



2023 Impact Report

Empowering Inclusive Prosperity



INCLUSIVE
PROSPERITY CAPITAL™

Table of Contents

Introduction

Letter from the CEO 3

Who We Are 4

Portfolio Highlights

Our Largest Investment Year to Date 5

Our Impact 6

Our Portfolio 7

IPC Deployment Map 8

Single-Family Residential

Smart-E Southwest Expansion 9

Smart-E National Expansion 10

PosiGen: Innovating Bridge Financing for New ITC Adders 11

Multifamily

Development of a Catalyst Loan Platform 12

Partnering on Solar for Multifamily Affordable Housing 13

Impacting the Empire State: Decarbonizing Multifamily Buildings in New York 14

Solar

Sunwealth: Catalyzing Underserved Solar Projects Nationally 15

Scaled Community Impact

GGRF: Joining the Justice Climate Fund 16

GGRF: Leading the Community Power Coalition 17

IPC Timeline 18

Thank You 19

Glossary 20



Letter from the CEO

Kerry E. O'Neill, Chief Executive Officer, Inclusive Prosperity Capital

On behalf of Inclusive Prosperity Capital, I am excited to share our inaugural Annual Impact Report. This report details our accomplishments from the past year and previews some of what we hope to accomplish in the year ahead.

This past year was the largest investment year in our six-year history, with nearly \$15 million of IPC capital deployed and over \$33 million of total project investment, despite strong headwinds in the market due to rising interest rates and inflation. Our investments included small commercial solar projects for public schools and a fire department, our first interconnection bridge loan, the largest solar installation on multifamily affordable housing in Montgomery County, Maryland, and multiple debt facilities with mission-aligned developers to support clean energy projects in low-to-moderate income and disadvantaged communities around the country. Overall, we have projects and partnerships in 13 states and territories, with a pipeline in more than 20 others.

With the support of Inklusiv, a member network of community development credit unions, and the Wells Fargo Foundation, we successfully launched the Smart-E Loan Program in the Southwest, beginning with Arizona and New Mexico. We also continued development of a standardized lending platform for our Catalyst Loan for multifamily and nonprofit-owned buildings, work that was also generously supported by the Wells Fargo Foundation.

These investments and programs advance the Biden Administration's Justice40 Initiative, which aims for 40% of the overall benefits of federal

investments to flow to disadvantaged communities, as well as meeting federal and state-level decarbonization goals. Justice and equity remain at the center of our work, ensuring that everyone has access to the benefits of clean energy.

Last year also brought IPC's involvement in applications for the three competitions of the Greenhouse Gas Reduction Fund (GGRF) under the Inflation Reduction Act: Solar For All, National Clean Investment Fund, and Clean Communities Investment Accelerator. The Greenhouse Gas Reduction Fund represents a once-in-a-lifetime opportunity to leverage public investment and mobilize private capital to mitigate climate change while reducing energy burdens. In addition to joining applications, we submitted numerous letters of support for proposed programs by leaders in the industry. The fruits of our labor—IPC's application, the Community Power Coalition "Powering America Together" Program, was one of the largest selectees to receive a notice of award from the EPA under Solar For All. We appreciate the hard work EPA has put into the GGRF Program and look forward to working together with our outstanding group of coalition members.

I am grateful every day to work with the extraordinary IPC team and our incredibly supportive and engaged Board of Directors. I also want to thank our partners and colleagues for joining us in making the clean energy economy accessible to all. Finally, this wouldn't be possible without our funders and investors. You all make this work feasible and enjoyable. In the year ahead, we will continue to solve gaps in the market and democratize access for communities who have been historically excluded from the clean energy transition.

Who We Are

At Inclusive Prosperity Capital (IPC), we believe everyone should have access to the benefits of clean energy and resilience. We are a nonprofit, clean energy financing platform that solves gaps in the market and democratizes access for communities historically excluded from the clean energy transition. We provide a gateway to inclusive prosperity by engaging with communities who are the most impacted by climate change, investing in clean energy and resilience in partnership with local initiatives and organizations to provide energy security, climate justice, and economic growth. This mission drives all that we do and is deeply rooted throughout our history and founding.

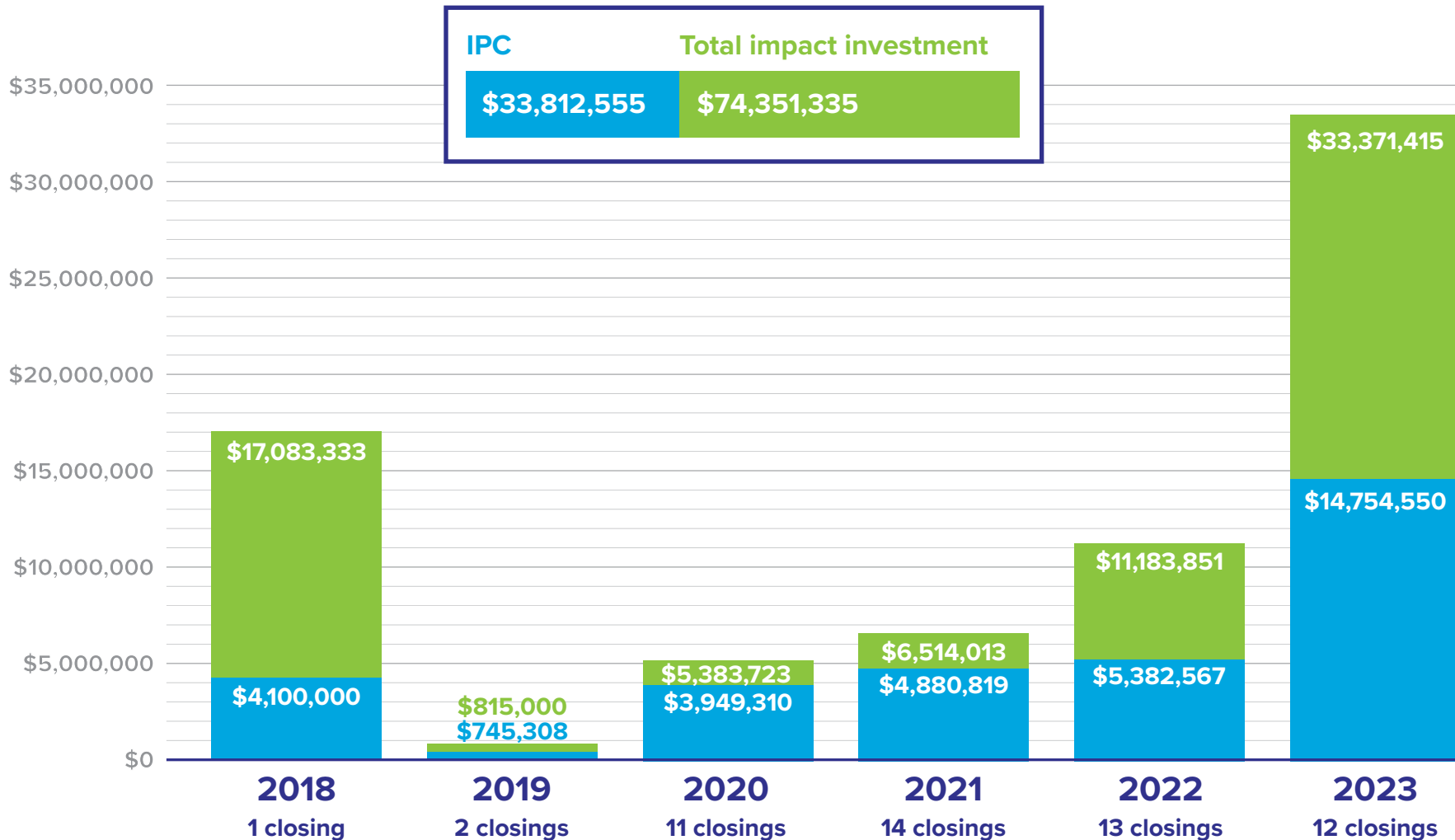
Spun out from the Connecticut Green Bank in August 2018, we bring successful strategies for green investments for low- to moderate-income communities to a national level. At IPC, we align investment capital and financing programs with organizations, projects, and community initiatives that benefit traditionally underserved markets. IPC partners with green banks, community development financial institutions (CDFIs), credit unions, and other lenders, governments, nonprofits, and developers to create financing programs, de-risk other lenders, create new structures, own assets on their behalf, or collaborate on product, program, and process design. We achieve our goals through direct investments in qualifying projects and financial structuring approaches that reduce actual and perceived risks, standardizing contracts and products to reduce transactional friction and developing projects through local channel partners to create scale.

IPC operates at the intersection of community development, clean energy finance, and climate impact. We are the intermediary who can translate between the needs on the ground and the needs of investors who must hit a risk-adjusted return. We identify the gaps in the market, map out the assets that exist, find the intersections where solutions can be made, and forge the partnerships that will bring clean energy infrastructure to the people who need it most— those who have been shut out from that market historically.

By thinking about problems in the broadest possible context, like an ecosystem, we forge powerful and lasting partnerships that can transform our communities. Inclusive Prosperity Capital is proof that an organization can choose to focus on underserved markets and still find success.



2023 was the largest investment year in our history



Our Impact



2,550+

Multifamily housing units served



1,257,685,469 kWh

Projected lifetime generation



\$74,351,335

Total impact investing



3,528,307 mmBTU

Projected lifetime energy savings



68,408 kW

Nameplate system size for clean energy generation



354,552 cars

Projected lifetime GHG equivalency:
Cars off the road



1,796,231 tons

Projected lifetime CO₂ avoided



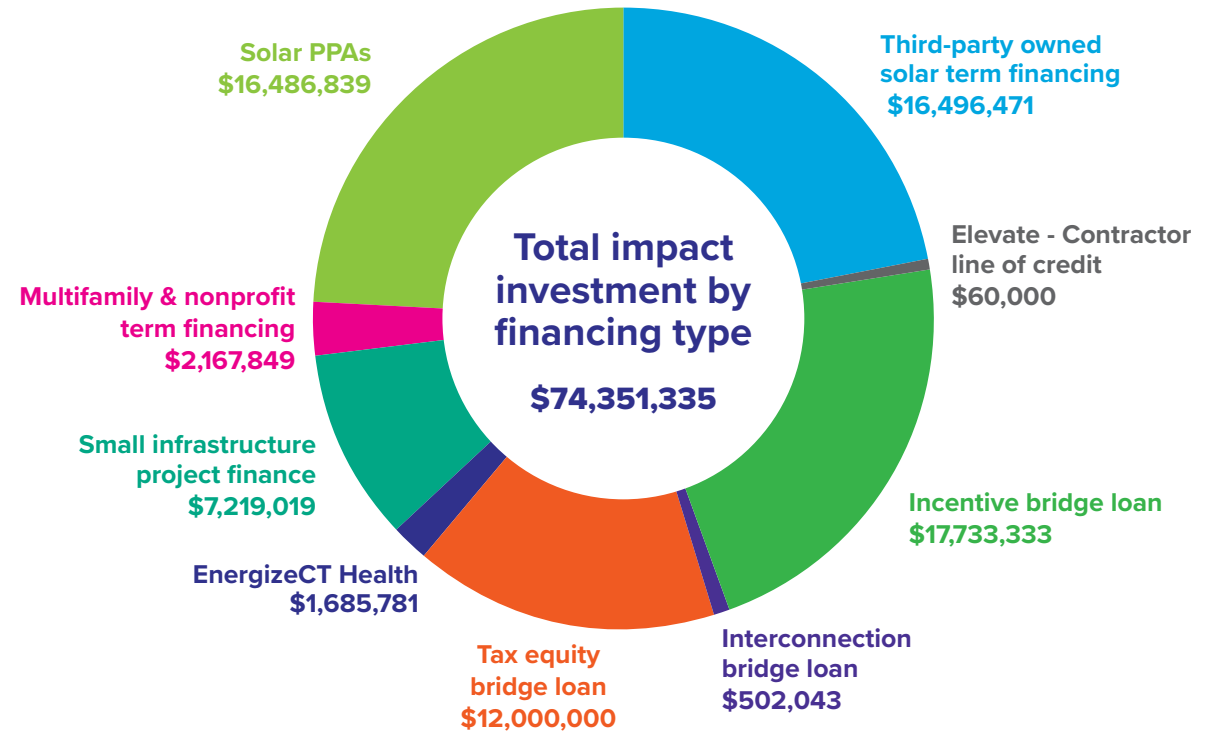
1,991,005 acres

Projected lifetime GHG equivalency:
Acres of U.S. forest

Our Portfolio

53 Deals/Projects

by building type



UN Sustainable Development Goals



Investing in Underserved Communities (% of portfolio • total IPC investment)

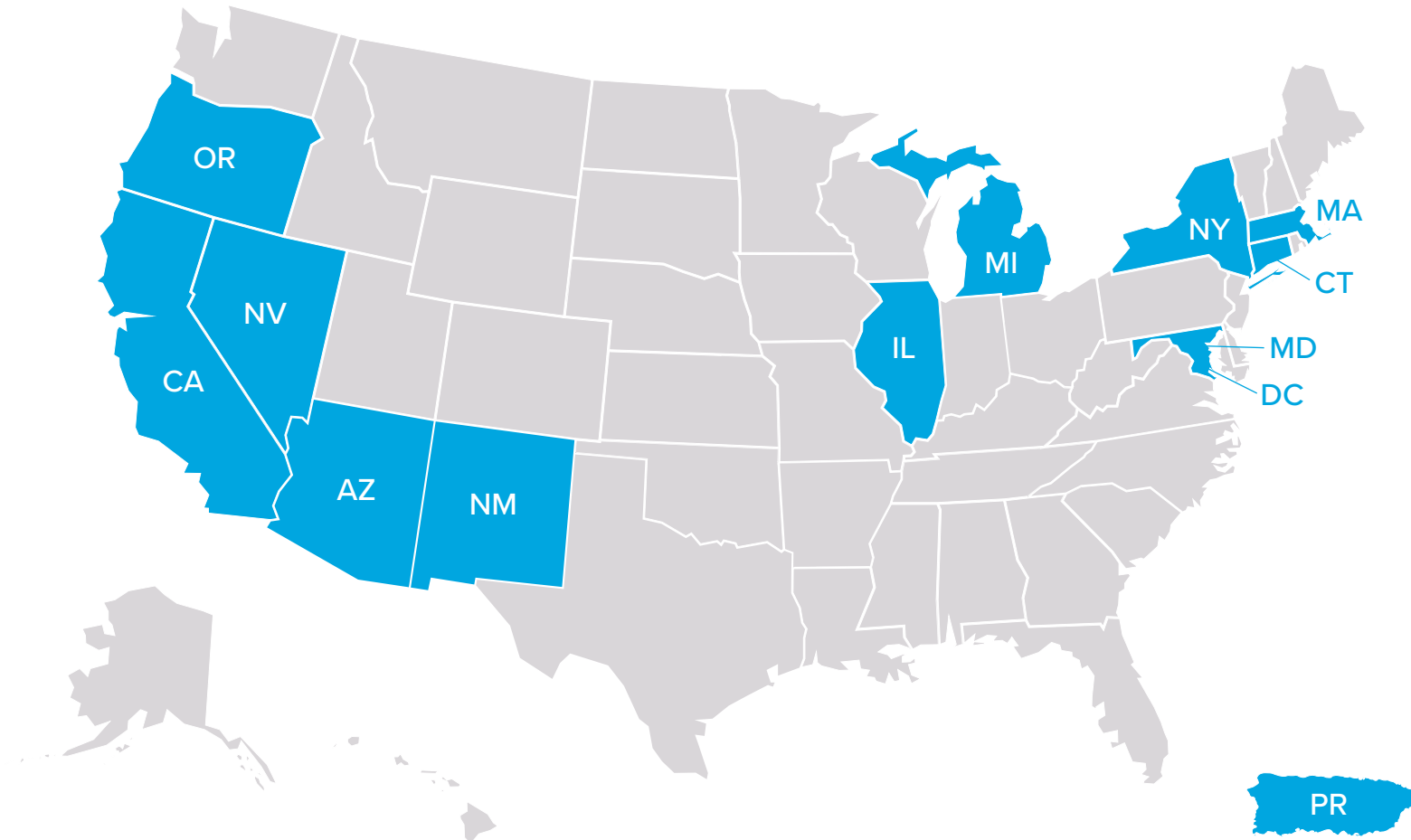
Low-to-Moderate Income
47% • \$15,935,088

Minority Census Tract
55% • \$18,457,613

Justice40 Disadvantaged Community
25% • \$8,349,799

IPC Deployment

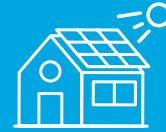
We are fully operating in the highlighted states and territories.



Smart-E Southwest Expansion

The Inclusiv Center for Resiliency and Clean Energy partnered with IPC to expand the **Smart-E Loan Program**, a comprehensive residential clean energy program, to Arizona and New Mexico in early 2023, and to Texas in early 2024. The expansion efforts were supported by a loan guarantee provided by the Community Investment Guarantee Pool (CIGP).

smart-e loan



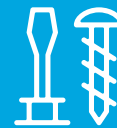
8,385

homeowners from its existing market in CT and new markets in AZ and NM in 2023



\$137,455,787

in loans



760

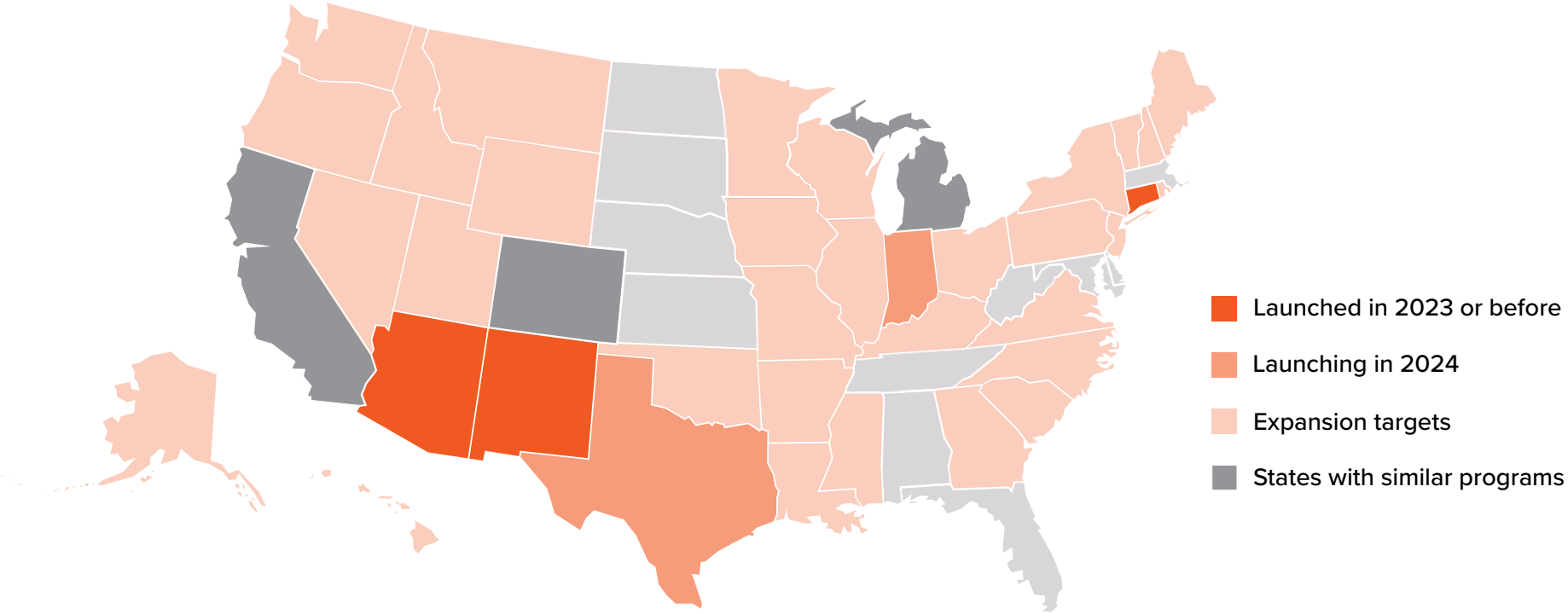
contractors across all trades: solar, efficiency, HVAC, etc.



15

community lenders

Smart-E National Expansion



“Partnering with IPC to offer the Smart-E loan product was important for the credit union because it provided access to expertise, resources, and networks that could help design and implement an effective green lending program at Priority Trust.”



– **Malcolm René, President/CEO Priority Trust Credit Union**
Launching Smart-E in 2024

smart-e loan

Innovating Bridge Financing for New Investment Tax Credit Adders

IPC partnered with the Connecticut Green Bank and ImpactAssets to extend a catalytic \$12 million bridge loan to **PosiGen**, the nation's leading residential solar and energy efficiency provider for low-to-moderate income (LMI) homeowners, enabling the deployment of thousands of solar and energy efficiency upgrades in LMI communities.

The loan provides short-term liquidity against the to-be-realized value of low-income Investment Tax Credit adders under the Inflation Reduction Act.



Development of a Catalyst Loan Platform

Our multifamily team continued development of a loan platform for IPC's Catalyst Loan, a subordinate, alternatively secured loan that is designed for clean energy and resiliency improvements to mid-cycle properties. The Wells Fargo Foundation generously supported the development of the lending platform.

The team commenced work with the Los Angeles Better Buildings Challenge to span the knowledge gap on bridge lending between community affordable housing and community lending. The team has also deeply engaged with the Housing Partnership Network on discussions of loan product standardization and ecosystem needs around multifamily retrofit lending.



IPC & Montgomery County Green Bank Partner on Solar for Multifamily Affordable Housing

IPC supported the completion of a 1.97 MW rooftop solar array at Seneca Village, a 684-unit affordable housing complex in Gaithersburg, MD, in partnership with the Montgomery County Green Bank. It will be the largest rooftop solar project on multifamily affordable housing in Montgomery County, Maryland. The Montgomery County Green Bank led this transaction, which featured two facilities, one from New York City Energy Efficiency Corporation (NYCEEC) and Locus (formerly Virginia Community Capital), and one from IPC.



 **\$267,333**

Projected energy cost savings
in first year of operation



Project type
Solar PV + Roof
Replacement



Loan type
Project Finance



**Projected annual
energy production**
2,583,535 kWh

Impacting the Empire State



We continued our partnership with the **NYC Accelerator**, which provides resources, expert one-on-one guidance, and technical assistance to building owners seeking to improve the energy efficiency and reduce the emissions of their buildings. IPC is one of the Accelerator's lending partners, providing financing options for building owners who want to implement clean energy measures.



IPC is a lending partner for **Climate Friendly Homes Fund**, a program launched in 2023 and administered by Community Preservation Corporation (CPC) that provides financing for existing, 5–50-unit buildings in New York State to electrify. With \$250 million in New York State funding, CPC and New York State Homes and Community Renewal aim to finance electrification retrofits in at least 10,000 units of multifamily housing that serve economically disadvantaged communities.

“

Based on our experience at NYC Accelerator working with building owners planning energy upgrades, IPC's Catalyst Loan is clearly one of the more popular loan products due to the long-term financing and flexibility it provides. IPC's expertise in working with complex projects and building types, like condos and co-ops, has been invaluable.”

– Andrew Chintz, Financing Specialist, NYC Accelerator

Catalyzing Underserved Solar Projects Nationally

In December, IPC closed \$5 million in solar debt facilities with **Sunwealth Power Inc.** to support deployment of 18 distributed generation projects across the country. The debt facilities will help Sunwealth— a leading mission-oriented clean energy investment firm— finance its growing portfolio of traditionally underserved projects, including solar systems installed on nonprofit, faith-based, and affordable housing properties.

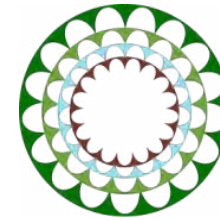


IPC Joins the Justice Climate Fund Coalition

Following the EPA's release of the Notices of Funding Opportunity for each of the Greenhouse Gas Reduction Fund (GGRF) competitions in the summer of 2023, IPC joined the Justice Climate Fund as a coalition partner for their National Clean Investment Fund and Clean Communities Investment Accelerator applications. JCF is a purpose-built nonprofit financial institution created to scale the nationwide deployment of affordable, equitable clean energy improvements for disadvantaged American families, businesses, and communities.

IPC is a proud partner of JCF and looks forward to delivering on our shared mission: to ensure that those who have been left behind and are most impacted by climate change benefit from clean energy investments like GGRF.

Image source: justiceclimatefund.org/how-we-work



Justice Climate Fund



Leading the Community Power Coalition

With the support of nine best-in-class partner organizations, IPC responded to the EPA’s Solar for All Notice of Funding Opportunity. Our Community Power Coalition “Powering America Together” program covers 44 states and territories in all 10 EPA regions. We aim to bring significant benefits to Americans in low-income and disadvantaged communities through community solar projects that lower energy costs, create quality jobs, build community wealth, enhance energy resilience, and promote equitable workforce development.*

Through its Powering America Together program, the Community Power Coalition will focus on scaling community solar models that provide multiple, meaningful benefits.

**In April 2024, we received notification that we are a selectee to negotiate an award.*



IPC Timeline

August 2018

IPC spins out from **Connecticut Green Bank**.

November 2018

IPC participates in our first transaction, a credit facility for **PosiGen** in partnership with **LibreMax Capital** and **CT Green Bank**.

May 2019

IPC receives a \$10 million guarantee and multi-year operating grant from **The Kresge Foundation**, supporting IPC's national expansion and investments.

January 2020

In partnership with **Fleet Development**, IPC finances the deployment of solar facilities on three USDA-subsidized properties serving deeply low-income residents in Union County, OR.

May 2020

IPC raises \$25 million in capital through a transaction with the **NY Green Bank**, marking our first investor for projects outside of CT.

July 2020

IPC closes our first four commercial solar Power Purchase Agreement (PPA) projects, including projects located at a Boys & Girls Club, an Islamic community center, and two schools.

December 2020

IPC closes a tax equity partnership with **Greenprint Capital**, allowing us to acquire, develop, construct, and operate distributed solar projects throughout the U.S.

IPC closes our first Catalyst Loan with **EcoWorks**, a Detroit-based environmental nonprofit, to electrify their HVAC system in partnership with **Michigan Saves**.

January 2021

Following the expansion of our Solar PPA and multifamily/nonprofit lending products to new markets like NY, DC, NV, MA, PR, and CA, IPC surpasses \$10 million in deployment since our inception.

April 2022

IPC raises \$13 million in program-related investments (PRI) from the **John D. and Catherine T. MacArthur, McKnight, and The Kresge Foundations**.

August 2022

IPC receives a \$15 million loan from **Amalgamated Bank** to expand our work in underserved communities.

January 2023

IPC closes a \$2.5 million, 12+ year guarantee from **Community Investment Guarantee Pool** to support the Smart-E Loan Program's national expansion.

March 2023

IPC surpasses \$20 million in deployment since our inception.

April 2023

IPC launches the Smart-E Loan Program in NM, with **Guadalupe Credit Union** as the first lender, and in AZ, with **MariSol Federal Credit Union** as the first lender. **Inclusiv** and the **Wells Fargo Foundation** generously supported Smart-E's expansion in the Southwest.

Summer 2023

IPC joins the **Justice Climate Fund** and their coalition applications to the **Greenhouse Gas Reduction Fund**.

October 2023

IPC applies under the **EPA's Solar for All** program to lead the **Community Power Coalition** "Powering America Together" Program alongside nine distinguished coalition members to deliver the benefits of community solar models to low-income and disadvantaged communities nationwide.

December 2023

IPC surpasses \$30 million in deployment since our inception.

Thank you to our funders and investors for making this work possible.



Glossary

Total impact investment

The total value of investment from all capital sources, including those outside IPC. For Solar PPAs and similar transactions, this would be the Fair Market Value of the system.

IPC investment (all sources + PRI)

The dollar amount IPC has dedicated to the project to date, regardless of IPC's capital sources, including program-related investment (PRI) capital.

Nameplate system size

The total generating capacity of solar and other renewable energy projects, by kilowatt (kW).

Projected lifetime generation

The projected lifetime energy generation from renewable projects measured in kilowatt hours.

Project lifetime CO₂ avoided

The amount of CO₂ avoided using the EPA's GHG Equivalencies Calculator based on the projected lifetime generation or energy savings of a project, measured in tons of CO₂.

Projected lifetime energy savings

The projected lifetime energy savings from energy efficiency updates measured in metric million British Thermal Units (mmBTUs).

Projected lifetime GHG equivalencies– cars off the road

The amount of greenhouse gas (GHG) emissions from Projected Lifetime CO₂ Avoided presented as passenger vehicles driven for one year using the EPA's GHG Equivalencies Calculator.

Projected lifetime GHG equivalencies– acres of U.S. forest

The amount of greenhouse gas (GHG) emissions from Projected Lifetime CO₂ Avoided presented as carbon sequestered by acres of U.S. forests in one year using the EPA's GHG Equivalencies Calculator.

Percent low-to-moderate income

Low-to-moderate income percent is calculated either a) based on the AMI band of the census tract the project is located in, anything $\leq 80\%$ AMI band (or $\leq 100\%$ AMI for Puerto Rico) or b) based on the nature of the investment (e.g. multifamily serving all low-income renters, or PosiGen based on their business model).

Percent Minority Census Tract

The percent of the population within the census tract in which a project is located is considered a minority (e.g. not majority white); using the FFIEC Online Census Data System.

Percent Justice40 Disadvantaged Community

Whether a community qualifies as a Justice40 Disadvantaged Community can be determined by using the Energy Justice Mapping Tool - Disadvantaged Communities Reporter to determine if the location of the project is within a DOE Justice40-designated community. If so, we calculate 100%.



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