

I. Organization Background Information

Name of Organization:

Rocky Mountain Institute

Mission Statement:

Please limit to 1000 characters. Please be aware that your content may be truncated if you are pasting from another source.

We transform global energy use to create a clean, prosperous, and secure low-carbon energy future.

Overview of Organization:

Please limit to 2500 characters. Please be aware that your content may be truncated if you are pasting from another source.

The Rocky Mountain Institute is an independent, nonpartisan nonprofit cofounded in 1982 by Amory Lovins, RMI's chairman emeritus and chief scientist. RMI now has approximately 180 full-time staff, annual operations of \$42 million, and a global reach and reputation. RMI engages businesses, communities, institutions, and entrepreneurs to accelerate the adoption of market-based solutions that cost-effectively shift from fossil fuels to efficiency and renewables. We employ rigorous research, analysis, and whole-systems expertise to develop breakthrough insights. We then convene and collaborate with diverse partners—business, government, academic, nonprofit, philanthropic, and military—to accelerate and scale solutions.

The RMI Islands and Electricity Programs have been jointly engaged to advance a resilient energy system in Puerto Rico since October 2017, just a month after hurricanes Maria and Irma triggered the second-longest blackout in world history. The 2017 hurricane season had a massive impact on the renewable energy conversation in the Caribbean, and on our work, revealing to Caribbean government and energy sector leaders that indeed more resilient energy solutions are needed quickly. Puerto Rico is currently faced with a complex set of problems on almost every level of its government, economy, and society – all of which must be addressed in the course of this work. Even in places that do have the political will, microgrid implementation faces inherent challenges, requiring additional organizational and industrial capacity, financing, and updated policies and regulations to support this new paradigm. RMI's strategy in Puerto Rico is to partner with industry players, government, nonprofits, and civil society to address many of these systemic barriers preventing microgrid adoption – through regulations, pilot projects (including schools), and access to data and affordable financing – with a focus on low-to-moderate income communities. We are also engaged in providing advisory and technical support to civil society and filing our input on PREPA's (the Puerto Rican utility) second integrated resource plan.

Website:

www.rmi.org

II. Proposal Contacts - Please enter information for the Primary and Secondary Proposal Contacts

Primary Contact

First Name

Michael

Last Name

Donatti

Title

Regional Coordinator

Email Address

mdonatti.contractor@rmi.org

Phone

7132987103

Street Address

161 Calle San Jorge

City

San Juan

State

Puerto Rico

Zip

00911

Secondary Contact

First Name

Megan

Last Name

Kerins

Title

Senior Associate

Email Address

mkerins@rmi.org

Phone

4157944550

Street Address

2490 Junction Place, Suite 200

City

Boulder

State

Colorado

Zip

80301

III. Proposal Information

Proposal Title:

Fund for scaling resilient energy resources for critical facilities in Puerto Rico

Support Request (check all that apply):

Loan, Investment/Grant

Requested Dollar Amount:

\$13,000,000

Please list other Significant Partners in the Proposal:

Resilient Power Puerto Rico, Community Foundation of Puerto Rico

Proposal Description:

Please limit to 2500 characters. Please be aware that your content may be truncated if you are pasting from another source.

Rocky Mountain Institute (RMI) is presenting an opportunity for impact investors, philanthropies, and local lenders to fund the deployment of at least 2.5 MW of solar plus storage microgrid technology on diverse critical facilities throughout Puerto Rico. We have expanded FEMA's definition of critical facilities to include private clinics, community-owned centers, etc. -- essentially any building that can bolster a community in terms of resilience and consistent access to power even in times of crisis. These microgrid systems will provide resilient, continuous power to these facilities and shield them from increasing utility rates at the same time. This initial Fund will serve as a pilot, demonstrating the efficacy of leveraging philanthropic dollars to attract lending to the low-to-moderate income market. As part of the fund, a loan guarantee helps to secure a lower cost of capital for the offtaker while guaranteeing a return of 2-6% (possible through philanthropic donations) to the lender; and a principal buydown (also possible through philanthropic donations) decreases the barrier to communities installing their own renewable energy resources. Following the pilot, there will be a larger funding effort to address a greater portion of the overall market opportunity, which we estimate at upwards of 23,000 facilities. We are seeking organizations to support the fund by either offering debt or committing a philanthropic gift to the guarantee and/or buydown portion of the fund. We have already installed 10 microgrids at public schools, one of which is featured in the video attached at the end of this proposal.

Issues Addressed (check all that apply):

Asset Building / Financial Access, Capability and Empowerment, Community Development Finance, Community Services and Facilities, Disaster Relief, Stabilization and Sustainability

If your project affects multiple states or counties, please use the CTRL key to multi-select.

Geographic Impact

State-wide

U.S. States & Territories:

Puerto Rico

Population Served:

Please limit to 500 characters. Please be aware that your content may be truncated if you are pasting from another source.

After Hurricane Maria, it took more than 4 months to restore power for 70% of Puerto Ricans. Mapping the restoration of power for those last to be repowered reveals that the lowest income communities faced the longest restorations times. The fund will open up low-interest financing to organizations with low or no credit, directly supporting the 50+ percent of Puerto Ricans who live below the poverty line after Maria. We aim to establish microgrids to power about 70 critical facilities.

Population Income by Area Median Income (AMI) and other identifiers (percentage of Free and Reduced Lunch for youth or designated "Disaster Area" or designated "Distressed or Underserved" served by proposal:

Over 50% of the population of Puerto Rico is estimated to live below the poverty line, and all but 9 of its 78 municipalities are considered rural by the US Department of Agriculture.

Anticipated Outcomes/Impact:

Please limit to 2000 characters. Please be aware that your content may be truncated if you are pasting from another source.

This new blended fund will de-risk lender investment and open up financing for critical facilities with few resources. By immediately making low interest financing available to those organizations without access currently, the fund will especially help low-income communities and support socioeconomic and gender equity, as most LMI households are single women households in Puerto Rico. In the medium term, the fund will de-risk the lending market for banks and cooperatives, making the loan guarantee and principal buydown less important and the market as a whole less reliant on philanthropic dollars, which are beginning to dwindle for the first time since Maria. In the long term, the fund will help Puerto Rico in the transition to a clean, resilient, and democratized energy system now aimed for in Puerto Rican law, leaving these Americans less vulnerable in the case of another natural disaster.

Describe evaluation methods used to measure success:

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The specific objectives of this project are:

- To increase the resilience of the overall grid by supporting decentralized solar-plus-storage microgrids that can continue to provide power to critical facilities and local communities in the event of a grid failure;
- To ensure that the utility-scale and microgrid-scale solar-plus-storage systems are designed and installed based on international procurement and hurricane resilient standards; and
- To ensure that low-to-moderate income communities are included as participants and co-creators in every step of the process, and benefit from renewable energy resources that can reduce or stabilize electricity bills and fuel surcharges.

Our measurable goals, to be achieved over the next two years, include the following:

- US\$13 million mobilized in financing for microgrid projects at critical facilities in diverse communities throughout Puerto Rico;
- 2.5 megawatts (MW) of solar capacity installed or in progress, accompanied by at least 1 MWh of battery energy storage; and
- Continuing critical services for the communities where microgrids are deployed, such that in the event of a future disaster, services deemed critical by these communities are able to be offered uninterrupted by outages.

These achievements will be measured by way of quarterly program evaluation conducted by an independent steering committee composed of 5 independent local experts in the areas of energy, finance, and community involvement. We will deliver a quarterly measurement and evaluation report to investors and funders each quarter.

Project time frame - Is your request for an existing or new program?

Existing Program

IV. Submit Supporting Documentation - Please attach your most recent audited or reviewed financials in PDF format to this proposal application. Your proposal application will be considered incomplete until the appropriate financial documentation is provided. By submitting a proposal application you agree to share with the Federal Reserve information regarding connections that were made with funders regarding the proposal or other work your organization conducts that was identified by a funder that used the Investment Connection platform. After you submit a proposal application, we will follow up with you to see if Investment Connection was helpful with your informational and business needs.

Upload your most recent audited or reviewed financials

(for internal uses only)

RMI_Annual_Report_2017-2018.pdf

V. Other Supporting Documentation - You may submit a photo (jpeg) and/or a video (mp3 or mp4) that helps describe your proposal. (information available to funders)

Upload a picture or video that helps describe your proposal or organization

(information available to funders)

RMI Schools Microgrids Video.mp4

Upload additional picture or video

(information available to funders)



Add any additional links to supporting documentation

(information available to funders)

<https://rmi.org/collaborating-for-puerto-ricos-energy-transformation/>

<https://rmi.org/a-locally-led-move-toward-microgrids-in-puerto-rico/>

<https://rmi.org/press-release/rocky-mountain-institute-and-resilient-power-puerto-rico-launch-the-puerto-rico-energy-toolkit/>

VI. Disclaimer - The Federal Reserve Banks do not endorse or make any representations as to the propriety or suitability of organizations, investments or programs listed. Organizations should perform their own due diligence before engaging in any transactions with these entities to ensure that any such transactions meet the organization's objectives.