

AT A GLANCE

Investment Priorities

High-Performance Building Retrofits and Net-Zero New Construction (Building Energy Performance Standards compliance pipeline), Multifamily Affordable Housing Energy Retrofits, Renewable Energy Generation and Battery Storage, Transportation Electrification and EV Charging Infrastructure

Pipeline Value

DC Green Bank holds an existing \$10M National Clean Investment Fund (NCIF) loan from CGC currently being deployed; broader District pipeline spans commercial, multifamily, and institutional projects across all BEPS compliance sectors (aggregate pipeline value not consolidated in source documents; individual project transactions structured case-by-case through DC Green Bank direct lending)

Key Partners

District of Columbia Department of Energy and Environment (DOEE, lead); DC Green Bank (co-lead); Investor Confidence Project (ICP) / Conduct Energy (IREE certification); Green Business Certification Inc. (GBCI); DC Sustainable Energy Utility (DCSEU)

Community Impacts

100% of NCIF-financed projects required to serve District communities; DC's Building Energy Performance Standards (BEPS) mandate covers the District's largest buildings, driving direct energy cost reductions for residents and tenants; over 70 clean energy workforce training and job placement programs across District agencies; DCSEU Affordable Housing Retrofit Accelerator directly targets multifamily affordable housing for deep energy retrofits

Strategic Role

Market Enabler / Co-Investor / Anchor Institution

The Path Forward

DC Green Bank deploying existing \$10M CGC loan; DOEE pursuing Solar Revolving Loan Fund capitalization (RFI currently available), Credit Enhancement Program for LMI residential solar, and a Community Reinvestment Act (CRA) Bond; informal Metropolitan DC area clean energy finance network under development to connect projects to CGC's national lender network

THE BIG PICTURE

Washington, D.C. operates at the opposite end of the market maturity spectrum from many MIF grantees. The District has the nation's first Building Energy Performance Standards (BEPS), a mandate requiring all large buildings to meet specific energy performance standards on six-year compliance cycles. All new commercial, apartment, and condominium construction must meet net-zero energy and all-electric standards beginning in 2027. DC Green Bank is an established green finance authority with active lending programs, a C-PACE program, and now a \$10M NCIF loan from CGC available for deployment. The local market for clean energy projects — lenders, developers, energy service companies (ESCOs), consultants, and contractors — is deep by any peer-city comparison. The MIF challenge in DC is not building a market from scratch. It is standardizing how that market underwrites projects so capital moves faster, at lower transaction cost, and into the priority communities that policy mandates are designed to reach.

The Challenge: DC's maturity paradox is that a sophisticated market with many active players still produces individually negotiated, bespoke transactions that are slow and expensive to close. Without shared underwriting standards, every deal requires lenders and developers to recreate the same analytical work from scratch. This transaction cost burden falls hardest on smaller projects and LIDAC-serving developers who lack the in-house capacity to navigate complex financing processes — even as the BEPS mandate creates legally binding pressure to act. Federal tax and grant incentives for efficiency and renewables are contracting at the national level, making private capital mobilization through standardized vehicles more urgent, not less.

The Solution: DOEE and DC Green Bank used MIF to introduce the Investor Confidence Project's Investor Ready Energy Efficiency (IREE) certification framework to the District market — a standardized third-party underwriting protocol that ensures project documentation, savings calculations, commissioning requirements, and measurement and verification procedures meet consistent technical standards verified by an independent quality assurance assessor. IREE, like LEED certification, is part of the Green Business Certification Inc. portfolio. A project certified as IREE-compliant signals to any lender in CGC's national network — not just DC Green Bank — that the technical underwriting has been done to a verifiable standard, directly reducing due diligence costs and enabling faster, lower-cost capital deployment. Alongside IREE deployment, the coalition is developing an informal Metropolitan DC area clean energy finance network to connect project sponsors unable to access DC Green Bank products to a broader universe of mission-aligned capital.



"Our partnership on the Municipal Investment Fund helped us grow the network of funders and business leaders working to build a more resilient and more affordable community. The valuable conversations our partners at DOEE and GBCI helped us lead will allow us to better invest in projects that lower energy costs, create jobs, and unlock private capital to improve the lives of District residents."

- Doug Wilberding, Vice President – Originations, DC Green Bank

STANDARDIZING THE MARKET THAT WILL EXECUTE DC'S BUILDING MANDATES

MIF enabled DOEE and DC Green Bank to conduct the stakeholder convening and tool development work that the District's mature market needed to operate more efficiently at scale.

- **Four-workshop stakeholder engagement series:** Between February and March 2026, the coalition hosted four targeted public events — a Project Kickoff and External Stakeholder Convening, a Banks and Lenders Workshop, a Consultants and Contractors Workshop, and a Developers, Owners, and Associations Workshop — drawing stakeholders from affordable housing developers, universities, District agencies, lenders, energy auditors, vendors, and ESCO providers.
 - **Impact:** these workshops surfaced shared barriers to IREE adoption, identified gaps in lender familiarity with performance-based underwriting, and produced direct stakeholder input shaping the structure of the Metropolitan DC finance network.
- **IREE certification framework introduction and pilot cohort development:** The coalition is developing a local cohort to pilot IREE-certified project development protocols and shared underwriting requirements, with the goal of eliminating the bespoke deal-by-deal negotiation that currently inflates transaction costs. IREE certification ensures that baseline energy usage, savings projections, commissioning procedures, operations and maintenance requirements, and measurement and verification protocols are standardized and independently verified.
 - **Impact:** projects entering DC Green Bank or CGC's national lender network with IREE certification require substantially less due diligence from the lender, lowering the cost of capital and the time to close — particularly for smaller LIDAC-serving projects that cannot absorb high transaction costs.
- **Metropolitan DC area clean energy finance network:** Drawing on workshop feedback, DOEE is developing an informal regional network of public and private lenders, CDFIs, and philanthropic funders committed to financing clean energy and efficiency projects, with a publicly accessible directory of financing partners and their products. The network will host regular in-person convenings connecting borrowers and lenders in a pre-competitive setting.
 - **Impact:** project sponsors unable to access DC Green Bank products directly — due to deal size, project type, or financing structure — will have a clear pathway to CGC's national lender network and regional mission-aligned capital sources.
- **New financial instrument development:** DOEE is actively developing three instruments to expand LIDAC access to clean energy finance beyond DC Green Bank's existing programs: a Solar Revolving Loan Fund seeded with local SREC revenue (RFI currently available), recycling repaid loans into new projects; a Credit Enhancement Program offering loan loss reserves or interest rate buy-downs for low-income and high-lending-risk residential solar customers; and a CRA Bond to capitalize a community reinvestment vehicle.
 - **Impact:** each instrument addresses a gap in the current financing stack that prevents specific project types or customer segments from accessing capital under existing DC Green Bank programs.
- **Small Building Retuning program:** DOEE launched two Small Building Retuning projects that provide workforce development opportunities and generate a pipeline of projects from smaller buildings preparing for future BEPS compliance cycles.
 - **Impact:** smaller buildings — which fall outside current BEPS cycles but will be included in future ones — gain early technical assistance, building owner familiarity, and a documented energy baseline that reduces the cost of eventual financing.

DEPLOYING AGAINST A MANDATE-DRIVEN PIPELINE

DC's project pipeline is shaped by BEPS compliance requirements and the sectors DC Green Bank actively finances.

- **BEPS compliance pipeline (large commercial and multifamily buildings):** DC's BEPS mandate requires the District's largest buildings to meet specific energy performance standards — Energy Star scores or Energy Use Intensity (EUI) reductions — on six-year compliance cycles, with financial incentives for LIDAC communities and affordable housing, and compliance payments for non-performance. Beginning in 2027, all new construction must meet net-zero energy and all-electric standards. City-owned buildings are already required to adhere to net-zero design requirements. Impact: BEPS creates a legally binding pipeline of building owners who must invest in efficiency and renewables — the question is whether the financing tools are accessible and standardized enough to deploy capital efficiently against that demand.
- **Multifamily affordable housing retrofit pipeline (DCSEU Affordable Housing Retrofit Accelerator):** DOE will continue seeking funding for its Affordable Housing Retrofit Accelerator, which targets multifamily affordable housing for deep energy retrofits, and its Affordable Home Electrification Program. DC Green Bank's direct lending portfolio already includes affordable housing projects, with loans structured in senior first-lien or subordinate second-lien positions at terms of less than nine years at competitive interest rates.
- **DC C-PACE program:** DC Green Bank serves as the C-PACE administrator for the District, with capital for C-PACE loans provided by approved external capital providers independent of DC Green Bank's direct lending. C-PACE provides long-term property-secured financing for energy efficiency, renewable energy, and resilience improvements for commercial buildings. Impact: C-PACE and DC Green Bank direct lending operate as complementary rather than overlapping programs, giving project sponsors two distinct financing pathways depending on project structure and ownership.
- **Solar power, battery storage, and transportation electrification:** DC Green Bank's direct lending focuses across solar, battery storage, energy-efficient buildings, transportation electrification and infrastructure, and stormwater management — all categories with active project flow in the District. The proposed Solar Revolving Loan Fund would specifically expand residential LMI solar access through a self-sustaining vehicle that standard DC Green Bank programs do not currently serve.



PROVEN IMPACT & NEXT STEPS

The Financial Unlock — a National Model for Policy-Driven Markets

DC's case study for the MIF network is distinct from every other grantee in this portfolio: this is what the end state looks like. A green bank with active capital deployed. A building performance mandate creating a legally binding retrofit pipeline. A mature installer and developer market. A functioning C-PACE program. And now, \$10M in CGC NCIF capital available through DC Green Bank for deployment into NCIF-qualified projects across the District.

The remaining gap is not capital availability. It is the standardization that makes that capital accessible to the broadest possible range of projects — particularly the smaller, LIDAC-serving transactions that most need low transaction costs. IREE certification is the mechanism. The Metropolitan DC finance network is the distribution channel. The Solar Revolving Loan Fund and Credit Enhancement Program are the instruments that reach household-scale and high-risk borrowers that standard green bank lending cannot efficiently serve.

DC also provides the replication model for how other cities with emerging building performance mandates — and there are now dozens across the country — should think about the relationship between policy mandates and capital deployment. BEPS creates demand. DC Green Bank provides the vehicle. IREE provides the underwriting standard. The network provides the distribution. Each element reinforces the others. When another city in ICLEI's member network enacts a building performance standard, DC's MIF-supported infrastructure is the architecture they can adapt.

This case study was funded through the Municipal Investment Fund, a partnership between ICLEI USA and CGC to support local governments, tribes, and their partner not-for-profit organizations develop public-private partnership plans that can accelerate the deployment of capital to clean energy projects.

