

Achieving Scale in Commercial PACE



Passion to Perform

Deutsche Bank Securities Inc., a subsidiary of Deutsche Bank AG, conducts investment banking and securities activities in the United States.

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- Over \$2.7 trillion in assets
- Over 3,000 offices in 72 countries employing approximately 100,000 people worldwide
- Sustainability is part of our core business
- In 2012, DB eliminated its global carbon footprint and in aggregate, all DB offices operate on carbon-neutral basis
 - 37 buildings worldwide that are Silver, Gold or Platinum LEED certified
- 60 Wall Street, DB's U.S. headquarters, boasted the highest elevated PV flat panel array in the world at installation in 2012 (737 ft.)

Alliance**NRG**
Program™



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Who is the “Salesforce”

- Many different groups are championing PACE for commercial projects:
 - Contractors
 - Project Developers
 - Energy Auditor
- Coordination of efforts/message; uniformity of offering

Does PACE have a role in the capital stack?

- Commercial properties are tremendously diverse and offer diverse ownership structures and capital structures that need to be evaluated
- Interaction with senior lenders; securitized mortgages; Similar underwriting process, cashflow benefit; understanding of assessment dynamic
- PACE can offer unique benefits that need to be demonstrated in the specific context of the property owner; selling points for multifamily different than for office or hotel

Efficiency, Efficiency, Efficiency

- A major factor increasing the adoption of commercial PACE is improving the process
 - Defined timelines for approval/underwriting/closing
 - Frequent and dependable closings (like residential)
 - Streamline process requirements and costs
 - Cannot be viewed and increasing the sales cycle for contractors

Small Commercial Opportunity

- Significant untapped market of small commercial efficiency/renewable energy projects
- Smaller project sizes cannot handle upfront costs associated with large-scale commercial PACE platforms
- Small businesses do not have access to typical commercial funding sources
- Combined residential/commercial funding platform can meet the needs of this underserved market segment