



Elizabeth Galante,
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**Energy Efficiency Financing for Low- and
Moderate-Income Households:
The Case for a Solar + Efficiency Solution**

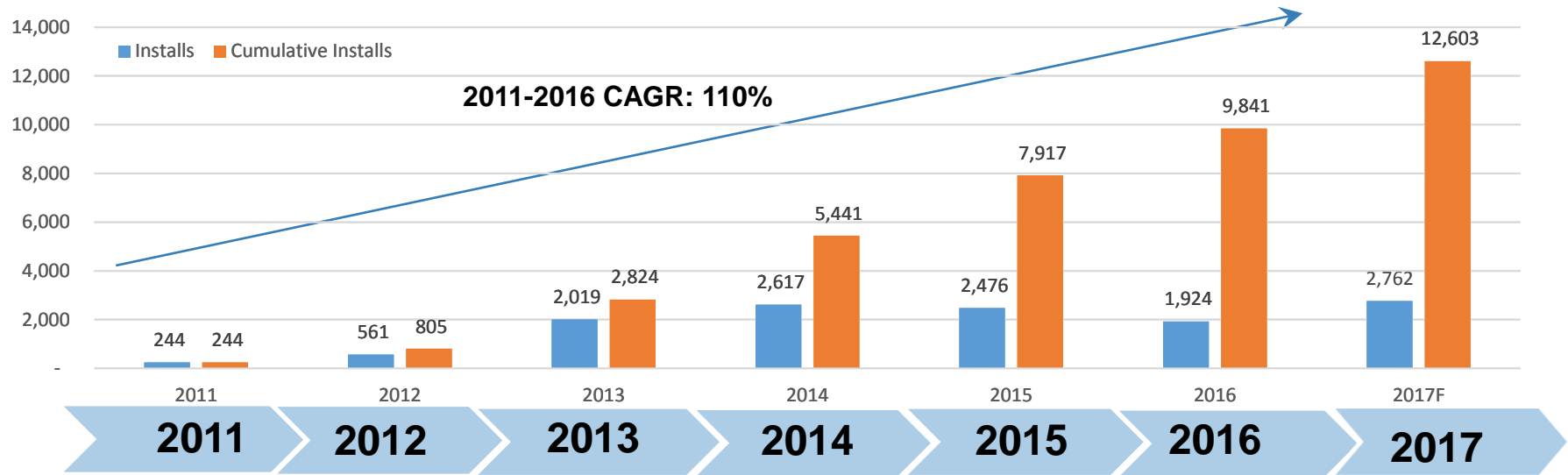
May 23, 2017

About PosiGen | Our Story

- Founded in New Orleans in 2011 with a mission to extend the benefits of solar energy and energy efficiency to low-to-moderate income (“LMI”) families nationwide, in a profitable and sustainable manner.
- Customers screened based on home ownership and utility bill history, not on FICO score, enabling a population that traditionally has been ignored by the solar community, and underserved or poorly served by most energy efficiency programs, to access the benefits of clean energy.
- Energy efficiency upgrades are fully financed in concert with the solar lease, improving the comfort and efficiency of the customer’s home and reducing energy bills with no up front cost, generating meaningful long-term savings to these customers.
- PosiGen styles itself as the “Southwest of Solar” by offering PV size standardization & harvesting available EE incentives to drive down costs, while offering our customers fixed monthly payments and 100% of energy bill savings.

Over the last five years, PosiGen has helped over 10,000 families

PosiGen's Operating History



PosiGen Founded

- Founded as a marketing and origination business using a 3rd party integrator
- Becomes an integrator & launches EE program
- Reaches 100 installs per week capacity by 12/13

History of value and values

Geographic Expansion

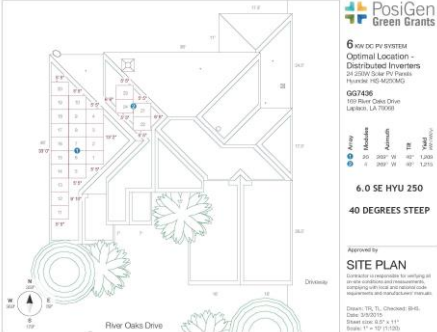
- Expanded to CT, NY, and FL
- Named Fastest Growing Solar Company in America by Inc. 500

Solidifying the Business

- Focus on tuning the organization and improving operational efficiency
- Refocus on traditional community-based sales and marketing strategy
- Growth into new markets

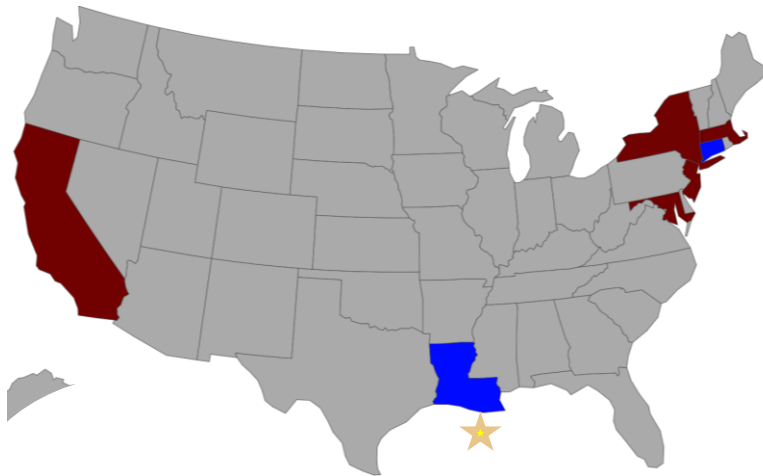
Operational Efficiency | Focus on Standardization

The “Southwest” of Solar:



Standard design, kits , tools and training lead to safe, high quality, low cost installs and happy customers.

PosiGen | Markets



PosiGen currently has over 57MW of installed nameplate capacity

Louisiana – 8,297 total installations, 2017 projected – 1,418

Connecticut – 655 total installations, 2017 projected – 1,062

New York – 382 total installations

New Markets (NJ, IL, MD, CA) – PosiGen has plans to expand into additional states in 2017 and beyond

- High energy spend by cohort
- Favorable local process and incentive
- High density of LMI cohort
- Appropriate building stock/age
- Little Competition for our customers

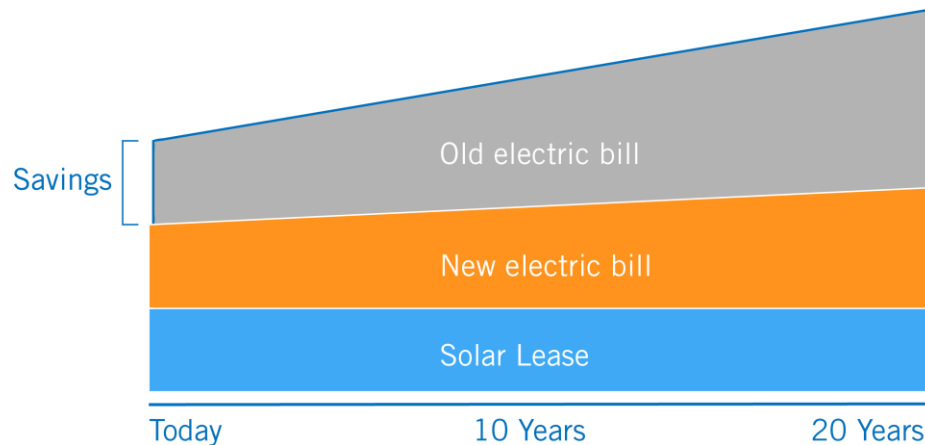
Prioritizing smart growth

Our Customers | LMI, not Sub-Prime

- Homeowners' average credit score is 55 points higher than non-homeowners.
(*Experian Study*)
- LMI mortgages out perform sub-prime mortgages of much more affluent households.
(*UNC Study*)
- The default risk of LMI loans is three times lower than sub-prime loans made to similar borrowers.
(*UNC Study*)
- Customers with recurring electronic funds transfer are 13-15% less likely to churn.
(*Qwset Study*)

Underwriting for low risk, NOT FICO

SAVINGS | Customer Value Proposition



\$420

Average savings with Solar and Energy Efficiency.

A Powerful Combination

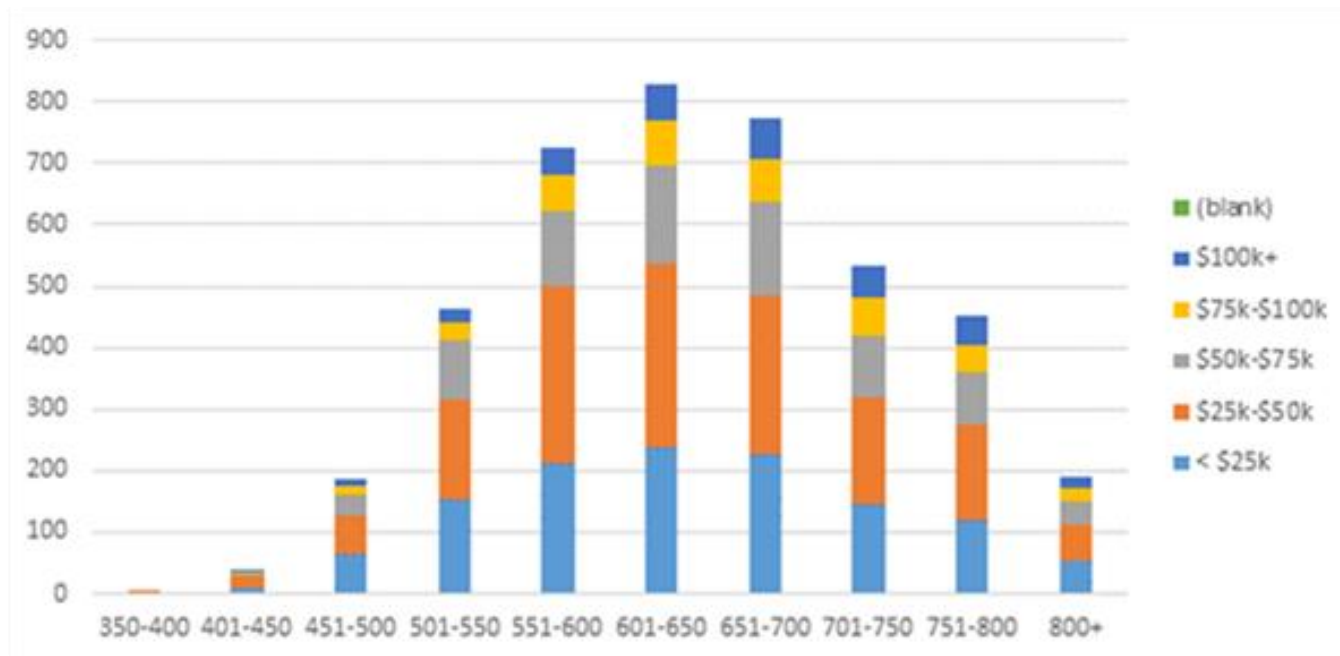
PosiGen provides 50% more savings than solar-only products. The Company's best-in-class installation cost allows them to perform additional energy efficiency upgrades at the same cost a solar-only project

MAKE POWER + SAVE POWER | May 2017

Selling savings our customers can FEEL

PosiGen Customers: Income to FICO Score

- Focused on serving LMI homeowner sector, which is 50%+ of the 16.6 million single family, solar eligible homes
- 73% of PosiGen installs are located in census tracts with an Area Median Family Income (AMI) at or below 120%
- Disconnect between income and credit score that should disrupt traditional financed clean energy offerings over time



PosiGen + Connecticut Green Bank

- **Energy Costs in Connecticut**
- Among the highest energy costs in the country
- Businesses and residents spend \$8.1 billion to heat, cool, light and provide hot water – more than the state’s budget for health care or education
- More than half of CT low income residents suffer a **high energy cost burden** (>10% of income)
- “Energy Affordability Gap” ranges from \$1,250 to \$2,500 *per year*

Focus on LMI Market Segment

Home

(New Haven – Oil Heat)



\$59,250 HHI
High Energy Costs

**High
Energy Burden**



Solar PV (Lease)



\$55 to \$100/month Lease
Solar \$ Savings

**Moderate
Energy Burden**



Energy Efficiency (ESA)



\$10/month ESA
Energy Savings

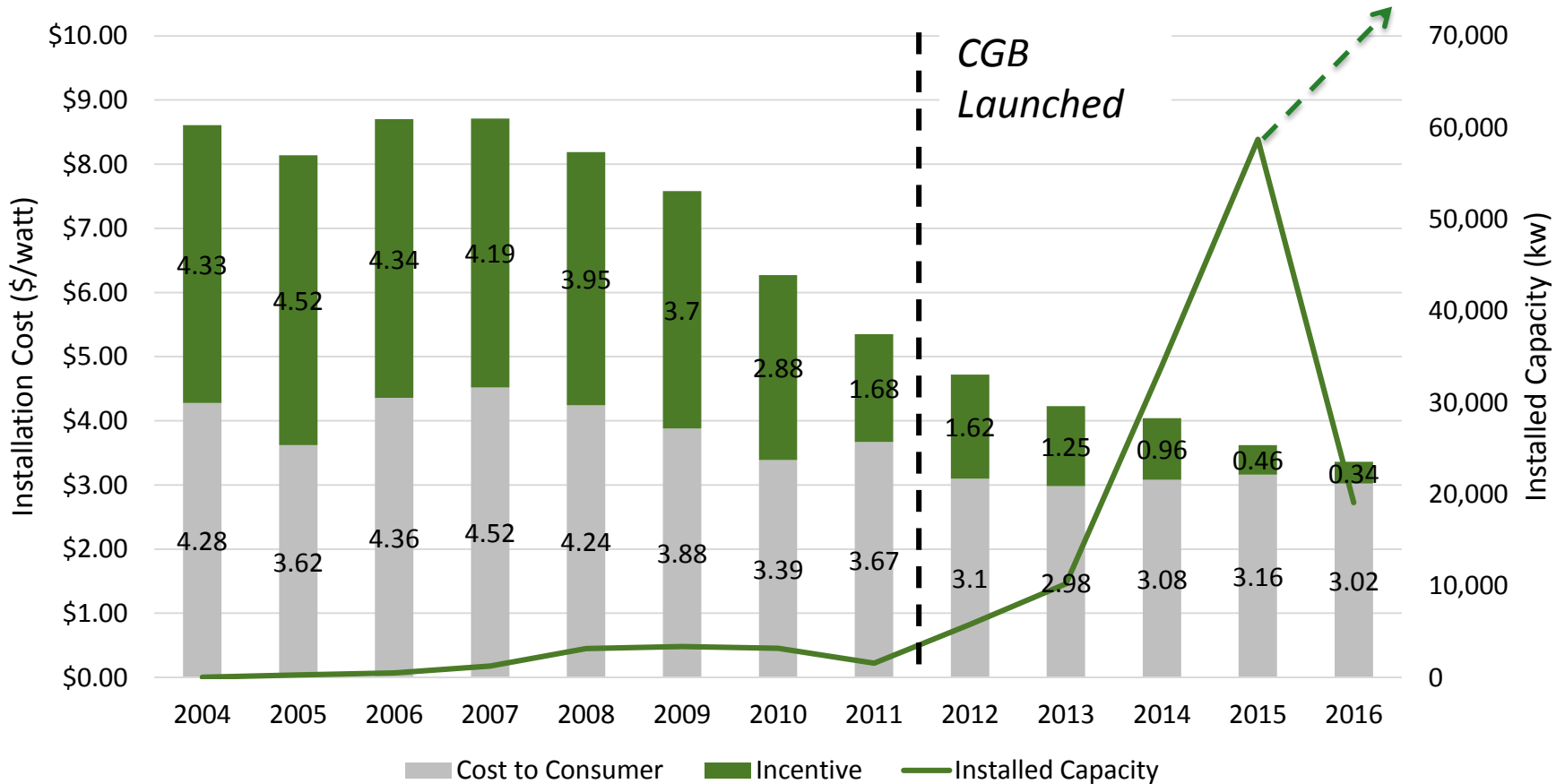
<<Additional Savings>>
Solar + EE \$ savings



**Reasonable
Energy Burden**

Residential Solar PV in CT

Costs and Installed Capacity



REFERENCES

Residential Solar Investment Program (RSIP) Market Watch Report of April 15, 2016

CT Green Bank Partnership: Solar For All

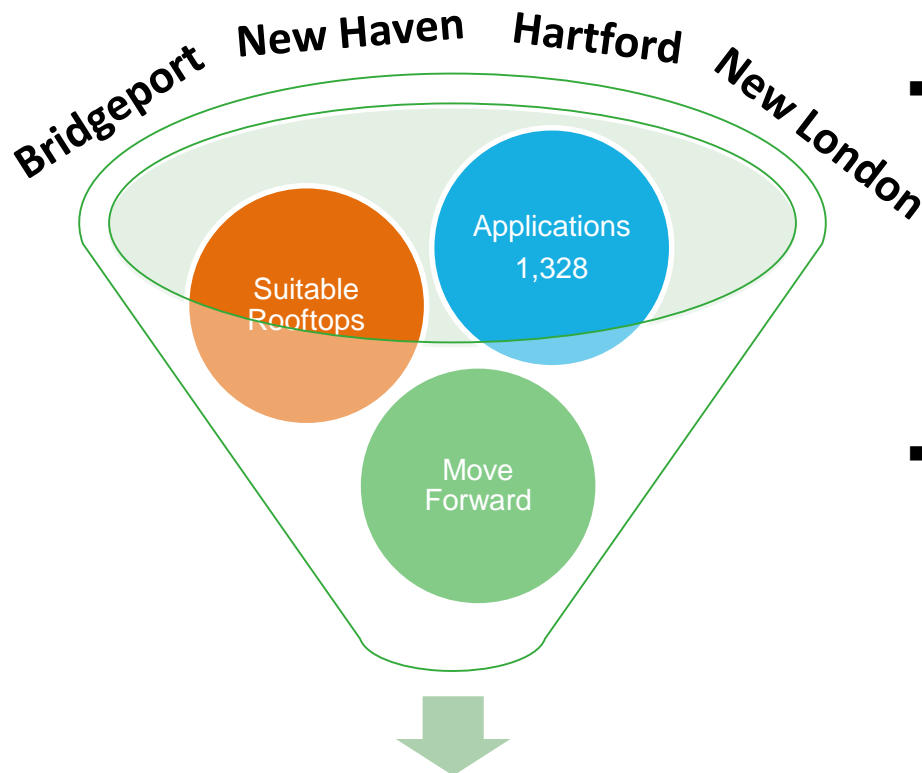
- All Connecticut homeowners with solar-feasible roofs qualify
- Customers pay \$70/month for a 6 kw system for a fixed term 240-month lease
- Lease payment includes installation costs, insurance, maintenance, repairs, monitoring, and replacement of inverter
- For customers that choose energy efficiency upgrades, \$10/month for 240 months & PosiGen guarantees net savings in the 1st year of the lease
- No minimum credit score, income, or debt to income ratio
- No down payment, balloon payment, interest or escalator

PosiGen: Energy Efficiency Results

- Average total savings for homeowners who enter Energy Savings Agreement (ESA): 25 mmbtu
- Average lifetime Savings to Investment Ratio of ESA: 1.76
- Total estimated savings from Energy Efficiency to date: 11,335 mmbtu

PosiGen

Solar for All Campaign



Installations **In Process**
 835/5.8 MW 493/3.4 MW



- **Target** – 1,000 participating households for 6.00 MW of solar PV deployment
- **Solar PV Progress** – 835 installations in 17 months for 5.8 MW of solar PV deployment
 - ✓ \$55-\$100 solar PV lease payment/month for 20 years
 - ✓ 71% of contracts are LMI*
 - ✓ 63% of customers move forward (suitable)
- **Energy Efficiency Progress**
 - ✓ 99.9 % of households installing solar PV undertake Direct Install EE measures
 - ✓ 66% of households also undertake “deeper” energy efficiency projects * (e.g., insulation, thermostats, etc.) through \$10 ESA payment/month for 20 years

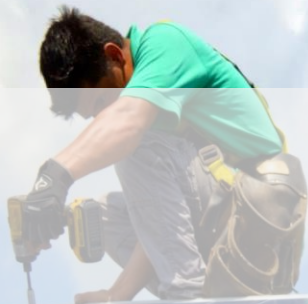


- **Jobs** – 62 current CT based Employees

* Based on most recent data through January 20017



Solar Energy and Energy Efficiency

A worker in a green shirt and grey pants is kneeling on a roof, using a power drill to install solar panels. The background shows a blue sky with white clouds.

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