

## **Nevada Clean Energy Fund (NCEF)**

### **Board of Directors Meeting - January 11, 2024**

#### **Quarterly Meeting Minutes**

Adopted: April 2, 2024

#### **Meeting Details**

Chairperson: Sharath Chandra  
Vice Chairperson: Les Lazareck  
Treasurer: Robert Johnston  
Secretary: Kirsten Stasio

Date and Time: January 11, 2024, 2:30-5:00pm

Location: Las Vegas Global Economic Alliance, Large Conference Room, 6720 via Austi Pkwy, Suite 330, Las Vegas, NV 89119

#### **Roll Call**

- The meeting had a quorum.
- Nevada Clean Energy Fund (NCEF) Board members in attendance:
  - Sharath Chandra, Real Estate Administrator
  - Leandra Diossa, Director of Administration, Governor's Office of Economic Development
  - Robert Johnston, nominee of the Carson City Board of Supervisors
  - Les Lazareck, nominee of the Clark County Board of Commissioners
  - Dwayne McClinton, Director of the Governor's Office of Energy
  - Sandy O'Laughlin, Commissioner of the Nevada Financial Institutions Division
  - Guy Snow, nominee of the Nevada State Contractors' Board
- NCEF Board Members not in attendance
  - Vacant seat, nominee of labor organizations in Nevada
  - Jason Geddes, nominee of the Washoe County Board of Commissioners (deceased)
- Also present:
  - NCEF Staff
    - Kirsten Stasio, CEO
    - Asheesh Bhalla, General Counsel/Director of Operations
    - Greg Zegas, Director of Investments
    - Will Pregman, Loan Officer

#### **Agenda**

- Roll call/Introductions
- Agenda review
- October 3, 2023, Board Meeting Minutes
- Prior Quarter Update from the CEO
- Future Board Meeting Format
- Investment Procedures
- Proposed Revisions to Standard Operating Procedures

- NCEF Strategic Planning Process
- Closing

### Proposed Actions

1. Action 1: Adopt the October 3, 2023, Board Meeting Minutes.
  - a. Relevant Document: NCEF Board Meeting Minutes October 3, 2023, DRAFT.pdf
  - b. Dwayne McClinton proposed a motion to approve the October 3, 2023, Board Meeting Sharath Chandra seconded.
  - c. The Board approved the October 3, 2023, Board Meeting Minutes by unanimous consent with abstention by Leandra Diosa.
2. Action 2: Future Board Meeting Format
  - a. Tabled for future discussion.
3. Action 3: Investment Procedures
  - a. Robert Johnston proposed a motion to approve Investment Procedures, Guy Snow seconded.
  - b. The Board approved Investment Procedures by unanimous consent, no abstentions.
4. Action 4: Renaming of Audit Committee
  - a. Sharath Chandra proposed a motion to rename the Audit Committee as the Audit and Finance Committee, Guy Snow seconded.
  - b. The Board approved the name change by unanimous consent, no abstentions.
5. Action 5: Audit Committee Composition
  - a. Sharath Chandra proposed a motion to add Leandra Diosa to the Audit and Finance Committee with existing members Robert Johnston and Sandy O’Laughlin, Guy Snow seconded.
  - b. The Board approved the appointment by unanimous consent, no abstentions.
6. Action 6: Proposed Revisions to Standard Operating Procedures
  - a. Sharath Chandra proposed a motion to accept revisions to the Standard Operating Procedures with the “senior management” definition to be updated, Dwayne McClinton seconded.
  - b. The Board approved the revisions by unanimous consent, no abstentions.

### Discussion

#### **Agenda Overview**

- Kirsten Stasio, NCEF’s CEO, provided an overview of the agenda.

#### **Report to the Board by the CEO**

The CEO reported to the Board on milestones during the prior three months and provided a budget update and outlook. Key developments in the prior quarter include:

- NCEF launched its Residential Energy Upgrade Program (RE-UP) in November.

- NCEF's Clean School Bus application to fund electric school buses at multiple Nevada school districts was tentatively selected by the US Environmental Protection Agency (EPA).
- NCEF submitted a \$250 million Solar for All application on Oct. 12.
- NCEF partnered with Prime Applicants to EPA's National Clean Investment Fund (NCIF) and Clean Communities Investment Accelerator (CCIA) federal funding opportunities, including participating as a named subawardee on multiple applications for ~\$100 million.
- NCEF's General Counsel renewed NCEF's General Liability and D&O insurance and procured Cybersecurity insurance.
- NCEF's General Counsel secured several bids from potential third-party bookkeepers, vetting capabilities related to federal funds and investment management.
- NCEF actual expenditures in FY24 are within the Board-approved budget.

### Residential Energy Upgrade Program

- Will Pregman, NCEF Loan Officer, stated that NCEF launched its Residential Energy Upgrade Program (RE-UP) in November to provide affordable financing and technical assistance to Nevada homeowners. Will provided a report regarding program milestones and answered questions as follows:
  - NCEF issued a press release and hosting a press conference that resulted in coverage from the *Las Vegas Sun*.
    - Generated earned media.
  - NCEF recruited three contractors into the RE-UP network and closed a first loan – December 21, 2023.
    - First loan closing for a rooftop solar project installed by Sol-Up.
    - \$23,500 total amount for first loan. Home located in Spring Valley area.
  - Capital provided by SELF (Solar Energy and Loan Fund), who conducts underwriting and loan servicing.
  - Question: what is the time between application and loan closing?
    - Depends on the situation, but once there is an application the process can be as quick as 24-48 hours (pre-qualification).
      - Because SELF doesn't do a traditional credit check, may have to investigate certain situations that require proof of ability to pay or a co-borrower.
  - Question: What is the onboarding process for contractors?
    - NCEF verifies they have a business license, contractor's license, relevant certifications for specific trade (OSHA classification, BPI certification), customer reviews (BBB, Angi's list, Yelp).
      - NCEF holds a 30-minute on-boarding call.
  - Question: Will contractors be a source of leads?
    - Yes, this is typically how these types of programs work in other states, including SELF's program in the Southeast. Our first loan was sourced by a contractor.
      - Contractors will be first line of bringing people in, but community outreach conducted by NCEF will bring in additional borrowers.
  - Question: How much is available to lend out?
    - SELF has committed \$1M but we can request allocation of additional funds if necessary.
- Additional discussion was had on the following points:

- NCEF could explore opportunities to plug RE-UP financing into down payment assistance program, e.g., offered by Culinary Union.
- NCEF is continuing to develop educational and technical assistance tools for residents to access clean energy incentives and measures, including working with Rewiring America to develop a Nevada-specific incentive calculator.
- NCEF is planning a series of community events called Home Energy and Affordability Workshops on January 20, 2023. Working with Dr. House (CHR Inc.) to host first event on 1/20/2024. Collaborating with other partners (e.g., utilities, Weatherization Assistance providers, Governor's Office of Energy).
- RE-UP is a foundational program that NCEF can build on in the future as additional federal funds become available.
- The Board expressed excitement regarding progress of RE-UP.

### Clean School Bus Program

- Greg Zegas, NCEF Director of Investments, provided an overview of the EPA award for Clean School Bus (CSB) Program and answered questions as follows:
  - CSB program will provide funds directly to school districts.
  - NCEF applied as a third-party applicant on behalf of school districts.
    - \$7.7M grant award to deploy 25 electric school buses during a three-year period of performance.
    - ~\$200,000 will be used by NCEF to administer the program, the remainder will be passed through to school districts.
    - Meeting with EPA on Jan 17, 2024, to begin award negotiations, including on indirect cost rate.
  - All Nevada school districts are eligible to participate. Lander, Elko, and Lyon County School Districts have already signed up.
  - NCEF partnered with NV Energy on the application, who is also providing financial and technical support to school districts through their Electric Bus Vehicle-to-Grid Pilot Program.
  - NCEF also partnered with the Nevada Division of Environmental Protection (NDEP) on the application, who has remaining Volkswagen (VW) settlement funds that could be used for the buses as well.
  - NCEF also partnered with the World Resources Institute (WRI) on the application, who plans to provide additional technical assistance.
  - Administration of Award: NCEF intends to provide funding to districts in the form of Participant Support Costs (PSCs). PSCs are less burdensome than sub-awards in terms of reporting and compliance obligations. Funds can only be used for purchase of school bus equipment.
    - Discussion: It is difficult for school districts to deviate from planned budgets, so unburdening districts from reporting requirements is a big benefit to bringing them on.
  - Disbursement will follow NCEF's Investment Policy and Investment Procedures.
  - NCEF will conduct risk assessments, require conflict of interest disclosures, and reimbursement of payments unless otherwise required and permitted by EPA.
  - NCEF will also conduct monitoring and audit of recipients for compliance.
  - Some potential challenges in the administration of this grant:
    - Minimal funds available for NCEF to cover costs of administration.
    - Tax credits and utility rebates are received after expenditures. School districts would like bridge capital to cover the gap between expenditure and receipt of incentives.

- School districts could back out (but no known penalty for doing so).
- Question: What is the cost of each bus?
  - Depends on the size, but for the typical bus it is around \$400K
- Question: Were the administrative costs set by EPA?
  - Per federal guidelines, we have to use the 10% de minimis indirect cost rate unless we are able to negotiate a different rate with the federal government. NCEF will confirm with EPA during negotiations.

### NCEF Applications for EPA's Greenhouse Gas Reduction Fund

- Kirsten Stasio provided an update of NCEF's federal grant proposals as follows:
  - NCEF is a Prime applicant for Solar for All and potential subgrantee for NCIF and CCIA.
  - EPA will notify Awardees in March 2024 after negotiations will occur.
  - Expect EPA to review NCEF capabilities to deploy funds. At January 2023 Board meeting, NCEF put in place additional policies and procedures in Bylaws and Standard Operating Procedures. The NCEF staff will present third-party accountant/bookkeeper options to the Audit and Finance Committee. The NCEF staff is also working on internal administrative procedures to ensure compliance with federal requirements.
- Question: Does it make sense to have outside or internal bookkeepers or both?
  - NCEF will need both internal and external accountants. Internal staff will be handling day-to-day requirements and external firm will be assisting with monthly reconciliations, compliance verification, and reporting.
  - Important to have redundancies built in, particularly for federal funds and to support credibility of NCEF's processes.
  - Currently, NCEF has a third-party audit firm develop annual audited financial statements. Otherwise, NCEF conducts accounting function all in-house, with quarterly budget reports to the Board.
- Question: Is Solar for All targeted towards Low Income and Disadvantaged Communities (LIDAC)?
  - Yes.
  - Nevada's state and local governments produce annual Community Development Block Grant reports required by HUD. Reports have Area Median Income (AMI) data by census tract.
- NCEF continues to provide support to affordable housing developers, school districts, nonprofits, and others in navigating and accessing federal tax credits and other incentives, including following new IRS guidance, and assessing potential tax structures.

### NCEF Budget

- Kirsten provided a detailed budget v. actuals spreadsheet for the prior quarter.
- NCEF actual expenditures in FY24 are within the Board-approved budget.
- NCEF invested a portion of its funds in Certificates of Deposits and US Treasury Bonds.

### Future Meeting Format (Attorney-Client Privileged)

- Asheesh provided an overview of options for future meeting format. (Attorney-Client Privileged).
- Board Action:

- Tabled for future discussion.

## NCEF Investment Procedures

- Kirsten provided an overview of the proposed NCEF Investment Procedures as follows:
  - In accordance with NCEF's Standard Operating Procedures, the Board approved NCEF's Investment Procedures.
  - NCEF staff intend to bring the first few investments to the Board even if it is not required by the Investment Procedures.
    - The first few investments are likely going to be related to the Clean School Bus program.
  - Purpose of Investment Procedures is to clearly identify and manage risk and ensure that investing activity is aligned with the objectives of the organization.
  - The Board approves Investment Plans. Anticipate one plan per financing program.
    - Solar for All, for example, will have at least one but possibly multiple Investment Plans.
  - Sub-awards will be covered by a separate policy.
  - Under the procedures, all projects are given a risk rating and projects that have a risk score above a certain level and are above a certain dollar amount result in the investment being kicked up to the Board.
    - Third-party risk assessments will be a big determinant of risk rating in instances of lending.
    - Discussion was had on third-party risk assessments.
  - The proposed NCEF Investment Procedures were modeled after those of other green banks (e.g., Colorado Clean Energy Fund, NYCEEC), and reviewed by Advisory Council member Mark Hayes.
  - NCEF's Internal Investment Committee in the near term will be composed of the CEO, General Counsel, and Director of Investments. IIC makes decisions by unanimous consent.
- Board Action:
  - Robert Johnston proposed a motion to approve Investment Procedures, Guy Snow seconded.
  - The Board approved Investment Procedures by unanimous consent, no abstentions.

## NCEF Standard Operating Procedures

- Proposed minor revisions to the Standard Operating Procedures include:
  - Clarification under Personnel Policies that the Board-approved Schedule of Positions should only include NCEF Senior Management.
    - Discussion was had that "senior management" should be defined.
  - Clarification under the Investment Policy that there will be multiple Investment Plans and that NCEF's internal investment committee only includes NCEF staff.
- Board Action:
  - Sharath Chandra (Chair) proposed a motion to accept revisions to Standard Operating Procedures with the "senior management" definition to be updated, Dwayne McClinton seconded.
  - The Board approved the revisions by unanimous consent, no abstentions.

## NCEF Strategic Planning Process

- Kirsten provided an overview of the NCEF Strategic Planning Process as follows:
  - Key short-term priorities: scaling up organization quickly to administer anticipated federal awards, including job description development, recruitment, hiring, onboarding, HR, and cultural alignment; internal accounting and controls software and infrastructure for federal grant management and compliance, and stakeholder engagement.
  - Potential long-term strategic planning steps could include confirmation of mission, vision and values, a SWOT analysis, and development of multi-year plan with SMART goals.
  - Potential third-party consultants who could provide strategic planning support for NCEF include: Blueprint Collaborative and Summit Consulting Group.
- Presentation by Blueprint Collaborative (Rachel Tatro and Gretchen Bietz) on their organization's history, strategic planning processes, and how they would work with NCEF.
- Discussion was had about the value of engaging an external consultant to help NCEF scale up in a strategic and effective manner, and prepare for managing large federal grants. The Board acknowledged that prioritization and timing are also important considerations, and ensuring that a consultant is able to assist in a targeted way in the short term given NCEF's immediate needs and time constraints. A broader strategic planning process may also be more valuable in the future once NCEF has more employees.

## Honoring Jason Geddes

- The Board expressed a desire to honor Jason's contributions to NCEF in the appropriate way, for example, through dedication of a program or project (e.g., an electric school bus) in his name.
- The Board held a moment of silence for Jason.

### Minutes submitted by:

Signature:   
Name: Kirsten Stasio  
Title: Chief Executive Officer, Nevada Clean Energy Fund

Date: June 21, 2024

### Minutes approved by:

Signature:   
Name: Sharath Chandra  
Title: Nevada Clean Energy Fund Board Chairperson

Date: June 21, 2024