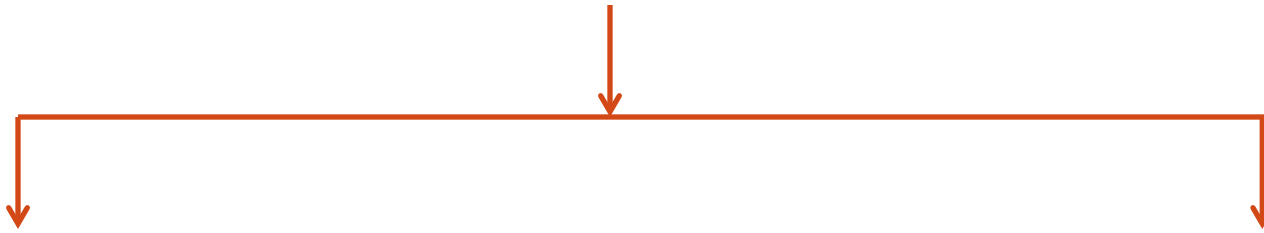




FINANCING OPTIONS FOR CLEAN ENERGY PROJECTS

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TBL Fund

Introduction



Why Go Green?



- ✓ Reduce operating costs
 - **Energy, Water, O&M costs for the next 20 years**
- ✓ Increase value of property
- ✓ Increase profitability
 - **Brand your property Green with EPA's Energy Star rating**
 - **Increase comfort, health and safety of occupants**
- ✓ Social and Environmental benefits
 - **Reduced emissions, creation of local jobs, reduced waste**

Cost of Not Going Green!



Current Annual Utility Cost	\$100,000
Typical Waste/Inefficiencies	25%
Annual Waste / Cost of doing nothing	\$25,000
Inflation Rate for Energy	5%
Life of solution implemented (in years)	10
Additional Money paid to Utility over Life of solution	\$314,447
NPV of that money (use it or lose it)	\$265,000

Pay utility company OR pay for green renovation

Funding Sources



1. Owner Reserves
2. Grants
3. Off-Balance Sheet
 - a) **Leasing companies**
 - b) **Energy Performance Contracts (EPC)**
 - ✓ Energy Service Companies (ESCO)
 - ✓ Self-EPC
 - c) **Power Purchase Agreement (PPA) for Renewables**
 - d) **Property Assessed Clean Energy (PACE)**

Funding Sources



5. Incentives - MACRS

6. Tax Credits – ITC, PTC, 179-D

7. Utilities

- **Rebates**
- **On-Bill Financing**
- **On-Bill Payments**

8. Debt – Banks, CDFIs, Credit Unions, State HFA, Private

- **Bank/CU - will only fund on 1st position; large projects; market-rate**
- **HFA/CDFI – green rehab loan; smaller projects; below-market rate**

Project Financing



Loan Amount	Monthly Utility Cost Savings	Term (Years)	Interest Rate	Monthly P&I	Monthly Cash Flow
\$500,000	\$6,667	10	6%	(\$5,551)	\$1,116
		2	6%	(\$22,160)	(\$15,494)
		10	4%	(\$5,062)	\$1,604
		2	4%	(\$21,712)	(\$15,046)

=> Term of debt key to achieving cash-flow positive projects

EPC Projects



	EPC	Non-EPC
Cost of ECMs	\$500,000	\$500,000
Costs for Savings Guarantee		
Labor (for M&V over 14 years)	\$150,000	\$0
Legal	\$10,000	\$2,000
Equip. (control systems and for M&V)	\$30,000	\$0
Re-commissioning Costs	\$0	\$10,000
TOTAL	\$680,000	\$512,000
Savings each year	\$60,000	\$60,000
Simple Payback	11.33 years	8.5 years

- **EPC is typically for large multimillion dollar projects**

TBL Fund



➤ **Service Offering:**

1. Access to Project Financing for Green Upgrades

➤ **Target Market:**

1. Multifamily
 - ❖ Financial Ally to DOE's Better Building Challenge
2. Community nonprofits

➤ **Debt offering**

1. Up to 10-year term
2. Fixed interest rate
3. 1st position on lien not required

Case Study: Cibola Apartments



Financial Details:

- ✓ Project Cost: \$850,000
- ✓ Loan: \$500,000
- ✓ Grants: \$200,000
- ✓ Rebates: \$85,000

Scope of Work:

- ❖ Lighting upgrades
- ❖ Water management
- ❖ HVAC –furnaces, evap. coolers, thermostats
- ❖ Low-E double-pane windows
- ❖ Roof, Stairs, Parking Lot, ADA compliance, etc.



Thank You



If you would like more information:

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