

Renewable Energy and Environment

Promoting clean-energy technology from American exporters is an important priority at Ex-Im Bank. The Bank's focus on renewable-energy support assists U.S. exporters in protecting the environment while promoting and sustaining American jobs.

The environmental-technologies industry is a broad sector with great potential and considerable opportunities for exporters. U.S. companies are providing resources and expertise in a number of environmentally focused areas, including air, water and soil-pollution control; solid and toxic waste management; recycling; renewable energy; pollution prevention and resource recovery; site remediation; environmental monitoring; and water treatment for industrial and municipal water use.

According to Environmental Business International, the U.S. environmental-technologies industry in 2010 had \$312 billion in revenue and provided jobs for 1.7 million Americans, including those employed by some 61,000 small businesses. Yet exporters in these industries face challenges. Environmental technologies, as other industries, have been threatened by a global slowdown in demand. And American exporters are experiencing increased competition from countries like China.

A leader among international financial institutions with respect to the environment, Ex-Im Bank has pursued a two-pronged approach. The Bank's principal objective is to maintain U.S. exporters' competitiveness in the global marketplace while ensuring that the projects supported are environmentally responsible. In addition, since 1994, the Bank has fulfilled a congressional mandate to increase support for environmentally-beneficial U.S. exports, including those related to the production of renewable sources of energy.

Renewable Energy

Renewable energy means jobs – U.S. jobs generated by the export of goods and services to nations making significant investments in the development of solar, wind and other clean sources of energy. The considerable expertise possessed by U.S. companies in developing renewable-energy sources makes American firms highly competitive in the global marketplace.

Support for renewable-energy exports has a beneficial multiplier effect on U.S. job creation. For example, in FY 2012, Ex-Im Bank financed the sale of solar cells to Barbados, a transaction that created good-paying jobs in five states while helping that Caribbean nation harness the power of its abundant source of solar energy.

Over the last four years (FY 2009 through FY 2012), Ex-Im Bank has provided increased financing for American-made renewable-energy exports to global markets. This support shows an overall positive trend (\$355.5 million in FY 2012, \$721.4 million in FY 2011, \$332 million in FY 2010 and \$101 million in FY 2009).

A World Leader in Developing Environmental Procedures and Guidelines

In 1995, Ex-Im Bank became the first official export credit agency (ECA) in the world to adopt a set of environmental procedures and guidelines. Since then, the Bank has worked with stakeholders to ensure that these guidelines are implemented in a way that balances environmental stewardship with Ex-Im's mission of fostering U.S. exports.

Ex-Im Bank was instrumental in the development of the "Common Approaches on the Environment and Officially Supported Export Credits" – the international agreement that established an environmental review framework that is shared among all the ECAs within the Organization for Economic Cooperation and Development (OECD). Ex-Im Bank operates in compliance with the OECD's "Common Approaches," which were revised most recently in June 2012.

In 2009, Ex-Im Bank became the first ECA to adopt a carbon policy that addressed the climate-change concerns raised by the Bank's export-financing activities while, at the same time, remaining flexible and responsive to the needs of U.S. exporters.

Additionally, in March 2011, Ex-Im Bank joined more than 70 financial institutions and ECAs in adopting "The Equator Principles," a globally recognized benchmark for financial institutions to determine, assess and manage the social and environmental risks of international project financing.

To further the Bank's environmental mandate and encourage transparency, Ex-Im Bank also invites U.S. exporters and other stakeholders to contact the Bank regarding their views and ideas about environmental issues.

In FY 2012, Ex-Im Bank

- Authorized \$614.5 million in financing to support over \$1.18 billion of U.S. exports of environmentally beneficial goods and services. Nearly 60 percent of these authorizations supported renewable-energy exports.
- Authorized \$355.5 million for renewable-energy exports, including \$216 million for five solar-energy projects in India that supported U.S. exports of thermal-solar equipment and solar-photovoltaic panels.
- Authorized \$80.6 million for two projects in Brazil, supporting U.S. exporters in the biogas-reclamation and wind-energy sectors.

Other Energy-Related Support/ CO₂ Emissions

In FY 2012, Ex-Im Bank

- Approved 73 transactions including loan, guarantee and working capital guarantee products and approximately 73 new and renewed export-credit insurance policies to finance U.S. exports related to foreign energy development, production and transmission. These activities include electric-power generation and transmission; coal mining; oil-field and gas-field exploration, development and production; pipelines; refineries; and landfill gas reclamation. The estimated export value of these transactions exceeded \$8.7 billion.

Converting “Dirty” Landfill Gas in Brazil Creates Jobs in Seven States

Exporter/Locations:	FirmGreen Inc., Newport Beach, California; Suppliers in Six Additional States
Destination:	Brazil
Ex-Im Bank Product:	Direct Loan
Jobs Created:	165

In 2011, an Academy-Award-nominated documentary film, “Waste Land,” focused on Brazil’s Jardim Gramacho, one of the world’s largest solid-waste landfills and a site that generates “dirty” methane gas that causes serious environmental harm.

Thanks to the Ex-Im-supported export of equipment and services from California-based FirmGreen Inc. and other U.S. green-technology suppliers, a biogas plant is being constructed at Jardim Gramacho that will convert the site’s “dirty” methane gas into clean, usable biomethane gas.

This progress is being made possible by a \$48.6 million loan from Ex-Im Bank to support the export of U.S. equipment and services to construct the Novo Gramacho biogas project. The transaction is Ex-Im Bank’s first financing for biogas reclamation and development. Ex-Im Bank’s involvement was essential because long-term financing for renewable-energy projects is limited in Brazil.

With the backing of the Ex-Im Bank direct loan, FirmGreen was able to succeed in winning the contract for the project over European competitors backed by their governments’ export-credit agencies. The biogas project will generate 165 new jobs in seven states: Indiana, Wisconsin, Ohio, California, Michigan, Missouri and Texas.

“The loan from Ex-Im Bank is instrumental in positioning our green technology competitively worldwide,” said FirmGreen CEO Steve Wilburn. “We believe Americans can take global leadership roles in renewable technologies, and the confidence that Ex-Im Bank has demonstrated by financing this project will help us to do that.”



Photo courtesy of FirmGreen Inc.

- Financed \$736 million in U.S. export sales to three new fossil-fuel power plants. The Bank estimates that the aggregate amount of carbon-dioxide (CO₂) emissions produced directly by these projects will total approximately 11.27 million metric tons per year. Of this amount, 2.07 million metric tons is estimated to be produced by two gas-fueled combined-cycle power plant projects in Turkey and 9.20 million metric tons by one gas-fueled combined-cycle power plant project in Saudi Arabia.
- Financed \$8.9 billion in U.S. export sales for the development of three oil-field and gas-field development projects, one liquefied natural gas production project and one petrochemical production project. The Bank estimates that the aggregate amount of CO₂ emissions produced directly by these projects will total approximately 11.63 million metric tons per year. Of this amount, 1.79 million metric tons is estimated to be produced by the oil-field and gas-field development and production projects, 5.60 million metric tons by the liquefied natural gas production project, and 4.24 million metric tons by the petrochemical production project.

Transparency and Reporting of Greenhouse-Gas Emissions

In 1999, Ex-Im Bank became the first ECA to report greenhouse-gas emissions, expressed as carbon dioxide or equivalent (CO₂e), associated with projects receiving its financing support. Since that time, the Bank has worked consistently to encourage multilateral development banks, ECAs and other international lending institutions to calculate and report publicly the CO₂ emissions associated with the projects they finance.

Currently, Ex-Im Bank reports CO₂ emission data for new and existing projects on the Bank's Web site and in its annual report. The Bank reports CO₂ emissions associated with fossil-fuel projects in the following categories: oil and gas exploration and production projects, refineries, power plants, liquefied natural-gas (LNG) plants and pipeline projects.

Ex-Im Bank also tracks and reports CO₂ in other categories of transactions in which the project's production exceeds more than 50,000 tons of CO₂ per year.

New York Bio-Tech Company Exports Worldwide Backed by Ex-Im's Environmental Insurance

Exporter/Location:	Ecological Laboratories Inc., Lynbrook, New York
Destination Market:	Asia, Europe and Other Markets Worldwide
Ex-Im Bank Product:	Small-Business Environmental Insurance
Jobs Created:	6

Ecological Laboratories Inc., a small business in Lynbrook, N.Y., selects, grows and produces bio-formulations specifically to meet the requirements of on-site wastewater systems. The company's bio-formulations are backed by over 27 years of experience in the field of industrial microbiology. Ecological Laboratories has 55 employees, with six working directly on international sales.

The company has been using a small-business environmental insurance policy from Ex-Im Bank to offer open-account terms to international buyers, especially those in new markets. Ex-Im's small-business environmental policy features a global premium-rate schedule, no deductible and enhanced political risk coverage. Qualified small-business environmental exporters can maintain the policy even if they exceed the usual small-business policy threshold of \$7.5 million in export-credit sales averaged over three years.

"We do trade around the globe now – Singapore, Italy, China, the UK – all over the world," said Ecological Laboratories President Michael Richter, who was a panelist at an Ex-Im Global Access for Small Business Forum on Long Island in April 2011. "We are able to make these sales due to the credit backing of Ex-Im Bank. To our small business, it is the greatest selling tool for opening new international business."



Photo courtesy of Ecological Laboratories Inc.