

Elemental Impact GGRF Project Funding Opportunity





Elemental Impact GGRF Fund Overview

Elemental Impact is honored to be a part of the Greenhouse Gas Reduction Fund (GGRF), a momentous investment in American innovation and communities by the Environmental Protection Agency (EPA). As a participant in the [National Clean Investment Fund](#) (NCIF), Elemental is prepared to invest in climate projects with deep community impact, drawing on its track record of mobilizing public and private investing partners to provide unprecedented catalytic capital and project development support to entrepreneurs and builders across America.

About the Greenhouse Gas Reduction Fund

The Greenhouse Gas Reduction Fund (GGRF) is a first-of-its-kind, national-scale financing program administered by the EPA under the Inflation Reduction Act. The GGRF is designed to achieve the following objectives: reduce greenhouse gas emissions and other air pollutants; deliver benefits to American communities (particularly low-income and disadvantaged communities); and mobilize financing and private capital to stimulate additional deployment of greenhouse gas and air pollution-reducing projects. This self-sustaining fund is designed to recycle investments and will result in continuous and concerted financial support across geographies, populations, and households.

Types of Financing Offered

Elemental Impact seeks to invest GGRF capital in impactful, positive ROI projects that drive emissions reductions, unlock private capital, and benefit low-income and disadvantaged communities. It can offer a variety of financing structures to best achieve program goals and meet specific project needs:

- **Securities:** Elemental will consider corporate and project investments on a case by case basis, including debt, equity and hybrid solutions.
- **Investment Size:** \$3-10M
- **Tenor:** Varied, with preference for shorter durations





Funding Criteria

As an NCIF participant, Elemental only invests NCIF funds in projects that meet [EPA-defined qualification criteria](#). Eligible projects must satisfy the following key requirements:

Reduces GHG Emissions	The project, activity, or technology reduces or avoids greenhouse gas emissions (including carbon dioxide, hydrofluorocarbons, methane, nitrous oxide, perfluorocarbons, and sulfur hexafluoride) consistent with the climate goals of the United States.
Reduces Air and Other Pollutants	The project, activity, or technology reduces or avoids emissions of other air pollutants.
Delivers Community Benefits	The project, activity, or technology delivers additional benefits to American communities within one or more of the following categories: Climate change, Clean energy and energy efficiency, Clean transportation, Affordable and sustainable housing, Training and workforce development, Remediation and reduction of legacy pollution, Development of clean water infrastructure
Funding is Additional	The project, activity, or technology may not otherwise have been financed.
Mobilizes Private Capital	The project, activity, or technology mobilizes private capital.
Deploys Commercial Technology	The project, activity, or technology supports only commercial technologies, which the EPA has defined as technologies that have been deployed for commercial purposes at least three times for a period of at least five years each in the United States for the same general purpose as the project, activity, or technology.
Complies with Build America, Buy America	The project must comply with the Build America, Buy America Act , which establishes that there must be a domestic content procurement preference that requires that all iron, steel, manufactured products, and construction materials used in covered infrastructure projects are produced in the United States.
Complies with Davis-Bacon and Related Acts	The project must comply with the Davis-Bacon and Related Acts , which mandate that projects that are federally funded or assisted must pay contractors and subcontractors no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area.
Adheres to Foreign Entity of Concern Constraints	No program funds may go towards entities or subsidiaries thereof that are headquartered in or owned by covered nations listed in 10 US Code § 4872 , including: The Democratic People's Republic of North Korea, the People's Republic of China, the Russian Federation, and the Islamic Republic of Iran.
Located In or Benefits Low-Income and Disadvantaged Communities	The project is ideally either located in or directly benefitting low-income and disadvantaged communities (LIDAC), defined as: <ul style="list-style-type: none"> (a) communities identified as disadvantaged by the CEJST mapping tool (b) a limited number of additional communities identified as disadvantaged by the EJScreen mapping tool (c) geographically dispersed low-income households (d) properties providing affordable housing (e) Federally Recognized Tribal Entities Elemental will still consider projects in locations that are not officially designated as a LIDAC.



Priority Project Areas

While the National Clean Investment Fund (NCIF) allows for many different categories of projects that meet the qualifications listed above, there are three priority project areas for the Greenhouse Gas Reduction Fund.

- **Distributed Energy Generation and Storage**: Projects, activities, and technologies that deploy small-scale power generation and/or storage technologies (typically from 1 kW to 10,000 kW), plus enabling infrastructure necessary for the deployment of such generation and/or storage technologies. Projects, activities, and technologies within this category must support *carbon pollution-free electricity*, which is electrical energy produced from resources that generate no carbon emissions, consistent with the definition specified in [Executive Order 14057](#) (Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability).
- **Net-Zero Emissions Buildings**: Projects, activities, and technologies that either (1) retrofit an existing building, making a substantial contribution to that building being a net-zero emissions building and as part of a plan for that building achieving net-zero emissions over time, or (2) construct a new net-zero emissions building in a Low-Income and Disadvantaged Community. A net-zero emissions building is a building that meets the requirements of Version 1 of the [National Definition for a Zero Emissions Building](#) (June 2024).
- **Zero-Emissions Transportation**: Projects, activities, and technologies that deploy zero-emissions transportation modes, plus enabling infrastructure necessary for zero-emissions transportation modes—especially in communities that are overburdened by existing diesel pollution, particulate matter concentration, or degraded air quality. Projects, activities, and technologies within this category must be consistent with the zero-emissions transportation decarbonization strategies in [The U.S. National Blueprint for Transportation Decarbonization](#).

Elemental plans to invest in projects across all three priority project areas. We also plan to invest in projects related to food and agriculture, nature-based solutions, industry, water, and other sectors.

Timeline

Elemental is looking for projects that are ready to receive financing within the next 12 months (September 2024-September 2025). Projects that will result in immediate reductions in greenhouse gas emissions will receive priority consideration.



Elemental Impact Investment Considerations

Elemental evaluates potential investments based on the following considerations:

- **Greenhouse Gas And Air Pollution Reductions:** Projects that reduce the greatest amount of greenhouse gas and other air pollutants per dollar spent will receive priority consideration. All project owners will be required to submit impact reports, which includes quantitative measurements of greenhouse gas and air pollution reductions. Projects must have a clear methodology to collect this information.
- **Embedded Community Benefits:** Projects that are located in low-income and disadvantaged communities (LIDACs) will receive priority consideration. In addition, Elemental is looking to invest in projects that deliver additional wealth-building opportunities in LIDAC communities, which can take the form of community ownership of assets, community revenue shares, community benefits agreements or others. All project owners must outline a clear community engagement plan for their proposed project.
- **Private Capital Mobilization:** The Greenhouse Gas Reduction Fund seeks to facilitate market transformation by addressing barriers to private sector investment in undercapitalized markets. Projects that can bring other private sector participants to the table, alongside GGRF dollars, will receive priority consideration. In other words, GGRF funding is ideal for projects that have a specific capital gap that can be filled with catalytic capital to unlock the project. Elemental does not plan to fund the full costs of any project.
- **Return on Investment:** Elemental seeks to make catalytic investments while still generating positive investment returns that can be recycled back to Elemental for subsequent transactions. We plan to optimize for environmental and social outcomes while providing sufficient return of and on capital to cover Elemental's investment operations.
- **Project Location:** Elemental is eligible to invest in projects across all US states and territories. GGRF Funding cannot be used on projects outside of the United States or territories. Our goal is to invest in projects across [every EPA region](#).



Process Overview

Phase I Application: ⇐
If you are interested in applying for GGRF funding, please register your interest by completing Phase I of our application process.
This phase will collect information related to your company and solution and help us assess your qualifications for GGRF. Please note, project information is optional. However, if you have a project in mind we highly encourage you to submit this information.

Phase II Application: ⇐
After our review of your Phase I submission, select applicants will be invited to submit a full project proposal with additional details about the company, project, and investment opportunity

Deal Paperwork: ⇐
Elemental will work with selected companies to ink the deal paperwork, and conduct any remaining due diligence.

Impact Reporting ⇐
Select companies will be required to report on specific project metrics that contribute to regular reporting required by the EPA

⇒ **Initial Review:** Elemental will review initial company and project information for investment fit. At this point, if your project matches our investment priorities, a member of our investment team may reach out directly.

⇒ **Deep Diligence:**
Elemental will collaborate with companies to fully diligence the project and investment opportunity. We will spend time getting to know the company's customers, investors, community partners, and the various stakeholders of the project.

⇒ **Project Kickoff and Program Onboarding:**
Companies and any relevant partners will receive financing to begin the project. Following acceptance, companies will become acquainted with Elemental's team, systems and services.



Elemental Impact Services for GGRF Companies

Elemental will offer a suite of wraparound services to companies that are selected for GGRF Funding. This includes 1:1 coaching and workshops with Elemental's in-house experts.

Policy	New federal policies have vastly expanded federal funding for climate technologies. Policy coaches can provide guidance as your company navigates stacking additional government funding for GGRF projects, engaging with key stakeholders at various levels of government, and navigating new policy developments.
PR, Media & Communications	Media and Communications coaching will equip your team with essential skills and strategies for effective communication and public relations. This engagement can be used for strategic advisory or more targeted support around a specific media event or communications need.
Equity Out & Community Benefits	This coaching addresses specific areas of community engagement including workforce, supply chain management, and community benefits. Experts also help ensure projects comply with federal funding requirements, such as ensuring contractors meet prevailing wage requirements (i.e. Davis Bacon Act), ensuring relevant components of the supply chain comply with Build America Buy America Act requirements, and projects comply with apprenticeship requirements.
Impact Measurement & Carbon Finance	This coaching service will equip companies with the tools to effectively track, measure, and report on their climate impact for GGRF and beyond. With this hands-on support, companies will be able to maximize their impact and tell their story using quantitative evidence. We also have additional carbon finance support and strategy available for companies participating in voluntary carbon credit markets.



FAQs

Are international companies eligible to apply for GGRF Funding?

Companies will need to have, at a minimum, an established US entity to receive GGRF funding through Elemental. Ideally, applicants will have an established track record of operating in low-income and disadvantaged communities across the United States.

Are software companies eligible to apply for GGRF funding?

Certain software solutions may be eligible for GGRF funding. Our main consideration for funding this type of solution will be whether the proposed project leads to direct greenhouse gas and other air pollutant reductions. Typically, successful software companies have a direct partnership with companies that directly reduce greenhouse gas emissions.

Will you be giving out grants under this program?

No. Under the National Clean Investment Fund, we will only invest in projects that plan to recycle funds back to Elemental with a positive return on investment.

What type of information will we be required to submit in subsequent phases of the application process?

Select companies will be required to submit detailed project documentation, including but not limited to project documents, technical and engineering documents, company and project financials, contracts and legal documents, and project impact.

Can my company apply for a working capital loan under this program?

Working capital loans (e.g., line of credit without a particular use of proceeds restriction) to companies are eligible so long as they are to a "qualified project," as defined in the GGRF program requirements.

Can my company apply for equity investments under this program?

Yes, equity investments are permitted under the National Clean Investment Fund. However, all companies will still be required to submit specific project information in our Phase 2 application that outlines specific activities and milestones that will be achieved through the proposed equity investment. Companies that receive equity investments will be required to provide regular reporting information related to how the funds have resulted in specific impact outcomes.

Does my company fit the definition of a commercial technology?

Under the GGRF, commercial technologies are defined as technologies that have been deployed for commercial purposes at least three times for a period of at least five years each in the United States for the same general purpose as the project, activity, or technology. The EPA has clarified that this definition applies to the class of technology,



and not a company's specific operating history. For example, financing heat pumps would meet the commercial technology definition, regardless of whether it is a new brand/model, because heat pumps have been deployed for commercial purposes at least three times for a period of five years in the United States.

Are there any exceptions to Davis Bacon and Related Acts (DBRA)?

DBRA applies to all construction projects that are greater than \$2,000. The installation of solar panels, heat pumps, and energy efficiency retrofits all fall within the definition of construction.

Certain pre-development activities trigger DBRA depending on the nature of that work. Pre-construction activities such as environmental assessments, site acquisition, permitting, and engineering and design work do not in and of themselves trigger DBRA. Site preparation activities such as remediation of contaminated soil, abatement of asbestos or lead based paint, demolition, and similar construction activities are subject to DBRA.

It is our understanding that projects that receive financing after construction has concluded may not require DBRA compliance.

Are there any exceptions to Build America Buy America (BABA)?

Under the GGRF, BABA applies to all public infrastructure projects. The EPA uses the "public function test" to determine whether projects qualify as public infrastructure. For example, privately owned single-family or multi-family homes that are not subsidized by public dollars, with no spaces open to the public, are not subject to BABA. However, privately owned buildings are subject to BABA if they provide any public accommodation (for example, a childcare center in a multifamily building, hotels, restaurants, etc.)

We expect that there will be a BABA waiver process for technologies that meet one of three requirements 1.) unreasonable cost waiver – technology price would increase by more than 25% 2.) public interest waiver - the domestic content procurement preference would be inconsistent with the public interest 3.) nonavailability waiver - the types of materials required to build the technology are not available in sufficient or satisfactory quality within the United States. We do not know the exact timeline for securing waivers under GGRF but we will update this page as we receive more information.

Are manufacturing companies eligible to apply for GGRF funding?

Certain manufacturing companies may be eligible for GGRF funding. Our main consideration for funding this type of solution will be whether the proposed project leads to direct greenhouse gas and other air pollutant reductions.



About Elemental Impact

Elemental Impact is a nonprofit investor focused on scaling climate solutions for deep local impact. In its 15th year, Elemental has invested in more than 160 companies scaling essential climate solutions and 100 projects that make neighborhoods and homes cleaner, healthier, safer, and more affordable.

