

ACEE Market Transformation: Infrastructure – Public Finance Roles

Renaissance Capital View Hotel

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Pennsylvania Treasury Investment Models

- PA Treasury is a public investor
- Very different role than played by a program agency, or program administrator
- Our statutory obligation: perform as a prudent investor would
- Can impact investing also be prudent investing?
- Our recurring challenge

Creating Keystone HELP

- Pa Treasury residential energy efficiency investment started in 2006
- Goals: generate market rate returns (prudence) while still offering best in market interest rates to homeowner borrowers (impact)
- PA Treasury served as sole capital investor
- Solution – separate investor's risk exposure costs from cost of capital (including return)
- Initial and subsequent external credit enhancement funds
- Program Accomplishments

Keystone HELP Begets WHEEL

- We have met the enemy, and it is us (or it is our own loans)
- Necessity of new structure
- Evolution of the national financing facility (warehouse) and securitization model
- Need for entirely different credit enhancement approach
- PENNVEST to the rescue – infrastructure for all!

And Now For Something Entirely Different

- Treasury is the administrative sponsor of the Pennsylvania Sustainable Energy Finance program (PennSEF)
- PennSEF promotes MUSH sector guaranteed energy efficiency improvements
- PennSEF's innovative program advantages
- Financing component innovations
- Impact and prudence converge in the financing solution