



ACEEE Energy Efficiency Financing Forum
24 May 2016

INNOVATIVE PATHWAYS TO A 'GREEN BANK'

Jeremy Kalin, CEO Eutectics™

Eutectics®

- Mission-driven company
- Operate Clean Energy Financing Hubs across U.S.
- Facilitate efficiency and solar financing for underserved and untapped markets
- \$86M + in completed projects to date



The Big Idea:

1. Clean Energy is Economic Development.



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2. Private capital can be mobilized for the public good.

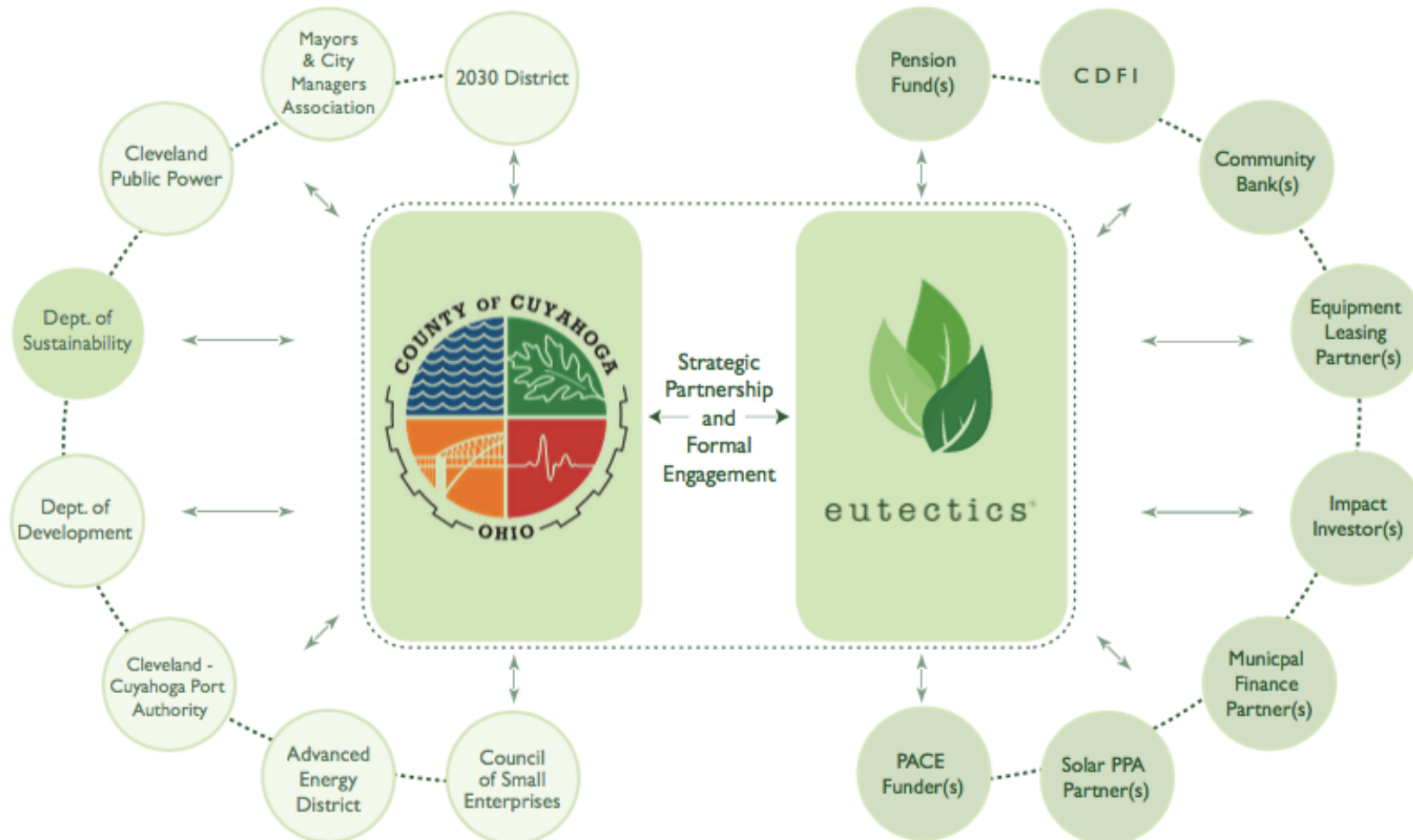


The Big Idea:

1. Clean Energy is Economic Development.
2. Private capital can be mobilized for the public good.
3. Underserved markets can implement 'green banks' at little cost and little risk.



Eutectics[®] Clean Energy Financing Hubs



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A True Public-Private Partnership

A wide variety of capital partners are poised to invest in Hub communities, relying on Eutectics' expertise to build new and easier paths to invest in smart clean energy projects on the ground.



Extend Impact of Public Funds

Public dollars can be leverage by private capital at least 8:1 to ensure wide access and achieve broader scale.

Community-wide Solar and Efficiency

The Clean Energy Finance Hub prequalifies advantageous pricing and easy-to-access funding options for business, organizations and individuals to "go green."



Focused on Results

Eutectics' Clean Energy Financing Hub is built as a pay-for-performance model with little or no ongoing host funds required. Eutectics succeeds only if the Hub succeeds.



Committed to High-Road Standards

Eutectics believes that clean energy development should advance the public good in all ways, including well-paying jobs, transparent process, and engagement with disadvantaged communities.



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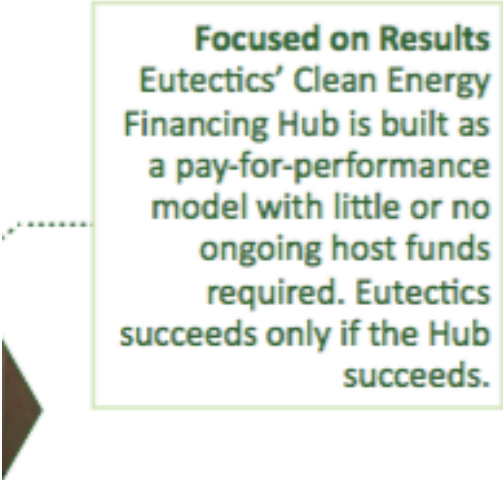
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Underserved and untapped markets:

<p>Public Buildings</p>	<p>a. Efficiency projects under \$2.5M b. Rooftop solar under 50kW</p>	<p>Energy Services Companies (ESCOs) have focused on larger efficiency projects, where engineering costs can be spread out over larger projects with higher profits. The Hub includes prequalified public building financing options for smaller efficiency and solar projects for the area's many public buildings and local governments.</p>
<p>Small and Medium Enterprises</p>	<p>a. Small "Main Street" Businesses b. Nonprofit organizations c. Faith-based organizations.</p>	<p>Smaller organizations can benefit most from energy savings projects, but face credit challenges and require technical assistance that can sometimes be out of reach. The Hub incorporates multiple SME financing options adaptable to Montana entities.</p>
<p>Affordable Housing</p>	<p>a. Public Housing multifamily properties b. LIHTC multifamily properties c. Privately-held, Section-8-eligible properties</p>	<p>The affordable housing market continues to be the largest underserved energy efficiency market in the country, due to complexities, credit challenges and funding constraints. Hub strategies for this sector are detailed in the next slide.</p>
<p>Large Commercial</p>	<p>a. Commercial Office Building b. Anchor Institutions</p>	<p>Owners of larger properties frequently self-finance efficiency projects, limiting upgrades to low-hanging fruit. Innovative finance structures are helping unlock substantial savings for these building types - but they require significant work as "owner representatives," a core service of the Hub.</p>
<p>Single-Family Residential</p>	<p>a. Low- and Moderate-Income b. Non-income constrained</p>	<p>The very small dollar amount of each project requires an efficient financing platform and a smart community-wide outreach effort. The Hub's public-private partnership model can ensure an effective Single-Family Residential program aligned with consumer protection.</p>

Underserved and untapped markets:

Public Buildings
Small and Medium Enterprises
Affordable Housing
Large Commercial
Single-Family Residential

Affordable housing at a glance:

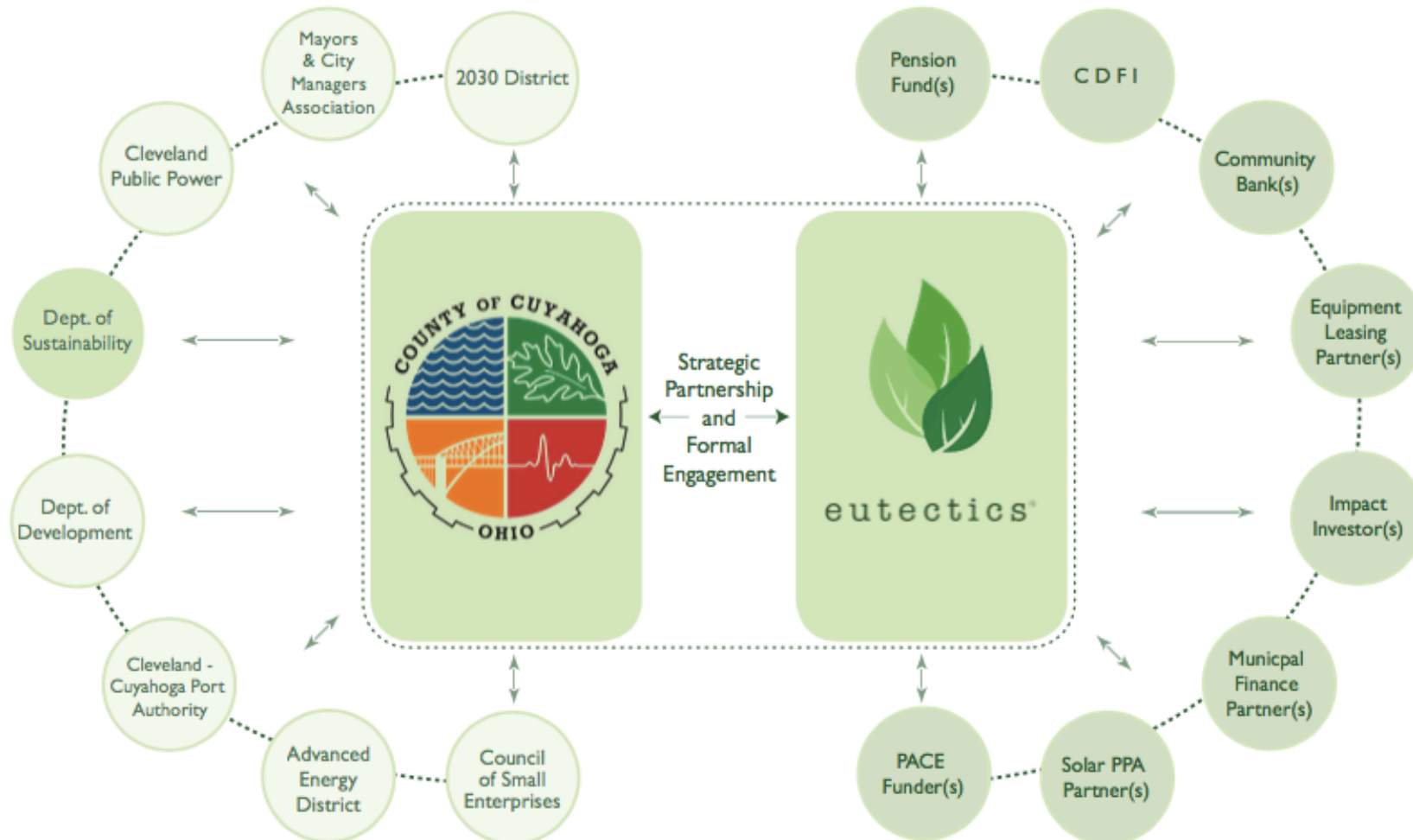
- 27 million low-income Americans live in rental housing;
- Largest low-income housing type is multifamily apartments;
- Multifamily renters spend 38% more on energy per sq. ft. than single-family homeowners, and
- Lowest-income families' utility bills are 10x that of middle-income peers, as a percentage of annual income.

While affordable housing represents the largest underserved energy efficiency market in the country, owners and tenants have been stymied by several structural barriers, including:

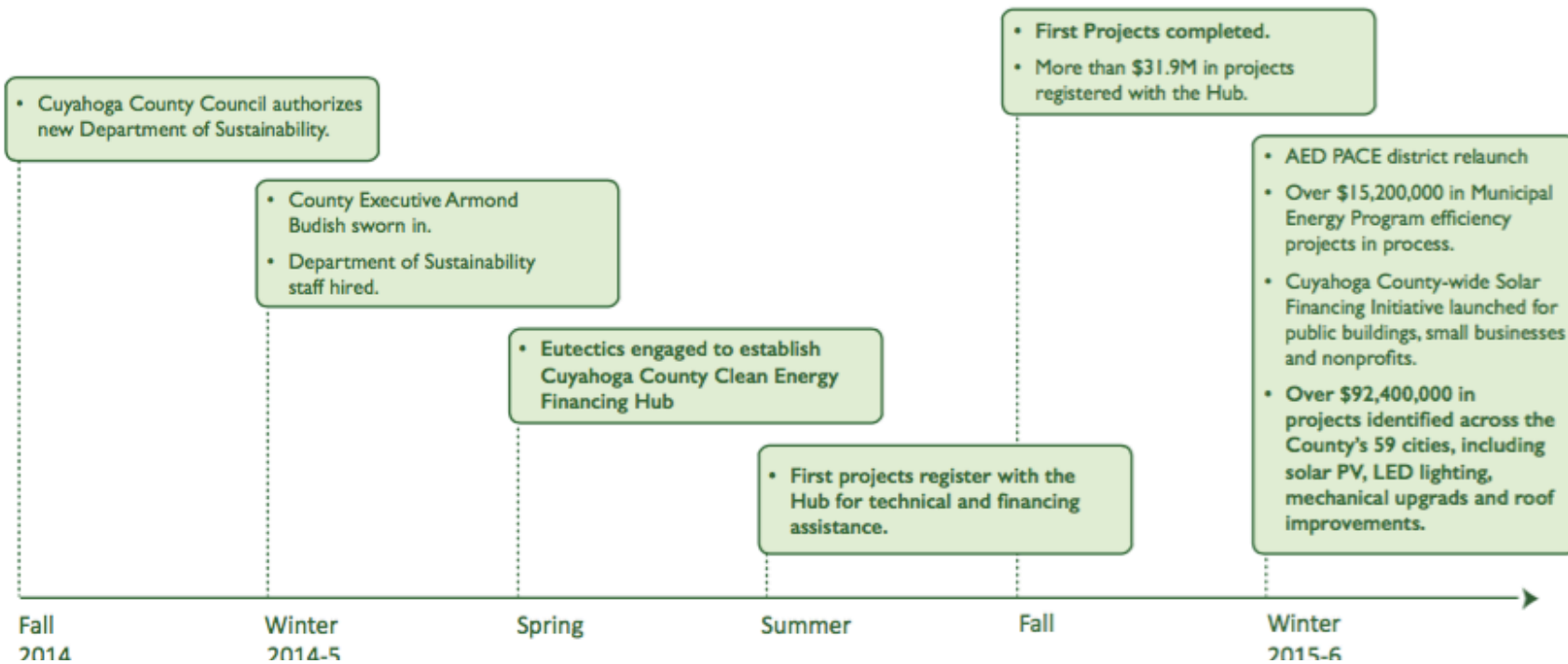
- "Split incentive" between owners and tenants;
- Complex regulatory challenges, including Low Income Housing Tax Credit requirements and other covenants;
- Conservative underwriting by mortgage holders, and
- Lengthy project evaluation and development timelines.

The Clean Energy Financing Hub brings Eutectics' deep learning and success in efficiency and solar financing for affordable housing – including Property Assessed Clean Energy (PACE); On Bill Financing; solar leasing, and more. Further, the Hub brings committed capital partners who have proven their commitment to affordable housing solar and energy efficiency improvements.

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