

# Oregon Public Banking Alliance

*Our Money, Our Future* [www.oregonpublicbanking.com](http://www.oregonpublicbanking.com)

## Public Banking & Building a Green Economy

### ***How can public banking finance renewable infrastructure?***

Public banks are an ideal solution for providing the necessary funding for green initiatives. A public bank, with a charter, directors, and management focused on a triple bottom line philosophy would ensure that the bank's priorities align with preserving government depositors' capital, helping residents in need, and safeguarding the planet.

Public banks have the opportunity to divest from harmful industries and invest in clean resources, regenerative projects, and renewable energy and infrastructure. These investments in sustainable infrastructure projects such as utility scale renewable energy production and storage, solar power for homes and businesses, electric car and bicycle charging stations, benefit the environment and create jobs and economic opportunities for local communities. Financing these projects through public banks will bring well-paying jobs to local residents, improve the quality of life for our communities, and strengthen our economy.

### ***Are there any examples of public banks supporting a transition to renewable infrastructure?***

More than two dozen green banks exist in 12 countries at either the national or regional level. Australia's trailblazing national green bank, the Clean Energy Finance Corporation, has already facilitated more than \$37 billion in investments over 10 years. That money has gone on to finance thousands of projects ranging from renewable energy generation to sustainable red meat production.

Germany has a public sector development bank called KfW that has provided major investments in renewable energy and energy efficiency. Its fossil fuel investments are close to zero. One of the key features of KfW is that much of its lending is driven in a strategic direction determined by the national government. Its key role in the green energy revolution has been played within a public policy framework, including policy measures that

have made investment in renewables commercially attractive.

The Financial Times recently unmasked the "fallacy of ESG investing," arguing that "win-win" voluntary investment strategies are illusionary at best. Additionally, private capital priorities typically ignore the need for making these energy-transition investments in ways that are fair and inclusive.

### ***How can public banks help mitigate climate change?***

Wall Street banks have invested billions of dollars in technologies that harm the planet, such as fossil fuel extraction, refining, and distribution, focusing on short-term profits rather than the true costs to our communities and environment. Those costs are externalized to the public and away from the investors who benefit from the short term profits of these investments.

Public banks have the opportunity to take a different approach, by divesting from these harmful industries and investing in clean resources, regenerative projects, and climate-conscious infrastructure. A state public bank could support remediation in our most impacted front-line communities while building green infrastructure.

### ***Could an Oregon Public Bank help us access additional Inflation Reduction Act funding?***

The IRA doesn't create a national green bank, but it does create the GHG Reduction Fund, which allocates \$28 Billion to non-profit green funds and an additional \$7 billion directly to states, municipalities, tribes, and eligible nonprofits for their own clean power investments. An Oregon public bank could significantly expand the impact of any funding we receive by doing what banks alone can do: leverage its capital assets multiple times through the creation of lendable funds.

Expanding the potential impact of the \$5.3 Billion in funds already allocated to Oregon via the IRA is a very important consideration for the Public Banking Task Force (HB 2763).