New Mexico's first ever green bank is in the works.

It's not actually a traditional bank; it's a financial institution. And it's the first of its kind in New Mexico.

It's called the New Mexico Climate Investment Center, or NMCIC, a nonprofit aiming to help equitably finance New Mexico's clean energy transition.

The center will finance clean energy technologies and the use of those technologies, and it is designed to increase climate resiliency, founder Beth Beloff said. Loans aren't rolling yet but in the future will be used to develop clean energy, with a focus on low-income, disadvantaged and tribal communities.

"It finances the kinds of projects that reduce greenhouse gasses and reduce energy burdens for our most vulnerable communities that are impacted by climate change," Beloff said. "The center is just getting off the ground." Last week, the center announced its board of directors, made up of nine members with expertise in financing as well as energy and environmental issues. It took a monthlong search and evaluation process, and local and state officials helped choose the board.

Gov. Michelle Lujan Grisham said in a statement to the Journal she's grateful for the committee that assembled a "stellar team" to lead the center.

"They'll empower thousands of moderate- and low-income New Mexicans to cut carbon emissions with solar installations and other carbon reduction technologies," she said.

Beloff is the founding chair of the NMCIC and president of the Coalition of Sustainable Communities New Mexico, the organization that created the climate investment center. She said the idea came up four years ago when Paul Scharfenberger, the now-CEO of a green bank in Colorado called the Colorado Clean Energy Fund, talked to the sustainability coalition about green banks.

"He talked about green banks as a way to leverage a small amount of public funds to attract private capital to invest in climate technologies and reducing greenhouse gasses and helping the community in the energy transition," she said. "And it just was very, very compelling to us." So the coalition created a green bank in New Mexico.

**Accessing investment dollars**

The climate investment center needs money to get off the ground and start making investments and giving out loans. It aims to access dollars made available by the 2022 Inflation Reduction Act. The Environmental Protection Agency has a $27 billion Greenhouse Gas Reduction Fund, split between three programs: $14 billion in the National Clean Investment Fund program, $7 billion in the Solar for All program and $6 billion in the Clean Communities Investment Accelerator program.

New Mexico received $156 million through Solar for All, which the state's energy department will dole out in the form of grants and low-interest loans to entities that can provide solar energy to low-income and rural areas. Beloff said the investment center plans to pursue some of that money.

The EPA awarded the other $20 billion among eight entities who are tasked with providing funding and assistance to community lenders and establishing clean financing institutions through private-sector partnerships. The NMCIC is also seeking those dollars, Beloff said.

She said the center also has an agreement with an impact development fund to help the center service loans in its first few years.

"So we are set up to initiate financial products as soon as we can with that backroom support that's already there," she said. She said the goal is to have funds available this year.

**Operational funding**

Beloff said most of the federal dollars would go toward the center's investments. The organization still needs to pay for operations.

She said the center wants to pursue $10 million included in New Mexico's fiscal year 2025 budget for operations costs. The state money is meant to support low-interest loan services for renewable energy adoption, primarily in underserved and low-income communities, according to the budget.

"It's important that we have funding for operations, so that we can actually kick that off," Beloff said.

She said the governor's office had a hand in creating the center and was supportive of a bill in the 2023 legislative session to put together a climate investment center, though it never passed the Senate Finance Committee. She said the center also has about $890,000 in grants from the Coalition of Sustainable Communities New Mexico, which she's president of, to use in the meantime.

"We're very fortunate to have that kind of bridge funding as we await public funds," she said.

**Starting from scratch**

The center needs to select a CEO. Beloff said she's trying to arrange for the first board meeting in June, where the newly announced board members can discuss the search.

She said she wants a CEO in place by the end of summer. "That's a very aggressive
As the first green bank in New Mexico, Beloff said the biggest challenges are securing funding and building the operations, including staffing.

“We’re really starting from scratch,” she said.

The center will also need to understand how to provide low-interest loans to low-income households, she said, understanding the best financing strategies to do so, like necessary income thresholds and subsidy options.

“We’re looking at the needs of the population that we want the climate investment center to serve,” Beloff said. To do that, the center needs input from vulnerable communities. Beloff said the center has a grant to train organizations that already serve low-income areas so they can understand the services the climate investment center will provide.

“As we build that network,” she said. Energy burdens for low-income households in New Mexico are higher than the national average, Beloff said, in part because of climate change and a lack of low-income housing initiatives to be energy efficient, like through weatherization or roof improvements.

“There is an immediate need to reduce those energy burdens,” she said.

The New Mexico Climate Investment Center is being developed as Gov. Lujan Grisham’s administration presses for a renewable energy transition, despite the oil and gas industry still majorly funding the state’s budget.

“We see the climate investment center eventually being able to maximize the development and use of renewable energy,” Beloff said.

She said over time, the center could look at other kinds of solutions, like commercial water catchment systems or microgrids for resilience centers.

“There’s tremendous energy — not to misuse the term — among the new board members and our team,” she said.