

HEARTLAND SUSTAINABLE FINANCE HUB

*Partnership with
10K Communities
Midwest Regional
Roundup*

**JUNE 2023
CINCINNATI, OHIO**

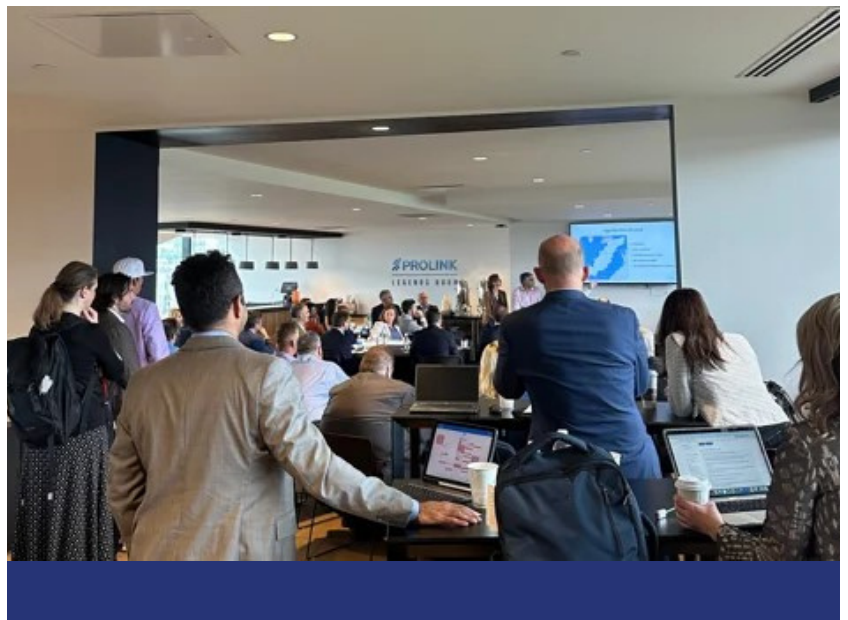


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FROM TOM CROFT, MANAGING DIRECTOR HEARTLAND CAPITAL STRATEGIES

On June 14, 2023, as part of the Milken Institute's 10K Communities Initiative, and its "Midwest Regional Rally Up," Heartland Capital Strategies (HCS) hosted a Sustainable Finance Hub (Hub) "anchor event" in Cincinnati, Ohio. Our goal for the event was to convene sustainable investors, labor, community leaders and business partners to foster a collaborative approach to best position the Midwest-Upper Appalachian region to compete for the historic clean infrastructure funds ushered in by the Biden Administration and Congress. We were joined by 70 regional and national stakeholders.

The 10K Initiative aims to foster connections and collaboration between public, private and community leaders to maximize the use of new federal funding sources and leverage local and regional outcomes. The two-day event included an advanced manufacturing anchor event by the The Port of Greater Cincinnati Development Authority, and a number of Boot Camps and Training Sessions for in-person and virtual attendees including:


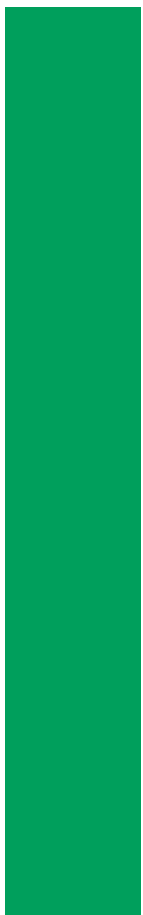
- Innovative Workforce Financing with America Achieves & Social Finance
- Designing Climate Innovation for Community Impact with Elemental Excelsior & Nth Cycle
- State Revolving Water Loan Fund Academy with Quantified Ventures

10K invites you to join the Midwest Regional Channel on the [Community Infrastructure Center](#).

The Hub was conceived as part of the Marshall Plan for Middle America (MP4MA), Reimagine Appalachia (RA), and Heartland itself. It has a strong focus on re-claiming, for the region, resources from the Bipartisan Infrastructure Law, (BIL), the Inflation Reduction Act (IRA) and CHIPS Act for the purpose of deploying unity-scale, jobs-generating infrastructure initiatives.

The Biden Administration is making unprecedented investments in Midwest Appalachia and around the country. The Clean Energy/Infrastructure program was designed to focus on communities and workers left behind, people impacted by the transition to a cleaner economy.

We're going to see the best and brightest ambassadors of the Administration who are making a difference, and hear from regional and national champions who have supported that effort.



Then we're taking a tour of some of the most exciting clean energy projects in the region, proof that the Midwest and Appalachia can rebuild toward a sustainable future. We've been tracking these developments for three years, and it's amazing to see them materialize and near completion, bringing good union jobs and clean power for tens of thousands.

We're also having a conversation about how to front-load and fast-track resilient, affordable housing for rural and urban communities. A few miles south of here, Kentucky communities suffered major damage from horrific floods-exacerbated by climate chaos —and are still struggling to recover. But here in Ohio, closer to Columbus, the Intel chips factory is being built, thanks to the Biden Team, and housing is needed for this sudden growth of new projects. This and other parts of our region need thousands of housing units.

I'm personally excited about a panel on renewing our brownfields and former mine-lands, and how our friends across the Ohio River in West Virginia are re-tooling the skills of workers and reviving our energy infrastructure.

Finally, I wanted to make some comments about our regional work, but also raise macro challenges on the road ahead. The Upper Appalachian region is composed of long-closed coal and steel mill towns, like the towns in my organization, the Steel Valley Authority (SVA), based around Pittsburgh. We know too well the history of boom-bust declines, resource depletion, and high levels of poverty, rural and urban. We also know the false jobs promises and a litany of failed training programs made to dislocated workers over the decades.

Three years ago, Mayor Bill Peduto, our former mayor, asked me to help with the launch by the Marshall Plan for Middle America (MP4MA), which brought together nine mayors in a four-state region. We stood up an Appalachian Sustainable Finance Hub to marshal responsible investors, tools, and procurement solutions for a range of clean economy projects in the region.

The manager for the project is the SVA's Heartland Capital Strategies (HCS) program, a national network of responsible pension consultants, asset managers, unions, and policy leaders advising on or managing \$1.5 trillion in assets. Heartland was established in 1995 by the Steelworkers and AFL-CIO to reclaim labor's capital—our money—and to rebuild America.

An aviator in responsible investing, our investment partners have saved or created 100s of thousands of high-road jobs; built ½ million+ housing units; invested in \$4-5 billion in infrastructure; re-tooled and re-shored critical manufacturing.



The Finance Hub proposes three components:

1. A clean economy purchasing consortium(a) for towns, cities, and universities;
2. A project knowledge portal, providing best practices, including good labor standards;
3. An investment clearinghouse to co-invest workers' pension funds with federal clean energy programs.

Through three years of convenings, we've highlighted amazing projects throughout the region that hired local workers and put women and minority apprentices to work in high roads jobs.

A shining example was former Mayor John Cranley's Cincinnati Solar Farm built in Highland County, an Appalachian county, utilizing a PLA and IBEW labor. This model—our urban communities sharing projects with our rural neighbors - was at the heart of Mayor Peduto's idea for the MP4MA. The cities are the drivers of a new climate agenda but don't always have the room. Why not share the development?

For over a century, rural Appalachia was connected to our urban centers. Then, the factories closed, the mines tapped out, and the connection died. Our cities have, over the last decades, recovered to an extent. Our mountain and river towns never did.

We cannot let our workers and their families, city or countryside, continue to waste away, move away, spend years on dead-end training program and jobs, and die off. We cannot continue to let our children leave town because there is no hope, no opportunity. Young people are our future; they want to be engaged, challenged. If our children leave, we have no future.

This country has too much work to do; for one, leading the world in averting a climate catastrophe. To do that, we will bring our industries back home, retool our closed factories, repurpose our brownfields and former energy sites.

We will not have an opportunity like this for a long time. You will not see another set of sustainable industrial policies, something I've spent my life fighting for, that are as smart and comprehensive as these. This is the time and this is the place.

We've sent along a proposal to partner with the ARC on the Hub concept, and I'm glad to say that there's an interest at the ARC. So, I'm asking all of you to join us. Reach out. Stay in touch. Thank you.

session ONE

LEAVING NO WORKER BEHIND

How the Biden
administration is making
unprecedented investments
in Midwest Appalachia



Dan Carol of the Milken Institute introduced the speakers and acted as moderator.



Jigar Shah discussed the DOE Loan Programs and how the LPO is working innovators, labor, and communities.



Karen Skelton, Jigar Shah, and Jennifer Garrison stood behind the session title of leaving no worker behind

SESSION ONE SPEAKERS

The event was kicked off with a robust presentation by Biden Administration "all-stars" about the unprecedented investments the Biden Team is making in Midwest Appalachia.

KAREN SKELTON, SENIOR WHITE HOUSE POLICY ADVISOR, OFFICE OF CLEAN ENERGY, INNOVATION & IMPLEMENTATION

Ms. Skelton began by discussing the historic nature of the Biden's Administration investments in the region through stacked tax credits, loans, and other incentives. There's an elective pay feature for non-profits and other projects to implement workforce opportunities. These new initiatives are contributing to a modern sustainable industrial policy. Ms. Skelton referred all participants to the following website <https://www.energy.gov/> for further information.

JIGAR SHAH, DIRECTOR OF DOE LOAN PROGRAM OFFICE (LPO)

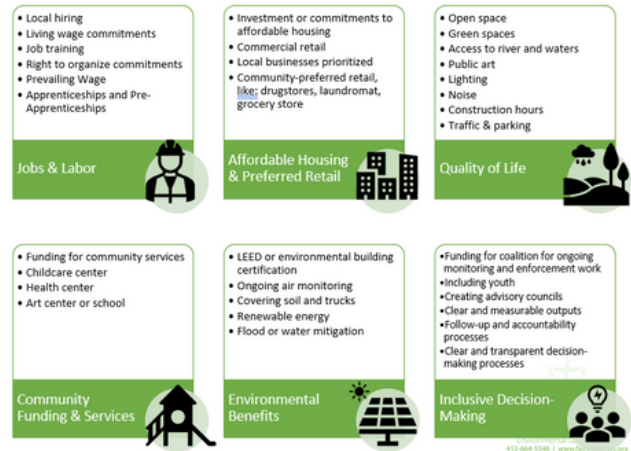
Jigar expanded on how to unlock the transformative investments of the Administration by taking advantage of the array of loans and stackable incentives. His team has worked to get everyone to the table, and together forging a shared vision needed to build our energy economy back better. Mr. Shah discussed how the DOE's Loan Programs Office is energy sector agnostic and private sector led/government enabled. By deploying these loans and loan guarantees for clean energy, advanced transportation, and tribal energy projects, technology commercialization will happen here in Appalachia, thus creating good paying union jobs, robust apprenticeship programs and delivering benefits to the hardest-hit communities.

JENNIFER GARRISON, SENIOR POLICY ADVISOR TO ARC CO-CHAIR

Ms. Garrison spoke about how ARC was created and its coverage area of serving 13 states, 423 counties, 206,000 square miles, 26 million people and 74 local development districts. Currently has several programs including READY Appalachia, ARC's new community-capacity building initiative, offering flexible funding to organizations in four key economic development pillars: nonprofits, community foundation, local governments, and local development districts with free training to the Appalachians that work for them. Special emphasis will be placed on serving Appalachia's most underrepresented communities, including economically distressed areas, counties targeted by the Interagency Working Group on Energy Communities, and other marginalized communities.

Community Benefits Agreements (CBA)

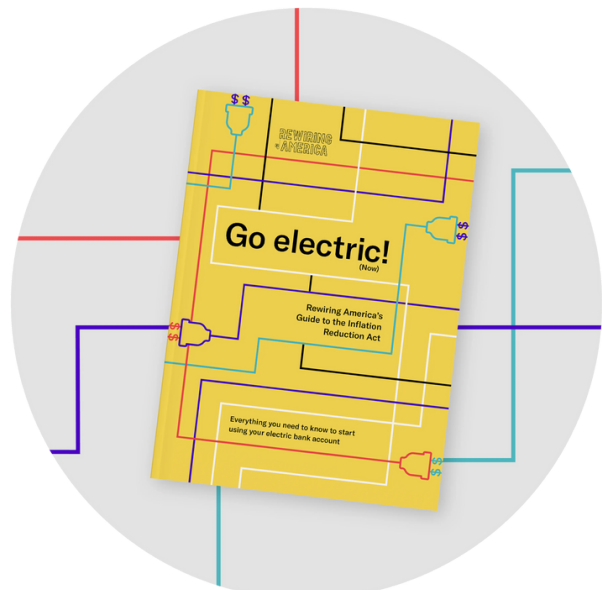
- Outcome of a Community Benefit Process.
- Legally binding contract between a community coalition and a developer.
- Outlines benefits that a Developer will provide to the broader community in exchange for the community coalition's support.
- Not one-size-fits-all.



session TWO

HOW COMMUNITIES AND LABOR ARE RESPONDING AND COLLABORATING

With strong labor standards & community engagement hooks & ladders connected to the Biden Clean Energy program, the panel reviewed some of those labor & apprenticeship requirements and community benefit plans (CBAs). They also shared how communities and labor can connect to both the “wholesale” — large scale — and “retail” - residential and institutional — tax incentives and loan funds.



SESSION TWO SPEAKERS

DANA KUHNLINE, CAMPAIGN DIRECTOR, REIMAGINE APPALACHIA

Reimagine Appalachia is a coalition of individuals and organizations that work together to build the future in the Ohio River Valley. Dana focused on the community and labor aspects IRA and BIL. To help fill the CBA requirement of the IRA's DOE projects, Reimagine Appalachia, a coalition of over 100 organizations and over 100 elected officials, faith leaders and labor partners, has established a [Community Benefits' Resource Bank](#).



JEREMY RICHARDSON, MANAGER IN THE CARBON-FREE ELECTRICITY PROGRAM, ROCKY MOUNTAIN INSTITUTE (RMI)

The [CFE program](#) at Rocky Mountain Institute works to accelerate a transition to clean electricity around the world. Jeremy discussed how the IRA, through tax credits and new investments, is set to accelerate the transition to clean energy, so ensuring a fair transition is more urgent than ever. Since the passage of IRA, domestic manufacturing is surging, especially in the clean energy supply chain. DOE's \$250 billion EIR (Energy Infrastructure Reinvestment) low-cost financing enables multi-step projects that drive long-term economic development in energy communities.



KEISHA AUSTIN, HEAD OF COMMUNITY, REWIRING AMERICA

Rewiring America is the leading electrification nonprofit developing accessible data and tools for households and communities. Keisha highlighted a new consumer outreach and education campaign to connect American households with IRA rebates and tax incentives to go electric. Rewiring America has a [Go Electric](#) guide and an [online calculator](#) to help people understand how to use IRA benefits to go electric in their homes.



session THREE

LESSONS LEARNED FROM REGIONAL PROJECTS

Many high-profile projects have been showcased by the Finance Hub since 2020. This session discussed:

- Whether the business plans worked
- Helpful procurement, PLA, or CBA policies
- Utilization of federal clean energy incentives
- The impact on jobs, clean energy
- Sharing of lessons for other cities and the regional rural towns, counties, and universities



Panelists from Session Three being introduced by Oliver Kroner



Ron DeLyons and Vera Flequer



Workers from Sustenergy

SESSION THREE SPEAKERS AND OVERVIEW

OLIVER KRONER, DIRECTOR, CITY OF CINCINNATI OFFICE OF ENVIRONMENT AND SUSTAINABILITY

Oliver outlined the climate planning goals of the City of Cincinnati: a 50% reduction of carbon emissions by 2030, 100% carbon neutral by 2050. Implementation will include 28 solar installations at city facilities, 1st Net-Zero police station, and a 100% Green Energy Community Choice Aggregation.

The City is building the New Markets Solar project in Appalachia's Highland County through an RFP that included 2 project labor agreements. Oliver envisions the following outcomes from the 100 MW solar project being built in Highland County: 35 MW to serve the city's municipal electricity load, and 65 MW to serve the Community Choice Aggregation load. This will result in cost savings, price stabilization, revenue for the city, jobs and clean energy for thousands.

RON DELYONS, CEO, CREEKWOOD ENERGY

Creekwood Energy is assisting their client (City of Cincinnati) in achieving its goal of transitioning to 100% clean and renewable energy through optimization of existing energy assets, fixed price solar and single-point process management. Ron described the in-progress New Market Solar Project, the largest municipal solar project east of the Mississippi, spurred by the city's procurement of 100 MW. The project will generate 160 construction jobs, including IBEW union jobs, and save the city \$3 million a year. New Market was a partnership with Hecate Energy.

VERA FLEQUER, CEO, SUSTAINERGY

Sustainergy is a worker-owned insulation and solar company committed to sustainability and social justice. Vera highlighted many of the successes of this unionized company, not only in retrofitting buildings and marketing unique strategies sustainable and scalable to improve energy efficiencies in Greater Cincinnati, but by creating a business that is humane and replicable.

SESSION THREE SPEAKERS AND OVERVIEW

ADAM SOKOLOSKI, DIRECTOR OF REGULATORY/LEGISLATIVE AFFAIRS, EDF RENEWABLES

EDF assists utilities, commercial & industrial, and corporate purchases through procurement of renewable energy. Adam described the in-progress Fox Squirrel Solar Project (ground-mount solar photovoltaic) in Madison County, Ohio, a partnership with LiUNA. The project is planning to deliver 577 MW of clean renewable energy to the utility grid by the end of 2024, with a minimal impact on the surrounding community.

SARA GUICE, CONSTRUCTION MARKET REPRESENTATIVE, LECET

LECET brings together LIUNA and its contractors to assist with addressing project concerns. Sara shared a video highlighting the members who are working on the current Fox Squirrel Solar Project with EDF. The video provided insight into how impactful these solar projects can be in providing career opportunities for Ohioans.



Sara Guice and Len Jornlin

LEN JORNLIN, CEO, OPTIMIZE RENEWABLES

Optimize provides solutions for distributed generation or microgrid projects. Len noted how they identify the right mix of renewable energy technology blends, public-private capital blends and applied learning and workforce development to kickstart resilient microgrids in the Appalachian region. Optimize has developed a \$149 million portfolio of city, university, and business micro-grids.

The ecosystem is in the early stages of deploying training, upskilling, and workforce development initiatives across the region through real projects for applied learning linked to integrated turnkey solutions for renewables, water, wood biofuels and housing.



session FOUR

REBUILDING AFFORDABLE HOUSING & INFRASTRUCTURE FOR MIDWEST-APPALACHIA- KENTUCKY'S FLOOD LANDS

This session addressed:

- The tools available to improve access to housing and ensure its affordability
- Financial resources needed to bring housing projects to scale in the region including public leveraging private capital
- IRA incentives and the role they play
- Resiliency/decarbonization
- Local communities training and growing the workforce needed to meet the housing and infrastructure needs



Thalia Lankin served as moderator
for session 4



Roger Krulak and Reese May



Eric Dixon

SESSION FOUR SPEAKERS AND OVERVIEW

THALIA LANKIN, CHIEF STRATEGY OFFICER, AFL-CIO INVESTMENT TRUST

The AFL-CIO ITC connects labor retirement funds with labor-friendly investment vehicles. Thalia began the panel by focusing on the importance of reinvesting labor's capital in growing the clean economy and rebuilding cities. As an HCS Governing Board member, she described Heartland's unique "table" of pension and capital stewards; investment consultants; asset managers; labor, business, and elected leaders; legal, academic, and policy advocates. She said HCS is working in a united front to rebuild our cities, renew and innovate our industrial commons, grow the clean economy, and ensure a voice for workers and stakeholders.

ERIC DIXON, SENIOR RESEARCHER, OHIO RIVER VALLEY INSTITUTE

ORVI is a think tank providing policy research and practice tools to advance solutions in Appalachia. Eric addressed the scope of the housing crisis in Kentucky and the gap between funds to rebuild flood damaged homes and the \$500 million to \$1 billion estimates of the cost to rebuild. He pointed out the opportunity for solar on former mine lands for new multi-home developments and training a local skilled workforce in building trades. Appalachia already needs more housing, and the need will grow with the influx of climate migrants and continued flood and fire damage.



SESSION FOUR SPEAKERS AND OVERVIEW

ROGER KRULAK, CEO, FULL STACK MODULAR

Full Stack Module can build high-rises faster and more cost-effectively than traditional construction. Roger focused on the expansion of cost-effective union-friendly, green modular housing to alleviate the current and future housing crisis faced in Appalachia. With technology, proprietary IP and approved manufacturer status. FSM is focused on the \$63 billion market that consists of multi-family, lodging, student housing and affordable housing.



REESE MAY, CHIEF STRATEGY AND INNOVATION OFFICER, SBP USA

SBP helps at-risk communities with business and innovation strategies to create social impact. Reese closed the panel discussing the Recovery Acceleration Fund (RAF), that aims to rebuild housing for the most vulnerable HUD-qualified homeowners. Reese described how SRP got its start in the Gulf after Katrina and has established outposts all around the world, helping communities recover from disasters. If implemented, RAF could bring much needed relief quicker to Kentucky and other affected areas years faster than traditional recovery programs, thus minimizing the real human toll on those affected.

session FIVE

RE-ENERGIZING WORKERS AND COMMUNITIES

The region has massive amounts of abandoned brownfields, closed mines, and power plants with thousands of dislocated workers who want a useful, meaningful career.

This panel discussed projects meant to move the region toward net zero; put dislocated workers and young people back to work in family-sustaining jobs; and clean up abandoned brownfields.



Grant Ervin kicks off session 5



Bo Wholey, Grant Ervin, and Brady Gutta



Dan Conant discusses
Solar Holler

SESSION FIVE SPEAKERS AND OVERVIEW

GRANT ERVIN, DIRECTOR ESG AND INNOVATIONS, S&B USA

S & B USA has over \$2.5B of mega projects in the US since 2016, +450 MW renewable energy assets connected to grid and under construction in their 4 lines of business EV charging, Energy, Construction and Concessions. Grant noted the Appalachian region has more than its share of brownfields, abandoned mines, closed powerplants and dislocated workers. He challenged the panelists to discuss ways to move the Appalachian region to net zero, return dislocated workers to family-sustaining jobs and clean up brownfields.

J BRADY GUTTA, DIRECTOR OF THE CENTER FOR SUSTAINABLE MINE LANDS (WVU)

Brady described the current projects of the ACT (Appalachian Climate Technology) NOW Coalition funded by a \$62.8 million+ Build Back Better (BBB) competitive grant from the US EDA, coupled with \$26 million in cost share. The goals of this coalition are to support the transition from coal to solar by implementing sustainable reuse projects on abandoned mine sites, rejuvenating brownfields sites with new facilities equipped to train a diversified, skilled workforce, provide advanced manufacturing capacity, and develop entrepreneurial programs to support employment in environmental sustainability. The current projects include Black Diamond (below), a 5-acre site that will include space for workforce training and expansion of transportation and logistics capacities for partners like Solar Holler.



SESSION FIVE SPEAKERS AND OVERVIEW

DAN CONANT, CEO, SOLAR HOLLER

Solar Holler is working to create a low-income lease for Appalachians and, in order to cut out Wall Street, return project ownership to Appalachians through the Solar Holler Power Plant Company. Dan explained plans to install 9,000 MW annually by 2032. He went on to describe the successes of his company, a founding partner in the ACT NOW Coalition. In 2016, SH launched the first solar financing programs, when no one else thought twice about the region, and in 2020, worked with IBEW to unionize the installation crews. Now with 109 full time employees, they are now installing an average of 700 projects.



ROBERT "BO" WHOLEY, PRESIDENT, LONG RIDGE ENERGY & POWER

Bo closed the session by describing the financing and construction of a 485 MW combined cycle gas turbine power plant, leading to several long-term, fixed price power sales agreements, vertically integrating the power plant's natural gas supply, and establishing a plan to transition the power plant's fuel source to hydrogen, which will initially reduce and ultimately eliminate carbon emissions. LR is partly financed by GCM Grosvenor, a Heartland Network partner.



THANK YOU



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