



HBC
ENERGY CAPITAL

Finance Implementation for Energy Efficiency

The Back Story (1)

- Lack of Capital is a primary barrier in the majority of instances when EE projects don't move forward. (JCI)
 - Insufficient budget
 - Inability to allocate budget (capital budget trap)
- And yes, good financing could fix solve that problem

The Back Story (2)

- But most *contractors* don't know have access to financing for their customers - and are nervous about even discussing finance options.
- It's a rare *financial institution* that really understands the opportunities and risks involved in financing EE.
- And most *utilities* are uncertain about how to integrate financing in to their customer EE offerings.

Our Solution

- We formed HBC Energy Capital to fix the disconnect.
- We:
 - Created partner agreements with financial institutions who will fund EE in all markets, from the smallest to the largest project sizes, and for commercial to tax exempt leases, to service agreements to commercial PACE.
 - Partner with utilities who interested in offering financing but don't want to be lenders. All they want is to give their customers another tool in their toolbox to get projects done.
 - Support contractors who want to offer financing to their customers. We are their one-stop finance team.



We Make it Easy

- We make it **easy** for everyone. That means we:
 - Review the contractor's audit report showing energy savings, rebates, project costs and come up with a cash flow positive indicative finance offer.
 - Pre-vet the projects that financial institutions actually want to fund before submitting them for underwriting.
 - Integrate deeply with program implementers and utilities, providing a single offer to customers, and all required reporting for the utilities.
 - Manage all document intake and distribution, providing a on-stop financing solution for contractors, utilities and financial institutions to interact with.

A One Stop Shop Solution

Customized Financing Solutions
For Your Clean Energy Projects.

Decades of experience, low rates, and cutting edge financial products that close the deal on your clean energy project.

[GET STARTED NOW](#)

[LEARN MORE ABOUT HBC ENERGY CAPITAL](#)



*We connect projects to the **right** lenders*



Benefits to Contractors

- Custom financing for projects without the hassle
- *Get more projects to cash flow*
- Progress payments available
- Fast ACH (electronic) payments upon project completion
- No cost to offer financing

Benefits to Financial Institutions

- Deal Flow: We feed projects to financial institutions.
- Deal Quality: We deliver pre-vetted deals to financial institutions based on their desired project size, credit risk, technology tolerance and other factors.
- We deal with contractors and all their questions about financing. Financial institutions don't have to take calls directly from contractors.

Benefits to Utilities

- We make it possible and we make it easy to offer financing. But utilities don't have to originate, service or fund loans - they are not lenders.
- We integrate directly with either the utility or utility program implementers to offer financing as part of the overall efficiency program.
- We coordinate all the reporting, so utilities can meet their compliance requirements with regulators.

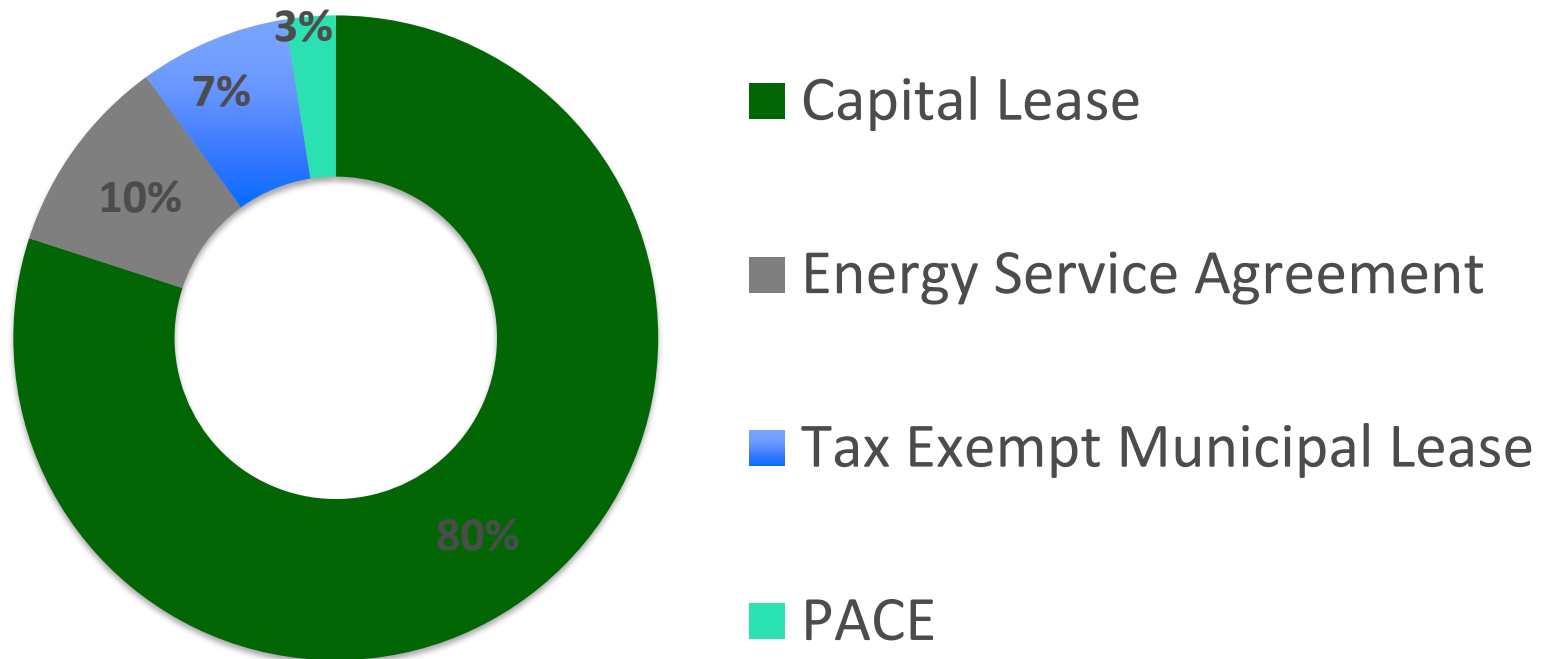
What Does HBC Energy Capital Finance?

- Project Sizes:
 - \$1,000 - \$multi million
- Terms:
 - From 1-12 years
 - Up to 20 years in some cases
 - Rates starting at 3%
- Technologies:
 - Efficiency, some Distributed Generation
- Instruments:
 - Capital Equipment and Tax Exempt Municipal Leases
 - Service Agreements
 - Property Assessed Clean Energy (PACE)



Financing Instruments

Relative Use of Financial Instruments

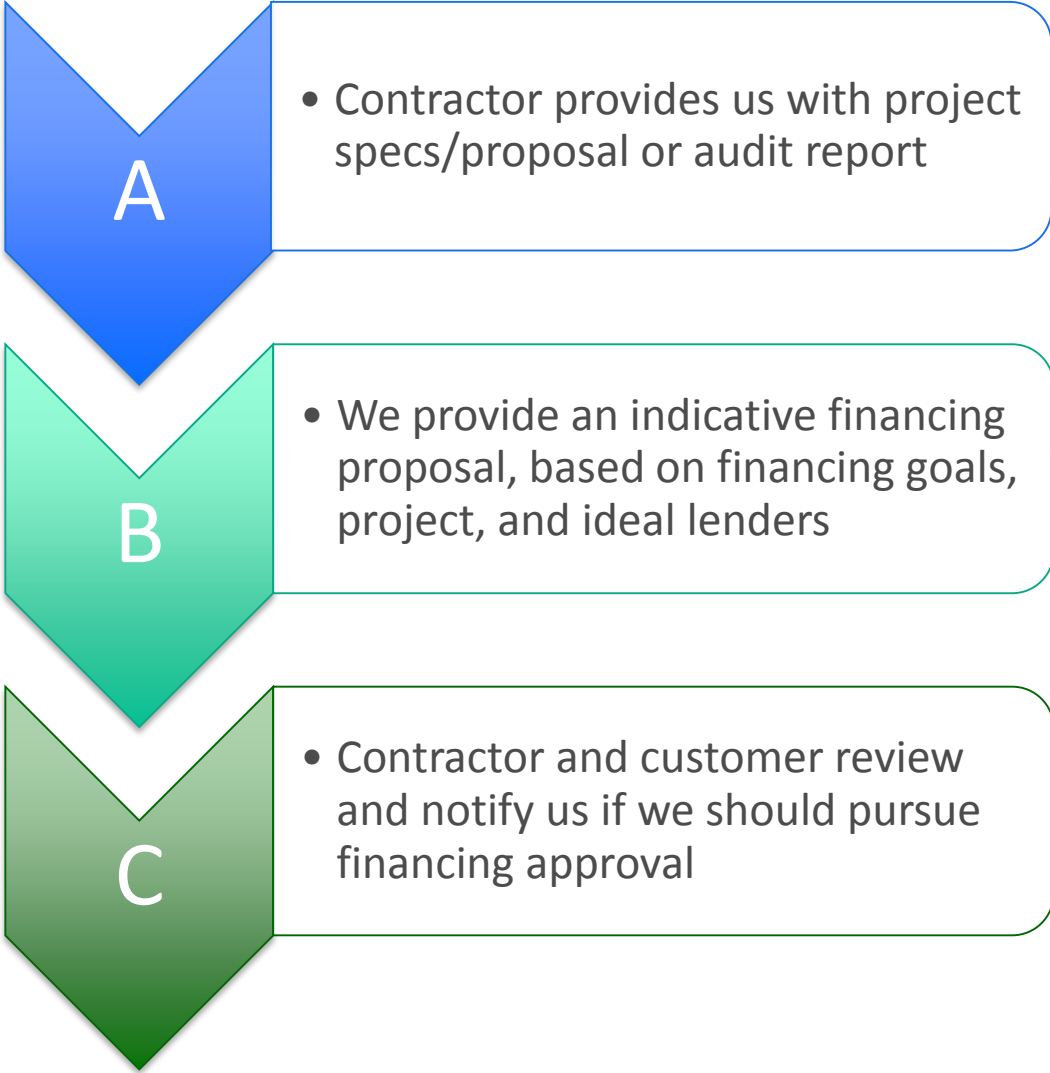


But we see increasing interest in Service Agreements

User Experience, Step 1



Match



2 Business days



Indicative Financial Quotation Prepared For: Your Customer, LLC

| Project Summary | \$ Financing Metrics | |
|--|--------------------------|-----------------|
| xxxxx of xxxxx has engaged HBC Energy Capital to procure low cost financing for your project. The figures on this sheet explain the payments and savings calculated specifically for your project. If you are interested in moving forward with this offer, let us know and we will submit your project for financing approval. Please note: indicative quotation amounts are subject to credit review; interest rates and final payment amounts may vary. | Project Cost | \$74,000 |
| | Utility Incentive | \$13,000 |
| | Net Financed | \$61,000 |

| \$ Project Savings Metrics | | |
|------------------------------|------------------|--|
| Annual Savings | \$26,000 | <i>Energy Cost Savings</i> |
| Ten Year Savings | \$260,000 | <i>Energy Cost Savings</i> |
| 6 Month Cost of Delay | \$13,000 | <i>Last Energy Cost Savings From Waiting 6 Months to Install Project</i> |

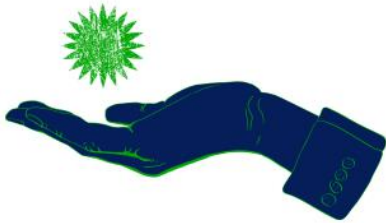
| \$ Project Financing Estimates | | | |
|--------------------------------|-----------------|-----------------|-----------------------|
| Term | Monthly Savings | Monthly Payment | Net Monthly Cash Flow |
| 2 years | \$2,167 | \$2,966 | -\$800 |
| Term | Monthly Savings | Monthly Payment | Net Monthly Cash Flow |
| 3 years | \$2,167 | \$2,032 | \$135 |
| Term | Monthly Savings | Monthly Payment | Net Monthly Cash Flow |
| 4 years | \$2,167 | \$1,564 | \$602 |

| Next Steps | | Questions? Call HBC Energy Capital (720) 724-7673 to discuss your financing options today. |
|--|---|---|
| <input type="checkbox"/> Step 1 | Review indicative quote- notify HBC Energy Capital if you want to move forward with this offer | |
| <input type="checkbox"/> Step 2 | HBC Energy Capital will notify you of a credit decision or the need for additional information required to get you approved | |
| <input type="checkbox"/> Step 3 | Receive notification of financing approval, sign closing docs, and begin equipment installation | |

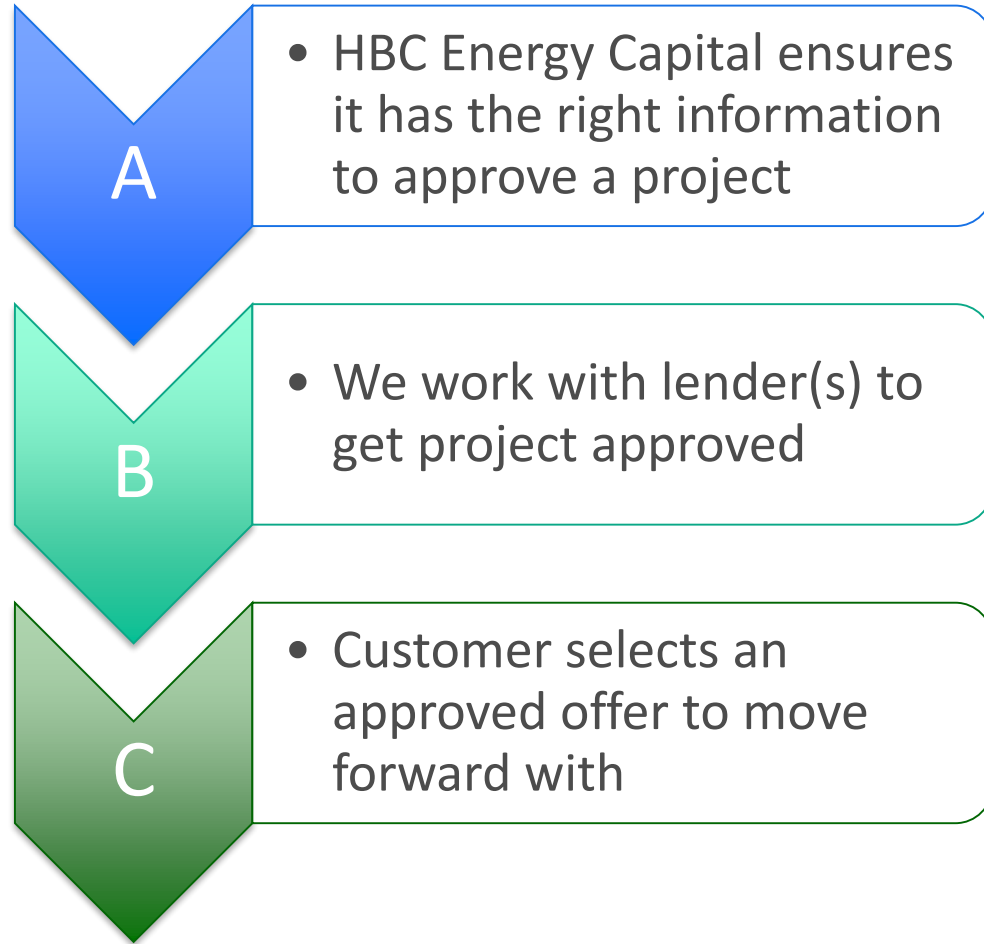
What we need for approval (Capital Equipment Lease)

| Project size | Usually | In Some Cases |
|--------------------|--|--|
| \$0-\$50,000 | <ul style="list-style-type: none"> • Address • Owner Name • Legal Business Name • Project Info | <ul style="list-style-type: none"> • SSN and Owner personal address (for personal guarantee) • Years in Business • # of Employees |
| \$50,000-\$250,000 | <ul style="list-style-type: none"> • 1 Page application | <ul style="list-style-type: none"> • 2 years financials and tax returns • Personal Guarantee |
| \$250,000+ | <ul style="list-style-type: none"> • 2 years financials • previous 2 tax returns | <ul style="list-style-type: none"> • Personal Guarantee |

User Experience, Step 2



Offer

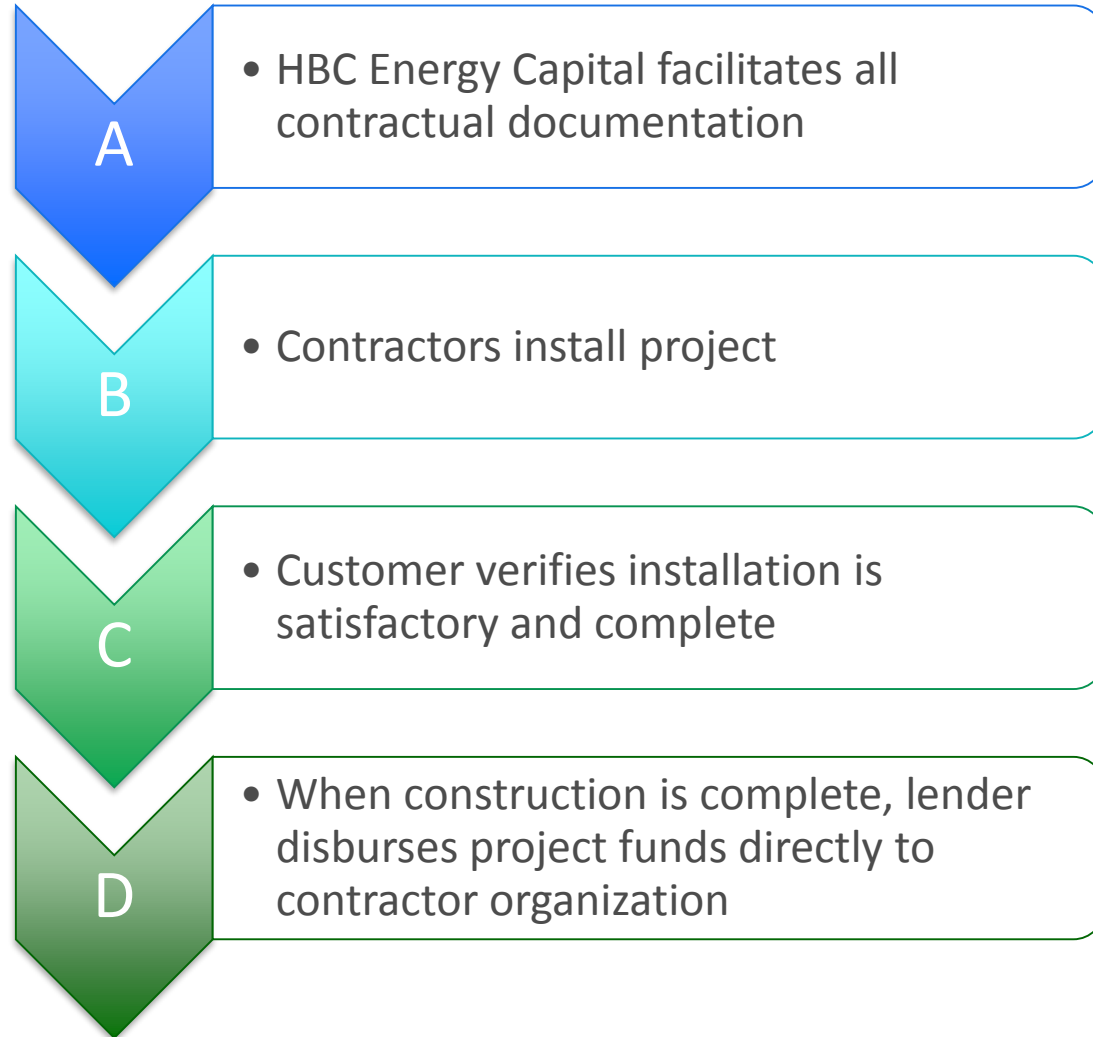


} 2 Business Days

User Experience, Step 3



Support



} 2 business days

Then What?

- Customer makes payments to the finance institution throughout the term
- For a lease, at end of term once financing is fully amortized, \$1 "buyout" is paid to lender
- For a service agreement, customer has option for equipment to be removed, to renew the lease, or to purchase the equipment