EPA

Office of the Chief Financial Officer

July 2012

Volume 3, Issue 3

News from the Center for Environmental Finance

Advancing sustainable finance and technology solutions

EPA Hosts Technology Market Summit

On May 14, 2012, EPA convened its first Technology Market Summit at American University in Washington, DC. Co-sponsored by EPA and American University, with participation and support from Duke University's Nicholas Institute, the event set in motion a dialogue with a diverse group of participants on how government, academia, and the private sector can accelerate technology innovation and deployment to produce a more sustainable environment, create jobs, and grow the economy.

Invitees from government, industry, academia, the investment community, and technology innovators heard from EPA Administrator Lisa P. Jackson, Secretary of Agriculture, Tom Vilsack, Secretary of Commerce, John Bryson, and the U.S. Trade Representative, Ron Kirk. The Cabinet officials highlighted the importance of environmental technologies in improving environmental protection and decreasing human health risks. They noted how, at the same time, these technologies spur jobs, trade, and private sector business opportunities.

In the morning, attendees joined one of three in-depth case study topics on environmental technologies: fenceline air quality monitoring, automotive supply chain, and biodigesters and biogas. After these concurrent sessions, Deutsche Bank managing director Mark Fulton spoke to participants about how transparency, longevity, and certainty in public policy can drive technology investment. Later in the day, a panel of corporate and nonprofit leaders gave personal perspectives on solutions to environmental technology and finance challenges.

The Summit's success and the momentum generated by the event will help to frame EPA's continued work toward engaging the private sector in advancing technology that supports environmental protection, jobs, and the economy.

From left to right: EPA Chief Financial Officer Barbara Bennett, American University President Neil Kerwin, EPA Administrator Lisa P. Jackson, Secretary of Agriculture Tom Vilsack, EPA Deputy Administrator Bob Perciasepe, Secretary of Commerce John Bryson, U.S. Trade Representative Ron Kirk.

For more information on the Technology Market Summit, please visit http://www.epa.gov/envirofinance/2012summit.html to access presentation materials and videos. For more information on EPA's Roadmap, Technology Innovation for Environmental and Economic Progress, please visit http://www.epa.gov/envirofinance/innovation.html.

Highlights of the May 2012 Environmental Financial Advisory Board Meeting

The Environmental Financial Advisory Board (EFAB) held its most recent meeting May 22-24, 2012 in Alexandria, Virginia. The meeting provided the board members the opportunity to hear from a distinguished group of EPA officials and to discuss, in some detail, the status of the ongoing work of the board's six project workgroups.

Among a group of excellent speakers, one clear highlight was the presentation made by Ms. Shalini Vajjhala, Special Representative from EPA's Office of the Administrator. Ms. Vajjhala spoke on the topic of the U.S.-Brazil Joint Initiative on Urban Sustainability. This partnership reflects the infrastructure and sustainability priorities of both U.S. President Barack Obama and Brazilian President Dilma Rouseseff. A core aspect of the initiative is the partnership between the cities of Rio de Janeiro and Philadelphia. The purpose of the joint initiative is to serve as a bridge to aggregate needed environmental infrastructure projects and create investment portfolios. Partnership participants are developing case studies of selected project profiles and finance mechanisms that can be shared to promote best practices and flag opportunities. The case studies are included on a portal site, which was announced as a tool at the Rio+20 conference. The portal is an interactive, online entry point for communities, local officials, developers and investors to help them work together toward investment in urban sustainability in cities around the world. It is hoped that the initiative will create a template for innovative ideas that can be applied in other countries, and that the portal will continue to grow.

Another highlight of the meeting was the presentation of the Tribal Environmental Programs Workgroup. The workgroup presented the board with a proposed position statement on making tax-exempt bonds available to the Tribes to finance municipal projects on the same basis as available to state and local governments. The workgroup noted that the Department of Treasury supports this position and recommended the EPA follow suit. Members engaged in a spirited discussion of the position statement language and discussed the possibility of changes. The workgroup and staff are revising the statement based on the full Board recommendations. A final position statement will go back to the board for approval later this summer.

The Environmental Financial Advisory Board is an independent advisory committee that gives advice to EPA's Administrator on financing environmental protection activities and increasing investment in environmental infrastructure. For additional information on the Board, visit http://www.epa.gov/envirofinance/efab.html. For more information on the Joint Initiative on Urban Sustainability, please visit http://www.epa.gov/jius/.

Financial Tool Spotlight: Water for People

Water for People, an international nonprofit development organization established in 1991, assists people in developing countries by supporting the improvement and expansion of locally sustainable drinking water sources, sanitation facilities, and hygiene education programs. Water for People partners with non-governmental organizations and communities around the world and has provided more than 98,000 people with safe drinking water sources and/or improved sanitation facilities. Water for people now operates in ten countries around the world – Bolivia, Peru, Ecuador, Guatemala, Honduras, Nicaragua, West Bengal in India, Uganda, Rwanda, and Malawi.

For more information on support for international environmental finance projects, please visit http://nepis.epa.gov/Exe/ZyPURL.cgi?Dockey=P100B9IY.txt.

Environmental Finance Center at University of North Carolina–Chapel Hill Expands Project Work

EPA's Environmental Finance Center (EFC) Grant Program supports a network of ten university-based centers located across the nation. These EFCs provide multi-media finance expertise and outreach to states, tribes, local governments, and the private sector to help them meet environmental requirements. Services include finance-related information, education, training, technical assistance, and other analytic support. The EFCs educate stakeholders on lowering costs, increasing investment, improving financial capacity, achieving sustainability, and identifying and evaluating options for environmental services and programs.

The EPA-funded work that the EFCs have performed over the last ten years is impressive and extensive; so successful have the EFC services been that other entities now support and benefit from the centers' specific environmental finance expertise. Located in the School of Government, the EFC at the University of North Carolina at Chapel Hill (UNC) is one EFC that has effectively leveraged available resources by obtaining project support from a wide variety of other governments, nonprofit organizations, and private sector sources. Some of the more prominent sources include the U.S. Department of Energy, the Appalachian Regional Commission, the North Carolina Department of Environment and Natural Resources, the North Carolina State Energy Office, the Georgia Environmental Finance Authority, the North Carolina Urban Water Consortium, the North Carolina Rural Economic Development Center, the Water Research Foundation, and Aqua North Carolina, a division of Aqua, Inc.

Highlights are:

Department of Energy Project: The UNC EFC joined a national team funded by the Department of Energy (DOE) to focus on financing strategies for energy efficiency, renewable energy generation, other distributed generation, and energy asset management projects, particularly for state and local recipients of American Recovery and Reinvestment Act (ARRA) funding. The team members act as consultants and de facto investment counsels for states and local governments, provide field training on financing issues, and develop presentation and written materials that are added to DOE's Energy Solutions Center website.

Appalachian Regional Commission Work: The Appalachian Regional Commission (ARC) contracted with the UNC EFC to conduct a water and wastewater needs and funding gap assessment in the 410-county Appalachian Region running through thirteen states from Alabama to New York. In its project work, the UNC EFC created a baseline financial database, assessed the state of existing resources available for water and sewer infrastructure needs, consulted with local officials to identify major infrastructure finance challenges, inventoried current policies and best practices, facilitated peer to peer information exchanges, and prepared infrastructure finance case studies.

North Carolina and Georgia Water and Wastewater Rates and Rate Structures: Every year the UNC EFC, in partnership with the North Carolina League of Municipalities, collects information on water and wastewater rate schedules from hundreds of local governments and not-for-profit utilities across North Carolina. In Georgia, the UNC EFC and the Georgia Environmental Finance Authority have collected and analyzed water and wastewater rate structures from almost 90 percent of service providers in the state. The rate information from both states is integrated into readily usable formats, analyzed, and provided to the appropriate elected officials and staff to help them make decisions related to water and wastewater services during budget preparations.

For more information on the Environmental Finance Centers, visit http://www.epa.gov/envirofinance/efcn.html.