

RENOVATE AMERICA™

Financing the Home Energy Revolution

Why PACE?

\$300 billion per year spent on electricity, natural gas and water (EIA)

2009 McKinsey Report

- Barriers exist which prevent energy efficient models and products from being selected
- Conventional forms of financing do not address these barriers and have not penetrated the market
- PACE addresses some of the barriers and is seen as a solution

2013 study from UNC Center for Community Capital and the Institute for Market Transformation

- Mortgage defaults are 32% lower on average in energy efficient homes while controlling for loan, household and neighborhood characteristics



McKinsey&Company



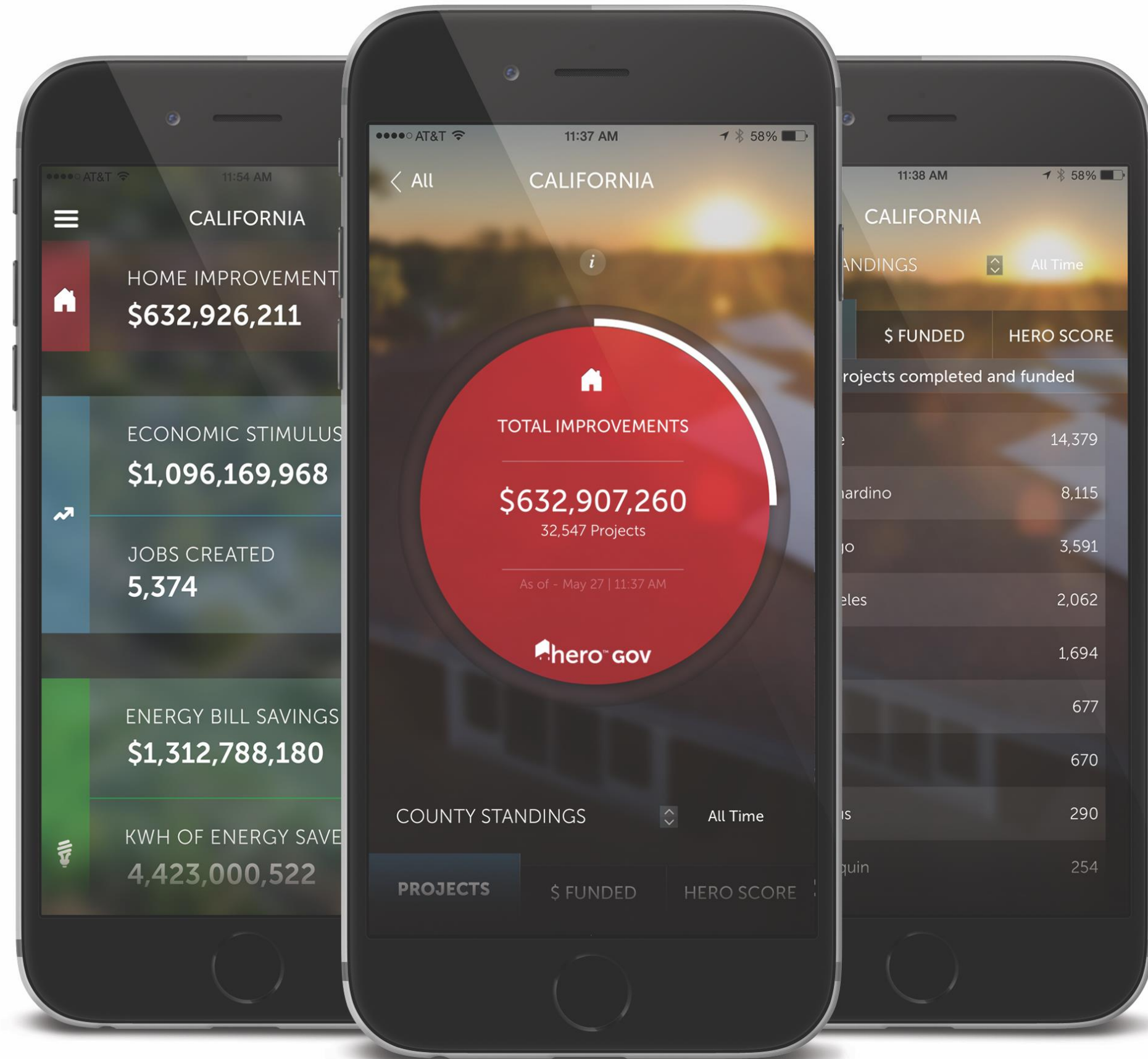
Governments Looking for Partners

- Public-Private Partnership a Real Need
- Challenges at local, state and federal levels becoming more complex, nuanced
- Public dollars no longer the solution
- Governments accountable to show real results in real time
- Public sector looking for partners who:
 - Offer infrastructure
 - Create efficiencies and are resource multipliers
 - Are committed to upholding the public trust
 - Have the sophistication and capacity to do so



Solutions Demand Real Time Data

- Community Impact
- Project Types
- Active Contractors
- New Job Creation
- CO² Reduction
- Economic Impact



The Premium of Working in the Public Trust

HERO provides the most comprehensive consumer protections in the industry

Consumer Protection		Other Financing Options
Energy Efficient Product Verification	✓	✗
Contractor Requirements	✓	✗
Fair Pricing Requirements	✓	✗
Permit Requirements	✓	✗
Funding Provided Only Upon Successful Completion of Project and Homeowner Sign Off	✓	✗
Pre- and Post-Funding Dispute Resolution	✓	✗
Protections for Seniors	✓	✗

Rigorous Program and Underwriting Standards Lead to Strong Performance

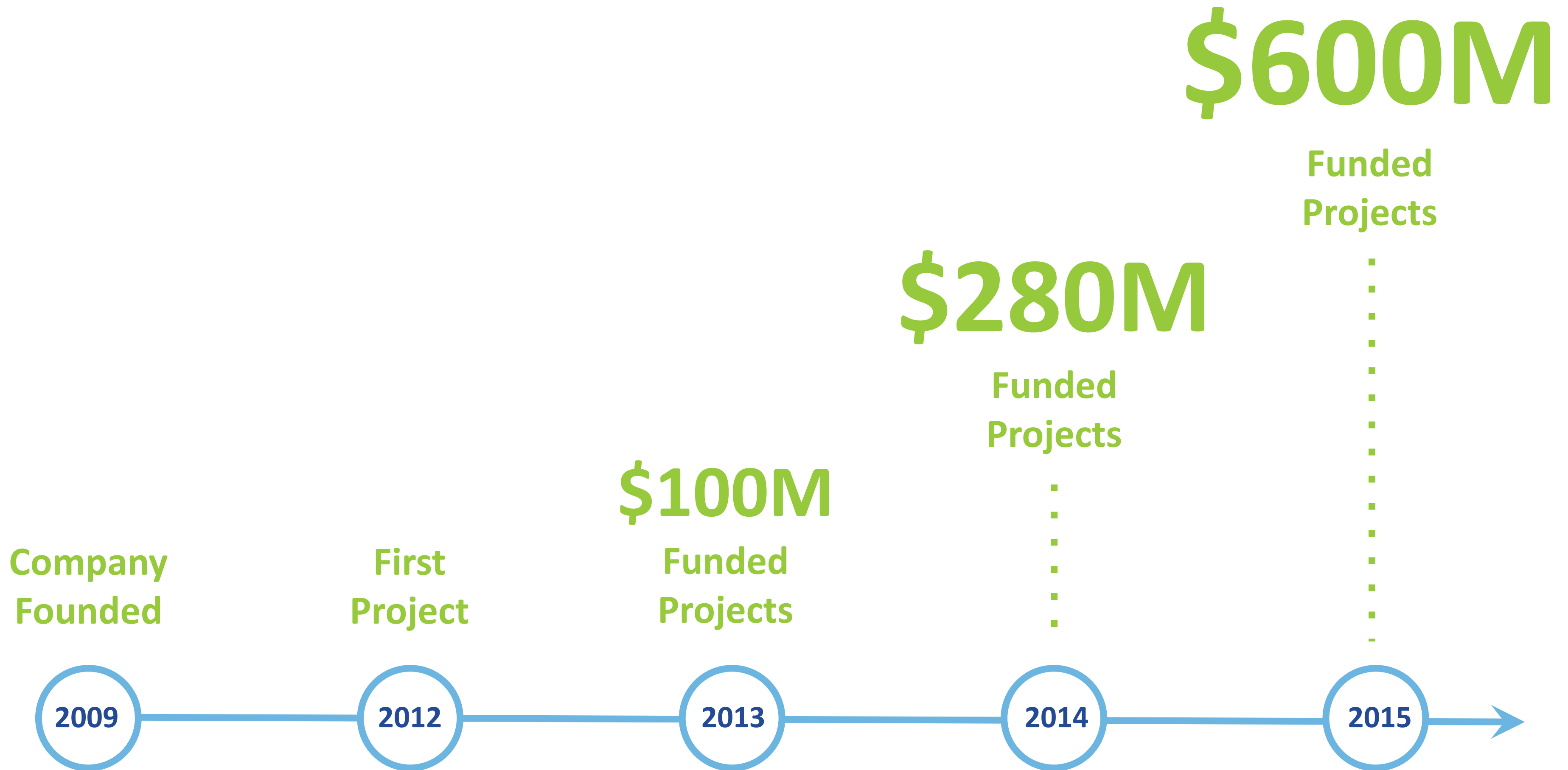
- Contractor, product, pricing and permitting requirements
- Term \leq useful life of asset
- All assessments are fully amortizing
- Maximum 90% loan-to-value ratio
- Current on property taxes (and no more than one late over last 3 years)
- Current on mortgage (and no more than one 30 day late for last 12 months)
- No bankruptcy for last 7 years
- No involuntary liens on property
- \$5,000 minimum financing; maximum financing is 15% of property value
- Clear disclosures on terms and fees



- No bond delinquencies
- Average FICO = 720
- Average LTV < 70%
- An overwhelming majority of participants would recommend HERO to a friend

Unlocking the Platform

Our platform has been adopted more quickly than any other home improvement financing solution



Generating Demand

60,000 approved applications for \$3.0 Billion

~76% California households can participate in the Program – 32 Counties, ~10.6 Million households

32,450 completed residential projects

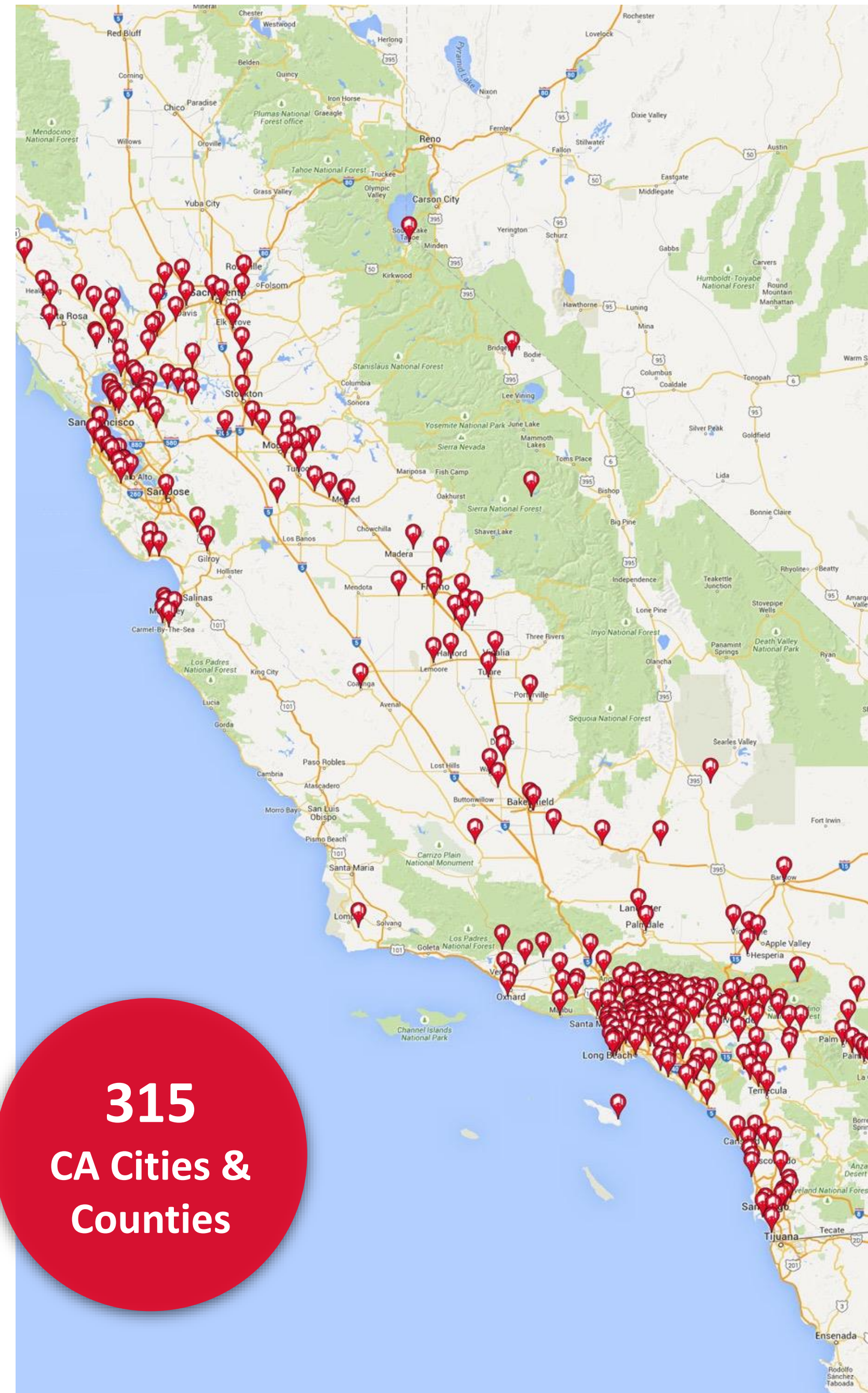
\$630 Million funded in upgrades

5,360 local jobs created

\$1.1 Billion in annual economic impact

1.2 Million tons of abated CO₂ emissions

\$1.3 Billion in utility bill savings



315
CA Cities & Counties

Evolving Policy Landscape = Demand for Solutions

- Drought in the West
 - Governor Brown Orders Mandatory 25% Reductions in Usage
 - Municipalities Need New Solutions / Working Models
 - Obama Administration Engaged in Developing a Whole Government Response
- Clean Air Act – 111d
 - Mandated Emissions Reductions
 - Must Increase Energy Efficient and Renewable Adoption Rates
- Economic Recovery Steady but Sustainable Growth is Needed
 - New Job Creation Still a Concern
 - Construction Jobs Were Hit Hard
 - Green Jobs Still Desirable

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