



Blue Forest

Introduction to Blue Forest

September 2024

blueforest.org

Science + Finance + Collaboration

Land Acknowledgement

Blue Forest is a remote organization with roots in what we now call Sacramento County on the traditional, ancestral, and contemporary homelands of the Miwok and Nisenan People and the gathering places of the Patwin Wintun and Maidu People. These homelands include the Sacramento, American, and Cosumnes Rivers, sacred sites, and cultural landscapes that make up their rich heritage.

We recognize Wilton Rancheria Tribe, the only federally recognized tribe in Sacramento County, and the Native Nations, both federally and non-federally recognized, that call the greater region home.

About Blue Forest

Accelerating ecological restoration through conservation finance

Our Areas of Expertise:

- **Science:** Quantifying the environmental and economic benefits of forest and watershed restoration
- **Finance:** Creating financeable projects to increase the pace and scale of wildfire risk reduction
- **Collaboration:** Supporting community partnerships for long-term natural resource stewardship



Scientific Approach

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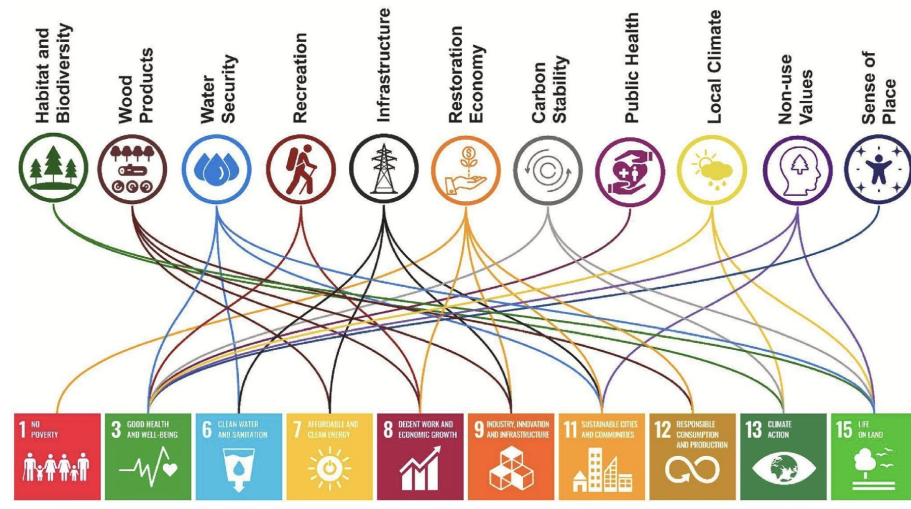


Research article

A multi-benefit framework for funding forest management in fire-driven ecosystems across the Western U.S.



Kimberly Quesnel Seipp^{a,*}, Tessa Maurer^a, Micah Elias^{a,b}, Phil Saksa^a, Catherine Keske^c, Kirsten Oleson^d, Benis Egoch^e, Rachael Cleveland^d, Charity Nyelele^{e,f}, Nicolas Goncalves^c, Kyle Hemes^g, Peter Wyrsh^a, David Lewis^d, Min Gon Chung^c, Han Guo^c, Martha Conklin^c



Blue Forest

The Human Health Benefits of Improving Forest Health in California

Investigating the Links Between Forest Management, Wildfire Smoke, and the Health Sector



PEER-REVIEWED REPORT

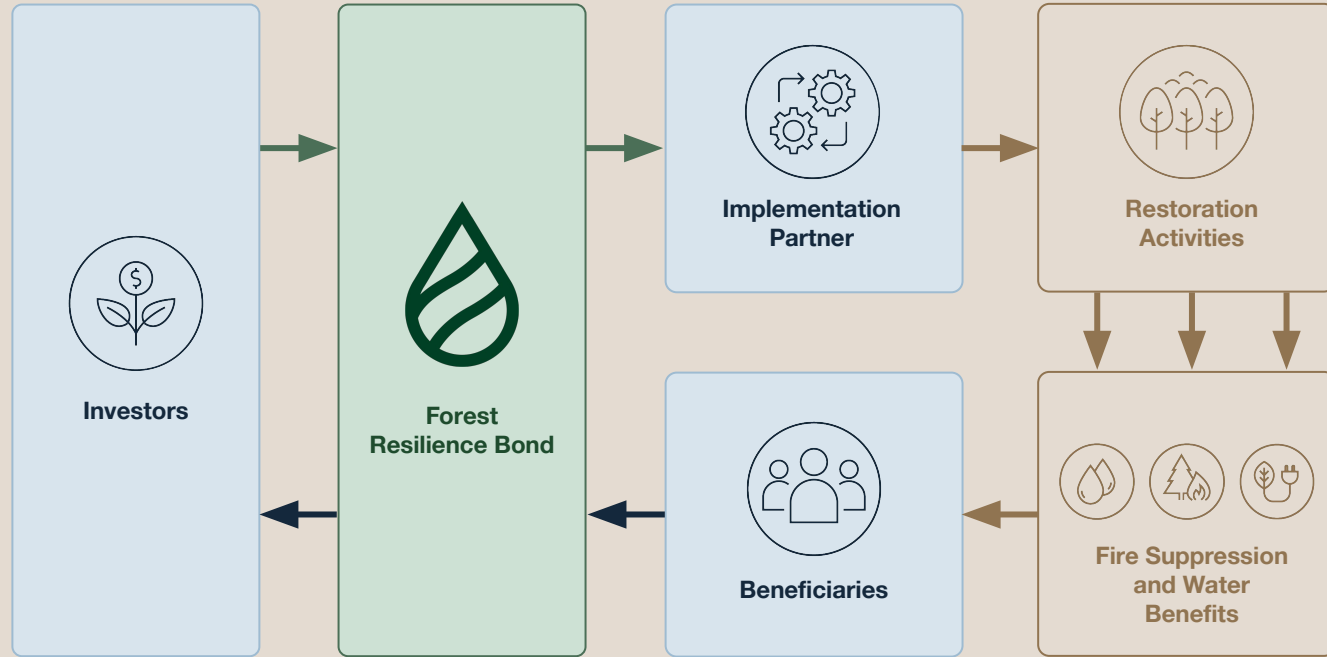


CCST
CALIFORNIA COUNCIL ON
SCIENCE & TECHNOLOGY

BLUE FOREST

[Peer-Reviewed Report](#)

1. The Forest Resilience Bond (FRB)



Benefits of the FRB



Closes funding gaps for implementation by blending public and private funding



Unlocks financing to increase the pace of implementation



Promotes collaboration and new partnerships for long-term landscape resilience



Communicates impact through monitoring and impact reporting



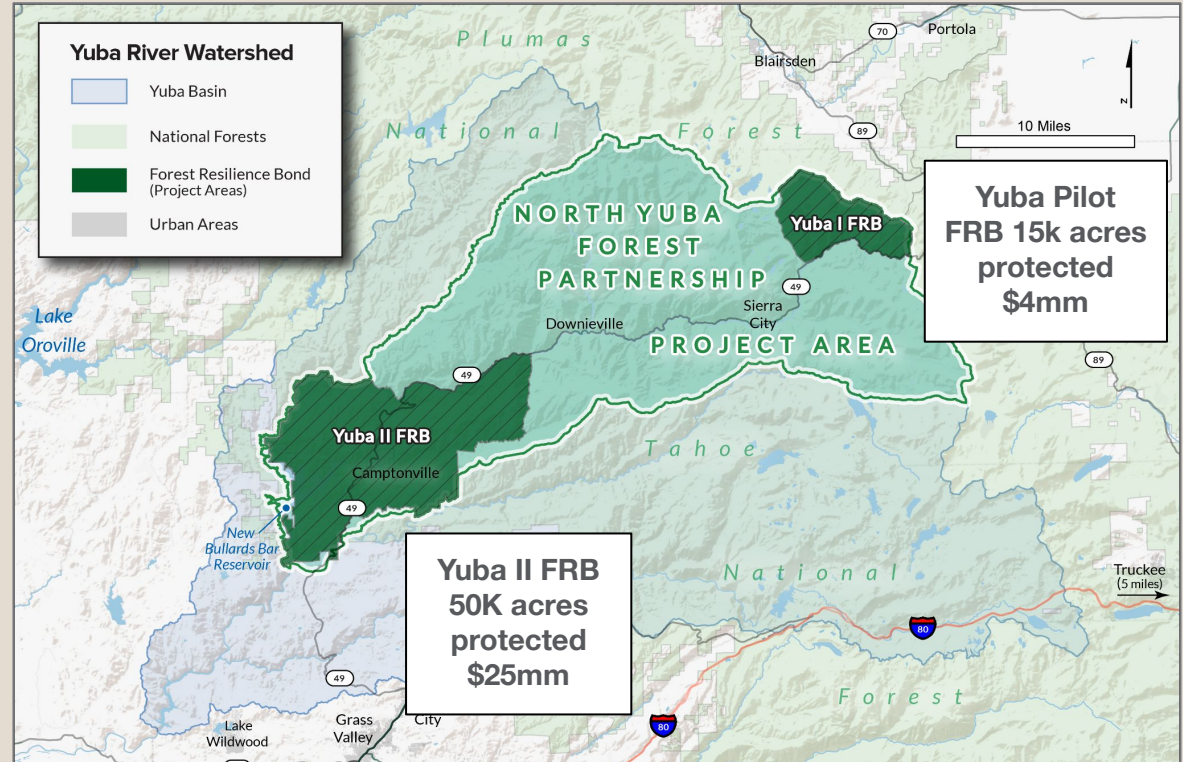
Project Case Study: Yuba I & II FRBs

Activities: Thinning, prescribed burning, meadow restoration, etc.

Implementer: National Forest Foundation

Beneficiaries: Yuba Water Agency, State of California, and – for Yuba II – private corporations

Impact: FRB development catalyzed formation of the North Yuba Forest Partnership and follow-on funding opportunities



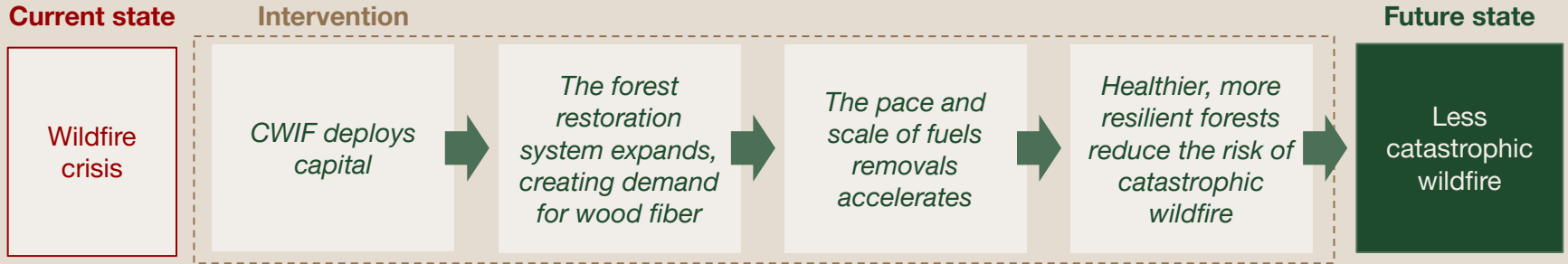
North Yuba River Watershed, Tahoe NF, California

FRB Projects in the Western U.S.



State	Project	Implementation Partner
WA	Okanogan Wenatchee – Upper Wenatchee I FRB	Chelan County
OR	Rogue River-Siskiyou - Rogue Valley I FRB	Lomakatsi Restoration Project
OR	SONEC Watershed Resilience Bond	Pheasants Forever
CA	Lassen - Upper Butte Creek	Butte County RCD
CA	Plumas - Community Protection	National Forest Foundation
CA	Plumas - North Fork	Sierra Institute
CA	Tahoe - Yuba I FRB	National Forest Foundation
CA	Tahoe - Yuba II FRB	National Forest Foundation
CA	Eldorado - Crystal Basin	Great Basin Institute
CA	Eldorado - Upper Mokelumne I FRB	Upper Mokelumne River Watershed Authority
CA	Sierra - Creek Fire Restoration	National Forest Foundation
CA	San Bernardino - N. Big Bear	National Forest Foundation

2. California Wildfire Innovation Fund (CWIF)



- 10-year closed-end **\$50 million fund**; CSAA Insurance Group is anchor investor
- Targeting both competitive **financial returns** and **wildfire risk reduction**
- Investments in every part of the **forestry value chain**—from harvesting to hauling, processing, and utilization— to build the system capacity necessary to accomplish forest restoration and wildfire risk reduction goals

Cross-Sector Partnership

Leverage public funding by investing in companies that receive grant funds – and also use CWIF capital to help attract grant funds

Support public land management by connecting forest products companies with land managers to create supply chain relationships that both strengthen business investability and help achieve agencies' restoration goals

Build a collaborative network of federal and state agencies and industry partners to align funding and objectives and share sector insights

Technical assistance to help biomass utilization entrepreneurs/companies to raise capital, increase internal capacity, and develop partnerships



3. The Next Challenge - Financing Workforce Development

- Additional **50 million acres** of land in the US need to be restored in the next decade to reduce the risk of catastrophic wildfire
- **Conservation Corps** are critical for achieving this restoration but are limited in expanding their work due to:
 - ◆ **cash flow constraints** stemming from lag time in reimbursements from government funding
 - ◆ **elevated interest rates** on current lines of credit and increasing costs.

Blue Forest is working in collaboration with workforce development organizations to create a solution to this challenge



Photo Courtesy of Student Conservation Association. All Rights Reserved.

A photograph of a forest path with sunlight filtering through the trees. The path is made of dirt and rocks, winding through a dense forest of tall, thin trees. Sunlight creates a dappled effect on the ground and foliage.

Thank you!

Phil Saksa
phil@blueforest.org

www.blueforest.org

Climate Financing

California Infrastructure and Economic Development Bank

September 2024



California Infrastructure and
Economic Development Bank

About IBank

- Est. 1994 as the State of California's general-purpose financing agency
- Purpose is to promote infrastructure and economic development within California



Infrastructure State Revolving Fund

Municipal Lending



Bond Unit

Taxable and Tax-Exempt Bond Issuance



Small Business Finance Center

Loan Guarantees and SSBCI



Climate Financing

Climate Infrastructure Loans and Credit Enhancement

Greenhouse Gas Reduction Fund



National Clean Investment Fund

The National Clean Investment Fund competition will provide grants to national nonprofit clean financing institutions.



Clean Communities Investment Accelerator

The Clean Communities Investment Accelerator competition will provide grants to hub nonprofits that will, in turn, deliver funding and technical assistance to local community lenders.



Solar for All

The Solar for All competition will expand the number of low-income and disadvantaged communities primed for residential solar investment.

National Clean Investment Fund

Climate United (\$6.97B)

A nonprofit formed by Calvert Impact to partner with two U.S. Treasury-certified Community Development Financial Institutions (CDFIs), Self-Help Ventures Fund and Community Preservation Corporation

Coalition for Green

Capital (\$5B)

Nonprofit with almost 15 years of experience helping establish and work with dozens of state, local, and nonprofit green bank

Power Forward

Communities (\$2B)

A nonprofit coalition formed by five housing, climate, and community investment groups dedicated to decarbonizing and transforming American housing to save homeowners and renters money, reinvest in communities, and tackle the climate crisis

Sector Focus

Qualified Projects

1. Reduce or Avoid GHG Emissions
2. Reduce or Avoid Other Air Pollutants
3. Other Community Benefits
4. Mobilize Private Capital
5. May Not Have Been Financed Otherwise
6. Commercial Technology



**Distributed Generation
& Storage**

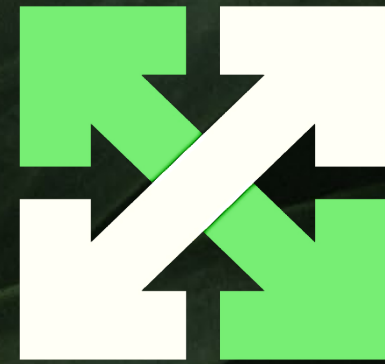
**Net-Zero Emission
Buildings**

**Zero Emission
Transportation**

Financial Products

	Key Terms	DAC Incentive
Climate Loan Guarantee	<ul style="list-style-type: none">Deal Size: \$1 - \$20MUp to 70% of Loan ValueLoan must be Senior Debt	<ul style="list-style-type: none">Up to 80% of Loan Value
Climate Loan Participation	<ul style="list-style-type: none">Deal Size: \$1 - \$30MUp to 50% of Loan Value<i>Pari Passu</i> with Originator	<ul style="list-style-type: none">Below-Market Interest RateUp to 60% of Loan Value
Climate Incentives Bridge Loan	<ul style="list-style-type: none">Deal Size: \$1 - \$25MFederal, State, or Utility Incentives	<ul style="list-style-type: none">25 BPS Interest Rate Reduction

- Note: Financial product details available here: [Climate Financing Products](#); These products are still pending further internal refinement, finalization of US EPA requirements, and final approval of IBank's Board of Directors. All projects must meet US EPA's NCIF requirements and comply with federal funding requirements, as outlined in the NCIF Notice of Funding Opportunity and final documents.



Daniel.Adomian@IBank.CA.Gov

ClimateFinancing@IBank.CA.Gov



California Infrastructure and
Economic Development Bank

Energy Project Financing



A good return on investment for a business

- Bill savings goes straight to the bottom line
- Example:

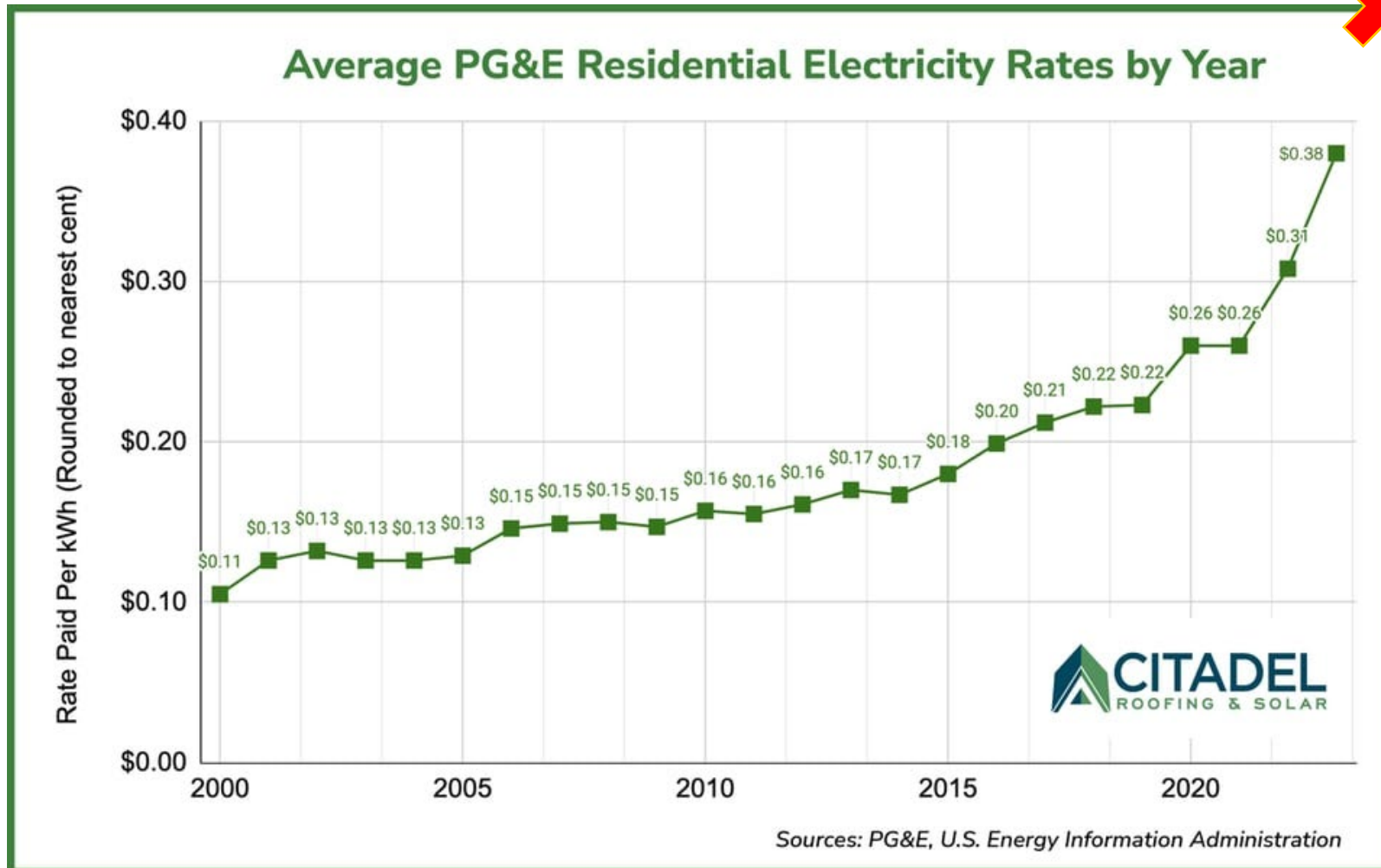
Bonomini's Market in Eureka

\$2,380 in annual energy savings, with <1.5year payback.

If they have a 7% profit to sales ratio, that energy savings is comparable to a \$34,000 increase in sale (6,000+ bags of chips)



Energy Projects Are Bankable



Clean Energy Policy Support

- Tax Credits – 30% (or potentially more) of project cost
- Rebates – energy efficiency and energy storage
- Subsidized/enhanced Financing Programs



PG&E On-bill Financing

- 0% interest rate, up to 10 year term
- \$5,000 - \$250,000 per site (up to \$4M under special circumstances)
- Only efficiency projects are eligible; project's annual energy savings must be at least \$1,000.



Go Green Financing

- Various interest rates depending on lender, up to 15 year term
 - Loan loss reserve account structured to incentivize lower rates, smaller loans
- \$5,000 - \$5,000,000
- Pretty much any energy-related project, can include a 30% of non-energy project costs.

gogreen
FINANCING™



State of
California

California Energy Commission Energy Conservation Assistance Act

- 0% for schools, 1% for other public entities; up to 20 year term
- Up to \$3,000,000
- Loans must be repaid from energy cost savings
- Energy efficiency and generation projects, energy storage systems, and electric vehicle charging infrastructure



Coming soon:

Clean Community Investment Accelerator Program

- \$400 million award from EPA to Native CDFI Network for clean energy project financing
- Partnering with 63 native-serving community development financial institutions --including North Edge
- Blue Lake Rancheria will be providing technical assistance to lenders and tribes.



So, if energy projects are so great and there are all these programs, why aren't all the projects done already?



Matthew Marshall
Director of Energy Resilience & Business Development
Blue Lake Rancheria
707-832-6575
mmarshall@bluelakerancheria-nsn.gov

An aerial photograph of a wide river valley during sunset. The sun is low on the right side, casting a golden glow over the landscape. The river winds through the valley, reflecting the sunlight. In the background, there are rolling hills and a small town with buildings and parking lots. The foreground shows a mix of green grass and brown, dry vegetation.

Thank you!